

COD Update

NCASFAA Fall Conference
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Harrah's Cherokee Resort
Cherokee, NC

Federal Student Aid
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Agenda

- Spring, 2013
- Summer, 2013
- Fall, 2013
- Winter, 2013
- Spring, 2014

Agenda

Spring 2013

Legislative Changes

The 30-day reporting window is now a 15-day reporting window

- Federal Register Volume 78, #40, February 28, 2013
- Actual disbursements, and adjustments to actual disbursements, completed on or after **April 1, 2013**
- Though COD edits and reports may NOT be in place until a future COD release, the regulation is!

Legislative Changes

Sequestration

- Updated Electronic Announcement (EA) dated May 31, 2013
 - ✓TEACH Grant reduction changed from 12.6% to 6%
 - ✓Iraq & Afghanistan Service Grant from 37.8% to 10%
 - ✓For Direct loans with an earliest disbursement date (EDD) on or after July 1, 2013 the origination fee increased to
 - ❖Subsidized/Unsubsidized...1.051%
 - ❖PLUS...2.04%

Legislative Changes...

Public Law 112-141 established a limit of how many years a student may receive subsidized loans

- Limits receipt to 150% of the published length of the academic program in which he or she is enrolled
 - ✓Applies to “first-time” borrowers who are defined as one who has never borrowed a Federal Loan or has an outstanding balance of \$0 (principle and/or interest) on a Federal loan on or after July 1, 2013
 - ✓COD will track and enforce the 150% limit
 - ❖Schools will be required to submit additional, and accurate, data

Legislative Changes...

Dear Colleague Letter (DCL GEN 13-13, May 10, 2013) provided guidance to accurate reporting of academic years and loan periods

- Applies to ALL direct loans for the 2013-2014 award year and forward
- Schools must update a loan's previously reported award start/end (loan period) dates, and academic year start/end dates if applicable, if the borrower's actual attendance during the loan period is different from the anticipated attendance that was the basis for the school's initial reporting to COD

2013-2014 New Award Year Setup

COD Release 12,0 implemented modifications to Ability To Benefit

- Requires submission of ATB code
 - ✓Reject edit code 994 if missing
- New warning edit 199 when <AbilityToBenefitCode> tag value submitted doesn't match the value submitted by the student
 - ✓Data is accepted and processed by COD
 - ✓No update required
- Two new ATB codes
 - ✓06 = High School Diploma
 - ✓07 = GED

2013-2014 New Award Year Setup

The funding method remains Advanced Funded

- Direct loan schools NOT on heightened cash management receive an initial authorization establishing COD CFL and corresponding available balance in G5
- Pell Grant and TEACH programs remain “records first” and no initial authorization will be generated for participating schools
 - ✓ Accepted actual disbursement data establishes CFL in COD and available balance in G5
 - ✓ Increases to CFL generated only by reporting (and having accepted) actual disbursement records
 - ❖ Can report up to 7 days in advance of the actual disbursement date

2013-2014 New Award Year Setup

The 2013-2014 Pell LEU Report was modified to be a scheduled report sent to your SAIG mailbox

- Comma-delimited format
- SAIG message class PGLEYYOP
 - ✓ “YY” designates award year
 - ✓ PGLE140P example for award year 2013-2014
- 2012-2013 Pell LEU Report will cease to be available in your School NewsBox on the COD Reporting website after October 5, 2013

2013-2014 New Award Year Setup

COD began to generate a “School Account Statement Disbursement Detail On Demand Report”

- Requested via the COD reporting website via the new Reports Request link under the Batch tab
 - ✓ Set the date range for your benefit
 - ❖ Coverage flexibility
 - ✓ Delivered to your SAIG mailbox
 - ✓ Format flexibility
 - ✓ NOT supported by Direct Loan Tools software

2013-2014 New Award Year Setup

Exit Counseling was added to the StudentLoans.gov website

- Exit Counseling data will be added to the existing COD Counseling Report
- COD will generate and send to schools an acknowledgement of completed Exit Counseling sessions
- COD does not generate Exit Counseling detail reports...schools will continue to obtain demographic and reference data from NSLDS as you do now

Agenda

Summer 2013

COD Release 12.2 – Pell Grants

This June release brought a hard reject, #201, for incoming Pell Grant disbursements that cause an award to exceed a student's Pell LEU of 600%

- Award year 2012-2013 and forward
- Disbursement level reject
 - ✓ For correcting schools the edit will update the submitted disbursement on an award that exceeds 600%
- Warning edits #177 and #178 will NOT be modified

COD Release 12.2 – Pell Grants

To manage any Pell LEU discrepancies, a dispute process was setup

- Disputes should be generated only for students for whom a successful appeal and adjustment will result in a Pell LEU $\leq 600\%$
 - ✓ Schools should contact COD to initiate the dispute process
 - ✓ Documentation will be requested to support the disputed data
 - ✓ If the dispute is approved, FSA will adjust the student Pell LEU and display the adjusted data on the Student Pell LEU History screen and the Pell LEU History Summary screen

*Dear Colleague Letter 2013-2014 (5/16/2013)
Pell LEU Dispute EA (June 27, 2013)*

Agenda

Direct Loan Program

COD Release 12.2 - Direct Loan Program

COD implemented Phase 1 of the modifications to enforce the 150% Direct Subsidized Loan Limit on first-time borrowers

- COD evaluates borrowers for the new “Subsidized Usage Limit Applies” (SULA) flag
 - ✓ Flag = “Y” if the borrower has no outstanding loan balance on a direct loan or FFELP loan at the time he or she receives an accepted and funded disbursement on a qualifying direct loan after June 30, 2013
 - ✓ If the borrower is identified as subject to SULA, the hard coded date that the disbursement was accepted will be displayed on the “View Person Information” screen on the COD reporting website
 - ✓ COD will generate a new report that will identify all students with Flag = “Y” status

COD Release 12.2 - Direct Loan Program

With this Summer release, COD implemented Phase 1 of the modifications to enforce the 150% Direct Subsidized Loan Limit on first-time borrowers

- COD evaluates borrowers for the new “Subsidized Usage Limit Applies” (SULA) flag
 - ✓ Flag = “Y” if the borrower has no outstanding loan balance on a direct loan or FFELP loan at the time he or she receives an accepted and funded disbursement on a qualifying direct loan after June 30, 2013
 - ✓ If the borrower is identified as eligible for SULA, the hard coded date that the disbursement was accepted will be displayed on the “View Person Information” screen on the COD reporting website

COD Release 12.2 - Direct Loan Program

U.S. DEPARTMENT OF EDUCATION
COMMON ORIENTATION & DISBURSEMENT

FSA
FEDERAL
STUDENT AID

Person School Batch Award Services User

Person Search

View Person Information HELP

Person Info
Detail
All Awards
Direct Loan
Promissory Notes
Credit Check
Events
Correspondence
Disclosure Statements
Additional Eligibility
Borrower-Servicer
Relationship

Counseling Search

MPN/ATS Search

PLUS App Search

Endorser Search

Credit Check

Applicant Search

Person Info


Mildred Street
Xxx-xx-xxxx
9/1/1990

Permanent Information			
Address		8559 MILDRED ST GORDON TOWN, NY 63906 US	
Email		Citizenship	US Citizen
Telephone	(701) 962-5213	Previous SSN	
School Assigned Id			
Post 9/11 Deceased Veteran Dependent	No		
Subsidized Usage Limit Applies Date	08/28/2013		
Direct Loan Entrance Counseling	Not on File		
Direct Loan Entrance Counseling with Grad PLUS	Not on File		

Local Information

No Local Address

UPDATE PERSON CREATE NEW AWARD



COD Release 12.2 - Direct Loan Program

A new Warning Edit, edit code #200, will be returned at the person level on an award **once the SULA field is populated** to notify Schools that the borrower is a “first-time borrower” and subject to the 150% Subsidized Usage Limit

Edit #	Type	Message
200	Warning	The borrower had no outstanding loan balance at the time a Direct Loan was received after June 30, 2013 and is subject to the 150% Subsidized Usage Limit.

COD Release 12.2 - Direct Loan Program

A new report identifying all borrowers that have the SULA flag = “Y” is generated and posted weekly to the School NewsBox on the COD reporting website

- Borrowers appear on the report for 90 days
 - ✓Appears once per school report per award year
 - ✓Delivered in CSV format
 - ✓If no borrowers meet the report generation criteria the school will not receive a report for that week

COD Release 12.2 - Direct Loan Program

COD code was modified to reject incoming Loan Origination Records (LORs) with an earliest disbursement date on or after July 1, 2013, and NOT having the appropriate origination fee

Loan Type	Prior Rate	New Rate
Subsidized Loans	1.0%	1.051%
Unsubsidized Loans	1.0%	1.051%
Direct PLUS Loans	4.0%	4.204%

Note: Existing calculation and truncation rules remain the same

COD Release 12.2 - Direct Loan Program

COD began to perform a “second look” at some declined borrowers’ credit

- COD reached out to those borrowers who were likely to be approved after reconsideration
 - ✓ Email asking the borrower to contact COD and ask to appeal under reconsideration
 - ✓ Immediate notification and instructions for appeal if declined borrower completed a PLUS Loan Request via StudentLoans.gov
 - ✓ Flag displayed on Credit Check History and Detail screens
 - ✓ Flag displayed on PLUS Award Application and Award Detail screens

COD Release 12.2 - Direct Loan Program

COD will generate and make available to schools a new “Credit Check Reconsideration Eligibility ” report

- Generated weekly and posted to the school NewsBox on the COD website in CSV format
- Identifies borrowers at their school whose most recent credit check is eligible for credit check reconsideration
- If the borrower appeal is accepted, then the record will not display on the following week’s report

COD Release 12.2 - Direct Loan Program

A modification to the instant online credit check via the COD reporting website requires your school OPE ID

- Additional field on the online credit check form
- Required entry

Agenda

StudentLoans.gov

COD Release 12.2 - StudentLoans.gov

Interim final regulations require schools to provide “robust” entrance counseling to “first-time borrowers” before making the first disbursement on a Direct Subsidized or Unsubsidized Loan to such borrowers on or after July 1, 2013

- To remain in compliance, schools must ensure borrowers begin receiving counseling on the 150% limitation on July 1, 2013
- StudentLoans.gov added a hyperlink to a document that includes information on the 150% limitation
- FSA encourages schools to provide the materials attached to an **Electronic Announcement dated May 16, 2013**, that includes information on the 150% limitation to students who completed entrance counseling prior to July 1, 2013,


COD Release 12.2 - StudentLoans.gov

“Understand Your Loans” provides a link to a document that explains the new legislation limiting eligibility for subsidized loans to some borrowers

1 Understand Your Loans 2 Manage Your Spending 3 Plan to Repay 4 Avoid Default 5 Make Finances a Priority

Jump to: Loan Basics Things You Need to Know Free Money First **Types of Direct Loans** Loan Limits

What is the Current Interest Rate?	3.4% for loans first disbursed on/after July 1, 2011 and before July 1, 2013 6.8% for loans first disbursed on/after July 1, 2013	6.8%	7.9%	5.0%
The government pays your interest...	While you are enrolled at least half-time [Ⓢ] , during the grace period, during deferment periods, and during certain periods of repayment under the Income-Based and Pay As You Earn Repayment Plans. Note: For Direct Subsidized Loans with a first disbursement date on/after July 1, 2012 and before July 1, 2014, you are responsible for paying the interest that accrues during the grace period.	You pay all interest during all periods.	You pay all interest during all periods.	<ul style="list-style-type: none"> While you are enrolled at least half-time [Ⓢ] For 9 months after you graduate or drop below half-time enrollment Deferment periods
What are the loan fees?	1% for loans with a first disbursement date on or after July 1, 2010	1% for loans with a first disbursement date on or after July 1, 2010	4%	N/A
When do I begin repayment?	6 months after you graduate or drop below half-time enrollment	6 months after you graduate or drop below half-time enrollment	PLUS loans enter repayment when they are fully disbursed (paid out), but payments can be deferred while you are in school at least half-time and for an additional 6 months after you graduate or drop below half-time status	9 months after you graduate or drop below half-time enrollment

Direct Subsidized Loan Time Limitation 

If you receive your first federal student loan after June 30th, 2013, there are limits on how long you can receive Direct Subsidized Loans. Learn more about the [Direct Subsidized Loan Time Limitation](#).

COD Release 12.2 - StudentLoans.gov

StudentLoans.gov added a new Repayment Estimator to the website

- After login on the “My Preferences” screen
 - ✓ Authenticated users will see loan data from NSLDS, the prospective eligibility of each loan for a particular repayment plan, and estimate the payment for a particular plan based on several factors including...
 - ❖ Loan type
 - ❖ Loan balance
 - ❖ Income
 - ❖ Family size
 - ❖ Where you live

Agenda

Fall 2013

October 2013

Sequestration changes to TEACH, Iraq & Afghanistan Service Grants, and Direct Loan awards took effect on October 1, 2013...

- DCL GEN 13-22, October 17, 2013
- On awards first disbursed on or after October 1, 2013 and before October 1, 2014...
 - ✓Iraq & Afghanistan Service Grants reduction dropped from 10% less than the statutory amount to 7.2%
 - ❖The award increased a bit
 - ✓TEACH Grants reduction increased from 6% less than the statutory amount to 7.2%
 - ❖The award is reduced a bit

October 2013

The direct loan origination fee changed as well

- On awards first disbursed on or after December 1, 2013 and before October 2014...
 - ✓The subsidized and unsubsidized loan origination fee increased from 1.051% to 1.72%
 - ✓The PLUS loan for Parents and graduate/professional students increased from 4.204% to 4.288%
 - ✓COD code change to accommodate the origination fee change was made the evening of October 17, 2013 and validation of EDD vs. origination fee on awards submitted after that date is in place

COD Release 12.3 - Direct Loan Program

There were a few “minor” modifications to COD and StudentLoans.gov on October 25, 2013

- Student identifiers required when running an instant online credit check for a Parent PLUS loan via the COD reporting website
- “Mask” the SSN, DOB, and PIN on the StudentLoans.gov login screen
- Provide a Spanish version of Entrance, Exit, and Financial Awareness counseling
- Include additional information on 150% Subsidized Limitation

COD Release 12.4

Planned for a December, 2013 implementation

- New Direct Loan Consolidation process on StudentLoans.gov
- Spanish repayment calculator on StudentLoans.gov
- Move the payment estimator from behind the login screen on StudentLoans.gov
- Updated 150% Subsidized loan limitation data in StudentLoans.gov counseling modules

Agenda

Spring 2014

COD Release 13.0

COD Release 13.0 - Scope

With COD Release 13.0 planned for Spring 2014, the following functionality will be implemented

- New Award Year Setup (NAYS) for award year 2014-2015
- Full schema validation
- Phase 2 of the Pell LEU Appeal process
- Phase 2 of the 150% direct subsidized loan threshold

COD Release 13.0 - New Award Year Setup

COD New Award Year Setup for award 2014-2015 will include the new Schema 4.0

- 4.0 will include additional 150% Subsidy Limit tags
- System generated files will be returned in schema 4,0 and message classes will reflect the award year designator as “15”
 - ✓ Changed elsewhere as appropriate
 - ❖ Master Promissory Note ID
 - ❖ Loan ID
 - ❖ Agreement To Serve ID
- Common Record response returned in schema of submission

COD Release 13.0 - New Award Year Setup

COD will perform “full schema validation” on incoming 2014-2015 XML Common Records

- Validation will be based on the Common Record SML schema version that is published
 - ✓Enforced schemas include 3.0d, 3.0e, and 4.0a
 - ✓We will retire schemas 2.0e, 3.0a, 3.0b, and 3.0c
- Examples of common errors include general file formatting such as
 - ✓Invalid character
 - ✓Opening tag with no closing tag

COD Release 13.0 - New Award Year Setup

This past May COD sent to software vendors a report outlining XML schema errors that have been found in common records created using their software

- Displayed errors found
 - ✓ Identified top 5 schools by error
 - ✓ Included a “collapsible” list of schools under a particular error
 - ✓ Not an exhaustive list of ALL errors
- Vendors resolving the identified errors will get a school/software vendor closer to providing, and ultimately submitting, a clean XML common record

COD Release 13.0 - New Award Year Setup

COD will further “streamline” the Pell LEU dispute process

- The COD reporting website will host a new central, integrated Pell LEU Dispute “portal”
- Authorized users will be able to create, view, update, and upload **scanned** documentation associated with a dispute via the portal
 - ✓“Pell LEU Disputes” will display on the bottom of the Pell LEU History page on the COD reporting website
 - ✓The “Escalation Type Search” page will include a search option of “Pell LEU Dispute” to easily search for all logged disputes

COD Release 13.0 - New Award Year Setup

One more Pell change...due to CPS changing their display of the EFC to 6 bytes instead of 5, those Pell reports listed below will display the EFC in the longer length as well

- The Pell Reconciliation Report
- The Pell Year-To-Date Report
- The Pell Multiple Reporting Record (MRR)

COD Release 13.0 - 150% SULA Phase 2

Phase 2 of the Direct Subsidized Loan 150% Threshold modifications will include

- New Schema version 4.0a
- COD will calculate (at a minimum)
 - ✓Maximum Eligibility Period
 - ✓Subsidized Usage Period
 - ✓Remaining Eligibility Period
- COD will enforce Direct Subsidized Loan eligibility
 - ✓COD will edit and reject awards for borrowers who have or will exceed 150% Subsidized Usage
- New SULA report and new SULA edits in development

COD Release 13.0 - 150% SULA Phase 2

The new 4.0a schema will include new SULA tags that will identify...

- Classification of Instructional Program (CIP code)
 - ✓ Program length in weeks, months, years
- Enrollment status
 - ✓ Half-time, three-quarter time, and full-time
- Credential level
 - ✓ Degree, diploma, or certificate
- Special Program flag
 - ✓ Teacher Certification or Preparatory Classes

More details to be provided with the Fall publication of the COD Technical Reference

COD Release 13.0 - 150% SULA Phase 2

COD will process incoming SULA data in real-time

- Sula setting
 - ✓“Y” or “N”
- Subsidized Usage Period calculations
 - ✓Returned per award via the Common Record Response
- At the conclusion of nightly processing, a System Generated Response will be transmitted to ALL applicable schools and will include...
 - ✓Subsidized Usage
 - ✓Subsidized Eligibility Calculation

COD Release 13.0 - 150% SULA Phase 2

Phase 2 will see the generation and posting of a new SULA Report

- Will identify SULA students and their status
 - ✓Maximum Eligibility Period
 - ✓Usage Period
 - ✓Remaining Eligibility Period
- Posted weekly to the school NewsBox on the COD website
 - ✓CSV format
 - ✓Default will be to post but a school can “opt out” at any time
- New fields will be added to the Direct Loan Rebuild File and the Duplicate Student Borrower School Report

Contact Information

COD School Relations Center

- Email: CODSupport@ed.gov
- URL: <http://www.cod.ed.gov>
- Phone: 1.800.548.0978 (D/L)
1.800.474.7268 (Grants)

Thank you for attending!