Electronic Access Conference

2002

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Electronic Access Conference 2002

What's New for Direct Loan Processing in 2003-2004?

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Overview of COD

- Redefines aid origination and disbursement processes for Pell Grants and Direct Loans, and provides optional common reporting opportunities for campus-based programs

- Integrates a common process with a system designed to support origination, disbursement, and reporting

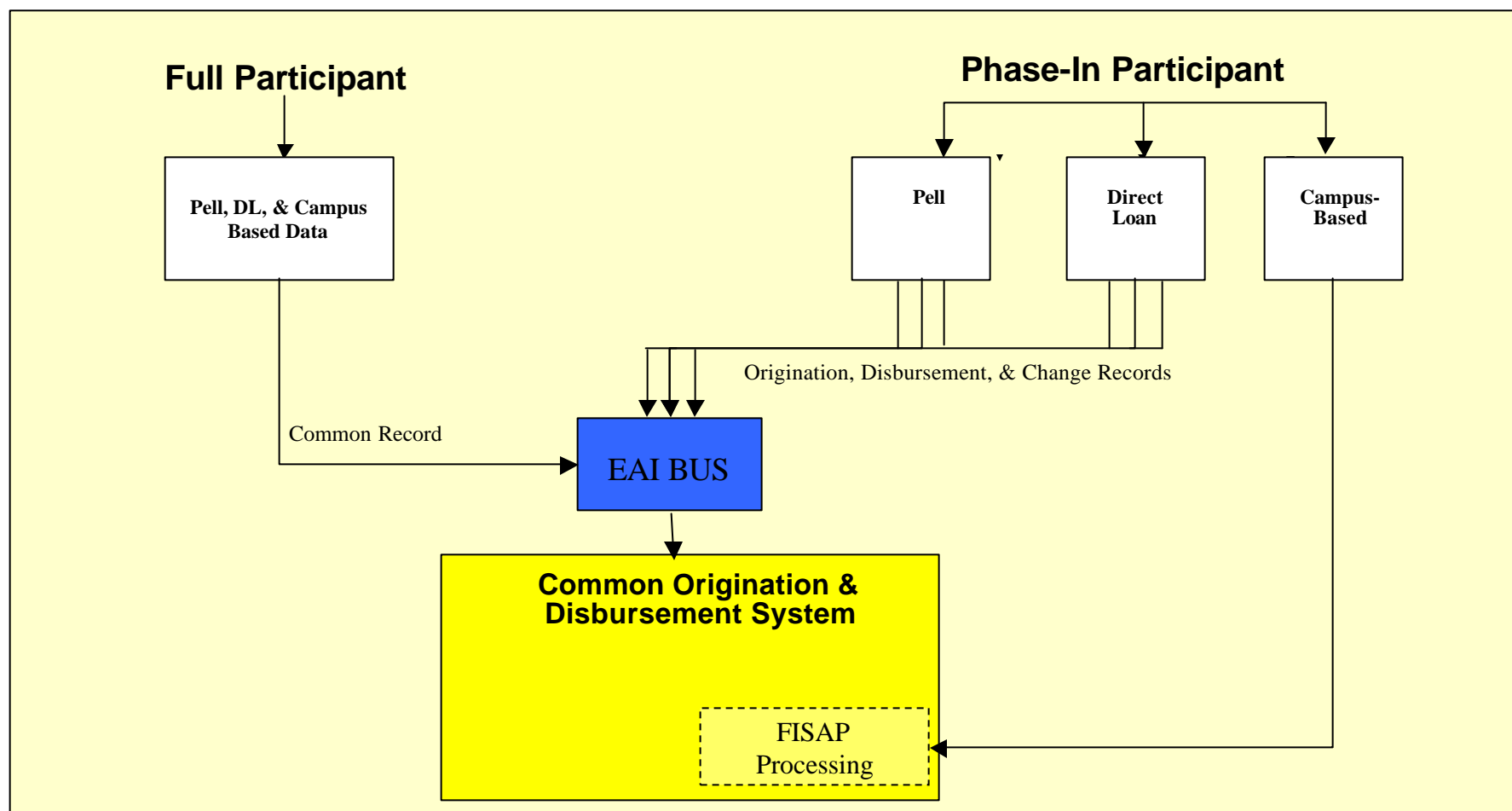- Increases accountability and program integrity

Overview of COD

- COD replaces the Recipient Financial Management System (RFMS) and the Direct Loan Origination System (DLOS) starting in 2002-2003

- ALL SCHOOLS data is processed by COD beginning in award year 2002-2003

- ALL SCHOOLS can access the COD website at https://cod.ed.gov

COD Participation

- Your school's "participant" status is determined by the method you use to transmit your data to COD:

  - Full Participants
    - Schools that submit data using the COD Common Record Layout in XML format

  - Phase-In Participants
    - Schools that submit data using Pell Grant/Direct Loan Record Layouts in fixed-length, flat file format

- ALL SCHOOLS must become full participants by award year 2004-2005

COD Participation

Full Participant

Phase-In Participant

| Pell, DL, & Campus Based Data | | Pell | Direct Loan | Campus-Based |

Origination, Disbursement, & Change Records

Common Record

EAI BUS

Common Origination & Disbursement System

FISAP Processing

How do I become a COD Full Participant?

- **Schools must register with COD to become a Full Participant in Award Year 2003-2004**

- **To register, contact COD School Relations**
  - Email CODSupport@acs-inc.com
  - Indicate "2003-2004 Full Participant" in Subject Line
  - Call COD School Relations
    - Select Award Year 2002-2003 and express interest to your COD CSR

- **All EDExpress Users must register as Full Participants for 2003-2004**

COD Cash Management Tools

- **COD Web Pages**
  - Provide up to date information about funds drawn by school
  - Allow for easy comparison of accepted student level disbursement records to funds
  - Allow easy view of Current Funding Level
  - Show GAPS activity
  - Provide for self-assessment of cash management compliance

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COD Cash Management Tools

- ## Aging of Drawdowns
  - Each drawdown is aged to see how long it takes to "substantiate" the draw
  - Lets a school know at any point how much funds have not been substantiated

- ## Funds are available based on actual disbursement records
  - Records are accepted 7 days out

COD Cash Management Tools

- **Customer Service assistance**
  - Primary representative for each School/Servicer
  - Performs outreach activities including for funding issues (calls & warning messages)
  - Reconciliation Team
    - Provides Funds Management Support to Schools
    - Has access to GAPS information

COD Web Pages

- **School Summary Information**

- **School Funding Information**

- **School Summary Financial Information**

- **Refunds of Cash Information**

- **Cash Activity**

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COMMON ORIGINATION & DISBURSEMENT

FSA
FEDERAL
STUDENT AID

| Person | School | Batch | Award | Reports | User |

▶ **School Search**

▼ **School Information**

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School Summary Information   ❓HELP

TUSKEGEE UNIVERSITY ⓘ

Contacts

Type	Name	Phone
Direct Loan Financial Aid Officer	BARBARA HOWARD	(334) 724-4815
Pell Financial Aid Officer	BARBARA T. CHISHOLM	(334) 727-8201
FINANCIAL AID ADMINISTRATOR	BARBARA T CHISHOLM	(334) 727-8201

Summary

DIRECT LOAN ▾

Cash > Accepted & Posted Disbursements & older than 30 days	$0.00
% of Cash > Accepted & Posted Disbursements	92.3%
Cash > Accepted & Posted Disbursements	$5,907.00
Current CFL	$25,000.00

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School Funding Information

?HELP

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Funding Information

Program [DIRECT ⌄]   **Award Year** ['02-'03 ⌄]

Entity Id	23211676
Initial CFL	$25,000.00
Current CFL	$25,000.00
Previous CFL	$25,000.00
CFL Adjustment	$0.00
Last CFL Change Date & Time	10/09/2004 22:39:36
Available Balance	$18,600.00
Cash > Net Accepted & Posted Disbursements	$5,907.00
Net Accepted & Posted Disbursements	$493.00
Net Drawdowns	$6,400.00

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School Summary Financial Information   ?HELP

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Summary Financial Information

Program DIRECT ▼   **Award Year** '02-'03 ▼

Entity Id	23211676
Beginning Cash Balance	$0.00
Cash Receipts	$10,000.00
Disbursement Amount	$493.00
Disbursement Adjustments Amount	$0.00
Refunds of Cash	($3,600.00)
Ending Cash Balance	$5,907.00
Disbursement Amount for Disbursements with Missing PNote Status	$0.00
Number of Disbursements with Missing PNote Status	0

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Google ▾ [   ] ▾ ⧉Search Web ⧉Search Site | PageRank ⧉Page Info ▾ ⧉Up ▾ ⧉Highlight

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Refunds of Cash Information

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Refunds of Cash Information

| Program | DIRECT ▾ | | Award Year | '02-'03 ▾ |

Applied Date	Check Number	Amount Applied	Award Sequence	SF215/SF5515 Number	Comment
11/15/2004	123	$100.00	8956	123456	C
10/29/2004	999009	$1,000.00	8956	999999	C
10/25/2004	888	$2,500.00	8956	888888	C
10/25/2004	777	($1,000.00)	8956	777777	C
10/24/2004	777	$1,000.00	8956	777777	C

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| Person | School | Batch | Award | Reports | User |

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Cash Activity

?HELP

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Program/Year Selection

| Program | DIRECT LOAN ▾ | | Award Year | '02-'03 ▾ |

Cash Activity Summary

Net Draws $6,400.00

**Cash > Accepted & Posted Disbursements & older than 30 days** $0.00

	Totals	11/15/2004	10/29/2004
Date of Transaction		11/15/2004	10/29/2004
Time		3:32:46 PM	10:03:56 PM
Drawdowns/Payments	$10,000.00		
Drawdown Adjustments	$0.00		
Refunds of Cash	($3,600.00)	($100.00)	($1,000.00)
Returns of Cash	$0.00		
Drawdown Offsets	$0.00		
Days Since Net Draws Increase			
Days Left For On-time Reporting			
Payment Control Number			
Accepted & Posted Disbursements Applied	$493.00		
% of Accepted & Posted Disb. Applied to Net Draws	7.7%		
Cash > Accepted & Posted Disbursements	$5,907.00		
% of Cash > Accepted & Posted Disbursements	92.3%		
Source System		COD	COD

Amounts in parentheses decrease net draws

Processing Statistics-Originations

Award Type	April '02	May '02	Jun '02	July '02	Aug '02	Sept '02	Oct '02	Nov '02
PLUS	0	0	27,345	47,285	56,392	32,788	19,832	6,461
Sub	4,532	79,099	196,202	324,379	366,145	203,198	121,384	44,851
Unsub	2,322	50,297	133,897	213,529	257,634	145,203	90,030	33,855
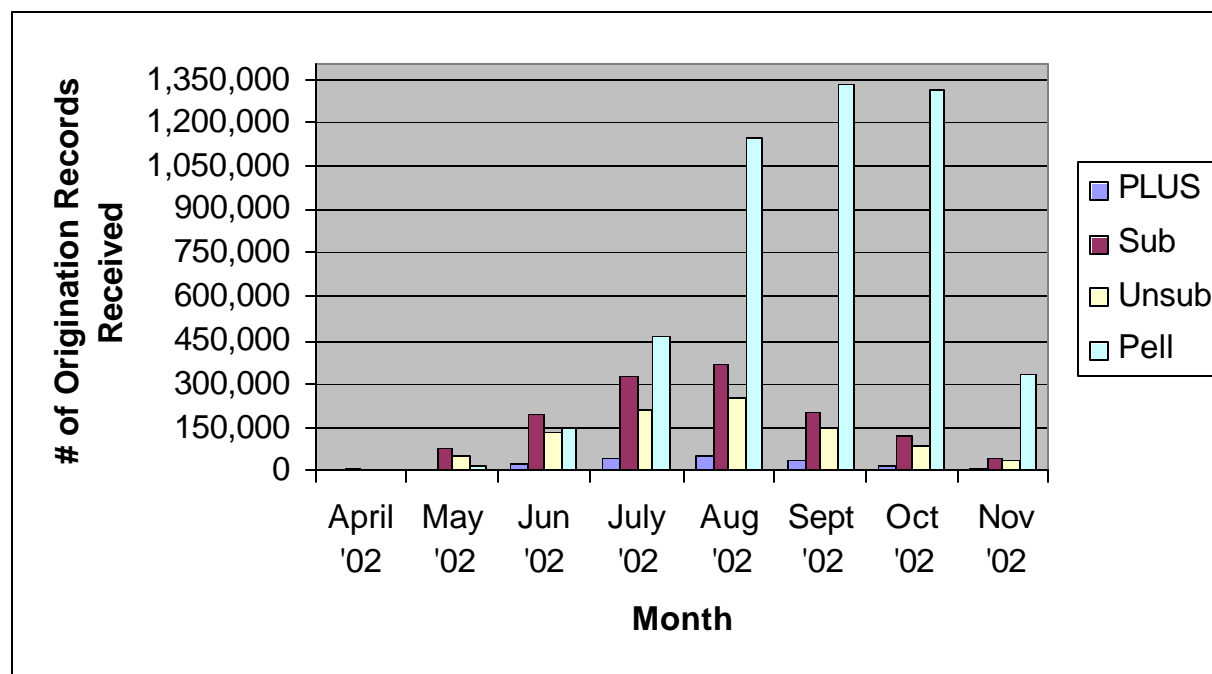
Processing Statistics – Disbursements

Award Type	April '02	May '02	Jun '02	July '02	Aug '02	Sept '02	Oct '02	Nov '02
PLUS	0	12	161	581	39,872	50,494	46,232	14,255
Sub	0	3,839	15,150	26,381	369,693	382,452	302,268	78,410
Unsub	0	2,640	9,557	18,650	262,398	258,162	212,297	59,775
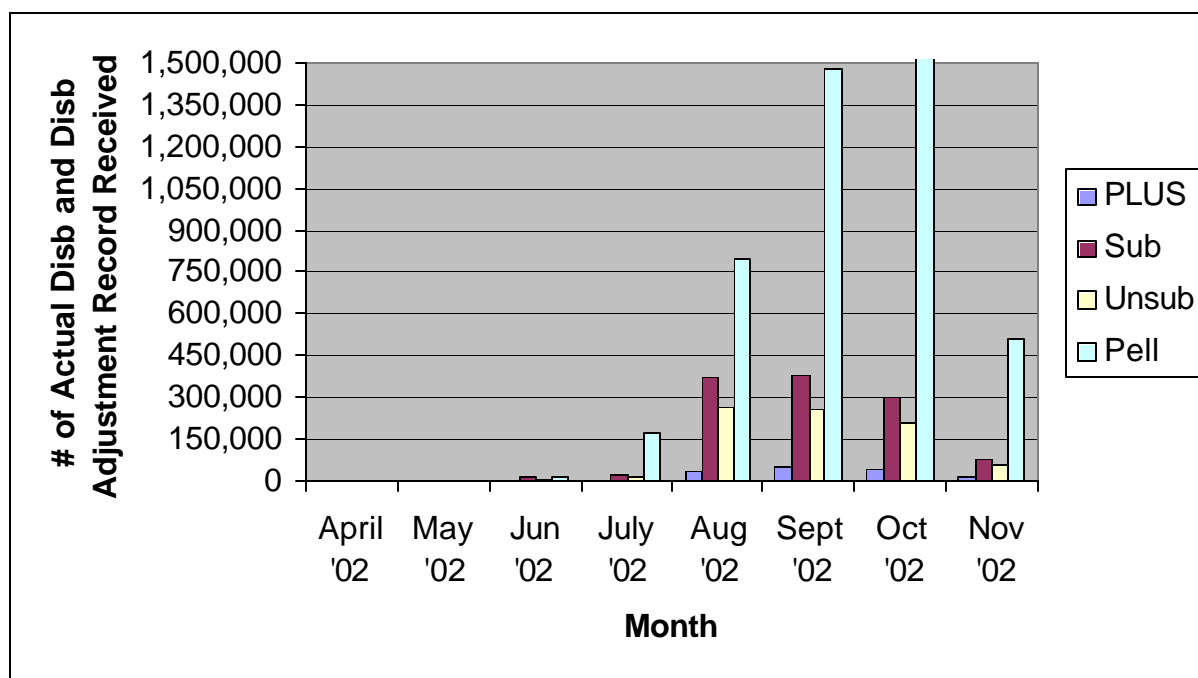
Start Up Issues

■ **Batch Acknowledgement Records**

Issue

Resolution

– Timely Delivery of Acknowledgement Files

– All system issues have been corrected

– Acknowledgements have been resent and the schools have been contacted regarding the outstanding acknowledgements

– Batches not completely processed by COD

– COD is monitoring all incoming batches daily

– COD is investigating this issue

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Start Up Issues

■ **Timing of Disbursements**

Issue

– When an origination and a disbursement are sent to COD on the same batch or within a short period of each other, COD rejects the disbursement

Resolution

– COD rejects the disbursement because it processes the disbursement before the origination. The workaround is for schools to send disbursement records after the origination records are acknowledged

– COD is currently analyzing a long term solution to prevent this from happening

Start Up Issues

■ **Direct Loan Promissory Notes**

<u>Issue</u>

– Some #D origination acknowledgements returned with MPN status = spaces

– COD does not return appropriate edit code when Pnote not linked because the Loan Amount Approved on origination exceeds Loan Amount on Pnote

<u>Resolution</u>

– COD program modifications made to not treat reject legacy originations as change records.

– COD is testing program modifications. Affected schools have been advised to send change records as a short term solution.

Start Up Issues

■ **Direct Loan Promissory Notes Continued**

Issue

Resolution

– Approximately 13,000 PLUS Pnotes were keyed into the LO system with an incorrect award year. Due to incorrect award year, LO reject the Pnotes and did not send the information to COD

– All of the miskeyed Pnotes have been corrected and acknowledgements have been sent out.

Electronic MPN

Electronic MPN Statistics

- Number of schools participating
  - 403
- Total number of electronic p-notes
  - From July 1, 2001 to October 9, 2002
  - 195,175
- Winner of the 2001 Government Technology Leadership Award from Government Executive Magazine

Paper vs E-MPNs
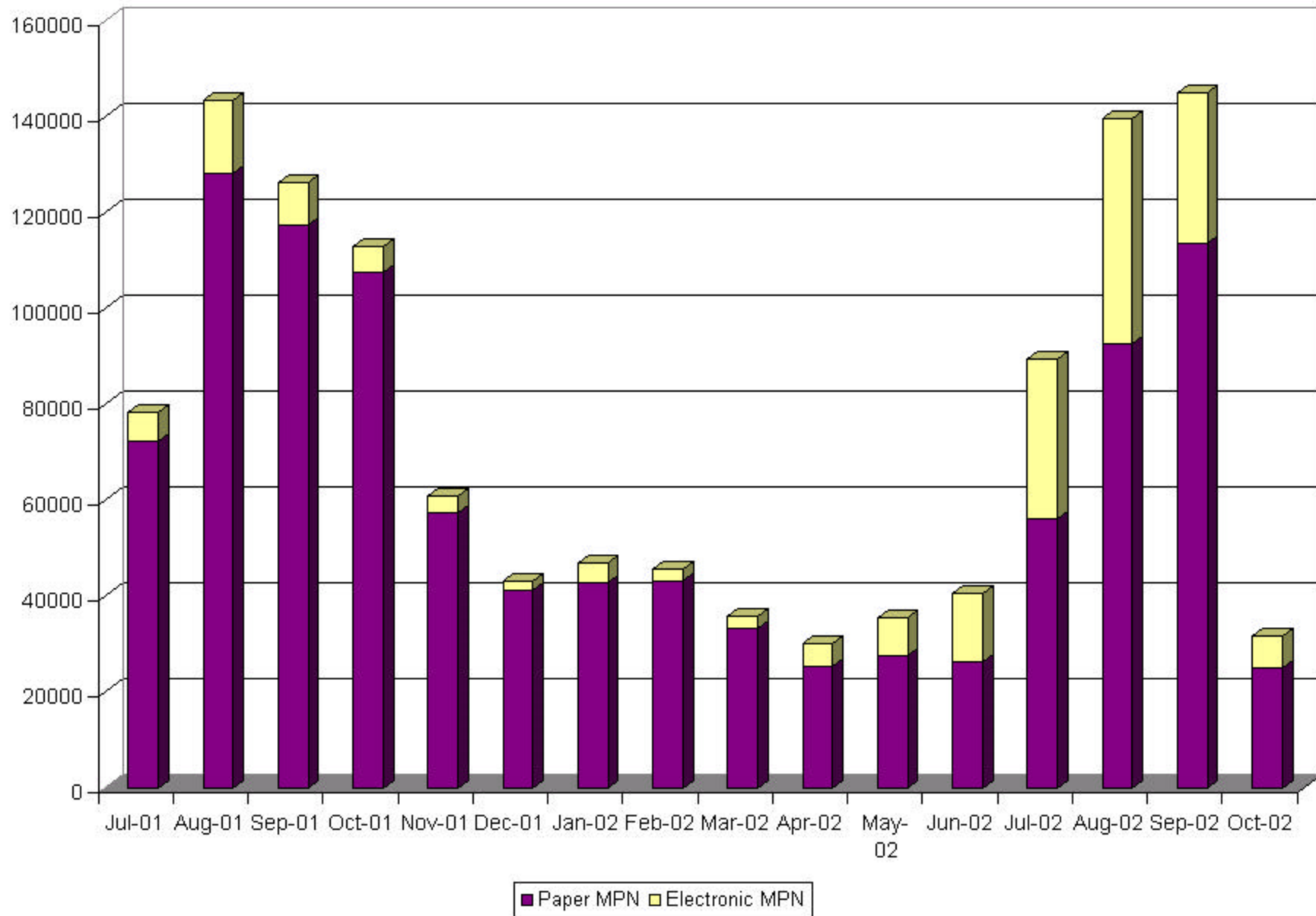
What's Planned for 2003-2004?

- **EDExpress users will become Full Participants in 2003-2004**

  – EDExpress Software will be modified to import and export XML to the COD System

  – For combo systems, external import and exports will continue to be in current fixed length formats

  – All reports will continue to be produced and imported in current formats not XML

- **All EDExpress users must register with COD Customer Service as 2003-2004 Full Participants**

What's Planned for 2003-2004?

- **Entrance Counseling will be moved to the Direct Loan Servicing Website**

    – By moving entrance counseling to DL Servicing, student borrowers will be introduced to the DL Servicing website earlier in the process

    – Bilingual Entrance Counseling will be available on DL Servicing website

What's Planned for 2003-2004?

■ **Record Layout changes**

– Modified Common Record Tag Names

- Eliminating abbreviations from tag names [suggestion from the Post Secondary Education Standards Council (PESC)]
- 2002-2003 COD Full Participants have the option to continue to use the old 1.0g Schema or the new 2.0a Schema to process 2002-2003 Common Records

– New Tag/Field: Endorser Amount

- Amount above which a loan cannot be increased once an endorser is accepted
- Returned to schools on the Credit Decision Override Response/Acknowledgement
- MPN Status will be returned on the Credit Decision Override Response/Acknowledgement

What's Planned for 2003-2004?

- **New MPN for Sub and Unsub**

  - Current MPN being used for 2002-03 expired August 2002 and will be extended through the entire program year

  - Upon implementation of release 2.0, COD will print the new MPN for all Sub and Unsub

  - The new MPN is to be used for all 2003-04 awards

  - COD will continue to accept and process both the old and new notes

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What's Planned for 2003-2004?

- **New Rules will be set up for MPN Expiration Dates**

  - New rules will be based on the earliest of the date the borrower signed MPN or the date COD received and processed MPN instead of first anticipated disbursement date

  - These new business rules will apply to MPNs where the first loan linked to the note occurs on or after implementation of 2.0 release

  - Current business rules using first anticipated disbursement date will apply to MPNs where the first loan linked using pre-2.0 release

What's Planned for 2003-2004?

■ **There will be a Master Promissory Note for PLUS Loans**

- Parents borrowing for more than one student must complete a separate MPN for each student

- Student signature is NOT required for a PLUS MPN

- Disclosure statements will be required for PLUS loans

- If a borrower requires an endorser, the PLUS MPN becomes a "single-loan" MPN and cannot be linked to other loans

What's Planned for 2003-2004?

- **Modifications to the Electronic Master Promissory Note Site**
  - Borrowers will not need to view the signed copy in Adobe Acrobat
  - The URL will remain the same for both the PLUS and Sub/Unsub versions
  - The PLUS MPN process will follow the Subsidized/Unsubsidized steps
  - There will be a link for borrowers to determine if they need to complete a PLUS or Sub/Unsub note
  - Only the parent will need to sign the PLUS MPN

What's Planned for 2003-2004?

- With the implementation of PLUS MPN, the Award Amount Requested tag/Loan Amount Requested field is eliminated

  - For Full Participants, Award Amount Requested tag will no longer be returned on MPN responses

  - For Phase-In Participants, the Loan Amount Requested field is modified to filler for the loan origination record, the loan origination acknowledgment and MPN acknowledgment

What's Planned for 2003-2004?

- **Responsibility for printing Disclosure Statements**

  - A valid value will be added to the Disclosure Statement Indicator to indicate that a school printed and provided a disclosure statement to the borrower

  - The school will be responsible for printing disclosure statement if anticipated disbursement data is not sent at least 5 days in advance of the first disbursement

  - If disbursement data is sent by school within five days of, or after, the disbursement date and the school does not indicate the disclosure has been printed, COD will print the disclosure and send a warning to the school

COD Timeline

- 2003 – 2004 Development Schedule:

    – Requirements Complete   July 2002

    – Design Complete   September 2002

    – Development Complete   November 2002

    – School/Vendor Testing: February 2003

    – System Start Up: March 2003

2003-2004 COD School Testing

- **School Testing Phases:**
  - Common Record Manual Verification – February 2003
  - Structured Application Testing – Mar. 2003 – Sept. 2003

- **Schools must sign-up in advance to participate in school testing:**
  - Contact COD School Relations and request a school testing sign-up sheet (codsupport@acs-inc.com)

- **School Testing Guide available on IFAP beginning in January 2003**

Who Should Participate in School Testing?

- Software Vendors modifying software to support the XML Common Record are encouraged to test with COD

- Full Participant Schools that use their own software product are encouraged to test with COD

- The EDExpress product is tested extensively with COD prior to being released to schools; therefore, EDExpress Users do NOT need to test with COD

- Since most software vendors test with COD on their school's behalf; schools utilizing a software vendor's product do NOT need to test with COD
  - Schools are encouraged to talk to their vendor about test plans and testing results

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School Testing Lessons Learned

- Plan to participate in manual verification testing prior to participating in additional testing phases

- Have a good understanding of SAIG On-Line Screen Manager in order to see that files were sent and received correctly

- Allow at least 2 weeks of setup time from sign-up prior to starting testing

- Plan and allow time for issue identification, error resolution and retesting with COD

- Be careful to send test files to the correct mailbox and with the correct testing message classes

Where can I get more information?

- **IFAP Web Site (www.IFAP.ed.gov)**
  - Common Origination and Disbursement page
  - Announcements and FAQs
  - COD Technical Reference

- **COD Web Site (www.cod.ed.gov)**
  - Daily Processing Updates
  - School Funding and Processing Information

- **Contact COD Customer Service**

How do I obtain access to the COD Web Site?

- **Submit a Security Administrator Request Letter on school or corporate letterhead**
  - Security Administrator is responsible for setting up additional users at your institution
  - Reporting/Attending school relationships in COD will automatically allow access to other school codes

- **Refer to announcements on IFAP for detailed instructions and mailing address**
  - 6/3/02 - Updated: COD Website Access for Schools
  - 6/3/02 - COD Website Access for Vendors/3rd Party Servicers

How do I contact COD Customer Service?

- Email CODSupport@acs-inc.com

- Call COD School Relations Center
  - 1-800-4-P-GRANT for Pell Grants
  - 1-800-848-0978 for Direct Loans
  - Enter Award Year 2002-2003

- COD Web Site (www.cod.ed.gov)

COD Sessions

- Session 19 – Cash Management Overview A-Z

- Session 21 – What's New for Direct Loan Processing in 2003-2004?

- Session 22 – What's New for Pell Grant Processing in 2003-2004?

- Session 23 – COD and Pell Grants: Updates to Edits and Record Layouts for 2003-2004

- Session 24 – COD and Direct Loan: Updates to Edits and Record Layouts for 2003-2004

- Session 25 – Meet the COD Customer Service Team and Get Answers to Your COD Questions

COD Sessions

- Session 26 – COD: Using the New Web Site

- Session 27 – COD Full Participants for 2003-2004

- Session 28 – COD and Direct Loans: Balancing the Books

- Session 29 – COD, Pell, and Direct Loans: Funding for Schools

- Session 58 – Tribally Controlled Colleges: Operating as a Full Participant in the COD environment

- COD Customer Service Staff are available in the PC Lab

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Questions