



NSLDS Newsletter

Number 9

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Summary

This newsletter discusses certain NSLDS changes implemented in January 2005 for the 2005-2006 processing year to help the financial aid community better monitor the eligibility of Federal student aid applicants. It also reviews existing NSLDS procedures for calculating aggregate loan balances in the FFEL and Direct Loan programs. Finally, it provides information and reminders on other useful NSLDS features.

2005-2006 NSLDS Student Eligibility Reporting Changes

The changes listed below affect both NSLDS web and batch functions, including Prescreening and Postscreening, Transfer Student Monitoring (TSM), and Financial Aid History (FAH) requests, extracts, and reports.

- ISIR NSLDS Postscreening Reason Code 14 has been created, as discussed below, to indicate when a student has entered into active bankruptcy.
- ISIR NSLDS Postscreening Reason Code 15 has been created, as discussed below, to better track the status of a Direct Loan PLUS MPN.
- Loan limit flags have been updated, as discussed below, to provide more meaningful descriptions.
- The last disbursement amount has been added, as discussed below, to the loan detail section of both the TSM and FAH extracts and reports.

Note that while 2005-2006 ISIRs include the modifications listed above, in order to maintain consistency within the processing year, 2004-2005 ISIRs have not been updated. Thus, when comparing a 2004-2005 ISIR to a web display or other NSLDS output, users may see some differences.

Postscreening Reason Codes

Changes to either the active bankruptcy status of a borrower or in the status of a Direct Loan PLUS MPN generate a new ISIR through NSLDS Postscreening. The new Postscreening Reason Codes added for the 2005-2006 cycle are:

- Reason Code 14 – Loan entered active bankruptcy - indicates that the student has at least one loan that went into active bankruptcy.

Postscreening Reason Codes – continued

- Reason Code 15 – Direct PLUS MPN status change - indicates that there has been a change to the status of a Direct Loan PLUS MPN. NSLDS does not receive information about FFEL MPNs.

Improved Loan Limit Flags

Loan limit flags have been updated to provide more meaningful descriptions.

- The Exceeds Subsidized Loan Limit flag values are:
 - C = Close or Equal to Subsidized Limit
 - E = Exceeds Subsidized Limit
 - N = Neither Close nor Exceeds Subsidized Limit
- The Exceeds Combined Loan Limit flag values are:
 - C = Close or Equal to Combined Loan Limit
 - E = Exceeds Combined Loan Limit
 - N = Neither Close nor Exceeds Combined Limit

A Close or Equal to Loan Limit flag (C) displays when a borrower's aggregate loan limit is within one annual loan amount of the appropriate aggregate loan limit. An Exceeds Loan Limit flag (E) displays when the borrower currently has loans in excess of the appropriate aggregate loan limit. Pending Disbursements are not included when determining the values of these flags, so you may need to consider them if they are disbursed. Note that the aggregate limit for a borrower is based on the grade level included on the borrower's most recent loan reported to NSLDS and not on FAFSA/ISIR data.

Consolidation Loans & Aggregate Calculations

Determining Aggregate Components of FFEL Consolidation Loans (CL)

NSLDS must include in its calculation of a borrower's aggregate outstanding principal balances the portions of an FFEL Consolidation Loan that represent outstanding balances of subsidized and unsubsidized FFEL and DL Stafford loans. It does this by attempting to identify the underlying loans that were included in the consolidation loan and prorating a portion of the outstanding principal balance of the consolidation loan into Aggregate Subsidized, Aggregate Unsubsidized, Aggregate Unallocated, and Aggregate Combined amounts. This computation excludes any underlying PLUS or Perkins loans since those loans are not considered when calculating aggregate borrowing under the FFEL and DL programs.

Determining Aggregate Components of FFEL Consolidation Loans (CL) - continued

An underlying loan is a loan in the borrower's record with a Loan Status Code that shows that the loan was "paid" by consolidation (Loan Status Code of PC, PN, DP, PF, or DN) and the Loan Status Date is within 210 days (before or after) of the date that the Consolidation Loan was made. Also, in cases where a consolidation loan has been reported to NSLDS less than 60 days from the current date and there are no loans that have been reported as having been "paid", NSLDS does not include the consolidation loan in the borrower's aggregate calculations. This avoids possible "double counting" of both the old loans and the new consolidation loan. Note if at least one underlying loan was "paid" from a Consolidation Loan, the Aggregate OPB will include the consolidation loan.

Determining Aggregate Components of Direct Consolidation Loans [Direct Consolidation Unsubsidized (D5), Direct Consolidation Subsidized (D6), and Direct PLUS Consolidation (D7)]

NSLDS must include in its calculation of a borrower's aggregate outstanding principal balances the portions of a Direct Consolidation Loan that represent outstanding balances of unsubsidized and subsidized loans. When reporting to NSLDS, the Direct Loan Servicing System uses Loan Type Codes to identify the subsidized, unsubsidized, and PLUS portions of a Direct Consolidation Loan. Since Direct Loans uses separate PLUS loan types there is no need for NSLDS to remove PLUS loans from the other Direct Consolidation Loans. However, since a Direct Subsidized Consolidation Loan (D6) may include an underlying Perkins Loan, NSLDS uses a formula to exclude the Perkins balance from the aggregate calculation. Like FFEL, when a Direct Consolidation Loan has been reported to NSLDS less than 60 days from the current date, and there are no loans that have been reported as having been "paid", NSLDS does not include the consolidation loan in the borrower's aggregate calculations. This avoids possible "double counting" of both the old loans and the new consolidation loan. Note if at least one underlying loan was "paid" from a Consolidation Loan, the Aggregate OPB will include the consolidation loan.

Finally, as we currently do with FFEL Consolidation Loans, pending disbursements for Direct Consolidation Loans are not included in the calculation of aggregate amounts.

**NSLDS Information
reported on ISIRs and
SARs**

Details regarding all NSLDS fields displayed on the ISIR are available from the *2005-2006 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.

**Transfer Student
Monitoring and
Financial Aid History**

NSLDS Information reported on ISIRs and SARs – continued

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 into four different groups:

- Group 1 – Includes loans in a defaulted or deceased discharged status - applicant is ineligible for additional aid.
- Group 2 – Includes loans in an abandoned, disability, active bankruptcy, or temporary uninsured status - school must resolve before applicant is eligible for additional aid.
- Group 3 – Includes loans in any open status not reported in Groups 1 and 2. These statuses do not impact the applicant's eligibility for additional aid.
- Group 4 – Includes closed loans not included in Groups 1 and 2.

Loan status codes and their groupings are identified in Appendix C of *The ISIR Guide, 2005-2006*.

While detailed loan information continues to be included on ISIRs sent to schools, beginning with 2005-2006 processing, SARs sent to students do not include this information. SARs continue to 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 website where detailed information can be viewed.

TSM/FAH Changes

The Transfer Student Monitoring (TSM) and Financial Aid History (FAH) batch file changes for 2005-2006 are as follows:

- The last disbursement amount has been added to the loan detail section of both the TSM and FAH extracts and reports.
- The Disb Date label has been changed to Last Disb Date on the TSM and FAH reports.
- The Disb Amt label has been changed to Total Disb Amt on the TSM and FAH reports.

TSM/FAH Reminders

- When the person displayed on the page is a PLUS Loan borrower, Aggregate PLUS OPB and Aggregate PLUS Total values are included in the TSM and FAH extracts and reports.
- Aggregate FFEL Consolidation Loan Unallocated OPB and Aggregate FFEL Consolidation Loan Unallocated Total values are included in the TSM and FAH extracts and reports.
- Loans are displayed in the same sort order as they are displayed on the ISIR record, but there is no limitation to the total number that can be displayed.

Updated TSM/FAH specifications can be found in the *Transfer Student Monitoring/Financial Aid History Processes and Batch File Layouts* posted on the IFAP Web site, www.ifap.ed.gov, under NSLDS Reference Materials.

Web Changes

Loan Limit warning icons can appear on the Loan History page, Overpayment History page, and Pell Grant History page on the NSLDS website. The Subsidized and Combined Loan Limit warning icons display as follows:



Web Reminders

- A PLUS Loan row appears in the Aggregate Loan Information table when the PLUS Loan borrower displayed on the page has an outstanding PLUS Loan with an OPB amount. Example:

Loan History



Aggregate Loan Information

Loan Type	Outstanding Principal Balance	Pending Disbursements	Total
Subsidized Loans	\$18,000	N/A	\$18,000
Unsubsidized Loans	\$10,000	N/A	\$10,000
FFEL Consolidation Loans, Unallocated	\$2,000		\$2,000
Combined Loans	\$30,000	N/A	\$30,000
FFEL Consolidation Loans	\$20,000		\$20,000
Perkins Loans	N/A		N/A
PLUS Loans	\$5,000		\$5,000

Other Issues

Web Reminders – continued

- As of January 3, 2005, the NSLDS Web site and 2005-2006 ISIRs display information resulting from the 2005-2006 changes discussed previously in this newsletter. However, as noted earlier, 2004-2005 ISIRs were not modified. Therefore, when comparing web pages to a 2004-2005 ISIR, FAAs may find differences.

Display of PLUS Loan Information

Although, as noted previously, PLUS Loans are not included in the calculation of aggregate amounts for student borrowers. FAAs are able to view information about a PLUS Loan on the NSLDSFAP website, on Transfer Student Monitoring Alert batch reports and extracts and on Financial Aid History batch reports and extracts if the parent borrower's identifiers are used.

Undergraduate with Graduate Loans

When determining if an undergraduate student has exceeded aggregate limits, NSLDS does not include any loans that may have been taken out by the student for graduate study. However, for a graduate student, loans taken out for both undergraduate study and graduate study are counted to determine if the borrower has exceeded aggregate limits for graduate students.

Determining Loan Limit Amounts

NSLDS determines the loan limits that apply to a student based on that student's dependency status, academic grade level, and if it appears that the additional unsubsidized loans were awarded because the dependent student's parent(s) could not borrow a PLUS loan. Dependency status is determined using the best available information, which includes data from the current year's ISIR. Academic grade level is obtained from the reported loan with the most recent Period Begin Date; NSLDS **does not** use the academic grade level as reported on a student's FAFSA.

Organization Contacts list on NSLDSFAP.ED.GOV

In order to assist other schools that may have questions about student's data please remember to update your organization's contact information located on the Org tab under the Org Contact List link. This allows schools to maintain a point of contact (including name, phone number and email address) for a specified function. Guaranty agencies, lenders and other data providers also maintain point of contact information for FAA's to reference. This contact information should only be used by financial aid professionals and should not be given for use by students. Students should refer to <http://www.nsls.ed.gov/> for student organizational contact information.