Session 25

Streamlined FFELP and Alternative Loan Processing

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Session Overview

- Standards: Past and present
- Common Record Background Information
- What is XML?
- Developing the CR:C Standard
- Benefits of Common Record: CommonLine
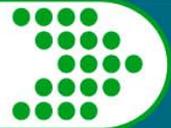- Implementation and Next Steps

Importance of Standards

- Post Secondary communication is complex: many parties, time sensitive, and accuracy is crucial

- Facilitate efficiency

- Make training and cross-training easier

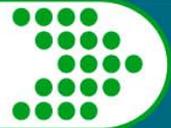- Reduce change for the sake of change

Where are we now?

- We have standards for FFELP
- We have standards for Direct Lending
- We have standards!
- BUT…..
- We need standards across all loan programs and among all industry players

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The Common Record Background Information

- COD was an existing process that we were asked to mimic. However, there are processes that are unique to FFELP

- Consequently, COD was the base, but CR:C was born out of the differences

Common Record Philosophy

- Single standard Common Record
- Support all financial aid programs
  - Pell, Direct Loans, FFELP, Campus-Based, Loan Counseling, Transcripts, etc.
- Eliminate multiple flat file formats
- Simplified process for submission of financial aid data

Common Record Philosophy
(continued)

- Maintenance and enhancements managed by the Postsecondary Electronic Standards Council (PESC)

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The Technology Solution: Common Record and XML

- Standard language of e-business and the internet

- Lets the industry describe virtually any type of data

- Allows easy inclusion of other student financial resource data in a single file (FFELP, ISIR, State Grant, etc.)
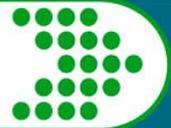
The Technology Solution: Common Record and XML

- Standardized validation of data order and content

- Greater interest in new technology by developers

Streamlines Schema Changes

- Old XML tags remain the same
- Only need to add code for new or enhanced data elements

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The Common Record

- Common Record:
  - Common Origination and Disbursement - COD (Direct Lending)
  - CommonLine (FFELP and Alternative Loans)
  - Transcripts (XML Transcript)
  - XML ISIR (future release)
  - Loan Counseling (in development)

The Common Record Terminology

- Core Components Dictionary:
  - Standard structure
  - Naming conventions
  - Change control oversight

- Schema:
  Defines structure and content for XML Documents
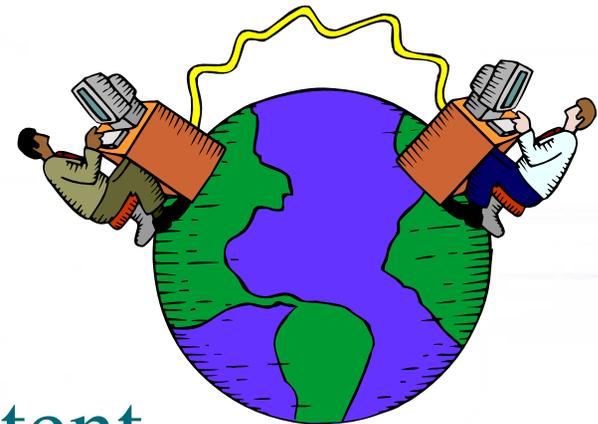
Flat File Structure

Example

@HPS 199900278502262309592004COMMON   A004TTG Univer

@1ATEST JOHN   603213435100 W. 14TH ST   NEW YORK

@1ATEST FRANK   603214234200 W. 14TH ST   NEW YORK

@1ATEST GARY   603549786300 W. 14TH ST   NEW YORK

@1ATEST HARRY   603363677400 W. 14TH ST   NEW YORK

@1ATEST JON   603497832500 W. 14TH ST   NEW YORK

@1ATEST ROB   603563409600 W. 14TH ST   NEW YORK

@T0000060000002004022623 0959A004TTG UNIVERSITY   0033

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XML File Example

```
<Student>
    <Index>
        <SSN>313895522</SSN>
        <BirthDate>1982-02-02</BirthDate>
        <LastName>Price</LastName>
    </Index>
    <PersonIdentifiers>
        <DriversLicense>
            <DriversLicenseState>NC</DriversLicenseState>
            <DriversLicenseNumber>NC394427</DriversLicenseNumber>
        </DriversLicense>
    </PersonIdentifiers>
</Student>
```

Common Record Structure

Common Record

    Document Information

    Entity Information

        Student Information

            Loan Information

                Award Information

                    Disbursement #1 Information
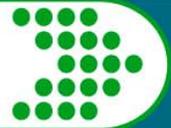
                    Disbursement #2 Information
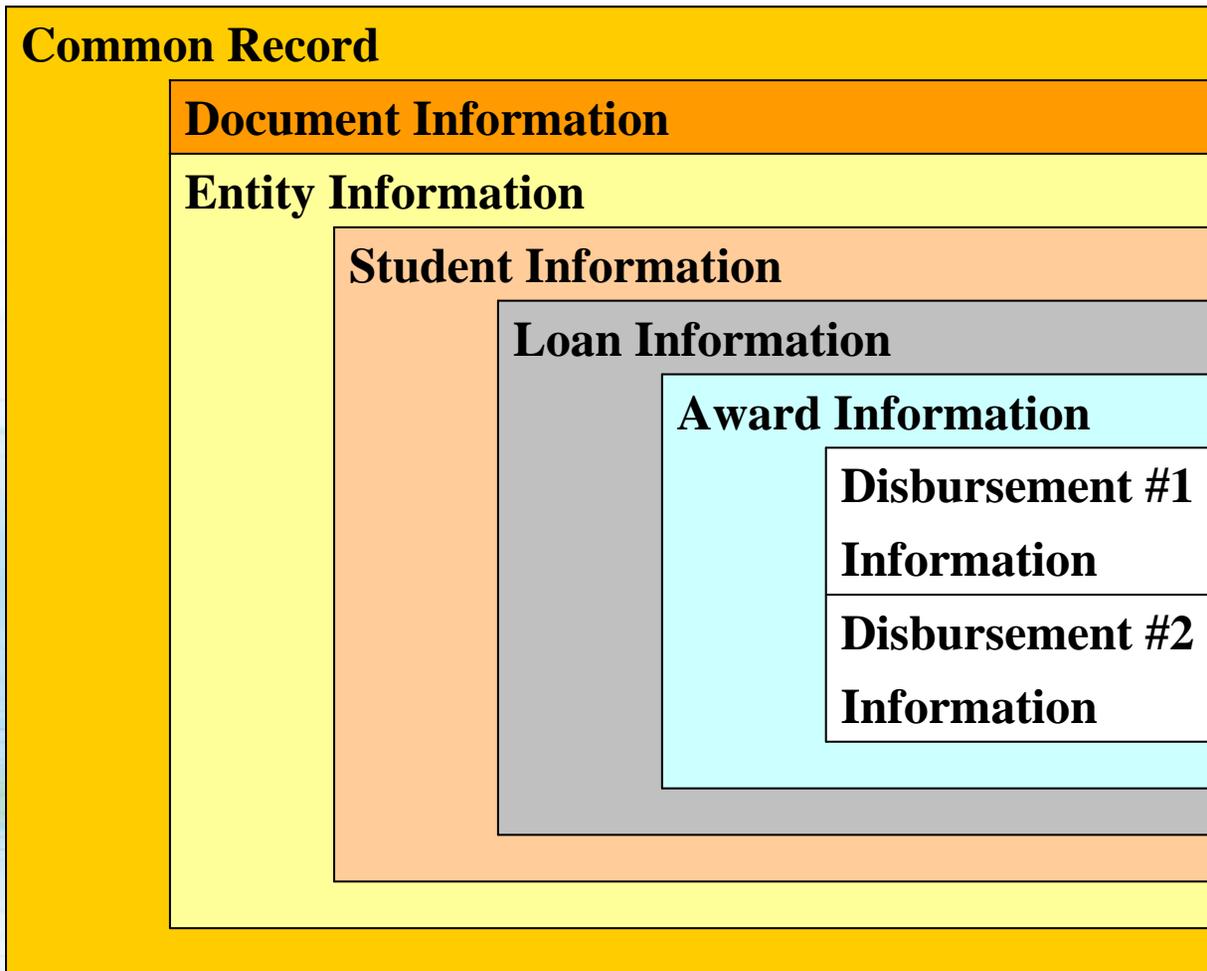
What's In It for Me?
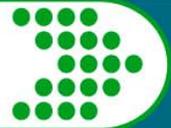
Benefits of Implementing Common Record: CommonLine

- Human-Readable
  - Tags surround data
    <LastName>Smith</LastName>
  - Plain English values vs. Codes
- Future software upgrades will be easier to manage

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Benefits of Implementing Common Record: CommonLine

- Eliminate need for double data entry
  - Reduces or eliminates data entry into multiple systems
  - Reduces or eliminates manual processing
- Supports school-assigned student IDs
  - Addresses privacy concerns
  - Allows use among all data partners

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Benefits of Implementing Common Record: CommonLine

- Flexible Disbursement Processing
  - More than 4 disbursements
  - Separate disbursement dates for subsidized and unsubsidized loans
  - Ability to indicate disbursement amounts
 - Ability to override disbursement date profiles

Benefits of Implementing Common Record: CommonLine

- Move from transaction-based to end-result changes (i.e. CLV4 transaction model):
  - Eliminates need to determine transaction type (@1-09, etc.)
  - Eliminates sending multiple transactions to achieve desired result
  - Only changed fields will be sent to your service provider

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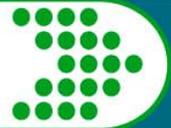
Benefits of Implementing Common Record: CommonLine

- Streamline Loan Status Information
  - Four Independent Statuses
    - Guarantee Status
    - Promissory Note Status
    - Credit Approval Status
    - Lender Approval Status

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Benefits of Implementing Common Record: CommonLine

- Not limited to one loan phase code
- Schools have fewer interpretation issues
- Trading partners each have their own status to update independently

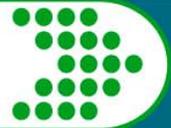START HERE
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Benefits of Implementing Common Record: CommonLine

- Sets the Framework for Real-Time Processing
  - It is up to individual trading partners to add support for real-time processing
  - The PESC DTS Workgroup is currently developing real-time standards

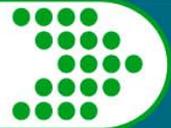START HERE
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Benefits of Implementing Common Record: CommonLine

- Streamlines Alternative Loans
  - Easier transition from a still paper intensive process
  - Facilitates communication of the increased data requirements of alternative loans

Benefits of Implementing Common Record: CommonLine

- Consistent process between Stafford and Alternative Loans
  - Eliminates Alternative Loan addendum records
  - Alternative Loan data easily incorporated into XML structure

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Implementation

- NCHELP Electronic Standards Committee has published the CR:C implementation guide

- PESC has approved the CR:C schema

- Most lenders, guarantors, and servicers are in various stages of implementation and are forecasting production readiness Spring '06 - Spring '07

Implementation

- e-Library > Electronic Standards Documentation and Tools > Common Record - CommonLine Documentation

Implementation and Development Pitfalls

- Schema changes
- Logic of backward compatibility
- Combination of loan types in the same document

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Implementation and Development Pitfalls

- Combination of pre-guarantee and post-guarantee records in the same document

- End result for corrections and changes

- Larger file size

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Implementation and Development Pitfalls

- Validation issues with documentation and schema
- For Trading Partners, end-result process is a fundamental change in business practices
- School-assigned student ID stored one per person
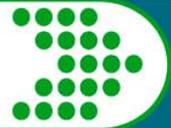
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Some Considerations for Schools

- Prioritize CR:C benefits for your office
- Use priorities to evaluate implementation options
- Communicate priorities to your software providers and service providers

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Some Considerations for Schools

- Involvement in NCHELP Electronic Standards Committee
  - School Advisory Group
  - Origination Standards Advisory Team

Information Sources

- NCHELP - The CR:C Implementation Guide is available in the e-Library at www.nchelp.org

- IFAP – COD news, technical documentation, updates are available at www.ifap.ed.gov

- PESC – XML Technical Specifications, Data Dictionaries, Schemas, assistance and approvals are available at www.pesc.org

- XML Registry and Repository – Current schema and dictionary are available at www.fsaxmlregistry.ed.gov

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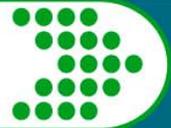 Vice President, Channel & Guarantor Management

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