Summary

This Newsletter discusses NSLDS changes implemented due to the Higher Education Reconciliation Act of 2005 (HERA) as well as 2007-2008 processing year enhancements to improve the financial aid community's ability to monitor federal student aid eligibility.

NSLDS implemented HERA requirements in two phases:

- Phase I changes were implemented on July 1, 2006, and were discussed in Newsletter #13.

- Phase II changes were implemented on December 31, 2006.

The first topics covered in this Newsletter will be Phase II HERA related changes. Secondly, ISIR and Transfer Student Monitoring /Financial Aid History (TSM/FAH) processes and batch file layout changes will be described. Finally, enhancements made to NSLDS, in general, will be discussed.

_____

HERA CHANGE
Fraud

Fraud Loan Status

NSLDS designated a new Loan Status Code for loans obtained by borrowers convicted of fraud in obtaining Title IV aid. Loan Status Code "FR" will be used by all data providers for all loan types.

Since persons convicted of fraudently obtaining Title IV aid are not eligible for additional aid until they repay, the "FR" Loan Status Code will have a high priority in the loan selection process for inclusion on the student's ISIR.   The updated sort order groupings used by NSLDS when determining which six loans will be reported on the ISIR will be discussed later in this Newsletter. Loans with a Loan Status Code of "FR" will also be reported on the ISIR with an NSLDS Loan Type Code of "F" for fraud.

Fraud Overpayment Indicator

NSLDS has made provisions for the reporting of Title IV grants fraudulently received by using the NSLDS Aid Overpayment web page.

When adding an aid overpayment due to fraud, select the type of aid and then select the "Fraud" Indicator.

Aid overpayments due to fraud that are reported using the aid overpayment indicator will generate a postscreened ISIR. The corresponding ISIR will identify each aid type with an "F' in the NSLDS Overpayment Flag. Both this and the postscreened reason codes discussed later in this Newsletter will help FAAs identify an applicant's ISIR whose eligibility is impacted by fraud.

Remember, there is no such thing as the making of satisfactory repayment arrangements for a loan or grant that was obtained fraudulently.

Fraud Icon

In addition to displaying the reported fraud status associated with each loan or grant, NSLDS will display a new Fraud warning icon on the NSLDSFAP Web site for each student with a loan or grant in a fraudulent status.

Additional guidance regarding when to place a loan or grant into fraudulent status will be provided at a later date by the Department of Education.

_____

HERA CHANGE

PLUS Graduate Borrower

Federal PLUS Loans for Graduate or Professional Students

As a result of HERA, graduate and professional students are eligible to borrow PLUS Loan funds under both the FFEL and Direct Loan programs. NSLDS has established two new Loan Type codes:

- GB – FFEL PLUS Graduate/Professional Loans
- D3 – Direct PLUS Graduate/Professional Loans

NSLDS began accepting and displaying these new Loan Type codes on the NSLDSFAP Web site in July 2006.

New for 2007-2008 ISIRs, NSLDS will no longer convert "GB" and "D3" Loan Type codes to PLUS loans type codes as it does for 2006-2007 ISIRs. For a complete description of the 2006-2007 conversion rules, please refer to NSLDS Newsletter #13. As of January 1, 2007, NSLDS started reporting all PLUS Graduate/Professional Loans to the Central Processing System (CPS) for ISIR purposes as they are displayed on the NSLDSFAP Web site. NSLDS also now displays both Loan Types "GB" and "D3" on TSM alerts and FAH requests for PLUS Graduate/Professional Loans.

NSLDS Loan History Web Page for Federal PLUS Graduate loans

As of January 1, 2007, a borrower's Aggregate Loan Information dynamically displays PLUS Graduate/Professional Loan information separately from PLUS Loans. The Aggregate Loan Outstanding Principal Balance amount will be the cumulative Outstanding Principal Balance of each individual PLUS Graduate Loan listed in the Loan Summary section.

|	
PLUS Graduate Borrower Cont.	**Loan History** **Aggregate Loan Information** 	Loan Type	Outstanding Principal Balance	Pending Disbursements	Total
---	---	---	---
Subsidized Loans	$17,125	$8,500	$25,625
Unsubsidized Loans	$0	$10,000	$10,000
Combined Loans	$17,125	$18,500	$35,625
Consolidation Loans, Unallocated	N/A		N/A
Perkins Loans	$2,000		$2,000
PLUS Loans	$1,250		$1,250
PLUS Graduate Loans	$12,500		$12,500 | Additionally, for Direct PLUS Graduate/Professional Loans, NSLDS displays Master Promissory Note (MPN) information. **Master Promissory Notes** | MPN Type	Code	PLUS Borrower
---	---	---
Direct Stafford	N	N/A
Direct PLUS Graduate	A	181-88-2004	 *Note: NSLDS does not receive FFEL MPN information*
HERA CHANGE **Postscreening changes**	**Postscreening Reason Codes** Changes to the status of a Direct Loan PLUS Graduate/Professional MPN or to a borrower's fraud status will generate a new ISIR through NSLDS Postscreening. The new Postscreening Reason Codes added for the 2007-2008 cycle are: • Reason Code 16 – Direct PLUS Graduate/Professional MPN status change - indicates that there has been a change to the status of a Direct Loan PLUS Graduate/Professional MPN. • Reason Code 17 – A student's loan or grant reported as fraud- indicates that the student has a loan or grant that went into a fraud status. • Reason Code 18 – A student's loan or grant no longer reported as fraud- indicates that the student has a loan or grant removed from a fraud status.

| **HERA CHANGE** **ACG and SMART Grants** | **Academic Competitive Grant (ACG) and National Science and Mathematics to Retain Talent (SMART) Grants** |

Academic Competitive Grant (ACG) and National Science and Mathematics to Retain Talent (SMART) Grants

Two new grants have been established as a result of HERA. The Common Origination and Disbursement (COD) system reports these grants to NSLDS on a daily basis. As data is provided to COD from schools, it is passed to NSLDS for display on the NSLDSFAP Web site and FAH batch files. Through the various output functions of NSLDS, this data will also be shared with other systems, such as CPS for ISIR data. COD began reporting the new ACG and National SMART Grants on December 18, 2006. 2006-2007 grant information began to appear on 2007-2008 ISIRs upon system start-up in January. Note that 2006-2007 ISIRs will not include any information about the new grant programs.

Updates to NSLDS Web Sites

To accommodate the ACG and National SMART Grants, NSLDS has enhanced both the Financial Aid Professionals (FAP) and the Student Access Web sites. Where appropriate, links and text labeled "Pell Grants" will be renamed to "Grants".
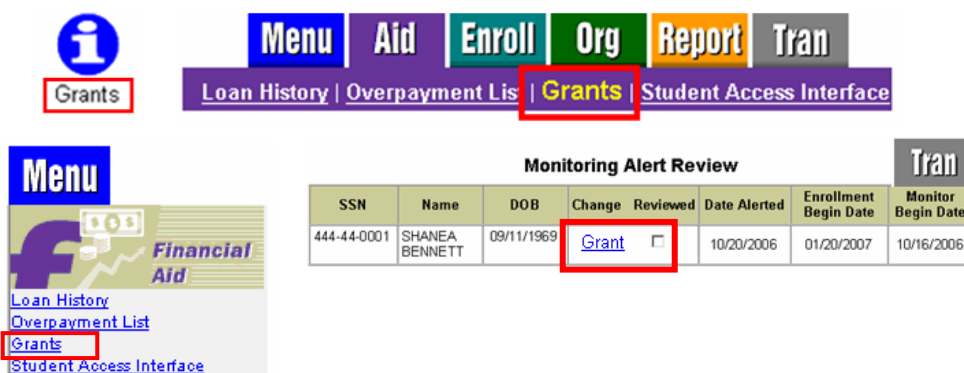
The following chart shows both the ACG and National SMART Grant data elements that will display by each Grant type:

Display Elements	ACG	SMART
Award Year	✔	✔
OPEID	✔	✔
Transaction Number (Tran)	✔	✔
Award Amount	✔	✔
Amount Paid to Date (Disbursed Amount)	✔	✔
Latest Disbursement Date (Latest Disb)	✔	✔
Date Posted to COD (Posted by COD)	✔	✔
Year in School (Grade Level)	✔	✔
Award ID	✔	✔
School Submitted Eligibility/Payment Reason (School Reason)	✔	
High School Program Code (HS Program)	✔	
CIP Code for Student's Major Course of Study (Major)		✔

Updates to the NSLDS Web Sites – continued

In addition to any Pell Grant information, ACG and National SMART data will be displayed under the Aid tab's "Grants" page. The following example shows how the Grants History page displays:

A blue "Grants" Informational Web icon appears on all web pages under the Aid tab if a student has any type of Grant History information.

NSLDS Organization Contacts List

To assist other schools that have questions about a student's ACG and/or National SMART Grant, please remember to update your organization's contact information located on the Org tab under the Org Contact List link of the NSLDSFAP Web site. This allows schools to maintain a point of contact (including name, phone number and email address) for these new types of aid. The following example shows how the Grant Contact information is displayed:

	ISIR Output for ACG and National SMART Grants
	NSLDS continues to send, by award year, up to three Pell Grants to be included on a student's ISIR. The ISIR also displays up to three grants for <u>each</u> of the ACG and National SMART Grant types. However, they will not be limited by award year on a student's ISIR as Pell Grant data is. If a student has an ACG and/or National SMART Grant for the 2006-2007 award year, it will be displayed on a 2007-2008 ISIR. Because Pell Grants are award year specific, 2006-2007 Pell Grant data will NOT be displayed on a 2007-2008 ISIR.
	If a student has received more than three ACG or National SMART Grants, NSLDS determines which three most relevant ACG and National SMART Grants to include on the ISIR by using the following sequence/sort order: • Grants with the highest Year in School. • Most recent reported Grant data from COD (descending date).
	This will ensure that FAAs have a student's most recent ACG and National SMART Grant information based on his/her highest reported Grade Level from COD. Similar to Pell Grants, if there are more than three Grants for each type, a flag on the ISIR will instruct FAAs to view the NSLDSFAP Web site for additional information.
Enrollment Reporting	**Enrollment Reporting**
	As of January 1st, 2007, with the new award year, a Pell, ACG or SMART Grant for a student with at least one open loan places a student on the roster of the school providing the grant. Schools can certify the enrollment for the student on the Enrollment Reporting Roster ensuring that the student with a loan is not converted to repayment prematurely.
2007-2008 NSLDS ISIR Information	**NSLDS ISIR Information**
	Details regarding all NSLDS fields displayed on the ISIR are available from the *2007-2008 EDE Technical Reference*, which can be downloaded in portable document format (PDF) from the FSAdownload website at fsadownload.ed.gov and on IFAP at ifap.ed.gov.
	Information for up to six loans is included in the NSLDS Financial Aid History section of the ISIR. The display order is determined by each loan's current Loan Status and categorized and ordered by five different groups:

NSLDS ISIR Information – continued

- Group 1 – Includes loans in a deceased status - applicant is ineligible for additional aid. This ensures these types of loans have the highest priority when FAAs review ISIR information.

- Group 2 – Includes loans in a defaulted or fraud status - applicant is ineligible for additional aid. Includes the new fraud loan status code "FR" discussed earlier.

- Group 3 – Includes loans in an abandoned, disability, active bankruptcy, or temporary uninsured status - school must resolve before applicant is eligible for additional aid.

- Group 4 – Includes loans in any open status not reported in Groups 2 and 3. These statuses do not impact the applicant's eligibility for additional aid.

- Group 5 – Includes closed loans not included in Groups 1, 2 and 3.

Loan status codes and their groupings are identified in Appendix C of *The ISIR Guide, 2007-2008.*

While detailed loan information continues to be included on ISIRs sent to schools, SARs sent to students do not include this information. SARs provide students with information about their aggregate borrowing and any eligibility problems that may have been identified. The SAR also directs the student to the NSLDS Student Access Web site where detailed information, including points of contact, can be viewed.

2007-2008 Transfer Student Monitoring and Financial Aid History

TSM/FAH Summary of Changes

The Transfer Student Monitoring/Financial Aid History batch file and report layouts have been updated to reflect HERA changes for the 2007-2008 award year. The following attributes were added to the TSM Alert/FAH detail batch record layout for the following record types.

Record Type 1–Aggregates, Perkins and Flags data:

- ACG Change Flag

- National SMART Change Flag

- Fraud Flag

- Direct PLUS Graduate/Professional MPN Flag (Direct Loan only)

- Aggregate PLUS Graduate/Professional Outstanding Principal Balance (OPB) Amount

- Aggregate PLUS Graduate/Professional Total Amount

TSM/FAH Summary of Changes – continued

Record Type 3–Overpayment data:

- Overpayment Type now includes ACG and National SMART Grants
- Overpayment Indicator includes Fraud

Record Type 4–Grant data:

- Changed references to "Pell Grants" to "Grants" to include ACG and National SMART Grants
- Added descriptions of data elements using the same fields for each type of grant
- Moved Percent of Eligibility Used and expanded the field size from 5 to 7 to match the percent displayed on COD's system
- Added Grant Type to include ACG and National SMART Grants*
- Added Eligibility Payment Code*
- Added High School Program Code*
- Added Year in School Code*
- Added Award ID for ACG and National SMART Grants*
- Added CIP Code*
- Added Pell Payment Period Limit (currently not in use)
- Added Grant Sequence Number*

* To find the values reported by COD, refer to the following web site for additional information http://www.ifap.ed.gov/cod/0708CODTechRef.html. Data values are located in the 07-08 COD Volume VI: Appendices, Section 9 and 07-08 COD Volume II: Common Record Technical Reference, Section 3.

Note: These new fields were added in previous filler positions to minimize record layout changes.

Updated TSM/FAH specifications and a complete description of changes can be found in the *Transfer Student Monitoring/Financial Aid History Processes and Batch File Layouts* (dated October 24, 2006) posted on the IFAP Web site, www.ifap.ed.gov, under NSLDS Reference Materials.

TSM/FAH Alert Triggers for New Grants

NSLDS has updated the monitoring alert process to incorporate ACG and National SMART Grants. NSLDS will monitor changes made by other institutions to ACG/National SMART Grants and alert the informing school.

Changes made to any one of the following will trigger an alert:

- Award Amount

- Amount Paid to date (Disbursement Amount)

- Latest Disbursement Date

The alert process continues to send schools an alert email notification and the alert data via Web only or Web and Batch. Schools designate the alert method on the School Transfer Profile page setup. The following example shows how the Grant History web page is displayed when navigating from the Monitoring Alert Review Web page for a Grant that has changed:

Note: To assist FAAs during the alert review process a blue "Review" icon (**R**) displays next to the grant that caused the alert.

_____

Web Reminder…

As of January 1, 2007, the NSLDSFAP Web site and 2007-2008 ISIRs will display information resulting from the 2007-2008 changes discussed previously in this newsletter. However, 2006-2007 ISIRs have not been modified. Therefore, when comparing web pages to a 2006-2007 ISIR, FAAs may find differences.

NSLDS Web Enhancements	**Lender/Lender Servicer display on the Loan Summary Page**
	To assist FAAs when determining which lender or lender servicer to contact, NSLDS enhanced the Loan Summary display page in August 2006. If a Lender holds and services a loan, the Lender name and code will display for that loan. If a loan is serviced by a Lender Servicer, then the servicer's name and code display. To display the Org Contact information for either the Lender or Lender Servicer, click the Lender/Servicer hyperlink.
	The following example shows how the Loan Summary Lender/Servicer information will be displayed. NSLDS continues to display all agency history information on the Loan Details page for each loan:
	Guarantee Agency Data Provider Schedule changes
	By allowing more frequent reporting from GA data providers, NSLDS continues to improve the quality and timeliness of all data stored in NSLDS. NSLDS has enhanced GA data provider schedules to allow the agencies to establish their own submittal frequency, but no less often than monthly. As of December 17, 2006, GA Data Provider Schedules no longer display the Scheduled Submittal Dates that GAs previously followed. Instead, GA data providers determine their submittal frequency and submit data to NSLDS based on the frequency that best fits their business processes and their lender reporting periods. Submission details display the actual received date and processing information for each loan submittal. Based on the received dates and the submittal frequency, FAAs can project an estimated date for the next loan submission. This provides greater flexibility to the GA data providers and allows NSLDS to load data within 24 to 72 hours after receiving it.

Guarantee Agency Data Provider Schedule changes—continued

The following example shows how the GA Data Provider Schedule web page is displayed:

NSLDS is dedicated to process improvement and will continue to work with all data providers to enhance the accuracy and timeliness of NSLDS information.