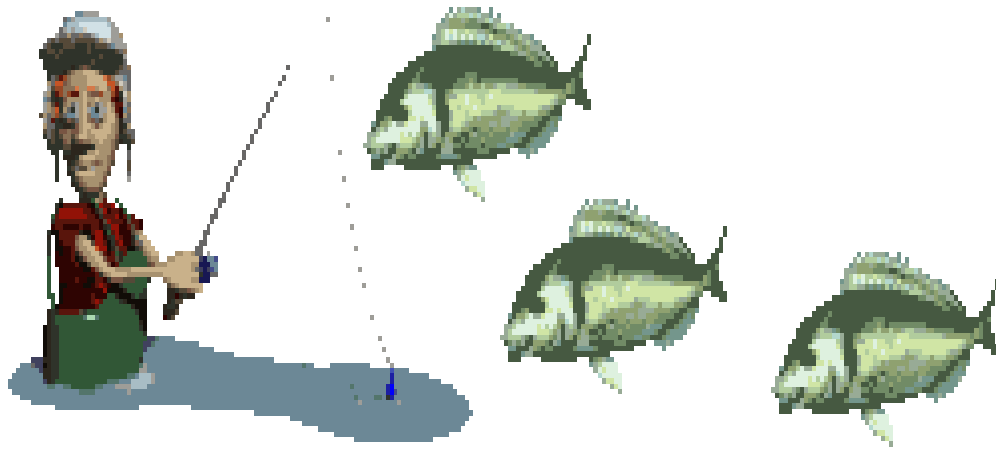


# The Common Origination & Disbursement System (COD)



Award Year 2015 - 2016

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## Agenda

- Spring 2015...
  - ✓ New Award Year Setup for Award Year 2015 – 2016
  - ✓ COD edit modifications
  - ✓ New XML Schema 4.0b For Award Year 2015 - 2016 Data
    - New tags
    - New Student Eligibility Tag and codes
    - New System-Generated Response
  - ✓ Modifications for Direct PLUS Loan Program requirements
    - ✓ Credit check expiration date extended to 180 days
    - ✓ Changes to adverse credit criteria
    - ✓ New Direct PLUS Loan Counseling Requirement

## Agenda

- Spring 2015...
  - ✓ Other changes to COD
- Summer 2015
  - ✓ Direct Loan Rebuild File
  - ✓ Direct Loan Tools Software
  - ✓ Other changes
- Autumn 2015
  - ✓ Still to come...

Spring

# New Award Year Setup



New Award Year Setup for 2015 – 2016 included the “normal” changes that occur from one award year to the next...

- The award year designator changed from “15” to “16”
  - ✓ System-generated files
  - ✓ Master Promissory Note IDs
  - ✓ Agreement To Serve IDs
  - ✓ Direct Loan award IDs
- Common Record Responses (CRRS) are returned in the schema of submission
- COD “award year specific” options were incremented one year

## The Funding Method remains “Advance Funded”

- Pell Grant and TEACH Grant Programs, and Direct Loan schools on Heightened Cash Management (HCM), remain “records first”
  - ✓ Must submit, and COD must accept, actual disbursement data to “establish” and/or increase your Current Funding Level (CFL)
- “Early disbursing” Direct Loan schools NOT on HCM received an initial CFL the week of April 6th
  - ✓ Next CFL assigned in June
  - ✓ Third CFL assignment coming in November
  - ✓ Increase to your CFL anytime by submitting actual disbursement data to COD



# Modified COD Edits



## COD Reject Edit Code #050 - Disbursement date outside allowable window

- Previously triggered ONLY at the disbursement level
- Now also triggers at the award level on origination and maintenance submissions
- Prevents an active disbursement (Anticipated or Actual) from falling more than 10 days before, or more than 180 days after, the Financial Award Begin/End Date

**NOTE: Will NOT TRIGGER on an inactivated (\$0) disbursement**

## COD Reject Edit Code #147 - Identifier inconsistency for Grad/Professional student PLUS award

- Previously relaxed and now enforced
- Triggers on origination
  - ✓ If the DOB or Last Name change tag is submitted in the borrower block of the Common Record but not in the student block
- Triggers on maintenance
  - ✓ If the SSN, DOB, or Last Name change tag is submitted in the borrower block of the Common Record but not in the student block

## COD Reject Edit Code #205 - Payment Period Start Date (PPSD) is outside the award begin and end dates

- Maintenance submissions only
- Allows a school to adjust the Financial Award (loan period) Begin/End date(s) without changing the PPSD
- Will not trigger at the disbursement level...
  - ✓ ***When the disbursement = \$0 and the disbursement date is OUTSIDE of the loan period***
- Will not trigger at the award level...
  - ✓ On a change to the award begin/end date, and the PPSD falls outside the loan period, and an inactivated disbursement (\$0) is outside the loan period

# XML Schema Version 4.0b



All award year 2015 - 2016 Common Record (CR) documents **MUST** be transmitted to COD using XML Schema Version 4.0b

- XML Schema contains new tags
- 100% XML Schema validation will remain in effect
  - ✓ A submitted CR that does not conform to the published schema format, all student, award, and disbursement information within that batch will not be processed

## COD requires identification of your **REPORTING** software provider and software version

- Existing tags <SoftwareProvider> and <SoftwareVersion> are mandatory
  - ✓ Your Common Record Document will reject with the new COD reject edit code #218 if not submitted
- New <OtherSoftwareProvider> and <OtherSoftwareVersion> tags will be stored by COD if submitted but not edited
  - ✓ Your Common Record Document will NOT reject if these tags are not submitted
- An example...a school employs a “home grown” application for their financial aid software but uses EdExpress as a translator for submitting data to COD

## XML Schema 4.0b reflects a name change for Ability To Benefit and new valid codes

- <AbilityToBenefit> re-named <StudentEligibilityCode>
- Three (3) new valid Student Eligibility codes for award year 2015 – 2016 awards
  - ✓ 08 – State Authorized High School Equivalent Certificate
    - We suggest using code 07 instead of 08 as using 08 could cause trouble on a maintenance submission after October
  - ✓ 09 - Academic Transcript of 2-yr Program Acceptable for Full Credit Transfer to BA Program
  - ✓ 10 - Program leads to at least an Associates Degree, Excelled in High School, and met the Admissions Requirements

NOTE: Code 08 will be merged with code 07 with the October, 2015 COD Release. Please note information on slide #47. A list of valid **current** codes for AY 2015 – 2016 can be found in the Appendix



A new tag, <CreditRequirementsMet>, indicates that a Direct PLUS applicant has met all CREDIT RELATED requirements

- An original credit decision of “A”  
OR
- An approved endorser/successful appeal  
AND
- A completed session of PLUS Counseling

## The Credit Requirements Met tag should be your focus

- `<CreditRequirementsMet>` = Y allows disbursement of the PLUS Loan
  - ✓ You cannot disburse the PLUS Loan unless all credit requirements are met
  - ✓ Rejects with the new COD Reject Edit Code #217
- `<CreditRequirementsMet>` is returned in...
  - A Common Record Response
  - A PLUS Request Response
  - A COD Web online credit check Response
  - The new Credit Status Response

## COD implemented a new system-generated Credit Status Response

- Sent with the intent to keep the school “in the loop” on a borrower that *may* be in the process of “resolving” his or her original credit decision of “Denied”
  - ✓ Sent on approval or denial of an endorser/appeal
  - ✓ Sent when special PLUS Counseling is completed
  - ✓ ***Includes the new <CreditRequirementsMet> tag***
- Contains additional Direct PLUS Loan credit data\*
- Message Class is CRCSxxOP
  - ✓ Identified as Doc Type CS on Batch Screens
- The Credit Decision Override Response (CRCOxxOP) is retired

NOTE: See the Appendix

# Changes to the Direct PLUS Loan Adverse Credit History Criteria and new PLUS Counseling Requirement



In the words of that great American philosopher, Bob Dylan...

“The Times They Are a Changin’”



## The credit check “window of validity” is now 180 days

- All credit checks performed on or after implementation
- All credit checks on the COD database at the time of implementation, and that had been completed within the previous 180 days, were also extended
  - ✓ COD identified those borrowers and provided that information to schools
  - ✓ Access via the “File Share/Messages” link under the COD School Information screen

As of March 29, 2015, COD considers an applicant to have an adverse credit history if, as of the date of the credit report, the applicant...

- Has a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or write-off of a Title IV debt during the preceding five (5) years

OR

- Has one or more debts with a combined outstanding balance greater than \$2,085, and that are 90 days or more delinquent, or charged off/in collection status within the preceding two (2) years

A borrower whose Direct PLUS Loan credit check was returned as “Denied” based on an adverse credit history can gain eligibility by ...

- Securing an approved endorser
  - ✓ The endorser is subject to, and must pass, the same credit check as the applicant
- Successfully appealing the adverse credit decision on extenuating circumstances
- In either case the applicant will be **REQUIRED** to complete a session of PLUS Counseling
  - ✓ PLUS Counseling **MUST** be completed before disbursement of the Direct PLUS Loan funds
  - ✓ A session of PLUS Counseling will be required for each original credit decision of “Denied”

**NOTE:** Reconsideration Eligible applicants will **NOT** be required to complete PLUS Counseling



## PLUS Counseling is a distinct and unique counseling module

- PLUS Counseling is ***NOT Entrance Counseling***
  - ✓ Does not fulfill the Entrance Counseling requirement for a first-time Graduate/Professional Student
  - ✓ Some first-time Graduate/Professional students will be required to complete both modules
- PLUS Counseling is provided **ONLY** via the StudentLoans.gov (SLG) website
  - ✓ PLUS applicants who choose to resolve an original credit decision of “Denied” will be offered a transition to the PLUS Counseling module
  - ✓ Parent of Grad PLUS Counseling options
  - ✓ English only currently
  - ✓ Available to anyone
  - ✓ A demo module is available outside authentication

# Other COD Changes



- COD created a new weekly “Credit Status Report”
  - Identifies borrowers whose most recent original credit decision is “Denied” and is NOT expired
  - A borrower drops off the report 30 days after
    - ✓ Credit Requirements Met = Y
    - ✓ The Direct PLUS Loan award is reduced to \$0
    - ✓ The credit decision expiration date has been reached
  - Posted weekly to the COD Website
    - ✓ Your School NewsBox
    - ✓ CSV (Comma Separated Value) format
    - ✓ Saturday to Friday reporting window

## COD retired two (2) reports

- The Credit Check Reconsideration Eligibility Report
  - ✓ Reconsideration Eligibility displayed in the new Credit Status Response
- System-generated Credit Override Response
  - ✓ Information carried by this response is now carried by the new Credit Status Response

## The COD Website screens below were modified/added...

- Batch Response screens
  - ✓ Updated to include the Credit Status Response
- Common Record (CR), Web (WB), and PLUS Request (SP) Response information screens
  - ✓ Updated to include the “Credit Requirements Met” flag
- The Award Information screen
  - ✓ Updated to display the “Credit Requirements Met” field
- Credit Status Request screen
  - ✓ Added to allow a school to request the latest Credit Status Response on the system
  - ✓ Sent to your SAIG mailbox
- Direct Subsidized Loan Usage
  - ✓ Added Inquiry and Calculator options

# SULA Inquiry/SULA Calculator Screen



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FSA  
FEDERAL  
STUDENT AID

Person School Batch Award Services User Program Support Admin

Return to: [Subsidized Usage Search](#)

**Direct Subsidized Loan Usage** [? HELP](#)

[Export Summary To XLS](#)

Sum Actual Subsidized Usage Periods: 1.0

**Direct Subsidized Loan Summary**

Attending School	Award ID	Maximum Subsidized Eligibility Period	Actual Subsidized Usage Period	R S P
<b>Year '14-'15</b>				
COLLEGE -		6.0	1.0	
<b>Year '13-'14</b>				
COLLEGE -				

[Create Subsidized Usage Inquiry](#) [Subsidized Usage Calculator](#)

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**Person** School Batch Award Services User Program Support Admin

- ▶ **Person Search**
- ▶ **Counseling Search**
- ▶ **MPN/ATS Search**
- ▶ **PLUS App Search**
- ▶ **Endorser Search**
- ▶ **Credit Check**

Return to: [Direct Subsidized Loan Usage](#)

## Subsidized Usage Calculator

 HELP

The addition of the DLS award to the Subsidized Usage Calculator was successful but caused the Remaining Actual Subsidized Eligibility of that award to be negative. This action would be rejected by the COD system.

- ▶ **Escalation**
- ▶ **Servicer**

COLLEGE -	6.0	1.0
Year '13-'14		
COLLEGE -		

[Create Subsidized Usage Inquiry](#)

[Subsidized Usage Calculator](#)

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# FY 2016 Sequester Required Changes



## COD modified code on April 27, 2015 to comply with Sequester mandated changes to Direct Loan Origination fees

- For Direct Loans with an earliest disbursement date (EDD) on or after October 1, 2015, and before October 1, 2016
  - ✓ The Direct Subsidized and Direct Unsubsidized Loan origination fee will drop from 1.073% to **1.068%**
  - ✓ The Direct PLUS Loan origination fee for Parents of Dependent students and Graduate/Professional students will drop from 4.292% to **4.272%**
- COD will validate the EDD against the loan origination fee on incoming Loan Origination Records (LORs)
  - ✓ COD will reject incoming LORs with an invalid EDD/loan origination fee

## TEACH Grant and Iraq & Afghanistan Service Grant sequester changes...

- Awards with an EDD on or after October 1, 2015, and before October 1, 2016
  - ✓ A TEACH Grant requires a reduction of **6.8%** from the award amount for which the student would otherwise be eligible for
  - ✓ An Iraq Afghanistan Service Grant requires a reduction of **6.8%** from the award amount for which the student would otherwise be eligible for



COD modified the “Options” screen under the StudentLoans.gov group to allow a school to re-label what are now the Award Range Request date fields

- Award Range Request Dates are reflected on a Direct PLUS Loan Request as “Loan Period Requested”
- Change will allow the school to re-label that term, i.e., “Spring” or perhaps “Fall”
  - ✓ A changed label requires dates as well
  - ✓ The CRSP Response to a Direct PLUS Loan Request will NOT reflect the changed labels

Confirmation of a user's permanent and mailing address is required upon completion of certain processes on StudentLoans.gov

- A checkbox confirms on the following screens
  - ✓ MPN
  - ✓ Direct PLUS Loan Request
  - ✓ Direct Consolidation Loan App/P-note
  - ✓ Income Driven Repayment Plan
  - ✓ Endorser Addendum
  - ✓ Exit Counseling
- Also on the TEACH Grant website when completing a TEACH Grant Agreement To Serve

An applicant for a Direct PLUS Loan Request via the StudentLoans.gov Website that provides a foreign permanent and mailing address is now required to indicate if he or she has a U.S. address

- “Yes” will display new address fields for the U.S. address
  - ✓The U.S. address will be used to complete the credit check but will not change the permanent or mailing address of record
- “No” will allow the borrower to complete the process but the foreign address will be used to complete the credit check
  - ✓The “Pended” credit result will need to be resolved

## Other StudentLoans.gov Website enhancements...

- A downloadable, 508-compliant PDF version of the MPN will be available
  - ✓ English only
  - ✓ Endorser Addendum will be available via the Student Loan Support Center
- An overview of certain processes will be available to authenticated users to help prepare and gather needed documents and materials
  - ✓ MPNs (Sub/Unsub/PLUS)
  - ✓ Direct PLUS Loan Request
  - ✓ Consolidation Loan/P-Note
  - ✓ Income Driven Repayment Plan Request



## COD updated the Direct Loan Rebuild File

- Anticipated disbursements will move from the Origination Detail Record to the Disbursement Record
  - ✓ The current disbursement Release Indicator (DRI) field will indicate actual or anticipated disbursement data
- Subsidized Usage Limit Applies (SULA) data will be added to the Disbursement Detail Record including...
  - ✓ Payment Period Start Date
  - ✓ Program CIP Code
  - ✓ Enrollment Status
- More fields supporting the Subsidized Usage Period (SUP) calculation process will be added
  - ✓ See the Appendix
- Key data fields supporting the PLUS Counseling requirement are returned

## Direct Loan Tools software was released on June 25th

- Supports award years 2013 - 2014, 2014 - 2015, and 2015 – 2016
  - ✓ SULA support for award years 2014 – 2015\*
  - ✓ PLUS Credit requirements support for award years 2015 – 2016\*

\*Previous versions of EdExpress for these award years did not contain SULA or PLUS Counseling data elements

## Direct Loan Program Year Closeout for award year 2013-2014 reminder...

- Make sure any pending disbursements are reduced to \$0
- Make sure the loan amount reflects the amount **actually** disbursed to the student
- Make sure the loan period includes **ONLY** those payment periods for which the student received an actual disbursement
- Make sure the academic year start/end dates reflect the defined length of the Program's academic year
  - ✓ Minimum 30 weeks for a credit hour or direct assessment Program
  - ✓ Minimum 26 weeks for a Program measured in clock-hours

Autumn



## COD plans to implement additional enhancements in October, 2015

- The “30-Day Warning Report” will be parameter driven by days
  - ✓ Aligns with 15-day reporting window
  - ✓ Re-named “Direct Loan Booking Warning Report”
- COD has added four (4) new Experimental Sites for award year 2015-2016
- “Live Chat” on the COD Website
  - ✓ Via the “Contact Us” screen
- Option to download “select” data in CSV format...
  - ✓ School Events Search
  - ✓ Batch Action Queue & Report Request Searches
  - ✓ User Search
  - ✓ Cash Activity screen
  - ✓ Refunds of Cash screen

## COD plans to implement additional enhancements in October, 2015

- The TEACH Grant Program will implement a new and OMB approved Agreement To Serve (ATS)
  - ✓ Remember TEACH Grant ATS and initial/continuing counseling are found on the TEACH Grant Website
    - <https://teach-ats.ed.gov/ats/index.action>
- COD will allow actual disbursement amount and date changes in the same transaction
  - ✓ Will retire COD Reject Edit Code #057

## COD plans to implement additional enhancements to COD in October

- Pell Grant ACA payments will no longer be sent automatically to your bank account
  - ✓ You'll need to draw the payment from G5
  - ✓ Your Electronic Statement of Account (ESOA) will notify you when your payment is available
  - ✓ Next payment will be generated March, 2016
- COD will be updated with new/altered Student Eligibility Codes and to accommodate students enrolled in an eligible career pathway program
  - ✓ Effective on 2015-2016 awards and forward
    - Codes 01, 02, 07 changed
    - Codes 11, 12, 13, 14 added
    - Code 08 removed
  - ✓ DCL dated May 22, 2015, GEN-15-09
  - ✓ Electronic Announcement dated July 9, 2015



# Resources





## COD

- COD School Services
  - ✓ Phone...1.800.848.0978 (D/L)
  - ✓ Phone...1.800.474.7268 (Grants)
  - ✓ Email...CODSupport@ed.gov
- COD Applicant Services (Direct PLUS Loan Support)
  - ✓ Phone...1.800.557.7394
- COD Technical Reference for Award Year 2015 – 2016
- Federal Loan School Support Team
  - ✓ Email...dllops@ed.gov

## Electronic Announcements & Dear Colleague Letters

- Become familiar with Electronic Announcements (EAs) and Dear Colleague Letters (DCLs) posted to IFAP
  - ✓ EA dated January 27, 2013 - Early Implementation of Changes in Regulations on Adverse Credit History Under the Direct PLUS Loan Program
  - ✓ EA dated February 3, 2015 - Direct PLUS Loan Changes; Operational Impacts to Schools and Preliminary COD System Information
  - ✓ EA dated February 27, 2015 - Direct PLUS Loan Changes; COD System Changes for PLUS Counseling to be Implemented March 27-29, 2015

## Electronic Announcements & Dear Colleague Letters

- Become familiar with Electronic Announcements (EAs) and Dear Colleague Letters (DCLs) posted to IFAP
  - ✓ EA dated February 27, 2015 - Direct PLUS Loan Changes; System Changes for the Determination of Adverse Credit History and the Duration of a Credit Check (from 90 Days to 180 Days) to be Implemented March 27-29, 2015
  - ✓ EA dated March 20, 2015 - COD System Implementation for 2015-2016 Award Year
  - ✓ EA dated June 6, 2015 - Additional COD System Implementation for 2015-2016 Award Year
  - ✓ EA dated June 24, 2015 - Approved Ability-to-Benefit (ATB) tests
  - ✓ EA dated July 9, 2015 - Operational Guidance on Reporting Student Eligibility Codes for All Students, Including Those Who Are Enrolled in an Eligible Career Pathway Program

## Electronic Announcements & Dear Colleague Letters

- Become familiar with Electronic Announcements (EAs) and Dear Colleague Letters (DCLs) posted to IFAP
  - ✓ DCL dated April 6, 2015 (GEN:15-06) - Loan Counseling Requirements and Flexibilities
  - ✓ DCL dated April 27, 2015 (GEN: 15-07) - FY 2016 Sequester Required Changes to the Title IV Student Aid Programs
  - ✓ DCL dated May 22, 2015 (GEN: 15-09) - Title IV Eligibility for Students Without a Valid High School Diploma Who Are Enrolled in Eligible Career Pathway Programs



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# Appendix

## The new system-generated Credit Status Response will carry new fields and values...

- Original Credit Decision Status
  - ✓ Always sent
    - ❖ “A” if approved
    - ❖ “D” if Denied
- Credit Decision Date
  - ✓ Always sent
- Credit Decision Expiration Date
  - ✓ Always sent

## Credit Appeal Status

- Populated if there is a valid Credit Appeal linked to the borrower's original credit decision of "Denied"
  - ✓ "A" if approved
  - ✓ "D" if denied
  - ✓ "P" if pended
  - ✓ "R" if closed
- Sent **ONLY** if the borrower has appealed



## Credit Action Status

- Populated if one of the three (3) values below apply
  - ✓ “D” indicates an endorser addendum has **NOT** been linked because the endorser has been denied as a result of the endorser’s adverse credit history
  - ✓ “L” indicates the endorser is approved but for a lesser amount than the denied Direct PLUS Loan award amount
  - ✓ “N” indicates the credit result has changed after resolving an initial credit check result of “Pending”
- If “N” the Original Credit Decision Status tags will reflect an “A” or “D” as the original credit decision, the date of the credit check, and the credit check expiration date

## PLUS Counseling Completed

- Always populated
  - ✓“Y” indicates a required session of PLUS Counseling has been completed
  - ✓“N” indicates a required session of PLUS Counseling has NOT been completed
- PLUS Counseling Completed Date
  - ✓Populated if the PLUS Counseling Completed tag = “Y”
- Reconsideration Eligible
  - ✓Always populated
  - ✓“Y” indicates the borrower is eligible for a Reconsideration Appeal
  - ✓“N” indicates the borrower is **NOT** eligible for a Reconsideration Appeal

## Endorser Approved

- Sent **ONLY** when an endorser addendum is processed
  - ✓“TRUE” indicates an approved endorser
  - ✓“FALSE” indicates an endorser is **NOT** approved
- Endorser Amount
  - ✓Sent ONLY when an endorser addendum has been approved
- Response Error Code
  - ✓A COD Warning Edit Code #184 is sent when the Endorser Amount is less than the denied Direct PLUS Loan award amount

## Credit Requirements Met

- Always sent
  - ✓ “Y” if all credit requirements have been met
  - ✓ “N” if all credit requirements have **NOT** been met
- Credit Requirements Met means...
  - ✓ An original credit decision of “A”
  - Or
  - ✓ An approved Endorser/Appeal
  - And
  - ✓ A completed session of PLUS Counseling
- Keep in mind that the events that satisfy credit requirements may **NOT** happen in a linear fashion

***CURRENT*** Valid values for the <StudentEligibilityCode> tag for 2015-2016 awards. ***Remember...changes are coming in October!***

- 01-Ability To Benefit Testing Completed (Modified)
- 02-College Credits
- 04-Home Schooled
- 06-High School Diploma
- 07-GED Certificate (Modified)
- 08-State Authorized High School Equivalent Certificate
- 09-Academic Transcript of a 2-Yr Program acceptable for full credit transfer to a Bachelor's Program
- 10-Program leads to at least an Associates Degree, Excelled in High School, and met the Admissions requirements

## More fields supporting the Subsidized Usage calculation process are being added to the D/L Rebuild File

- Academic Year
- Anticipated SUP
- Loan Period Length
- Remaining Anticipated Subsidized Eligibility Period (RSEP)
- Sum Anticipated SUP
- Anticipated Non-Credential Teacher Certification SUP
- Remaining Anticipated Non-Credential Teacher Certification RSEP
- Sum Anticipated Non-Credential Teacher Certification SUP