Volume II, Section 1.a – Implementation Guide for Schema 2.0e

Overview

This chapter provides assistance to Schools, EDExpress Users, Third-Party Servicers, and Software Providers with implementing the COD System for the 2008-2009 Pell Grant, Academic Competitiveness Grant, National SMART Grant, and Direct Loan Programs. It serves as a companion to the 2008-2009 Overview of Changes, Common Record Layout and Edit Codes contained in this Technical Reference and the XML Common Record Schema v2.0e available at http://www.ifap.ed.gov.

Note: Beginning in 2005-2006, all schools became Full Participants.

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Implementation Guide for 2008 - 2009

XML version of EDExpress for 2008-2009

EDExpress for Windows 2008-2009, Release 2.0 (Available April 2008) communicates to COD using the Common Record in XML for Pell Grant, ACG, National SMART Grant, and Direct Loan awards. The External Import Add and Change files and External Export files for EDExpress Combination System users continue to be offered in fixed-length format and not XML.

Business Rules:

1) EDExpress for Windows 2008-2009, Release 2.0 exports and imports the XML Common Record to and from COD for Pell, ACG, National SMART Grant, and Direct Loan awards.

2) EDExpress Users are Full Participants.

   a. A school/Third-Party Servicer that uses EDExpress to export and import Direct Loan, Pell, ACG and/or National SMART Grant data to COD is a Full Participant.

3) EDExpress Users should refer to the sections within *Volume II – Common Record Technical Reference* of the *2008-2009 COD Technical Reference* as their reference tool.

4) The External Import Add and Change files and External Export files used by EDExpress 2008-2009, Release 2.0 to interface with Combination and Mainframe Systems are offered in fixed-length format and not XML for 2008-2009. Users with Pell, ACG, National SMART Grant and/or Direct Loan systems used in combination with EDExpress should refer to Volume III – Combination System Technical Reference of the 2008-2009 COD Technical Reference.

5) All reports continue to be produced and imported into EDExpress in current formats and not XML.

Common Record Valid Format Rules

Common Record XML Schema Guidelines

The Common Record XML Schema guidelines reflect accepted industry practices and recommendations from the Post-Secondary Electronic Standards Council.

Business Rules:

1) The Common Record XML Schema contains the validation rules for the Common Record document that is transmitted to COD.

2) XML Schema version information is reflected in the Namespace attribute `xmlns` and its value (e.g. `http://www.ed.gov/FSA/COD/2006/v2.0e`) in the `<CommonRecord xmlns="">` root element of the Common Record document.

3) The Namespace attribute and its value are required on all 2003-2004 and forward submissions and are echoed back in the response file.

4) The XML Schema and the namespace attribute can be used throughout the development and testing of a system to validate the system's XML document output. For example, if a `1.0g` Namespace is submitted containing `2.0c` elements, it is likely that there is a software configuration problem.

5) XML Schema validation is *not* performed during production processing.

6) Since XML Schema validation is not performed during production, the Namespace attribute and its value should not be edited during production processing. Updates to the value contained in the Namespace attribute should *not* influence production processing.

7) Editing against the value in the Namespace attribute may jeopardize processing when Schema updates occur.

2008-2009 Common Record XML Schema

All tag names in the 2008-2009 Common Record XML schema v2.0e reflect recommendations from the Post-Secondary Electronic Standards Council. The Common Record XML schema v2.0e latest release is available at http://www.ifap.ed.gov.

Business Rules:

Note: Please see "Common Record Schema Guidelines" for more information about editing against the Namespace attribute.

1) All Common Record document submissions for the 2008-2009 award year and forward must conform to Common Record XML schema versions 2.0e or 3.0a. *For information regarding schema 3.0a please see "Volume II, Section 1.b – Implementation Guide for Schema 3.0a."*

2) System-generated Documents for the 2008-2009 Award Year and forward are sent in the XML schema version identified by the school in the "Schema Version for System Generated Responses" field of the School Options Information webpage.

    a. If 2.0e is the selected schema version for system generated responses, the attribute `xmlns` and its value (e.g. `http://www.ed.gov/FSA/COD/2006/v2.0e`) will be returned in the `<CommonRecord xmlns="">` root element of System-Generated Documents.

    b. If 3.0a is the selected schema version for system generated responses, the attribute `xmlns` and its value (e.g. `http://www.ed.gov/FSA/COD/2008/v3.0a`) will be returned in the `<CommonRecord xmlns="">` root element of System-Generated Documents.

3) All 2003-2004, 2004-2005, 2005-2006, 2006-2007, and 2007-2008 Award Year Common Record document submissions must conform to either the Common Record XML schema version 2.0d or 2.0e.

4) System-generated documents for the 2003-2004, 2004-2005, 2005-2006, 2006-2007, and 2007-2008 award years are sent in the latest XML schema version, 2.0e (see example).

    a. The attribute `xmlns` and its value (e.g. `http://www.ed.gov/FSA/COD/2006/v2.0e`) will be returned in the `<CommonRecord xmlns="">` root element of System-Generated Documents for 2003-2004, 2004-2005, 2005-2006, 2006-2007, and 2007-2008 submissions.

    Note: Non-standard abbreviations have been eliminated from all tag names in the XML Common Record XML schema version 2.0.

5) If multiple award years are submitted in one Common Record document, Responses are returned in the latest XML schema version used to submit records for the highest award year contained in the Common Record submission (see example).

6) All Responses are returned in the same Common Record XML schema version as the submitted Common Record document (see example).

7) The COD System uses the Document Information Block Common Record root element `<CommonRecord xmlns =">` as an indicator of the XML schema version to which the Common Record document conforms. The COD System processes the Common Record Document using the XML schema version indicated by this tag.

    a. If tags are identified that are not specific to the XML schema version used for processing, the document is considered invalid and Customer Service is notified of the error. Customer Service works with the school to avoid future processing problems.

Example:

Common Record Schema Version submitted by the School	Schema version returned in the COD Common Record Response Document	Namespace Value returned in System-Generated Response	Namespace Value returned in Common Record Response
2.0d	2.0d	http://www.ed.gov/FSA/COD/2006/v2.0e	http://www.ed.gov/FSA/COD/2004/v2.0d
2.0e	2.0e	http://www.ed.gov/FSA/COD/2006/v2.0e	http://www.ed.gov/FSA/COD/2006/v2.0e

Maximum Length Values and Leading Zeros

XML does not require that the data for a specific tag occupy the maximum length. However, the data cannot exceed the maximum length specified for a tag or the batch cannot be processed. Refer to the Common Record Layout, *Volume II, Section 3 – Common Record Layout* for "max length" valid field lengths.

Business Rules:

1) Do not include leading zeros and spaces to satisfy the maximum length for a given tag.

Examples:

EXAMPLE #1:

In the example below, the student's first name, John, is four (4) characters long. Although the first name tag has a maximum length of 12 characters, leading zeros or spaces are not necessary to occupy the maximum length of the tag.

```
<FirstName>JOHN</FirstName>
```

EXAMPLE #2:
In the example below, the Disbursement Amount is 400.00. Although the disbursement amount tag has a valid value up to 99999999.99, leading zeros or spaces are not necessary to occupy the length of the tag.

```
<DisbursementAmount>400.00</DisbursementAmount>
```

Empty (Blank) and Null Tags

The COD System differentiates between a tag being empty (blank) and a tag being null in the database.

Business Rules:

1) An empty tag is one in which content of the tag equals blank or spaces.

2) An empty tag is reported as:

```
<PhoneNumber></PhoneNumber>
```

Or

```
<PhoneNumber/>
```

3) Tags not necessary or not applicable for the document submission should be omitted, rather than reported as empty. See EXAMPLE #1, 2.

4) A blank tag is reported as:

```
<PhoneNumber></PhoneNumber>
```

5) Tags that can contain blank as a valid value have `<xsd: enumeration value= “  “/>` defined for them in the XML Common Record Schema.

6) If a school reports blank for a tag that does NOT have blank as a valid value defined in the XML Common Record Schema, the tag will reject with error code 996.

7) If a school reports blank for a tag that does have blank as a valid value defined in the XML Common Record Schema, blank will override the data in the COD database.

8) A null tag is used to remove or delete content currently on the COD database.

9) A null tag (`nil=”true”`) is reported as:

```
<PhoneNumber xsi:nil=”true”/>
```

Or also

```
<PhoneNumber xsi:nil=”true”></PhoneNumber>
```

10) Tags that can contain null values have a `nil=”true”` attribute set for them in the XML Common Record Schema.

11) If a tag has a minOccurs greater than zero and the school has no content to report in that tag, the school must report a null tag.

Examples:

EXAMPLE #1

If a student does not have a middle initial, the Middle Initial tag should be omitted from the Common Record, rather than reported as empty or blank.

```
<Name>
      <FirstName>SUE</FirstName>
      <LastName>SMITH</LastName>
</Name>
```

EXAMPLE #2

For Direct Loans, the Additional Unsubsidized Loan for Health Professionals Indicator, `<HPPAIndicator>`, is not necessary if the student does not qualify. In these cases, this tag should not be included in the document, rather than reported as empty.

Data Types

The Common Record includes the following data types:

1) Date
2) Date/Time
3) Year
4) Decimal
5) Integer
6) String
7) Boolean

Note: Each of these data types is discussed in detail below.

Date Fields

All date fields on the Common Record use the following format: CCYY-MM-DD.

Business Rules:

1) The dashes must be included.
2) The CC designates the Century.
3) The YY designates the Year.
4) The MM designates the Month.

5) The DD designates the Day.

6) A leap year is defined as one in which the value of YY is divisible by four (4).

7) In a leap year, the valid values for DD are “01 – 29” when MM is equal to “02”.

Note: This leap year logic represents no change from prior years.

Year Fields

All year fields on the Common Record use the following format: CCYY.

Business Rules:

1) The CC designates the Century.

2) The YY designates the Year.

Date/Time Fields

All date/time fields on the Common Record use the following format: CCYY-MM-DDThh:mm:ss.ff.

Business Rules:

1) The punctuation marks (dashes, colons and decimal point) must be included.

2) The CC designates the Century.

3) The YY designates the Year.

4) The MM designates the Month.

5) The DD designates the Day.

6) The T is the date/time separator.

7) The hh designates the Hour.

8) The mm designates the Minutes.

9) The ss designates the Seconds.

10) The ff designates the hundredths of a second. This value may be zero (00).

11) The hh must be submitted in 24-hour clock time.

Decimal Fields

Decimal fields on the Common Record are either dollar amount fields or percentage fields. Each of these field types is described in detail below.

Dollar Amount Fields

Dollar amount fields on the Common Record use the following format: -999999.99 to 999999999999.99.

Business Rules:

1) Leading zeros are not necessary to occupy the maximum length of the field.

2) Dollar amount fields may include two digits to the right of a decimal point.

3) If a dollar amount reported by the school does not contain a decimal point, the COD System infers a decimal point and two zeros after the last digit reported. See EXAMPLE #1.

4) To report cents (partial dollar amounts), the school must submit a decimal point and the digits to the right of the decimal point. See EXAMPLE # 1.

5) When reporting a positive dollar amount, the school must submit amount fields without a sign indicator.

6) When reporting a negative dollar amount, the school must submit the amount field with the negative sign in the lead character, e.g. FISAP Income Amount. See EXAMPLE #2.

Note: FISAP Income Amount field is currently not in use for the 2002-2003 award year and forward.

7) Common Records may be returned to the source with a negative sign in the lead character of a dollar amount field, e.g. Payment to Servicer Amount. See EXAMPLE #3.

8) The following fields on the Common Record are dollar amount fields:

    a. Total Award Amount Reported, `<TotalReportedAward>`

    b. Total Disbursement Amount Reported, `<TotalReportedDisbursement>`

    c. Award Amount, `<FinancialAwardAmount>`

    d. Federal Share Amount, `<FederalShareAmount>`
    Note: Currently not applicable for the 2002-2003 Award Year and forward.

    e. FISAP Income Amount, `<FISAPIncomeAmount>`
    Note: Currently not applicable for the 2002-2003 Award Year and forward.

    f. Award Amount Requested, `<FinancialAwardAmountRequested>`
    Note: For 2002-2003 award year only.

    g. Cost of Attendance, `<AttendanceCost>`

    h. Disbursement Amount, `<DisbursementAmount>`

i. Disbursement Net Amount, `<DisbursementNetAmount>`

j. Disbursement Fee Amount, `<DisbursementFeeAmount>`

k. Interest Rebate Amount, `<InterestRebateAmount>`

l. Payment to Servicer Amount, `<PaymentToServicerAmount>`

m. Booked Loan Amount, `<BookedLoanAmount>`

n. Endorser Amount, `<EndorserAmount>`

o. Year to Date Disbursement Amount, `<YTDDisbursementAmount>`

p. Scheduled Federal Pell Grant, `<ScheduledPellGrant>`

q. Negative Pending Amount, `<NegativePendingAmount>`

r. Total Financial Disbursement Accepted, `<TotalFinancialDisbursementAccepted>`

s. Total Financial Award Accepted, `<TotalFinancialAwardAccepted>`

t. Total Funded Disbursement Accepted, `<TotalFundedDisbursementAccepted>`

u. Total Non-Funded Disbursement Accepted, `<TotalNonFundedDisbursementAccepted>`

v. Total Amount Corrected, `<TotalFinancialAwardCorrected>`

Examples:

EXAMPLE #1:
When reporting an amount of $2625.34:

1) Include the decimal point and two digits to the right: 2625.34
OR
2) Include the decimal point and two zeroes to the right: 2625.00
OR
3) Omit the decimal point and report the whole dollar amount only: 2625

Then, the COD System infers a decimal point and two zeros and stores 2625**.**00

DO NOT submit 262500 as the COD System infers a decimal and stores this submission as 262500.00.

Note: Pennies are not processed or stored by the COD System for the Direct Loan Program but are processed and stored for the Pell, ACG and National SMART Grant Programs. All Direct Loan reported amounts that include partial dollar amounts are truncated. Please refer to the Reporting Pennies in the Award and Disbursement Amount Data Elements sections for more information

EXAMPLE #2:
The FISAP Income Amount tag can be reported with a negative value for Campus-Based information.

```
<FISAPIncomeAmount>-10000</FISAPIncomeAmount>
```

Note: FISAP Income Amount tag is currently not applicable for the 2002-2003 award year and forward.

EXAMPLE #3:
The Payment to Servicer Amount is returned with a negative sign as the lead character in the amount field.

```
<PaymentToServicerAmount>-1000.00</PaymentToServicerAmount>
```

Note: Refer to the topic entitled “Generating Payment for Servicer Response” for more information on the Payment to Servicer Amount.

Percentage Fields

Percentage fields on the Common Record use the following format: 0 – 999.999.

Business Rules:

1) Leading zeros are not necessary to occupy the maximum length of the field.

2) Percents must be reported as whole numbers or mixed numbers without the percent sign.

3) The following fields on the Common Record are percentage fields:

    a. Origination Fee Percentage, `<OriginationFeePercent>`

    b. Interest Rebate Percentage, `<InterestRebatePercent>`

    c. Total Eligibility Used, `<TotalEligibilityUsed>`

Examples:

Three percent (3%) is reported as 3 or 3.0 and the COD System stores as 3.000.

One and a half percent (1.5%) is reported as 1.5 and the COD System stores as 1.500.

Note: Please refer to *Volume II, Section 3 - Common Record Layout* in this Technical Reference for more information on valid values and formats on specific fields.

Integer Fields

Integer fields on the Common Record are non-dollar amount, non-percentage, numeric fields.

Business Rules:

1) Integer fields contain whole numbers.

2) Integer fields do not contain decimal points, dollar or percent signs.

String Fields

String fields on the Common Record are alphanumeric fields that can contain a variety of characters.

Business Rules:

1) String fields can contain all ASCII characters, except a raw, unescaped opening angle bracket (<), ampersand (&), closing angle bracket (>), quotation mark ("), or apostrophe (').

    Note: Refer to the topic entitled “XML Predefined Entity References” for more information.

Boolean Fields

Boolean fields on the Common Record are fields that have exactly two values: true or false

Business Rules:

1) Boolean fields contain a value of ‘true’ or ‘false.’

XML Predefined Entity References

XML does not allow character data inside an element to contain a raw unescaped opening angle bracket (<), ampersand (&), closing angle bracket (>), quotation mark ("), or apostrophe ('). If these characters are necessary in your markup, they must be escaped using predefined entity references. An XML parser replaces the predefined entity references with actual characters.

Business Rules:

1) XML predefines the following five entity references:

- `<` the less than sign (<)
- `&` the ampersand (&)
- `>` the greater than sign (>)
- `"` the straight, double quotation marks ("
- `'` the apostrophe, straight quotation mark ('

Common Record Processing Rules

Document

An XML document is the vehicle through which data is transmitted. A Common Record transmission is considered to be an XML document. A Common Record transmission, or document, may contain multiple awards and multiple disbursements for one or multiple students. In cases where the Reporting School transmits data for multiple Attended Schools, the Common Record may contain student, award, and disbursement data for multiple schools. It can be thought of as a batch.

Document Submission

Common Record documents can be submitted to the COD System via Batch Processing or the COD web site.

Batch Processing

All documents submitted via batch processing for the 2008-2009 Award Year must be submitted via the Electronic Data Exchange over the Student Aid Internet Gateway (SAIG).

Business Rules:

1) All documents submitted via batch processing must be submitted via the Student Aid Internet Gateway (SAIG).

2) Each transmission must have an SAIG transmission batch header (`O*N05`) and trailer (`O*N95`) record.

3) Each transmission can include the SAIG transmission header (`O*N01`) and trailer (`O*N99`) record. Inclusion of the SAIG transmission header (`O*N01`) and trailer (`O*N99`) record is optional, and is not required for COD processing.

4) Only one set of Common Record begin and end tags can be submitted within each SAIG transmission batch header (`O*N05`) and trailer (`O*N95`) pair.

5) If more than one set of Common Record begin and end tags is submitted within SAIG transmission batch header (`O*N05`) and trailer (`O*N95`) pair, COD rejects the document with error code 105.

6) Multiple pairs of SAIG transmission batch headers (`O*N05`) and trailers (`O*N95`) can be submitted within the SAIG transmission headers (`O*N01`) and trailers (`O*N99`). See EXAMPLE below.

7) The variable length Batch Number field on the SAIG Transmission batch header (`O*N05`) and trailer (`O*N95`) occupies positions 42 -91.

    a. Positions 42 – 61 are reserved for school use.

b. Positions 62 – 91 are reserved for Department of Education use.

c. COD populates positions 62 – 91 with the 30-character Common Record Document ID on all response records. If the school populates any data in positions 62-91 on the incoming record, COD will overwrite this data with the Document ID on the response record.

Note: EDconnect users must upgrade to EDconnect version 5.3 or higher in order for their records not to reject. The most recent version of EDconnect available is v7.1.

Note: When submitting new origination and disbursement information in separate documents, schools should wait to receive a response for the originations prior to sending in disbursement information. Otherwise, the disbursements may reject.

Note: For further information, please refer to the "SAIG Host Communication Guide" http://www.fsadownload.ed.gov/mainframeguide.htm

Example:

```
N01 – Transmission Header
N05 – Transmission Batch Header
<CommonRecord>
</CommonRecord>
N95 - Transmission Batch Trailer
N05 - Transmission Batch Header
<CommonRecord>
</CommonRecord>
N95 – Transmission Batch Trailer
N99 - Transmission Trailer
```

COD Message Classes

For information on the message classes, please refer to *Volume II, Section 2 - COD Message Classes* in this Technical Reference.

Logical Record Length Limitation

For information and recommended solutions concerning the 32-kilobyte file length limitation on mainframe systems and the 9,999 byte limitation on the COD System, refer to the Common Record Physical Record Layout topics within *Volume II, Section 3 - Common Record Layout* in this Technical Reference.

COD Receipts

COD Receipts are generated for every Common Record document received via SAIG by the COD System. The COD Receipt indicates that the Common Record document was received and can be read by the COD System.

Business Rules:

1) One COD Receipt is generated per Common Record document received via SAIG by the COD System.

2) The COD Receipt is generated after the COD System validates the Common Record against the XML Common Record Schema, but before actual processing of the Common Record.

Example:

The following is an example of a COD Receipt via SAIG:

```
<CommonRecord>
      <DocumentID>2008-03-18T09:09:09.0012345678</DocumentID>
      <CreatedDateTime>2008-03-18T09:20:01.00</CreatedDateTime>
      <Source>
            <COD EntityID="00000001"/>
      </Source>
      <Destination>
            <School EntityID="12345678"/>
      </Destination>
      <Receipt>2008-03-18T09:21:00.00</Receipt>
</CommonRecord>
```

Response Documents

For all Common Records received and processed by the COD System, the COD System returns a Response document indicating the status of Common Record processing, including any rejected data elements and reason(s) for the rejection(s).

Business Rules:

1) The COD System sends one Response document for each Common Record document processed by the COD System.

2) A Response complex element is generated for each major complex element reported on a Common Record document: Document, Reporting School, Attended School, Student, Award, and Disbursement.

3) All Response complex elements are nested within the Response document.

4) Schools have an option to receive a Full or Standard Response to Common Records processed by the COD System.

    a. A Full Response contains all the original tags sent by the School and the rejected data elements and reason codes.

    b. A Standard Response contains only the rejected data elements and reason codes.

    c. This option defaults to a Standard Response.

    Note: EDExpress users always receive a Full Response regardless of their selected response option.

5) Schools can override this option on a record-by-record basis by submitting the `<FullResponseCode>` tag on the Common Record.

a. If the `<FullResponseCode>` tag is not sent, the option defaults to Standard Response.

6) For Common Records transmitted via SAIG, the COD System sends Response Documents to the school's SAIG mailbox.

7) For Common Records transmitted via the web, schools have an option to receive a response either via the web only, or via the web and their SAIG mailbox.

   a. Unless the school changes this option on the COD web site, the school will receive a response via the web only.

   b. A response via the web will only indicate whether the record was accepted or rejected and will not contain submitted data elements.

   c. Schools that do not wish to receive a response via the web must change this option for each program.

   d. Schools that chose to receive a response for web activity via their SAIG mailbox will receive a Full Response.

School will receive:	**If the school sends the Common Record via:**	
	SAIG Mailbox	**COD Web Site**
Receipt	Via SAIG Mailbox	COD Web Site
Response	Via SAIG Mailbox	COD Web Site only OR COD Web Site and SAIG Mailbox

Example:

The following diagram illustrates how a Response complex element is generated for every complex element of data submitted on the Common Record and the nesting of those complex elements within the Response Document:

```
Common Record
        Reporting School
                Attended School
                        Student
                                Award
                                Award Response
                                        Disbursement
                                        Disbursement Response
                        Student Response
                Attended School Response
        Reporting School Response
Common Record Response
```

Response Code

For each Response complex element returned, the COD System generates a Response Code that indicates whether the complex element was accepted, rejected, or corrected. The Response complex element and Response Code is returned for each major complex element: Reporting School, Attended School, Person, Award, and Disbursement.

Business Rules:

1) The COD System returns a Response complex element with a Response Code of A (Accepted), R (Rejected), or C (Corrected).

2) A Response complex element with a Response Code of A (Accepted) is returned to indicate that the complex element was accepted.

3) A Response complex element with a Response Code of A (Accepted) may have a warning edit returned on the complex element.

4) A Response complex element with a Response Code of A (Accepted) does not exclude another complex element in the hierarchy from being accepted, corrected, or rejected.

    a. If a Person complex element is Accepted, this does not exclude the possibility that the Award or Disbursement complex elements may be accepted, corrected, or rejected.

    b. If an Award complex element is Accepted, this does not exclude the possibility that the Person or Disbursement complex elements may be accepted, corrected, or rejected.

5) A Response complex element with a Response Code of R (Rejected) is returned to indicate that the data elements in the complex element are rejected.

6) A Response complex element with a Response Code of R (Rejected) is returned with at least one reject edit.

7) A Response complex element with a Response Code of R (Rejected) can result in other complex elements being rejected.

    a. On the initial submission of a Person, if a Person complex element is rejected, then the Award complex element is rejected, even if all data in the Award complex element passed the edits, because the COD System cannot accept an Award complex element without an established Person.

    b. On the initial submission of a Person, if all Award complex elements in the submission are rejected, then the Person complex element is rejected, because the COD System cannot accept a Person complex element without at least one established Award.

    c. On an initial submission of an Award, if an Award complex element is rejected, then the Disbursement complex element is rejected, even if all data in the Disbursement complex element passed the edits, because the COD System cannot accept the Disbursement complex element without an established Award.

Note: Please refer to the topic entitled "Documents Must Contain At Least One Detailed Record" for more information.

8) A Response complex element with a Response Code of C (Corrected) is returned only when at least one data element within the complex element has been corrected. Because the COD System corrects only Pell Grant Award and Disbursement data for schools that choose to have their data corrected rather than rejected, a `<ResponseCode>` of C is returned only in these complex elements.

    a. A Response complex element with a Response Code of C (Corrected) does not preclude another complex element in the hierarchy from being accepted, corrected, or rejected.

    b. If an Award complex element is corrected, this does not exclude the possibility that the Disbursement complex element may be accepted, corrected, or rejected.

    c. If a Disbursement complex element is corrected, this does not exclude the possibility that the Award complex element may be accepted, corrected, or rejected.

Example:

Complex Element	Processed with Edits	Response Code
Person	No	A (Accepted)
Award (1)	No	A (Accepted)
Disbursement (for Award 1)	No	A (Accepted)

Complex Element	Processed with Edits	Response Code
Person	No	A (Accepted)
Award (1)	Yes (with corrections)	C (Corrected)
Disbursement (for Award 1)	No	A (Accepted)

Complex Element	Processed with Edits	Response Code
Person	No	R (Rejected) *Because no Awards were accepted
Award (1)	Yes	R (Rejected)
Disbursement (for Award 1)	No	R (Rejected) *Because the Award was not accepted

Complex Element	Processed with Edits	Response Code
Person	No	A (Accepted) *Because at least one Award was accepted
Award (1)	No	A (Accepted)
Award (2)	Yes	R (Rejected)
Disbursement (for Award 2)	No	R (Rejected) *Because the Award was not accepted

Storing of Reject Records

The COD System does not store records that have rejected at the Document (Batch) and Entity level. The COD System does store Document and Entity data from records that have been rejected at the Person, Award, or Disbursement level. Records that have rejected at the Person, Award, and/or Disbursement levels can be viewed on the COD web site.

Business Rules:

1) Schools may view their rejected records on the COD web site.

2) Rejected records are not included in any COD Reports.

Note: Please refer to *Volume VI, Section 8* for more information on COD Reports.

Document Validation

If a document does not validate against the XML Common Record Schema, the COD System does not process the document.

Business Rules:

1) The COD System contains a validation program that ensures that the Common Record documents are well formed and properly structured.

2) The COD System processes the Common Record Document using the XML schema version indicated by the Document ID tag.

    a. If tags are identified that are not specific to the XML schema version used for processing, the document is considered invalid and Customer Service is notified of the error. Customer Service works with the school to avoid future processing problems.

3) The COD System does not process a document if:

    a. The Document ID is missing or incomplete.

    OR

    b. The document structure does not meet the rules of the XML Common Record Schema.

    OR

    c. More than one Common Record document is inserted between an SAIG Transmission Batch Header (`O*N05`) and Trailer (`O*N95`) pair.

4) When a Common Record is submitted with a missing or incomplete Document ID, the COD System cannot return a receipt or response to the sender.

5) When a Common Record document does not meet the rules of the XML Common Record Schema, the COD System will not return a receipt or response to the sender.

6) When more than one Common Record is inserted between an SAIG Transmission Batch Headers (`O*N05`) and Trailer (`O*N95`) pair, the COD System returns a Receipt and Response with an error code 105 and message.

    Note: This is not an issue if you use Edconn32.

Note: Please refer to the Document ID Required for Document Submission, Sequence of Data Elements Required for Document Processing, and Document Submission sections for more information.

Sequence of Data Elements Required for Document Processing

The sequence of data within the Common Record is dictated by the sequence of data elements presented in the XML Common Record Schema.

Business Rules:

1) Data elements submitted by a school must occur in the same sequence as depicted in the XML Common Record Schema.

2) A Common Record submitted with data elements out of sequence will not validate against the XML Common Record Schema, and will therefore be rejected.

Document ID Required for Document Submission

The COD System checks to ensure the Document ID is present and is properly formatted.

Business Rules:

1) Document ID is an essential element for importing, storing and tracking the data submitted in a Common Record Document by a school.

2) The COD System does not process documents that do not have a Document ID.

3) The COD System does not process documents that have an incomplete Document ID.

4) The COD System does not process documents that have an invalid Document ID format.

5) The entity ID listed in the Document ID must be the same entity ID as the Source Entity ID.

6) The COD System is unable to store a Common Record document that has an invalid, incomplete, or missing Document ID.

7) The COD System cannot return a receipt or response to a sender that submits an invalid, incomplete, or missing Document ID.

Note: Please refer to *Volume II, Section 3 - Common Record Layout* in this Technical Reference for proper format of the Document ID.

Duplicate Document IDs

The COD System checks the Document ID for duplicates on the COD database.

Business Rules:

1) Document ID is defined as the DateTime stamp and the Source Entity ID.

2) A duplicate document is defined as a document that has a Document ID identical to one already established on the COD System.

3) The COD System rejects the document if the Document ID is a duplicate.

4) A rejected Document ID cannot be resubmitted as the COD System will recognize it as a duplicate.

5) The COD System generates a Receipt if the Document ID is a duplicate.

6) The COD System generates a Response with error code 003 for documents with duplicate Document IDs. The Response does not contain detail data elements.

Note: Please refer to *Volume II, Section 3 - Common Record Layout* for an example of a Document ID.

Inability to Process Future-Dated Documents

The COD System confirms that the date portion of the Document's Created DateTime is not greater than the System Date.

Business Rules:

1) If the date portion of the Document's Created DateTime is greater than the System Date, the COD System rejects the document with Reject Edit 006.

2) The COD System generates a Receipt and a Response for future-dated documents.

3) Schools located across the international dateline should resubmit documents rejected with Reject Edit 006.

Documents Submitted Must Contain at Least One Detailed Record

A detailed record consists of at least one Student Identifier and one Award. A Student Identifier consists of the student tag and three attributes: Social Security Number, Date of Birth, and Last Name.

Business Rules:

1) The COD System rejects the document if it does not contain at least one detailed record.

    a. A detailed record on a New record is defined as at least one Student Identifier (Social Security Number, Date of Birth and Last Name) and one Award tag.

    b. A detailed record on an Update record is defined as at least one Student Identifier (Social Security Number, Date of Birth and Last Name) and one Award tag.

2) The COD System generates a Response with error code 007 for documents with no detailed records.

Note: For more information on the Student Identifier, please refer to the Student Identifier section. For more information on the Award, please refer to the Minimum Data Elements Required for Document Processing section.

Document Submissions of One Detailed Record

The COD System is designed to process a large number of detailed records at one time when submitted together in a Common Record document. Standard school practice when submitting records is to submit a large quantity of records at once in one document. The design of the COD System incorporates this common school practice with its batch processing functionality.

Business Rules:

1) The COD System will accept and process single detailed record documents, but the system is not designed to regularly process multiple Common Record document submissions of one record each.

2) Processing time increases with submission of multiple documents of one detailed record each.

    a. The time it takes the COD System to process a Common Record document is affected by the amount of time it takes to process the individual components of the document:

        i. the SAIG batch header and trailer

        ii. the records contained within the document

    b. The time it takes the COD System to process each record within a Common Record document is minimal in comparison to the time it takes the COD System to process the batch header and trailer.

    c. The processing time for the batch header and trailer does not vary with document size. The batch header and trailer will be processed in the same amount of time by the COD System for a document containing one detailed record as for a document containing 50 records.

    d. Processing time for multiple records submitted in individual Common Record documents will take significantly more time than it takes to process the same number of records submitted together in one Common Record document. For example, it will take much longer for the COD System to process 50 documents of one record each than one document containing 50 records.

3) Multiple document submissions each containing one individual record will delay processing of all schools' records submitted after the group of single record documents.

4) The COD System will NOT reject document submissions containing only one record.

5) Document submissions containing only one record should be submitted on an exception basis only.

6) The COD web site is designed to accommodate record submission on a record-by-record basis. Schools may submit multiple individual records to the COD System via the COD web site without experiencing processing delays.

Minimum Data Elements Required for Document Processing

The COD System requires certain data elements for processing each complex element of the document.

The bolded fields below are generic examples for the actual value used to replace "source." For more information, refer to *Volume 2, Section 3 - Common Record Layout*.

Business Rules

1) The following data elements are required for processing a change to Student demographic data for a Pell, ACG or National SMART Grant Award:

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportingFinancialSummary>
<FinancialAwardType>
<TotalCount>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<Pell> (Pell only)
<AcademicCompetitivenessGrant> (ACG only)
<NationalSMARTGrant> (National SMART Grant only)
<FinancialAwardYear>
<FinancialAwardNumber> (ACG and National SMART Grant only)
<FinancialAwardID> (ACG and National SMART Grant only)
```

2) The following data elements are required for processing a change to Student demographic data for a Direct Loan Subsidized or Unsubsidized Award:

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<DLSubsidized> OR <DLUnsubsidized>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID>
```

3) The following data elements are required for processing a change to Student demographic data for a Direct Loan PLUS (parent borrower and graduate/professional student borrower) Award:

```
<CommonRecord xmlns="">
<DocumentID>
```

```
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<DLPLUS>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID>
<Borrower SSN="" BirthDate="" LastName="">
```

Note: The COD database is student centric. Changing the student demographic data for one award year and award type will change it for all award years and award types for that student. Please refer to the Changing Student Identifier Information topic for more information about submitting changes to the Student Identifier.

For ALL awards – complete address information must either be submitted in the incoming record or pulled from the COD database or the CPS to successfully process a change to student address information.

4) The following data elements are required for processing a Direct Loan Subsidized or Unsubsidized Award:

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<Contacts> (Required only if address tags are included)
*<Address> (Required only if address tags are included)
*<AddressForeignIndicator> (Address is foreign)
*<AddressLine> (Address is domestic or foreign)
*<AddressCity> (Address is domestic or foreign)
*<AddressStateProvinceCode> (Address is domestic)
*<AddressPostalCode> (Address is domestic)
*<AddressCountryCode> (Address is foreign)
<DLLoanInformation Loankey="">
<OriginationFeePercent>
```

```
<InterestRebatePercent>
<StudentLevelCode>
<FinancialAwardBeginDate>
<FinancialAwardEndDate>
<AcademicYearBeginDate>
<AcademicYearEndDate>
<DLSubsidized> or <DLUnsubsidized>
<FinancialAwardYear>
<CPSTransactionNumber>
<FinancialAwardAmount>
<LoanKey>
<AdditionalUnsubsidizedEligibilityIndicator>      (Required only for DL Unsubsidized)
<FinancialAwardNumber>
<FinancialAwardID>
<FinancialAwardCreateDate>
<DependencyStatusCode>
<Disbursement>
<Disbursement Number =“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementSequenceNumber>
<DisbursementNetAmount>
<DisbursementFeeAmount>
<InterestRebateAmount>
```

* Tag does not have to be submitted with the incoming record if it is found and pulled from the COD Database or CPS.

5) The following data elements are required for processing a Direct Loan PLUS (parent borrower and graduate/professional student borrower) Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<DLLoanInformation LoanKey=“”>
<OriginationFeePercent>
<InterestRebatePercent>
<StudentLevelCode>
<FinancialAwardBeginDate>
<FinancialAwardEndDate>
<AcademicYearBeginDate>
<AcademicYearEndDate>
<DLPLUS>
<FinancialAwardYear>
<FinancialAwardAmount>
```

```
<LoanKey>
<DefaultOverpayCode>
<FinancialAwardNumber>
<FinancialAwardID>
<FinancialAwardCreateDate>
<FinancialAwardAmountRequested>
<DependencyStatusCode>
<Disbursement>
<Disbursement Number =“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementSequenceNumber>
<DisbursementNetAmount>
<DisbursementFeeAmount>
<InterestRebateAmount>
<Borrower SSN=“” BirthDate=“” LastName=“”>
<Identifiers>
<FirstName>
<Contacts> (Required only if address tags are included)
*<Address> (Required only if address tags are included)
*<AddressForeignIndicator> (Address is foreign)
*<AddressLine> (Address is domestic or foreign)
*<AddressCity> (Address is domestic or foreign)
*<AddressStateProvinceCode> (Address is domestic)
*<AddressPostalCode> (Address is domestic)
*<AddressCountryCode> (Address is foreign)
<CitizenshipStatusCode> (This tag is for student and borrower)
<DefaultOverpayCode>
```

* Tag does not have to be submitted with the incoming record if it is found and pulled from the COD Database or CPS.

6) The following data elements are required for processing a change to a Direct Loan (Subsidized, Unsubsidized, or PLUS) Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<DLSubsidized> or <DLUnsubsidized> or <DLPLUS>
<FinancialAwardYear>
<FinancialAwardAmount>
<FinancialAwardNumber>
<FinancialAwardID>
<Borrower SSN=“” BirthDate=“” LastName=“”> (PLUS only)
```

```
<Disbursement>
<Disbursement Number =“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementSequenceNumber>
<DisbursementNetAmount>
<DisbursementFeeAmount>
<InterestRebateAmount>
```

7) The following data elements are required for processing a Direct Loan anticipated disbursement (Disbursement Release Indicator set to “false”):

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<DLSubsidized> or <DLUnsubsidized> or <DLPLUS>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID>
<Borrower SSN=“” BirthDate=“” LastName=“”> (PLUS only)
<Disbursement>
<Disbursement Number =“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementSequenceNumber>
<DisbursementNetAmount>
<DisbursementFeeAmount>
<InterestRebateAmount>
<DisbursementReleaseIndicator = “false”>
```

8) The following data elements are required for processing a Direct Loan actual disbursement (Disbursement Release Indicator set to “true”):

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
```

```
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<DLSubsidized> or <DLUnsubsidized> or <DLPLUS>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID>
<Borrower SSN="" BirthDate="" LastName="">
```
(PLUS only)
```
<Disbursement>
<Disbursement Number="">
<DisbursementAmount>
<DisbursementDate>
<DisbursementSequenceNumber>
<DisbursementNetAmount>
<DisbursementFeeAmount>
<InterestRebateAmount>
<DisbursementReleaseIndicator = "true">
```

9) The following data elements are required for processing a Pell Grant Award:

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<Contacts>
```
(Required only if address tags are included)
```
*<Address>
```
(Required only if address tags are included)
```
*<AddressForeignIndicator>
```
(Address is foreign)
```
*<AddressLine>
```
(Address is domestic or foreign)
```
*<AddressCity>
```
(Address is domestic or foreign)
```
*<AddressStateProvinceCode>
```
(Address is domestic)
```
*<AddressPostalCode>
```
(Address is domestic)
```
*<AddressCountryCode>
```
(Address is foreign)
```
<Pell>
<FinancialAwardYear>
<CPSTransactionNumber>
<FinancialAwardAmount>
<AttendanceCost>
<EnrollmentDate>
```

* Tag does not have to be submitted with the incoming record if it is found and pulled from the COD Database or CPS.

Note: The following data elements are optional by the COD System for processing a Pell Grant Award:

```
<AcademicCalendarCode>
<PaymentMethodCode>
```

```
<WeeksUsedCalculate>
<WeeksProgramsAcademicYear>
<HoursAwardYear>
<HoursProgramsAcademicYear>
```

If a school submits data in these tags, the COD System will not edit or store the data and will not return these tags on a Full Response.

10) The following data elements are required for processing a change to a Pell Grant Award:

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<Pell>
<FinancialAwardYear>
<FinancialAwardAmount>
```

11) The following data elements are required for processing a Pell Grant anticipated disbursement (Disbursement Release Indicator set to "false"):

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<Pell>
<FinancialAwardYear>
<CPSTransactionNumber>
<FinancialAwardAmount>
<AttendanceCost>
<Disbursement>
<Disbursement Number =">
<DisbursementAmount>
<DisbursementDate>
<DisbursementReleaseIndicator = "false">
<PaymentPeriodStartDate> (if school is ineligible)
```

12) The following data elements are required for processing a Pell Grant actual disbursement (Disbursement Release Indicator set to “true”):

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<Pell>
<FinancialAwardYear>
<CPSTransactionNumber>
<FinancialAwardAmount>
<AttendanceCost>
<Disbursement>
<Disbursement Number=“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementReleaseIndicator = “true”>
<PaymentPeriodStartDate> (if school is ineligible)
```

13) The following data elements are required for processing an ACG Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<Contacts> (Required only if address tags are included)
*<Address> (Required only if address tags are included)
*<AddressForeignIndicator> (Address is foreign)
*<AddressLine> (Address is domestic or foreign)
*<AddressCity> (Address is domestic or foreign)
*<AddressStateProvinceCode> (Address is domestic)
*<AddressPostalCode> (Address is domestic)
*<AddressCountryCode> (Address is foreign)
<AcademicCompetitivenessGrant>
<FinancialAwardYear>
<CPSTransactionNumber>
<FinancialAwardAmount>
```

```
<EnrollmentDate>
<FinancialAwardNumber>
<FinancialAwardID>
<StudentLevelCode>
<EligibilityPaymentReason>
<RigorousHighSchoolProgramCode>
```
(only if Eligibility Payment Reason = 1)

*Tag does not have to be submitted with the incoming record if it is found and pulled from the COD Database or CPS.

14) The following data elements are required for processing a change to an ACG Award:

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<AcademicCompetitivenessGrant>
<FinancialAwardYear>
<FinancialAwardAmount>
<FinancialAwardNumber>
<FinancialAwardID>
```

15) The following data elements are required for processing an ACG anticipated disbursement (Disbursement Release Indicator set to "false"):

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<AcademicCompetitivenessGrant>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID>
<CPSTransactionNumber>
<FinancialAwardAmount>
<Disbursement>
<Disbursement Number =">
<DisbursementAmount>
```

```
<DisbursementDate>
<DisbursementReleaseIndicator = “false”>
<PaymentPeriodStartDate> (if school is ineligible)
```

16) The following data elements are required for processing an ACG actual disbursement (Disbursement Release Indicator set to “true”):

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<AcademicCompetitivenessGrant>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID>
<CPSTransactionNumber>
<FinancialAwardAmount>
<Disbursement>
<Disbursement Number=“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementReleaseIndicator = “true”>
<PaymentPeriodStartDate> (if school is ineligible)
```

17) The following data elements are required for processing a National SMART Grant Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<Contacts> (Required only if address tags are included)
*<Address> (Required only if address tags are included)
*<AddressForeignIndicator> (Address is foreign)
*<AddressLine> (Address is domestic or foreign)
*<AddressCity> (Address is domestic or foreign)
*<AddressStateProvinceCode> (Address is domestic)
*<AddressPostalCode> (Address is domestic)
*<AddressCountryCode> (Address is foreign)
```

```
<NationalSMARTGrant>
<FinancialAwardYear>
<CPSTransactionNumber>
<FinancialAwardAmount>
<EnrollmentDate>
<FinancialAwardNumber>
<FinancialAwardID>
<StudentLevelCode>
<ProgramCIPCode>
```

*Tag does not have to be submitted with the incoming record if it is found and pulled from the COD Database or CPS.

18) The following data elements are required for processing a change to a National SMART Grant Award:

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<NationalSMARTGrant>
<FinancialAwardYear>
<FinancialAwardAmount>
<FinancialAwardNumber>
<FinancialAwardID>
```

19) The following data elements are required for processing a National SMART Grant anticipated disbursement (Disbursement Release Indicator set to "false"):

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<NationalSMARTGrant>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID>
<CPSTransactionNumber>
```

```
<FinancialAwardAmount>
<Disbursement>
<Disbursement Number =“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementReleaseIndicator = “false”>
<PaymentPeriodStartDate> (if school is ineligible)
```

20) The following data elements are required for processing a National SMART Grant actual disbursement (Disbursement Release Indicator set to “true”):

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<NationalSMARTGrant>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID>
<CPSTransactionNumber>
<FinancialAwardAmount>
<Disbursement>
<Disbursement Number=“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementReleaseIndicator = “true”>
<PaymentPeriodStartDate> (if school is ineligible)
```

Routing ID

In 2003-2004, the Common School Identifier became known as the Routing ID. The Routing ID is an identifier assigned to Schools and Third-Party Servicers that is common across the Pell Grant, ACG, National SMART Grant and Direct Loan programs.

Business Rules:

1) The Routing ID is used in the Entity ID tags on the Common Record and serves as a routing number for COD.

2) The Routing ID is a randomly generated eight-character, numeric key. The values in the key do not signify any information about the numbered entity except its identity.

3) Routing IDs are assigned to all post-secondary Schools, Third-Party Servicers, and the COD System.

4) The Routing ID replaces the Pell Institution Number and Direct Loan (E/G) School code.

   Note: The Pell Institution Number is still used in data requests and the Award ID for ACG and National SMART Grant awards. The Direct Loan (E/G) School code is still used in the 21-character Award ID (Loan ID) and the MPN ID.

5) The Routing ID can be viewed on the COD web site by accessing the School Summary page. On the COD web site, the Routing ID is titled the COD ID.

Entity ID

A valid Routing ID is required in the Source, Destination, Reporting School, and Attended School Entity ID tags.

Business Rules:

1) A valid Routing ID must be reported in the following fields:

   a. Source Entity ID, `<Source>`

   b. Destination Entity ID, `<Destination>`

   c. Reporting School Entity ID, `<ReportingSchool EntityID = “”>`

   d. Attended School Entity ID, `<AttendedSchool EntityID = “”>`

   e. A valid Entity ID is the Routing ID for the school or Third-Party Servicer.

2) The **Source Entity ID** is the physical sender of the document.

   a. The Source Entity ID must be the same Entity ID listed in the Document ID.

   b. The Source Entity ID can be a school or Third-Party Servicer.

   c. Since the Source Entity sends the Common Record document to COD, the TG Destination Number that the Source Entity reported in the SAIG Transmission Header and Trailer is more than likely for the same entity.

3) The **Destination Entity ID** is the destination or recipient of the document.

   a. If a School sends the document to the COD System, the Destination Entity ID is “00000001” for COD.

   b. If the document is sent from the COD System back to the Source, the Destination Entity ID is equal to the Source Entity ID on the original transmission.

   c. The response file is sent to the TG Number reported in the Transmission Header and Trailer. System generated response file is sent by COD to the TG Number for the school who has reporting relation with the attended school for the award being responded.

4) The **Reporting School Entity ID** is the school that sends and receives data for the campuses or students it serves.

   a. The Reporting School Entity ID must be a school and cannot be a Third-Party Servicer.

   b. The Reporting School Entity ID does not have to be equal to the Source Entity ID, but must have a relationship with the Source Entity ID and the TG Destination Number.

   Note: The Pell Institution Number is still used in data request and Financial Award ID for ACG and National SMART Grant.

5) The **Attended School Entity ID** is the school or campus where the student attends class, if that location is separately eligible.

   a. Attended School Entity ID must be equal to the Reporting School Entity ID, OR

   b. Attended School Entity ID must have an established relationship to the Reporting School Entity ID.

   c. If the school or campus where the student attends class is not separately eligible, the Reporting School Routing ID must be reported in the Attended School Entity ID tag.

   Note: Reporting and Attended relationships are still a relatively new concept in the Direct Loan program since the implementation of the COD System. Direct Loan schools are encouraged to call COD School Relations to verify that the Reporting/Attended relationships are accurately set in COD prior to transmitting any records. Additionally, schools that report for multiple Attended Schools are encouraged to contact COD School Relations to verify these relationships. If COD is unaware of your school's Attended/Reporting relationships, your records will reject.

6) Multiple Reporting School Entity IDs and Attended School Entity IDs can be submitted in the same Common Record.

   Note: The Reporting and Attended relationships reported in the Common Record do not affect the funding process. Funding relationships are controlled separately from the reporting and attended relationships.

7) The COD System checks the Source Entity ID against the COD database and rejects the document if the Entity ID cannot be found or is invalid.

8) When the Source Entity ID cannot be found, the COD System generates a Response with error code 004.

9) When the Source Entity ID is invalid, the COD System generates a Response with error code 001.

Currently, if a school has separate TG numbers for Pell (only schools eligible for the Pell program are eligible for ACG and National SMART Grant) and Direct Loan and wishes to report both Pell (if eligible, ACG and National SMART Grant) and Direct Loan in one Common Record, the school must contact SAIG to complete paperwork to have one TG Number (schools may select which number they want to use) that reports both Pell (if eligible, ACG and National SMART Grant) and Direct Loan. This does NOT mean that every Common Record must have both Pell and Direct Loan information. It simply means the school would like the option of sending both Pell (if eligible, ACG and National SMART Grant) and Direct Loan in the same Common Record document. The school can also continue processing Pell Grant (if eligible, ACG and National SMART Grant) and Direct Loan information by sending separate Common Record documents for each program using separate TG numbers.

Examples:

EXAMPLE 1:

In this first example, a Common Record is submitted for Pell and Direct Loan programs for multiple schools using one TG Number for the SAIG Transmission Batch Header. The Reporting Entity is sending the Common Record and is reporting awards for two other schools that are both separately eligible.

School A:

- Reports for two additional locations – School B and School C. Therefore, this Routing ID is used in the Reporting Entity ID tag.
- Sends the Common Record to COD. Therefore, School A Routing ID is used in the Source Entity ID and the Document ID.
- TG # = 99991. This TG # is used in the SAIG Transmission Batch Header and Trailer.
- Routing ID = 11111111

School B:

- Has an Attended relationship with School A. This Routing ID is used in the Attended School Entity ID tag.
- TG # is not applicable because School A sends the Common Record.
- Routing ID = 22222222

School C:

- Has an Attended relationship with School A. This Routing ID is used in the Attended School Entity ID tag.
- TG # is not applicable because School A sends the Common Record.
- Routing ID = 33333333

```
SAIG Transmission Header Record
SAIG Transmission Batch Header Record (Header Destination # - TG #99991)
<CommonRecord>
   <DocumentID>2008-08-29T09:09:09.0011111111</DocumentID>
   <CreatedDateTime>2008-08-29T09:09:09.00</CreatedDateTime>
   <Source>
       <School EntityID="11111111"/>
   </Source>
```

```
        <Destination>
            <COD EntityID="00000001"/>
        </Destination>
        <ReportingSchool EntityID="11111111">
            <ReportedFinancialSummary>
            </ReportedFinancialSummary>
        <AttendedSchool EntityID="22222222">
            <Student SSN=”123456789” BirthDate=”1987-01-01” LastName=”SMITH”>
                  <Pell>
                  </Pell>
                  <DLSubsidized>
                  </DLSubsidized>
            </Student>
            <Student SSN=”987654321” BirthDate=”1984-02-20” LastName=”JONES”>
                  <DLSubsidized>
                  </DLSubsidized>
                  <DLUnsubsidized>
                  </DLUnsubsidized>
             </Student>
        </AttendedSchool>
        <AttendedSchool EntityID="33333333">
            <Student SSN=”456789123” BirthDate=”1987-07-15” LastName=”CLARK”>
                  <Pell>
                  </Pell>
                  <DLSubsidized>
                  </DLSubsidized>
            </Student>
            <Student SSN=”321654987” BirthDate=”1985-05-25” LastName=”JONES”>
                  <DLSubsidized>
                  </DLSubsidized>
                  <DLUnsubsidized>
                  </DLUnsubsidized>
             </Student>
        </AttendedSchool>
        </ReportingSchool>
      </CommonRecord>
    SAIG Transmission Batch Trailer Record (Trailer Destination # - TG #99991)
    SAIG Transmission Trailer Record
```

EXAMPLE 2:
In this second example, a Common Record is submitted for Pell and Direct Loan programs for multiple schools using one TG Number for the SAIG Transmission Batch Header. A Third-Party Servicer is sending the records for multiple schools.

Third-Party Servicer:

- Sends the Common Record to COD for Schools D and E. Therefore, the Third-Party Servicer Routing ID is used in the Source Entity ID and the Document ID.
- TG # = 88888. This TG # is used in the SAIG Transmission Batch Header and Trailer.
- Routing ID = 44444444

School D:

- Uses a Third-Party Servicer to send records to COD; however, does its own reporting for students that attend its campus. School D Routing ID is used in the Reporting School Entity ID and Attended School Entity ID tag.

- The TG # is not applicable because the Third-Party Servicer sends the Common Record.
- Routing ID = 55555555

School E:

- Uses a Third-Party Servicer to send records to COD; however, does its own reporting for students that attend its campus. School E Routing ID is used in the Reporting School Entity ID and Attended School Entity ID tag.
- TG # is not applicable because the Third-Party Servicer sends the Common Record.
- Routing ID = 66666666

```
SAIG Transmission Header Record
SAIG Transmission Batch Header Record (Header Destination # - TG #88888)
<CommonRecord>
   <DocumentID>2008-08-29T09:09:09.0044444444</DocumentID>
   <CreatedDateTime>2008-08-29T09:09:09.00</CreatedDateTime>
   <Source>
       <ThirdPartyServicer EntityID="44444444"/>
   </Source>
   <Destination>
       <COD EntityID="00000001"/>
   </Destination>
   <ReportingSchool EntityID="55555555">
       <ReportedFinancialSummary>
       </ReportedFinancialSummary>
   <AttendedSchool EntityID="55555555">
       <Student SSN=”123456789” BirthDate=”1987-01-01” LastName=”SMITH”>
            <Pell>
            </Pell>
            <DLSubsidized>
            </DLSubsidized>
       </Student>
       <Student SSN=”987654321” BirthDate=”1984-02-20” LastName=”JONES”>
            <DLSubsidized>
            </DLSubsidized>
            <DLUnsubsidized>
            </DLUnsubsidized>
        </Student>
   </AttendedSchool>
   </ReportingSchool>
   <ReportingSchool EntityID="66666666">
       <ReportedFinancialSummary>
       </ReportedFinancialSummary>
   <AttendedSchool EntityID="66666666">
       <Student SSN=”456789123” BirthDate=”1987-07-15” LastName=”CLARK”>
            <Pell>
            </Pell>
            <DLSubsidized>
            </DLSubsidized>
       </Student>
       <Student SSN=”321654987” BirthDate=”1985-05-25” LastName=”JONES”>
            <DLSubsidized>
            </DLSubsidized>
            <DLUnSubsidized>
            </DLUnsubsidized>
        </Student>
   </AttendedSchool>
```

```
      </ReportingSchool>
  </CommonRecord>
SAIG Transmission Batch Trailer Record (Trailer Destination # - TG #88888)
SAIG Transmission Trailer Record
```

EXAMPLE 3:
In this third example, a Common Record is submitted for the Pell and Direct Loan programs for multiple schools. The Reporting Entity is sending the Common Record and is reporting awards for one other school that is NOT separately eligible.

School F:

- Reports for one additional location – School G. Therefore, this Routing ID is used in the Reporting Entity ID tag.
- Sends the Common Record to COD. Therefore, this Routing ID is used in the Source Entity ID and the Document ID.
- TG # = 33331. This TG # is used in the SAIG Transmission Batch Header and Trailer.
- Routing ID = 77777777

School G:

- Has an Attended relationship with School F; however, this location is not separately eligible and therefore its Routing ID is NOT used in the Attended School Entity ID tag.
- TG # is not applicable because School F sends the Common Record.
- Routing ID = 88888888

```
SAIG Transmission Header Record
SAIG Transmission Batch Header Record (Header Destination # - TG #33331)
<CommonRecord>
   <DocumentID>2008-08-29T09:09:09.0077777777</DocumentID>
   <CreatedDateTime>2008-08-29T09:09:09.00</CreatedDateTime>
   <Source>
       <School EntityID="77777777"/>
   </Source>
   <Destination>
       <COD EntityID="00000001"/>
   </Destination>
   <ReportingSchool EntityID="77777777">
       <ReportedFinancialSummary>
       </ReportedFinancialSummary>
   <AttendedSchool EntityID="77777777">
       <Student SSN=”123456789” BirthDate=”1987-01-01” LastName=”SMITH”>
            <Pell>
            </Pell>
            <DLSubsidized>
            </DLSubsidized>
       </Student>
       <Student SSN=”987654321” BirthDate=”1984-02-20” LastName=”JONES”>
            <DLSubsidized>
            </DLSubsidized>
            <DLUnsubsidized>
            </DLUnsubsidized>
       </Student>
   </AttendedSchool>
   </ReportingSchool>
</CommonRecord>
SAIG Transmission Batch Trailer Record (Trailer Destination # - TG #33331)
SAIG Transmission Trailer Record
```

Total Count in the Reported Financial Summary Complex Element

The COD System verifies that the Total Number of Students Tags by Award Type and Award Year, `<TotalCount>`, reported in the Reported Financial Summary complex element equals the total number of student tags by award type and award year in the document.

Business Rules:

The COD System compares the Total Number of Students Tags by award type and award year, `<TotalCount>`, reported against the actual total number of student tags by award type (Pell, ACG, National SMART Grant, DL Subsidized, DL Unsubsidized, and DL PLUS), by award year, and by Reporting School Entity ID in the document.

1) The COD System determines the actual total number of student tags by award type and award year in the Document by counting the number of Student Identifiers (SSN, Date of Birth and Last Name) for each award type (Pell, ACG, National SMART Grant, DL Subsidized, DL Unsubsidized, and DL PLUS), award year, and Reporting School Entity ID in the document.

   Note: Refer to the topic entitled "Student Identifier" for more information.

2) The COD System sends a warning with error code 008 if the reported `<TotalCount>` and the actual number of student tags by award type and award year are not identical. The warning does not prevent the document from being processed by the COD System.

3) The Total Number of Students reported may be a duplicated count. In the event that identical Student Identifiers are reported multiple times within a document for multiple award types or award years, the COD System counts them multiple times.

4) The Total Number of Students is reported by Award Year, by Award Type (Pell, ACG, National SMART Grant, DL Subsidized, DL Unsubsidized, and DL PLUS), and by Reporting School Entity ID.

Example:

In the following example, a Common Record is submitted for a student `<Student SSN="123456789" BirthDate="1974-01-01" LastName="SMITH">` containing one DL Subsidized and one Pell award. Since the `<TotalCount>` is not an unduplicated count of student tags, the student tag is counted twice in the Reported Financial Summary block, once for each award type and award year:

```
<ReportingSchool EntityID="00123400">
      <ReportedFinancialSummary>
            <FinancialAwardType>DLSubsidized</FinancialAwardType>
            <FinancialAwardYear>2009</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAmount>2000</TotalReportedAmount>
            <TotalReportedDisbursement>1970</TotalReportedDisbursement>
      </ReportedFinancialSummary>
      <ReportedFinancialSummary>
            <FinancialAwardType>Pell</FinancialAwardType>
            <FinancialAwardYear>2009</FinancialAwardYear>
            <TotalCount>1</TotalCount>
```

```
        <TotalReportedAward>3700</TotalReportedAward>
        <TotalReportedDisbursement>3700</TotalReportedDisbursement>
    </ReportedFinancialSummary>
```

Total Award Amount Reported in the Reported Financial Summary Complex Element

The COD System verifies that the Total Award Amount reported in the Reported Financial Summary complex element equals the actual total of all Award Amounts contained in the document.

Business Rules:

1) The COD System compares the Total Award Amount Reported, `<TotalReportedAward>`, against the actual total of all Award Amounts contained in the document.

2) The COD System determines the actual total of all Award Amounts by adding the values of all the Award Amount tags in the document.

3) The COD System sends a warning with error code 102 if the Total Award Amount Reported and the actual total of all Award Amounts are not equal. The warning does not prevent the document from being processed by the COD System.

4) The Total Award Amount must be reported by Award Year, by Award Type (Pell, DL Subsidized, DL Unsubsidized, and DL PLUS), and by Reporting School Entity ID.

Example:

```
<ReportingSchool EntityID="00123400">
    <ReportedFinancialSummary>
        <FinancialAwardType>DLSubsidized</FinancialAwardType>
        <FinancialAwardYear>2009</FinancialAwardYear>
        <TotalCount>1</TotalCount>
        <TotalReportedAmount>2000</TotalReportedAmount>
        <TotalReportedDisbursement>1970</TotalReportedDisbursement>
    </ReportedFinancialSummary>
    <ReportedFinancialSummary>
        <FinancialAwardType>Pell</FinancialAwardType>
        <FinancialAwardYear>2009</FinancialAwardYear>
        <TotalCount>1</TotalCount>
        <TotalReportedAward>3700</TotalReportedAward>
        <TotalReportedDisbursement>3700</TotalReportedDisbursement>
    </ReportedFinancialSummary>
```

Total Disbursement Amount Reported in the Reported Financial Summary Complex Element

The COD System verifies that the Total Disbursement Amount Reported in the Reported Financial Summary complex element equals the actual total of all Disbursement Amounts contained in the document.

Business Rules:

1) The COD System compares the Total Disbursement Amount Reported, `<TotalReportedDisbursement>` against the actual total of all Disbursement Amounts contained in the document.

2) The COD System determines the actual total of all Disbursement Amounts by adding the values of the Disbursement Amount (gross) fields, regardless of whether the Disbursement Release Indicator is "true" or "false," in the document.

3) The COD System sends a warning with error code 090 if the Total Disbursement Amount Reported and the actual total of all Disbursement Amounts are not equal. The warning does not prevent the document from being processed by the COD System.

4) The Total Disbursement Amount Reported must be reported by Award Year, by Award Type (Pell, ACG, National SMART Grant, DL Subsidized, DL Unsubsidized, and DL PLUS), and by Reporting School Entity ID.

Example:

```
<ReportingSchool EntityID="00123400">
      <ReportedFinancialSummary>
            <FinancialAwardType>DLSubsidized</FinancialAwardType>
            <FinancialAwardYear>2009</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAmount>2000</TotalReportedAmount>
            <TotalReportedDisbursement>1970</TotalReportedDisbursement>
      </ReportedFinancialSummary>
      <ReportedFinancialSummary>
            <FinancialAwardType>Pell</FinancialAwardType>
            <FinancialAwardYear>2009</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAward>3700</TotalReportedAward>
            <TotalReportedDisbursement>3700</TotalReportedDisbursement>
      </ReportedFinancialSummary>
```

Person Identifier

The COD Person Identifier is composed of the student's current Social Security Number, current Date of Birth, and current Last Name. Current is defined as the value stored in COD as of the date of the transmission.

The person's identifier is submitted in the Student Identifier tag or the Borrower Identifier tag based upon the person's role in relationship to the incoming award. The Student Identifier is a required data element for all award types, must be included in all submissions of the Common Record and is matched against CPS data in most cases (see Student Identifier and Data Elements Matched against the CPS). The Borrower Identifier is a required data element only when submitting PLUS loans for graduate/professional students and parents of dependent undergraduate students and isn't matched against CPS data.

Business Rules:

1) The Student and Borrower Identifier are located in the Person complex element of the Common Record and are reported by the school.

2) A person's identifier consists of the `<Student>` or `<Borrower>` tag and three attributes: the person's current Social Security Number, current Date of Birth, and current Last Name.

    a. The Social Security Number (SSN) portion of the identifier must contain nine digits.

    b. The SSN portion of the identifier must be within the range of 001-01-0001 to 999-99-9998.

    c. The SSN portion of the identifier may or may not contain hyphens after the third and fifth digits.

    d. The Date of Birth (DOB) portion of the identifier must be in the CCYY-MM-DD format.

    e. The DOB portion of the identifier must be greater than 1909-01-01 and less than 2000-12-31.

    f. The Last Name portion of the identifier may consist of upper case letters A-Z, numbers 0-9, spaces, period, apostrophe, and dash.

    g. The Last Name portion of the identifier may be blank.

3) All three identifier attributes are required for processing by the COD System.

4) The COD system stores one set of identifiers for each person. Person identifiers are not stored by award. COD uses the identifier tag to determine the person's relationship to the incoming award (student or PLUS borrower).

5) Changes to a person's identifier data elements must be submitted in the Social Security Number, Date of Birth, and/or Last Name simple element tags and not in `<Student>` or `<Borrower>` tag. Changes in the identifier tag will not be recognized by the COD system.

    Note: On the first submission for a person for a new award year, it is recommended that the school submit the identifier data elements in both the Person Complex Element and the SSN, Last Name, and Date of Birth simple elements. In some cases, unbeknownst to the school submitting the record, the person already exists on COD with different identifier data (usually a different Last Name) due to activity at another school for a previous award year.

    By submitting the SSN, Last Name, and Date of Birth simple elements, the school will trigger COD to attempt to change the person's identifier data. If a change is made, all schools with records for that person will receive an SSN/Name/Date of Birth Change Report. If the data in the simple elements is a duplicate of the data already on COD, COD will return warning edit 015 in the Common Record Response.

In these cases, if the simple elements are not submitted, the school's award record may still accept (assuming it passes the CPS match, if appropriate, and all other applicable edits), but the identifier data stored on COD will not be updated since COD does not recognize identifier changes submitted in the identifier tags. The previous identifier data will appear in all COD system generated transactions and reports until the simple elements are submitted.

Alternatively, schools may use the COD web site to search person data by SSN to confirm that the identifier data on COD matches the identifier data on their systems and determine if an identifier change is necessary. Schools may also submit identifier changes through the COD web site if their software does not permit the submission of the SSN, Last Name, and Date of Birth simple elements.

6) Regardless of whether the changed simple element is accepted or rejected by the COD System, the person's old identifier is returned in the Response.

7) If the changed simple element is accepted, the school must submit the new identifier combination in future transmissions.

8) If the changed simple element is rejected, the person's old identifier combination must be used in future transmissions.

9) The COD system stores the previously submitted Social Security Number for query purposes.

10) If the SSN, DOB, or Last Name simple element is submitted with the same value that is listed in the attribute on the COD system, no update takes place and a warning is sent to the school with error code 15.

PLUS Rules Applied to All Award Types:

Since PLUS borrowers may also be students, the following rules apply if the person is a PLUS borrower and may be applied to any award type:

1) For Direct Loan PLUS Borrowers (either parent or graduate student), their SSN is used to perform the PLUS credit check. Attempts to change the SSN for a PLUS Borrower (for any award type) will be rejected with edit 121 if the following conditions exit:

    a. PLUS award is greater than zero, AND

    b. The sum of all actual disbursements for the PLUS loan doesn't equal the PLUS award amount (PLUS award isn't fully disbursed).

2) Schools can change the SSN for a PLUS Borrower if the PLUS award amount has been fully disbursed for at least 24 hours or the PLUS loan is inactive. Therefore, to change a PLUS Borrower's SSN, the school must do one of the following:

    a. If no actual disbursements have been reported, reduce the loan to zero and originate a new loan with the correct SSN.

b. If at least one actual disbursement has been reported, reduce the loan to the disbursed amount and originate a new loan for the balance of eligibility with the corrected SSN.

3) If a Date of Birth Change for a student whose parent has a PLUS loan (Parent PLUS) results in the parent and student Dates of Birth being the same, COD will reject the change with edit 149. This applies to all award types (Pell, ACG, SMART, Sub, Unsub, PLUS).

4) If a SSN Change for a student whose parent has a PLUS loan (Parent PLUS) results in the parent and student SSNs being the same, COD will reject the change with edit 152 whether the change is submitted on an initial submission of a loan or an award change record. This applies to all award types (Pell, ACG, SMART, Sub, Unsub, PLUS).

5) If a SSN change for a parent who has a PLUS loan (Parent PLUS) results in the parent and student SSNs being the same, COD will reject the change with edit 153 whether the change is submitted on an initial submission of a loan or an award change record. This applies to all award types (Pell, ACG, SMART, Sub, Unsub, PLUS).

PLUS Rules Applied to only PLUS Awards:

The following rules apply only to PLUS Loan submissions for both initial submissions and changes:

1) The COD system will allow Last Name or Date of Birth identifier changes to be submitted at either the student or borrower level.

2) If the same SSN is submitted within the student and borrower identifier tags (Grad PLUS)s, the following elements within the student and borrower tags must also be the same.

   a. Last Name

   b. Date of Birth

   If either of these elements within the student and borrower tags do not match, COD will return reject edit 147 in the response.

3) If the same SSN is submitted within the student and borrower tags (Grad PLUS) and the student and borrower first name don't match, COD will return warning edit 148.

4) If the `<Student>` or `<Borrower>` identifier tags match (Grad PLUS initial submission) AND the `<LastName>` and/or `<DateOfBirth>` tags are submitted on both the student and borrower levels, OR the COD system shows that the student and borrower are the same person (Grad PLUS changes) and the Last Name and/or Date of Birth tags are submitted on both the student and borrower levels, then the `<LastName>` and/or `<BirthDate>` tags must be the same or the COD system will reject the record with Reject Edit 147.

5) If the `<Student>` or `<Borrower>` identifier tags don't match (Parent PLUS initial submission) and the `<BirthDate>` tags are submitted on both the student and borrower levels, OR the COD system shows that the student and borrower are different people (Parent PLUS changes) and the `<BirthDate>` tags are submitted on both the student and borrower levels, then the `<BirthDate>` tags must be different or the COD system will reject the record with Reject Edit 149.

Example:

A Parent PLUS award is created for Student A and Borrower B with the following date of birth information:

Person	Date of Birth
Student A	1981-01-01
Borrower B	1955-02-02

Borrower B is also a Student on a Pell award. If the Pell award is submitted with a `<BirthDate>` tag changing for Borrower B date of birth to 1981-01-01, Borrower B's date of birth will match Student A's date of birth and Reject Edit 149 will be triggered.

6) When changing the SSN for a Grad PLUS borrower using the Grad PLUS loan, the SSN change must be submitted at the borrower level. If it is submitted at the student level only without a corresponding change at the borrower level, the change will be rejected with the following Reject Edits:

    a. Reject Edit 16 for award years 2007-2008 and prior.

    b. Reject Edit 151 for award years 2008-2009 and forward.

7) For award year 2005-2006 and forward, COD will accept a PLUS award with the same student and borrower information if the student's Grade Level is 6 or higher. If the student and borrower identifiers are the same and the student's Grade Level is less than 6, COD will reject the record using the following error codes:

    a. Reject Edit 16 for award years 2007-2008 and prior.

    b. Reject Edit 150 for award years 2008-2009 and forward.

Student Identifier

The COD Student Identifier is composed of the student's current Social Security Number, current Date of Birth, and current Last Name. Current is defined as the value stored in COD as of the date of the transmission.

Business Rules:

1) The Student Identifier is located in the Person complex element of the Common Record and is reported by the school.

2) A Student Identifier is a required data element for all submissions of a Common Record.

3) A Student Identifier consists of the student tag and three attributes: the student's current Social Security Number, current Date of Birth, and current Last Name.

a. The Social Security Number portion of the Student Identifier must contain nine digits.

b. The Social Security Number portion of the Student Identifier must be within the range of 001-01-0001 to 999-99-9998.

c. The Social Security Number portion of the Student Identifier may or may not contain hyphens after the third and fifth digits.

d. The Date of Birth portion of the Student Identifier must be in the CCYY-MM-DD format.

e. The Date of Birth portion of the Student Identifier must be greater than 1909-01-01 and less than 2000-12-31.

f. The Last Name portion of the Student Identifier may consist of upper case letters A-Z, numbers 0-9, spaces, period, apostrophe and dash.

g. The Last Name portion of the Student Identifier may be blank.

4) All three attributes of the Student Identifier (current Social Security Number, current Date of Birth, and current Last Name) are required for processing by the COD System.

5) The Student Identifier submitted by a school to establish the student on COD is matched to data from the CPS.

   a. For Pell Grants, the SSN, Date of Birth, and first two characters of the Last Name are matched with the CPS data.

   b. For Subsidized and Unsubsidized Direct Loans, the SSN and Date of Birth are matched with the CPS data.

      Note: For Direct Loan PLUS Awards the student is established and the person (either a parent borrower or the same graduate student borrower) must be established. Parent or graduate student borrowers are not matched against data from the CPS.

6) If a match is found on CPS, COD accepts the student and establishes the student identifier on COD. The student identifier must be submitted in subsequent transactions for that student.

   Note: Please refer to the Changing Student Identifier Information section for more information on making corrections or updates to the student identifier.

7) If a match is not found on CPS, COD rejects the student and returns an error code of 011.

Example:

```
<Student SSN="123456789" BirthDate="1974-01-01" LastName="SMITH">
```

Changing Student Identifier Information

In order to change Student Identifier information, the school or student must first submit a correction to the ISIR, which will result in another transaction on the CPS. After the correction has been submitted to and accepted by the CPS, the school must send a Common Record to the COD System reporting the student tag with the previously reported Student Identifier information currently stored on COD and the changed data in the corresponding simple element tag (Social Security Number, Date of Birth, or Last Name).

Note: Please refer to the Minimal Data Elements Required for Processing section for more information on changing other student demographic information.

Business Rules:

1) COD stores one Student Identifier for a student; COD does not store separate Student Identifiers for each award.

2) Changes to the Student Identifier data elements must be submitted in the Social Security Number, Date of Birth, and/or Last Name simple element tags and NOT in the Student tag. Changes submitted in the Student tag will not be recognized by the COD System.

   Note: On the first submission for a student for a new award year, it is recommended that the school submit the student identifier data elements in both the Student Complex Element and the SSN, Last Name, and Date of Birth simple elements. In some cases, unbeknownst to the school submitting the record, students have already existed on COD with different identifier data (usually a different Last Name) due to activity at another school for a previous award year.

   By submitting the SSN, Last Name, and Date of Birth simple elements, the school will trigger COD to attempt to change the student's identifier data for the student. If a change is made, all schools with records for that student will receive an SSN/Name/Date of Birth Change Report. If the data in the simple elements is a duplicate of the data already on COD, COD will return warning edit 015 in the Common Record Response.

   In these cases, if the simple elements are not submitted, the school's award record may still accept (assuming it passes the CPS match and all other applicable edits), but the identifier data stored on COD will not be updated since COD does not recognize identifier changes submitted in the Student tag. The previous identifier data will appear in all COD system generated transactions and reports until the simple elements are submitted.

   Alternatively, schools may use the COD web site to search person data by SSN to confirm that the identifier data on COD matches the identifier data on their systems and determine if an identifier change is necessary. Schools may also submit identifier changes through the COD web site if their software does not permit the submission of the SSN, Last Name, and Date of Birth simple elements.

3) Upon receipt of a changed Social Security Number, Date of Birth, or Last Name simple element from the school, the COD System attempts to match the changed simple element tag against the CPS.

a. If an identical change is found on the CPS, the COD System accepts the changed simple element, updates the Student Identifier, and sends a Response to the school.

b. If an identical change is not found on the CPS, the COD System rejects the changed simple element and sends a Response to the school with error code 012.

Note: Due to the order in which COD matches student identifier data elements with the CPS, it is possible that COD will return error code 012 on SSN even when a school submitted a change on Date of Birth or Last Name, if the Date of Birth and/or Name has not been updated on the CPS. Please refer to the topic entitled "Student Identifier and Data Elements Matched against the CPS" for more information.

4) Regardless of whether the changed simple element is accepted or rejected by the COD System, the old Student Identifier is returned in the Response.

5) If the changed simple element is accepted, the school must submit the new Student Identifier combination in future transmissions.

6) If the changed simple element is rejected, the old Student Identifier combination must be used in future transmissions.

7) The COD System stores the Social Security Number previously submitted to the COD System for query purposes on the COD web site.

8) If the Social Security Number, Date of Birth, or Last Name simple element is submitted with the same value that is listed in the attribute on the COD System, no update takes place and a warning is sent to the school with error code 015.

9) If the award year submitted on the change record is lower than the highest award year listed for the student on the COD System, or if the CPS transaction number on the change record is either lower than the highest CPS transaction number on the COD System for that award year and student or equal to the highest CPS transaction number and the identifier data does not match with CPS, no update takes place and a warning is sent to the school with error code 116.

10) If a combination of the current Social Security Number, current Date of Birth, or current Last Name simple elements are changed in the same submission, all changes must be matched on the CPS.

    a. If all changes are not matched on the CPS, the COD System rejects all changed simple elements and the old Student Identifier is returned in the Response to the school.

11) If the Student SSN matches the Borrower SSN on the incoming file and the Grad PLUS award already exists on the COD System, the following identifiers must match:

    a. **For Parent PLUS:** Complete Student Last Name change and complete Borrower Last Name change

b. **For all awards:** Complete Student Date of Birth change and complete Borrower Date of Birth change

c. **For all awards:** Complete Student SSN change and complete Borrower SSN

If one pair of the identifiers mentioned above **do not** match, the COD System will return Reject Edit 147.

Note: If the Complete Student First Name does not match complete Borrower First Name, the COD System will return Warning Edit 148.

12) If the Student SSN differs from the Borrower SSN on the COD System and the Parent PLUS award already exists on the COD System, the following identifiers must **NOT** match:

a. Complete Student Date of Birth change and complete Borrower Date of Birth change

b. Complete Student Date of Birth change and what currently exists on the COD System for the Borrower Date of Birth, AND no Borrower Date of Birth change tag is submitted

c. Complete Borrower Date of Birth change and what currently exists on the COD System for the Student Date of Birth, AND no Student Date of Birth change tag is submitted

If one pair of the identifiers mentioned above **do** match, the COD System will return Reject Edit 149.

13) Changes made to a Grad PLUS Borrower's SSN must also be made at the Student level. Attempts to change the SSN at Student level without a corresponding change at the Borrower level will result in:

- Reject Edit 016 for award years 2007-2008 and prior
- Reject Edit 151 for award years 2008-2009 and forward

14) If a PLUS award for Parent of a Dependent Undergraduate Student new origination or award maintenance record is submitted with a change to the Student SSN that would result in the Student SSN equal to the Borrower SSN, and the Student's SSN does not currently equal the Borrower's SSN on the COD System, the COD System will trigger Reject Edit 152.

15) If a PLUS award for Parent of a Dependent Undergraduate Student new origination or award maintenance record is submitted with a change to the Borrower SSN that would result in the Student SSN equal to the Borrower SSN, and the Student's SSN does not currently equal the Borrower's SSN on the COD System, the COD System will trigger Reject Edit 153.

Example:

A student's last name changes from Oldhat to Newburry. Once the correction has been submitted to the CPS, the appropriate submission to the COD System is:

```
<Student SSN="123456789" BirthDate="1974-01-01" LastName="OLDHAT">
      <Name>
            <LastName>NEWBURRY</LastName>
      </Name>
</Student>
```

The COD Response contains the old student identifier:

```
<Student SSN="123456789" BirthDate="1974-01-01" LastName="OLDHAT">
```

If the COD System accepts the change, subsequent transmissions by the school must contain:

```
<Student SSN="123456789" BirthDate="1974-01-01" LastName="NEWBURRY">
```

If the COD System rejects the change, subsequent transmissions by the school must contain:

```
<Student SSN="123456789" BirthDate="1974-01-01" LastName="OLDHAT">
```

Borrower Identifier

The Borrower Identifier is used to submit parent or graduate student borrower data when processing a PLUS Loan. The COD Borrower Identifier is composed of the parent or graduate student borrower's current Social Security Number, current Date of Birth, and current Last Name. Current is defined as the value stored in COD as of the date of the transmission.

Business Rules:

1) The Borrower Identifier is located in the Person complex element of the Common Record and is reported by the school.

2) A Borrower Identifier is a required data element for all submissions for a PLUS Loan.

3) A Borrower Identifier consists of the Borrower tag and three attributes: the person's current Social Security Number, current Date of Birth, and current Last Name.

    a. The Social Security Number portion of the Borrower Identifier must contain nine digits.

    b. The Social Security Number portion of the Borrower Identifier must be within the range of 001-01-0001 to 999-99-9998.

    c. The Social Security Number portion of the Borrower Identifier may or may not contain hyphens after the third and fifth digits.

    d. The Date of Birth portion of the Borrower Identifier must be in the CCYY-MM-DD format.

    e. The Date of Birth portion of the Borrower Identifier must be greater than 1909-01-01 and less than 2000-12-31.

    f. The Last Name portion of the Borrower Identifier may consist of upper case letters A-Z, numbers 0-9, spaces, period, apostrophe and dash.

    g. The Last Name portion of the Borrower Identifier may be blank.

4) The Borrower Identifier submitted by a school to establish the parent or graduate student borrower on COD is NOT matched with data from CPS.

5) For award year 2005-2006 and forward, COD will accept a PLUS award with the same student and borrower information if the Grade Level for the student is 6 or higher. Otherwise, the record will trigger:

    a. Reject Edit 016 for award years 2007-2008 and prior.

    b. Reject Edit 150 for award years 2008-2009 and forward.

6) The Borrower Identifier is changed using the same process as updating a Student Identifier. However, the updates to a Borrower Identifier are NOT matched to CPS data on file at COD.

7) If the Student SSN matches the Borrower SSN, the following identifiers must match:

    a. Complete Student Last Name and complete Borrower Last Name

    b. Complete Student Date of Birth and complete Borrower Date of Birth

    c. Complete Student Last Name change and complete Borrower Last Name change

    d. Complete Student Date of Birth change and complete Borrower Date of Birth change

    e. Complete Student SSN change and complete Borrower SSN change

    If one pair of the identifiers mentioned above **do not** match, the COD System will return Reject Edit 147.

    Note: If the Complete Student First Name does not match complete Borrower First Name, the COD System will return Warning Edit 148.

8) If the Student SSN differs from the borrower SSN, the following identifiers must **NOT** match:

    a. Complete Student Date of Birth and complete Borrower Date of Birth

    b. Complete Student Date of Birth change and complete Borrower Date of Birth change

    c. Complete Student Date of Birth change and Borrower Date of Birth, AND
    No Borrower Date of Birth change tag is submitted

    d. Complete Borrower Date of Birth change and Student Date of Birth, AND
    No Student Date of Birth change tag is submitted

    If one pair of the identifiers mentioned above **do** match, the COD System will return Reject Edit 149.

Note: When originating a new loan with the correct SSN, a new Promissory Note may be required.

Example:

```
<Borrower SSN="123456789" BirthDate="1964-01-01" LastName="SMITH">
```

Changing Borrower Identifier Information

When changing borrower information for a Parent PLUS loan, it is important to ensure that all changes will not cause the borrower information to match the student information. When changing Borrower identifier information for a Grad PLUS loan, it is important to ensure all changes made to the borrower information are reflected in the student information changes.

Business Rules:

1) For Direct Loan PLUS Borrowers (either parent or graduate student), their SSN is used to perform the PLUS credit check. Attempts to change the SSN for a PLUS Borrower (for any award type) will reject with Reject Edit 121 if the following conditions exist:

    a. PLUS award amount is greater than zero, AND

    b. The sum of all actual disbursements for PLUS loans does not equal the PLUS award amount (PLUS award is not fully disbursed).

2) Schools can change the SSN for a PLUS Borrower (either parent or graduate student) if the PLUS award amount has been fully disbursed for at least 24 hours.

3) If an SSN change is required for a PLUS Borrower (either parent or graduate student), the school must do one of the following:

    a. If no actual disbursements, reduce the loan to zero and originate a new loan with the correct SSN.

    b. If partial disbursement, reduce the loan to the disbursed amount and originate a new loan for the balance of eligibility with the correct SSN.

4) Changes made to a Grad PLUS Borrower's SSN must also be made at the Student level. Attempts to change the SSN at Student level without a corresponding change at the Borrower level will result in:

    - Reject Edit 016 for award years 2007-2008 and prior

    - Reject Edit 151 for award years 2008-2009 and forward

5) If the Student SSN matches the Borrower SSN on the incoming file and the Grad PLUS award already exists on the COD System, the following identifiers must match:

    a. Complete Student Last Name change and complete Borrower Last Name change

    b. Complete Student Date of Birth change and complete Borrower Date of Birth change

    c. Complete Student SSN change and complete Borrower SSN change

If one pair of the identifiers mentioned above **do not** match, the COD System will return Reject Edit 147.

Note: If the Complete Student First Name does not match complete Borrower First Name, the COD System will return Warning Edit 148.

6) If the Student SSN differs from the Borrower SSN on the COD System and the Parent PLUS award already exists on the COD System, the following identifiers must **NOT** match:

   d. **For Parent PLUS:** Complete Student Date of Birth change and complete Borrower Date of Birth change

   e. **For all awards:** Complete Student Date of Birth change and what currently exists on the COD System for the Borrower Date of Birth, AND no Borrower Date of Birth change tag is submitted

   f. **For all awards:** Complete Borrower Date of Birth change and what currently exists on the COD System for the Student Date of Birth, AND no Student Date of Birth change tag is submitted

   If one pair of the identifiers mentioned above **do** match, the COD System will return Reject Edit 149.

CPS Transaction Number

The CPS Transaction Number is a required field on the Common Record for Pell Grant, ACG, National SMART Grant and Direct Loan (DL Subsidized, DL Unsubsidized) processing.

Business Rules:

1) The CPS Transaction Number is a required field on the Common Record for Pell Grant, ACG, National SMART Grant and Direct Loan (DL Subsidized, DL Unsubsidized) Award information.

   Note: The CPS Transaction Number is not a required field for DL PLUS loans.

Student Identifier and Data Elements Matched against the CPS

COD performs two matches against CPS. The first match confirms that the Student Identifier exists on the CPS. This match does not utilize the CPS Transaction Number submitted by the school. The second match validates certain data elements for editing purposes. This match utilizes the CPS Transaction Number submitted by the school.

Business Rules:

1) The COD System stores one Student Identifier for a student. The COD System does not store separate Student Identifiers for each award.

2) The CPS Transaction Number is stored at the Award level; the COD System stores a separate CPS Transaction Number for each award.

3) The COD System performs a match against the CPS when a Common Record contains:

    a. A new student with an award (See Example 1)

    b. A change to the Student Identifier (See Example 2)

    c. A new award with a new CPS Transaction Number (See Example 2)

    d. An existing award with a new CPS Transaction Number (See Example 3)

4) When a Common Record contains a **new student** with a Pell, ACG or National SMART Grant award,

    a. COD matches the SSN, Date of Birth, first two characters of the Last Name, and the CPS Transaction Number with data from CPS.

    b. COD uses the CPS Transaction Number submitted to pull data elements from CPS for processing the award.

5) When a Common Record contains a **new student** with a Subsidized or Unsubsidized Direct Loan award,

    a. COD matches the SSN, Date of Birth, and the CPS Transaction Number with data from CPS.

    b. COD uses the CPS Transaction Number submitted to pull data elements from CPS for processing the award.

6) When a Common Record contains a **change to the Student Identifier**,

    a. COD checks that **<u>any</u>** CPS Transaction Number greater than the CPS Transaction Number used to establish the student exists in the data from CPS. If the CPS Transaction Number on the change record is either lower than the highest CPS Transaction Number on the COD database or equal to the highest CPS Transaction Number and the identifier data does not match with CPS, no update to the student identifier takes place and warning edit 116 is sent to the school.

Note: When a school sends a change to a Direct Loan award with a new CPS Transaction Number, COD does NOT go back out to CPS and pull information on that CPS Transaction Number.

    b. For Direct Loans the match is only on the Social Security Number (SSN) and Date of Birth.

7) When a Common Record contains a **new award** for an existing student,

    a. The Student Identifier tag must be the current Student Identifier on file at COD.

b. COD uses the CPS Transaction Number submitted to pull data elements from CPS for processing the award.

c. If the student identifier data elements do not match the SPECIFIC CPS Transaction Number, the record will reject with edit code 24.

8) When a Common Record contains a **new CPS Transaction Number** for an existing award,

a. The Student Identifier needs to be the current Student Identifier on file at COD.

b. COD uses the new CPS Transaction Number submitted to pull data elements from CPS for processing the award.

c. COD does NOT match the student identifier data elements with the CPS Transaction Number submitted in the Award complex element

9) COD matches the student identifier data elements in the following order: SSN, Date of Birth, and Last Name.

Note: It is possible that COD will return error code 012 on SSN even when a school submitted a change on Date of Birth or Name if the Name and/or Date of Birth has not been updated on the CPS.

10) When a new award is submitted with a CPS Transaction Number already used by a previously accepted award for the same student, a new CPS match is NOT performed.

11) A later CPS Transaction Number submitted by a student or another school does NOT affect a match performed using an earlier CPS Transaction Number.

Note: The CPS Transaction Number is not a required field for DL PLUS loans.

Examples:

EXAMPLE #1: New student and new award

A school submits a Pell Grant for a student (SID = 3188888881983-03-04 Jones) using CPS Transaction Number 01. There is a match at COD on the CPS data. This establishes the student on the COD Database with a student identifier: 3138888881983-03-04Jones.

CPS			**CPS AAF**			
SAR ID		**SSN**	**DOB**	**Last Name**	**Pell Elig?**	**EFC**
318888888Jo01		318888888	1983-03-04	JONES	Y	0

Current Student Identifier = 3188888881983-03-04 JONES		
COD SID Database		
SID 318888888	1983-03-04	JONES

Pell Award CPS Transaction# 01 $4000 Accepted

EXAMPLE #2: New award, New CPS Transaction Number and Change to student identifier

The student gets married resulting in a Name change from Jones to Taylor. The student also becomes a graduate student and is no longer Pell eligible. These changes have already been reported to CPS resulting in a CPS Transaction Number 03. The school submits a Direct Loan award using CPS Transaction Number 03 and the current SID of 3188888881983-03-04JONES, but also submits the name change of Taylor. The Direct Loan award is accepted as there is a match with CPS data at COD for the SSN and Date of Birth and CPS Transaction Number 03. The student identifier is updated to: 313888888 1983-03-04TAYLOR.

CPS **CPS AAF**

SAR ID		**SSN**	**DOB**	**Last Name**	**Pell Elig?**	**EFC**
318888888Jo01		318888888	1983-03-04	JONES	Y	0
318888888Jo02		318888888	1983-03-04	JONES	Y	250
318888888Jo03		318888888	1983-03-04	TAYLOR	N	0

Current Student Identifier = 3188888881983-03-04TAYLOR		
COD Student Identifier (SID) Database		
SID 318888888	1983-03-04	TAYLOR
SID 318888888	1983-03-04	JONES

Pell Award
CPS Transaction# 01
$4000
Accepted

DL Award
CPS Transaction# 03
$7500
Accepted

EXAMPLE #3: Maintenance to CPS Transaction Number on existing award

The student's EFC changes. The school submits an update to the Direct Loan using CPS Transaction Number 04. The school submits using student identifier: 318888888 1983-03-04 TAYLOR.

CPS		**CPS AAF**				
SAR ID		**SSN**	**DOB**	**Last Name**	**Pell Elig?**	**EFC**
318888888Jo01		318888888	1983-03-04	JONES	Y	0
318888888Jo02		318888888	1983-03-04	JONES	Y	250
318888888Jo03		318888888	1983-03-04	TAYLOR	N	0
318888888Jo04		318888888	1983-03-04	TAYLOR	N	500

Current Student Identifier = 3188888881983-03-04TAYLOR		
COD Student Identifier (SID) Database		
SID 318888888	1983-03-04	TAYLOR
SID 318888888	1983-03-04	JONES

Pell Award
CPS Transaction# 01 $4000 Accepted

DL Award
CPS Transaction #03 $7500 Accepted CPS Transaction# 04 $7250 Accepted

Data Elements Pulled from the CPS

The COD System pulls certain data elements from information provided by the CPS for editing purposes only.

Business Rules:

1) The COD System uses the CPS Transaction Number reported in the Award complex element to pull certain data elements from information provided by the CPS.

2) For each Pell Grant award received, the COD System always pulls the following data elements from the CPS:

    a. Expected Family Contribution (EFC)

    b. Secondary EFC (only in the case where the school has indicated its intent to pay from the secondary EFC via the `<SecondaryEFCCode>` field on the Common Record). Beginning in 2005-2006 this value is no longer stored or used to pay on a Pell award.

    c. Verification Selection

3) The COD System determines if certain data elements are transmitted in the Common Record or already exist for the student and award year on the COD database. If neither is true, the COD System will 'pull' these data elements from information provided by the CPS.

   a. For each Direct Loan, Pell Grant, ACG or National SMART Grant award received, the following data elements are pulled from the CPS information when absent on both the Common Record submission and the COD database:

      i. Address (If any of the fields are absent: Address, City, State [Domestic only], Zip/Postal Code [Domestic only], Country [Foreign only])

         a. The COD System will pull the student address from the highest CPS transaction number for the most recent award year.

      ii. First Name

      iii. Loan Default/Grant Overpayment for student

      iv. Citizenship status

         Note: Citizenship status cannot be pulled from the CPS for PLUS loans and, therefore, is required on the Common Record for PLUS loans.

Note Message Field

In the 2003-2004 award year, the School Use Only field was renamed the Note Message field.

A Note Message field, `<NoteMessage>`, is included on the Common Record in the Person, Award, and Disbursement complex elements. This field can be used by the school for any purpose and is ignored during COD processing.

Business Rules:

1) Regardless of whether the school opts for a Full or Standard Response, the Note Message field is returned in the same Person, Award and Disbursement complex elements as was submitted by the school.

2) The Note Message field is returned in all COD system-generated Response Documents if the field is populated on the COD database.

3) The Note Message field can be viewed and modified on the COD web site for award and disbursement records.

4) No field level compression is allowed in this field.

Example:

EXAMPLE #1:

The school uses a unique identifier for the student in their system. The school uses the `<NoteMessage>` field in the Student Award complex element to record this unique identifier.

```
<Student SSN="123456789" BirthDate="1973-01-01" LastName="SMITH">
      <NoteMessage>888888</NoteMessage>
</Student>
```

The COD Response complex element contains the `<NoteMessage>` field with the content submitted in the Common Record:

```
<Student SSN="123456789" BirthDate="1973-01-01" LastName="SMITH">
      <NoteMessage>888888</NoteMessage>
</Student>
```

Updating Phone Numbers

The COD System only stores one phone number for each person.

Business Rules:

1) The Common Record allows for a maximum occurrence of three phone number tags per person; however the COD System stores only one or the last occurrence (if more than one is submitted) of phone number as Home Phone.

    a. The COD System does not store a value for Alternate Phone 1 or Alternate Phone 2.

Direct Loan Award and Disbursement Process

Utilizing Loan Key for Subsidized and Unsubsidized Direct Loans

The Loan Key is a shortcut to avoid multiple submissions of tags where data is consistent across loans for a single borrower.

Business Rules:

1) There are two reference tags in the Common Record identified as Loan Key:

    a. The first tag is an attribute for DL Loan Information, `<DLLoanInformation LoanKey="1">`.

    b. The second tag is a simple element, `<LoanKey>`.

2) Both of these reference tags are required when submitting Direct Loan Award information.

3) These two reference tags link two sections of loan information together, expediting the reporting of similar data across Subsidized and Unsubsidized loans for a single borrower.

4) A Loan Key number is referenced once but can be used by multiple Subsidized and Unsubsidized loans within the same submission. See EXAMPLE #1.

    Note: A PLUS loan within the same submission must have a unique Loan Key number as some of the shared data elements in DL Loan Information always have different values for PLUS. For example, the Origination Fee for PLUS loans is always 4% while the Origination Fee for Subsidized and Unsubsidized loans may vary. Please refer to the Origination Fees Periods and Percentage Table on page II-1-96.

5) It is permissible to send a unique Loan Key for each Subsidized and Unsubsidized loan. See EXAMPLE #2.

6) A Loan Key references the following data elements shared by Subsidized and Unsubsidized loans:

    a. Origination Fee Percent, `<OriginationFeePercent>`

    b. Interest Rebate Percent, `<InterestRebatePercent>`

    c. Promissory Note Print Code, `<PromissoryNotePrintCode>`

    d. Disclosure Statement Print Code, `<DisclosureStatementPrintCode>`

    e. Student Level Code, `<StudentLevelCode>`

f. Financial Award Begin Date, `<FinancialAwardBeginDate>`

g. Financial Award End Date, `<FinancialAwardEndDate>`

h. Academic Year Begin Date, `<AcademicYearBeginDate>`

i. Academic Year End Date, `<AcademicYearEndDate>`

7) A Loan Key number may only be referenced within that Common Record. The Direct Loan Information Loan Key number is not stored on the COD System and, therefore, the Loan Key number cannot be used in a subsequent Common Record to reference data submitted in the DL Loan Information block of a prior Common Record.

8) Origination fees are determined based on the Earliest Disbursement Date (actual disbursements take precedence over anticipated disbursements). See EXAMPLE #2. For a table of the new origination fees please refer to the Origination Fees Periods and Percentage Table on page II-1-96.

Examples:

EXAMPLE #1:
In this example, there is one Loan Key. The Loan Key = “1”can be used for a Subsidized and an Unsubsidized loan. If this student submission also included a PLUS loan, this same Loan Key = “1”could not be used for a PLUS loan. The PLUS loan must have a unique Loan Key such as Loan Key = “2.”

Note: This reference structure allows for more efficient transmission of loan information. Loan information that could be reported for multiple loans is “pulled up” to allow for a repeatable complex element.

Below is the content of DL Loan Information and of the DL Subsidized and DL Unsubsidized complex elements:

```
<DLLoanInformation LoanKey="1">
      <OriginationFeePercent>2</OriginationFeePercent>
      <InterestRebatePercent>1.5</InterestRebatePercent>
      <PromissoryNotePrintCode>S</PromissoryNotePrintCode>
      <DisclosureStatementPrintCode>Y</DisclosureStatementPrintCode>
      <StudentLevelCode>1</StudentLevelCode>
      <FinancialAwardBeginDate>2008-09-01</FinancialAwardBeginDate>
      <FinancialAwardEndDate>2009-05-15</FinancialAwardEndDate>
      <AcademicYearBeginDate>2008-09-01</AcademicYearBeginDate>
      <AcademicYearEndDate>2009-05-15</AcadmicYearEndDate>
</DLLoanInformation>
<DLSubsidized>
      <LoanKey>1</LoanKey>
      <FinancialAwardYear>2009</FinancialAwardYear>
      <CPSTransactionNumber>4</CPSTransactionNumber>
      <FinancialAwardAmount>2625</FinancialAwardAmount>
      <FinancialAwardNumber>001<FinancialAwardNumber>
      <FinancialAwardID>123456789S09G12345001</FinancialAwardID>
      <FinancialAwardCreateDate>2008-07-01</FinancialAwardCreateDate>
      <DependencyStatusCode>D</DependencyStatusCode>
</DLSubsidized>
<DLUnsubsidized>
      <LoanKey>1</LoanKey>
      <FinancialAwardYear>2009</FinancialAwardYear>
      <CPSTransactionNumber>4</CPSTransactionNumber>
      <FinancialAwardAmount>1000</FinancialAwardAmount>
      <FinancialAwardNumber>001<FinancialAwardNumber>
      <FinancialAwardID>123456789U09G12345001</FinancialAwardID>
      <FinancialAwardCreateDate>2008-07-01</FinancialAwardCreateDate>
      <AdditionalUnsubsidizedEligibilityIndicator>true</AdditionalUnsubsidizedEligib
ilityIndicator>
      <DependencyStatusCode>D</DependencyStatusCode>
</DLUnsubsidized>
```

In this example, all of the Loan Key content equal one. Therefore, the COD System knows the information in `DLLoanInformation` can be used for both the `DLSubsidized` and `DLUnsubsidized`.

EXAMPLE #2:
In this example, there are two Loan Keys. The Loan Key = “1” is used for the Subsidized loan and the Loan Key = “2” is used for the Unsubsidized loan. If this student submission also included a PLUS loan, the PLUS loan requires a unique Loan Key which could be Loan Key = “3.”

Below is the content of `DLLoanInformation` for a student receiving a Subsidized and an Unsubsidized loan where a unique Loan Key is used for each loan.

Note: Submitting `DLLoanInformation` in this manner does NOT take advantage of the short cut described in the previous Example #1 for transmission of loan information. In this example, the same Loan information is reported multiple times within the same submission.

Below is the content of `DLLoanInformation` for a student receiving a Subsidized and an Unsubsidized loan where a unique Loan Key is used for each loan.

```
<DLLoanInformation LoanKey="1">
      <OriginationFeePercent>2</OriginationFeePercent>
      <InterestRebatePercent>1.5</InterestRebatePercent>
      <PromissoryNotePrintCode>S</PromissoryNotePrintCode>
      <DisclosureStatementPrintCode>Y</DisclosureStatementPrintCode>
      <StudentLevelCode>1</StudentLevelCode>
      <FinancialAwardBeginDate>2008-09-01</FinancialAwardBeginDate>
      <FinancialAwardEndDate>2009-05-15</FinancialAwardEndDate>
      <AcademicYearBeginDate>2008-09-01</AcademicYearBeginDate>
      <AcademicYearEndDate>2009-05-15</AcademicYearEndDate>
</DLLoanInformation>
<DLLoanInformation LoanKey="2">
      <OriginationFeePercent>2.5</OriginationFeePercent>
      <InterestRebatePercent>1.5</InterestRebatePercent>
      <PromissoryNotePrintCode>S</PromissoryNotePrintCode>
      <DisclosureStatementPrintCode>Y</DisclosureStatementPrintCode>
      <StudentLevelCode>1</StudentLevelCode>
      <FinancialAwardBeginDate>2007-09-01</FinancialAwardBeginDate>
      <FinancialAwardEndDate>2008-05-15</FinancialAwardEndDate>
      <AcademicYearBeginDate>2007-09-01</AcademicYearBeginDate>
      <AcademicYearEndDate>2008-05-15</AcademicYearEndDate>
</DLLoanInformation>
<DLSubsidized>
      <LoanKey>1</LoanKey>
      <FinancialAwardYear>2009</FinancialAwardYear>
      <CPSTransactionNumber>4</CPSTransactionNumber>
      <FinancialAwardAmount>2625</FinancialAwardAmount>
      <FinancialAwardNumber>001<FinancialAwardNumber>
      <FinancialAwardID>123456789S09G12345001</FinancialAwardID>
      <FinancialAwardCreateDate>2008-07-01</FinancialAwardCreateDate>
      <DependencyStatusCode>D</DependencyStatusCode>
      <Disbursement Number="01">
            <DisbursementAmount>1000</DisbursementAmount>
            <DisbursementDate>2008-10-13</DisbursementDate>
            <DisbursementReleaseIndicator>true</DisbursementReleaseIndicator>
            <DisbursementSequenceNumber>02</DisbursementSequenceNumber>
            <FirstDisbursementIndicator>true</FirstDisbursementIndicator>
            <DisbursementNetAmount>995.00</DisbursementNetAmount>
            <DisbursementFeeAmount>20.00</DisbursementFeeAmount>
            <InterestRebateAmount>15.00</InterestRebateAmount>
      </Disbursement>
</DLSubsidized>
<DLUnsubsidized>
      <LoanKey>2</LoanKey>
      <FinancialAwardYear>2008</FinancialAwardYear>
      <CPSTransactionNumber>4</CPSTransactionNumber>
      <FinancialAwardAmount>1000</FinancialAwardAmount>
      <FinancialAwardNumber>001<FinancialAwardNumber>
      <FinancialAwardID>123456789U08G12345001</FinancialAwardID>
      <FinancialAwardCreateDate>2007-07-01</FinancialAwardCreateDate>
      <AdditionalUnsubsidizedEligibilityIndicator>true</AdditionalUnsubsidizedEligib
ilityIndicator>
      <DependencyStatusCode>D</DependencyStatusCode>
      <Disbursement Number="01">
            <DisbursementAmount>1000</DisbursementAmount>
            <DisbursementDate>2007-10-13</DisbursementDate>
            <DisbursementReleaseIndicator>true</DisbursementReleaseIndicator>
            <DisbursementSequenceNumber>02</DisbursementSequenceNumber>
            <FirstDisbursementIndicator>true</FirstDisbursementIndicator>
            <DisbursementNetAmount>990.00</DisbursementNetAmount>
```

```
            <DisbursementFeeAmount>25.00</DisbursementFeeAmount>
            <InterestRebateAmount>15.00</InterestRebateAmount>
      </Disbursement>
</DLUnsubsidized>
```

In this example, the `DLSubsidized` and `DLUnsubsidized` have unique Loan Key content. Therefore, the `DLLoanInformation` cannot by "pulled up" and the `DLLoanInformation` complex element is submitted twice with information for each loan.

Disbursement Sequence Number Required on all Disbursements

A Disbursement Sequence Number must be reported for all disbursements. This is an indicator of a single transaction associated with a specific disbursement number.

Business Rules:

1) The Disbursement Sequence Number determines the order in which the transaction must be processed for a given Disbursement Number.

2) The Disbursement Sequence Number must be reported in an incremental, ascending order.

3) The Disbursement Sequence Number valid values range from 01-99.

    a. Disbursement Sequence Numbers 01-65 are reported by schools.

    b. Disbursement Sequence Numbers 66-90 are reserved for COD system-generated adjustments to disbursements and COD web generated disbursements.

    c. Disbursement Sequence Numbers 99-91 are reserved for Direct Loan Payment to Servicer transactions (in descending order).

4) The Disbursement Sequence Number must be reported as "01" when the Disbursement Release Indicator is set to "false".

5) The Disbursement Sequence Number must be set to "01" the first time the disbursement is reported with the Disbursement Release Indicator set to "true."

6) Duplicate Disbursement Sequence Numbers for the same Disbursement Number when the Disbursement Release Indicator is set to "true" are considered duplicate disbursement transactions.

7) When resubmitting a disbursement transaction that was rejected, the resubmission must use the same Disbursement Sequence Number that was rejected.

8) The `<DisbursementSequenceNumber>` tag is returned in the disbursement response complex element in all Full or Standard Common Record Responses.

9) The `<PreviousSequenceNumber>` tag is returned in all Common Record disbursement response complex elements with Disbursement Sequence Number greater than 01, including COD system-

generated “ND”, “PS”, and “WB” responses, to indicate the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

Disbursement Release Indicator

The Disbursement Release Indicator tag is used to identify disbursements that have been made or will be made in the near future to the student/borrower, and that are used to substantiate cash that has been drawn down or may lead to a change in the Current Funding Level (CFL).

Business Rules:

1) Disbursement information is submitted to the COD System with a Disbursement Release Indicator equal to “true” or “false.”

    a. Disbursements with a Disbursement Release Indicator set to “false” do NOT change the CFL. False indicates anticipated disbursement information.

    b. Disbursements with a Disbursement Release Indicator set to “true” may change the CFL. True indicates actual disbursement information.

    c. If the Disbursement Release Indicator is omitted from the Common Record, the COD System sets it to “false.”

2) Depending on the school’s Cash Monitoring status, the COD System may accept Disbursement information with Disbursement Release Indicator set to “true” in advance of, on, or after the disbursement date.

    Note: Refer to the section titled Submitting Direct Loan Disbursement Information and Disbursement Release Indicator for more information.

3) If the Disbursement Release Indicator is set to “true,” the disbursement is processed only if the required tags in the Disbursement complex element are complete.

    Note: For information on the required tags in the Disbursement complex element, refer to the topic entitled “Minimum Data Elements Required for Document Processing”.

4) The Disbursement Release Indicator cannot be changed from “true” to “false.”

5) Disbursement information with a Disbursement Release Indicator set to “true” is not accepted more than 7 calendar days before the disbursement date. Disbursement information submitted 7 days or less before the disbursement date may result in a change to the Schools Current Funding Level (CFL).

6) To make an adjustment to an accepted and posted actual disbursement, the Disbursement Release Indicator must be set to “true”.

    Note: Refer to topic entitled “Updating and Adjusting Direct Loan Disbursement Amounts and Dates” for more information.

7) The Disbursement Release Indicator can be updated and disbursements can be generated, updated and adjusted on the COD web site.

Establishing an Initial Direct Loan Award

Disbursement information is required when creating all initial Direct Loan awards (Subsidized, Unsubsidized, and PLUS) on the web or by Common Record submission to the COD System. Disbursement information is required on initial Direct Loan awards in order to produce accurate Disclosure Statements and to calculate the repayment period for PLUS borrowers.

Business Rules:

1) A person is not established on the COD System if an award rejects that contains a new student identifier or a change to a student identifier.

2) The award is not linked to an MPN if the award rejects when establishing an initial Direct Loan award.

   Note: For more information about MPN linking, please refer to the "Linking an MPN to a Direct Loan Subsidized/Unsubsidized, or PLUS Award" section.

3) A complete address is required; however it does not have to be submitted if it is found and pulled from the CPS or COD database.

   a. Complete address

      1. The data elements for a domestic address are:

         a. Address, `<AddressLine>`

         b. City, `<AddressCity>`

         c. State, `<AddressStateProvinceCode>`

         d. Zip Code, `<AddressPostalCode>`

      2. The data elements for a foreign address are:

         a. Address, `<AddressLine>`

         b. City, `<AddressCity>`

         c. Country Code, `<AddressCountryCode>`

   b. If any of the address fields are blank, COD will attempt to pull the entire address from CPS or the COD database.

      1. The COD System will pull the student address for the highest CPS transaction number for the most recent award year.

2. If a complete address cannot be found on CPS or the COD database, the record will reject (Edit 021). This edit applies to all award years.

    a. The school must resubmit the record with a complete address.

3. If a complete address is found on CPS or the COD database, the record will accept and the school will receive a warning message that a complete address exists on COD (Edit 120). This edit applies to all award years.

4) The Dependency Status tag is a required field for all Direct Loan Subsidized and Unsubsidized originations.

    a. The Dependency Status tag is not required for award maintenance records.

5) The Additional Unsubsidized Indicator is a required field for all Direct Loan Unsubsidized originations.

    a. The Additional Unsubsidized Indicator is not a required field for award maintenance records.

6) A PLUS award is not established on the COD System without an accepted credit decision.

    a. Schools must submit the First Name of the Borrower (in addition to the other required Borrower Identifier data elements) to establish a PLUS award. The COD System requires this information to perform a credit check. If this element is missing, the award will reject with error code 994.

7) The COD System requires submission of all disbursement information when establishing an award via the Common Record or the COD web site. Required disbursement information includes:

    a. All anticipated disbursements (Disbursement Release Indicator = “false”)

    OR

    b. All actual disbursements (Disbursement Release Indicator = “true”)

    OR

    c. A combination of actual disbursements (Disbursement Release Indicator = “true”) and anticipated disbursements (Disbursement Release Indicator = “false”)

8) The following disbursement level data elements are required for establishing a Direct Loan award:

    a. Disbursement Date

    b. Disbursement Number

c. Disbursement Sequence Number

d. Disbursement Amount

e. Disbursement Fee Amount

f. Interest Rebate Amount

g. Disbursement Net Amount

h. Disbursement Release Indicator

9) Schools cannot submit a single disbursement equal to the award amount unless the school meets one of the multiple disbursement exemption criteria. Exemptions include:

   a. A single disbursement equal to the award amount may be made for a loan for a student in an eligible study abroad program, regardless of the length of the loan period, if the school's most recently calculated Stafford loan default rate is les than 5 percent for the single most recent fiscal year for which data is available.

   b. A single disbursement equal to the award amount may be made for loans that are made for one semester, one trimester, one quarter, or a four-month period, if the school has a cohort default rate of less than 10 percent for each of the three most recent fiscal years for which data are available.

10) The COD System compares the sum of the disbursements (anticipated and/or actual) to the Award Amount.

    a. If the sum of the disbursements does not equal the Award Amount, the award rejects with error code 117.

    Note: When submitting a disbursement record for an established award, edit 067 is returned if the sum of the disbursements is greater than the Award Amount.

11) The entire award rejects with error code 117 if any disbursements (anticipated or actual) reject, or if all disbursement information is not included in the origination.

12) Edit 117 is not performed on Direct Loan origination/disbursement changes or disbursement adjustments.

13) A maximum of four disbursements are allowed on each distinct PLUS loan.

Submitting Direct Loan Anticipated Disbursement Information

Direct Loan Anticipated Disbursement information can be submitted using the Common Record to the COD System to originate a loan and to determine the MPN Status. Complete disbursement information is required when originating all Direct Loan awards. Complete disbursement information can include anticipated disbursements, actual disbursements, or a combination of anticipated and actual

disbursements. When anticipated disbursement information is sent, disbursement edits are performed, the COD System can generate Disclosure Statements, when appropriate, and anticipated disbursements are reflected on the Pending Disbursement List report.

Note: For more information, please refer to the topic entitled "Generating Disclosure Statements".

Business Rules:

1) Anticipated Disbursement information with a Disbursement Release Indicator set to "false" indicates anticipated disbursements.

2) Complete disbursement information is required when establishing a Direct Loan award. The sum of all disbursements (anticipated and/or actual) must equal the Award Amount.

3) The Response from a Record containing Anticipated Disbursement information for a Subsidized or an Unsubsidized loan provides the MPN Status and MPN Indicator.

4) Anticipated Disbursement information is processed by the COD System and serves as an early detection for any edit issues, which may cause the record to reject at the time of disbursement. For example, the student identifier match with the CPS is performed at the Person and Award level if these are not accepted then the disbursement will reject.

5) Including disbursement information with a Disbursement Release Indicator set to "false" as part of the Anticipated Disbursement Record allows for the timely generation of Disclosure Statements and the calculation of the repayment period for PLUS borrowers.

Generating Disclosure Statements

Disclosure Statements are generated for Subsidized/Unsubsidized loans and PLUS loans.

Business Rules:

1) Disclosure Statements are generated for all loan types (Subsidized, Unsubsidized and PLUS loans).

2) Disclosure Statement Print Code is a data element on the Common Record indicating whether the school or COD prints the Disclosure Statement.

3) The valid values for the Disclosure Statement Print Code are:

    a. Y = COD prints and sends to borrower

    b. R = COD reprint

    c. S = School Prints and Sends to Borrower

4) The COD System does NOT print a Disclosure Statement when the Disclosure Statement Print Code on the Common Record has a value of "S" (School prints and sends to borrower).

Note: Refer to the matrix labeled *Printing Disclosure Statements based on School Options and Disclosure Print Code.*

5) If an award does not contain the Disclosure Statement Print Code, the COD System defaults to the option on the school profile when processing the award.

   Note: For more information, refer to the section entitled "Disclosure Statement Print Option."

6) Disclosure Statements printed by a school must be printed on the approved Disclosure Statement form.

   a. When available, schools may contact COD School Relations for the Disclosure Statement form.

   b. When printing the Disclosure Statement, it is recommended to use Courier, 10 point, 12 pitch font.

7) The party (school or COD) who is responsible for printing and mailing the Disclosure Statement is also responsible for printing and mailing the Plain Language Disclosure Statement, when the Disclosure Statement is for a subsequent loan under an MPN.

8) Disclosure Statements must be provided to the Student borrower (for Subsidized/Unsubsidized) or Parent or Graduate Student borrower (for PLUS) before or at the time of the first disbursement.

9) The COD System does NOT print a Disclosure Statement for a PLUS award until the award has an approved credit decision.

10) For Subsidized and Unsubsidized loans, the COD System generates a Disclosure Statement 30 calendar days before the first disbursement date.

11) For PLUS loans, the COD System generates a Disclosure Statement 30 calendar days before the first disbursement date, if there is an approved credit decision.

12) If the disbursement information is submitted to the COD System less than 30 calendar days before the first disbursement date, the Disclosure Statement is printed immediately, unless the School indicated that it provided the Disclosure Statement.

13) The COD System prints and mails a Disclosure Statement for a PLUS award upon receipt of an approved credit decision if the 30-day criterion has passed, unless the Disclosure Statement Print Code on the award or the school's print profile indicates that the school provides the Disclosure Statement.

14) The COD System prints and mails a Disclosure Statement unless the school's print profile indicates that the school provides the Disclosure Statement. The Disclosure statement is printed only once for each loan unless the school requests a reprint.

15) The COD System reprints and resends the Disclosure Statement when the Disclosure Statement Print Code = 'R' (COD reprint).

16) The COD System does NOT automatically reprint Disclosure Statements when changes to the Award Amount, Disbursement Dates, or Disbursement Amounts are received.

17) When a Disclosure Statement is reprinted, the data printed on the statement is the current data in the COD System and may not match the original disclosure statement.

18) When a request is received to reprint the Disclosure Statement for a subsequent award under an MPN, the school or COD System, depending on who has responsibility for printing the Disclosure Statement, reprints the Plain Language Disclosure.

19) For the 2002-2003 and 2003-2004 award years, when a Disclosure Statement for a **Subsidized/Unsubsidized award** does not include all anticipated disbursements (Disbursement Release Indicator = false) and the amounts listed under the Net Disbursement Amount does not equal the Net Loan Amount, the COD System prints a standard statement in Section 9 that reads:

    "Your school will inform you of the remaining disbursement(s) of your loan."

20) For the 2003-2004 award year, when a Disclosure Statement for a **PLUS award** does not include all anticipated disbursements (Disbursement Release Indicator = false) and the amounts listed under the Net Disbursement Amount does not equal the Net Loan Amount, the COD System prints a standard statement in Section 12 of the Disclosure Statement that reads:

    "The school will inform you of the remaining disbursement(s) of your loan."

21) For the 2004-2005 award year and forward, the COD system requires schools to provide all disbursement information prior to disbursement.

    Note: For the 2002-2003 and 2003-2004 Award Years, the COD System does NOT require schools to provide disbursement information prior to submitting an actual disbursement. If a school sends in an Award without disbursement information and COD does not have an indication that the school has printed/provided or will print/provide the disclosure statement, warning edit (110) is sent on the Award Response to the school. Warning Edit 110 is not applicable for Award Year 2004-2005 and forward. Warning edit 110 reads:

    "School must print/provide the disclosure statement unless it sends disbursement data to COD at least 5 days before the first disbursement date."

22) For the 2002-2003 and 2003-2004 award years, warning edit 110 is returned to the school under the following conditions:

    a. A Direct Loan Award is submitted without anticipated disbursement data (DisbursementReleaseIndicator= False) AND

    b. The school has sent the Disclosure Statement Print Indicator = Y (COD Prints) OR

c. The Disclosure Statement Print Code is omitted or nil AND the School Profile Option = COD prints

Note: Warning edit 110 is not applicable for award year 2004-2005 and forward.

23) If a school does not send actual disbursements (Disbursement Release Indicator = True) to COD at least 5 days before the first disbursement date and COD does not have an indication that the school has printed/provided the disclosure statement, a **warning edit (111)** is sent on the Disbursement Response to the school. Warning edit 111 reads:

"First Actual Disbursement was submitted less than 5 days before the first disbursement date without an indication that the school printed/provided a disclosure statement."

24) Warning edit 111 is returned to the school under the following conditions:

a. First Actual Disbursement Indicator = Y and Disbursement Release Indicator = True AND

b. COD does not have anticipated disbursement data (Disbursement Release Indicator =False) on file for this award (2002-2003 and 2003-2004 awards only) and therefore the Disclosure Statement has not been printed AND

c. The disbursement is not sent at least 5 days before the first disbursement date (date associated with disbursement with 1st disbursement Indicator) AND

d. The Disclosure Statement Print Code is set to Y (COD Prints) OR

e. The Disclosure Statement Print Code is set to nil or omitted and the School Profile is set to COD Prints

Example:

Printing Disclosure Statements based on School Options and Disclosure Statement Print Code

School Option set within COD System	Disclosure Statement Print Code	COD System Prints
School prints	Null or No tag	NO
School prints	S (School prints)	NO
School prints	Y (COD prints and sends to borrower) R (COD reprint)	YES
COD prints	Null or no tag	YES
COD prints	S (School prints)	NO
COD prints	Y (COD prints and sends to borrower) R (COD reprint)	YES

When COD Prints a Disclosure Statement based on receipt of Disbursement information

Disb. Info Submitted	Date Disb. Info Submitted	Disbursement Release Indicator	Disb. Date	Disclosure Statement Generated by COD
More than 30 calendar days prior to first disbursement	08-01-08	False	09-10-08	**08-12-08**
30 calendar days prior to first disbursement	08-11-08	False	09-10-08	**08-12-08**
7 calendar days prior to first disbursement	09-03-08	True or False	09-10-08	**09-03-08**
On Disb. Date	09-10-08	True or False	09-10-08	**09-10-08**

Performing Annual Loan Limit Edits

The COD System performs annual Loan Limit edits at both the award and disbursement levels. The applicable loan limit is determined by the Earliest Disbursement Date (EDD) for that award, as well as grade level, loan type, dependency status and flags, such as the Additional Unsubsidized Indicator, Health Professions Flag (HPPA) and Preparatory Coursework for Admission to a Graduate/Professional program/Teacher Certification (PPCI).

For Direct Loans first disbursed on or after July 1, 2007 and before July 1, 2008, the following loan limits apply:

Grade Level	Base Annual Loan Limit	Combined Annual Loan Limit
0 or 1	$3,500	$7,500
2	$4,500	$8,500
3, 4, 5	$5,500	$10,500
6 or 7	$8,500	$20,500
Health Professions Flag (HPPA Flag) = "Y"		
6 or 7	$8,500	$47,167
Preparatory coursework (to enroll in **graduate or professional** program) or **Teacher Certification** (PreProfessionalCourseworkIndicator = "true")		
5	$5,500	$12,500

For Direct Loans first disbursed on or after July 1, 2008, the following loan limits apply:

Grade Level	Subsidized Base Loan Limit	Combined Base Loan Limit	Additional Unsubsidized Loan Limit
0 or 1	$3,500	$5,500	$9,500
2	$4,500	$6,500	$10,500
3, 4, 5	$5,500	$7,500	$12,500
6 or 7	$8,500	$8,500	$20,500
Health Professions Flag (HPPA Flag) = "Y"			
6 or 7	$8,500		$47,167
Preparatory coursework (to enroll in **graduate or professional** program) or **Teacher Certification** (PreProfessionalCourseworkIndicator = "true")			
5	$5,500		$12,500

Business Rules for All Loan Limit Editing at the Award Level:

1) The COD System performs the award level edit when a loan is being established or updated. This includes the following actions:

    a. Upward adjustment to Award Amount

    b. Change to Academic Begin and/or End Dates

c. Change to Grade Level

d. Change to Health Professions Flag

e. Change to PPCI Flag

f. Earliest Disbursement Date

g. Dependency Status Code

h. Additional Unsubsidized Indicator

2) The COD System uses the incoming loan as the basis for selecting other loans on the system to use in the loan limit calculation. The system uses the following criteria when selecting these loans:

a. Earliest Disbursement Date

i. This will be used to determine the set of loan limits that are applicable

b. Subsidized or Unsubsidized loans

c. Loans were received at the same attended school

d. Loans belong to the same student

e. Loans have award amounts greater than 0

f. The Academic Year Start and End Dates of the incoming loan

i. Wholly contain the Academic Year of the other loan

ii. Are wholly within the Academic Year of the other loan or

iii. Are equal to the Academic Year dates of the other loan

g. The COD System excludes any discharged amounts or payments to Servicing within 120 days of disbursement from the calculation.

h. The COD System uses Dependency Status and the Additional Unsubsidized Indicator to determine which loan limit edit to apply.

3) A student may be eligible for an Additional Unsubsidized loan and not receive it.

Business Rules for Loan Limit Editing at the Award Level: For Dependent Students Not Receiving an Additional Unsubsidized Amount (New Edit 157)

Beginning with the 2008-2009 award year, the following applies to dependent students who are not receiving an additional unsubsidized amount. For these students, an annual loan limit edit is run to ensure that the students combined Subsidized/Unsubsidized awards do not exceed the Base Annual Loan Limit for the academic year.

1) If the Dependency Status is "D" and the Additional Unsubsidized Indicator is "False" for all selected awards, the COD System determines whether the student exceeds the Base Annual Limit at the Attended School based on the incoming record and all selected records.

    a. The COD System determines whether the loan amount on the incoming record will cause the student to exceed the maximum Base Annual Limit for the highest student grade level reported for the selected loans or incoming loan.

    b. The COD System uses both subsidized and unsubsidized loans when determining whether the incoming record will cause the student to exceed the Base Annual Limit.

Business Rules for Loan Limit Editing at the Award Level: For Independent Students and Dependent Students Eligible for and Receiving an Additional Unsubsidized Amount (Edit 39)

Beginning with the 2008-2009 award year, the following applies to independent students and to dependent students who are receiving an additional unsubsidized amount. For these students, the annual loan limit edit is run to ensure that the student's Subsidized loans don't exceed the Base Annual Loan Limit and the student's combined Subsidized/Unsubsidized awards don't exceed the Maximum Combined Limit for the academic year.

1. If the Dependency Status is "I" and the Additional Unsubsidized Indicator is "false" OR the Dependency Status is "D" and the Additional Unsubsidized Indicator is "True," the COD system determines whether or not the loan amount on the incoming subsidized record and all selected subsidized records will cause the student to exceed his/her Base Annual Loan Limit at the attended school.

    a. The COD System determines whether the loan amount on the incoming loan and all selected loans will cause the student to exceed the maximum Subsidized amount for the highest student level reported for the selected loans or incoming loan.

    b. The COD System uses only subsidized loans when determining whether the incoming record will cause the student to exceed the maximum Subsidized amount.

    c. The COD System uses the Base Annual Loan Limit as the maximum Subsidized amount.

2. If the Dependency Status is "I" and the Additional Unsubsidized Indicator is "false" OR the Dependency Status is "D" and the Additional Unsubsidized Indicator is "True," the COD System determines whether the loan amount on the incoming subsidized or unsubsidized record will cause the student to exceed the highest Combined Maximum amount (base plus additional unsubsidized amounts) for the loans included in the calculations. The highest loan limit is

determined by looking at the student level code, the Health Professions flag, the PPCI flag, and Earliest Disbursement Date for the selected loans for incoming loan.

Business Rules for Disbursement Level Editing (All Students)

1) The COD System performs the award level edit when a loan or an actual disbursement (DRI = "true") is reported or updated. This includes the following actions:

    a. Establish a new actual disbursement

    b. Upward adjustment to Disbursement Amount

    c. Change to Academic Begin and/or End Dates

    d. Change to Grade Level

    e. Change to Health Professions Flag

    f. Change to PPCI Flag

    g. Earliest Disbursement Date

2) The COD System uses the incoming loan as the basis for selecting other loans on the system to use in the loan limit calculation. The system uses the following criteria when selecting these loans:

    a. Earliest Disbursement Date

        i. This will be used to determine the set of loan limits that are applicable

    b. Subsidized or Unsubsidized loans

    c. Loans received at any attended school

    d. Loans belong on the same student

    e. Loans have award amounts greater than 0

    f. The Academic Year Start and End Dates of the incoming loan

        i. Wholly contain the Academic Year of the other loan

        ii. Are wholly within the Academic Year of the other loan or

        iii. Are equal to the Academic Year dates of the other loan

3) The COD System determines whether or not the disbursement amount on the loan incoming record will cause the student to exceed his/her annual loan limit across all attended schools.

a. The COD System determines whether the disbursement amount on the incoming record will cause the student to exceed the maximum Subsidized amount for the highest student level reported for the selected loans or incoming loan.

   i. The COD System uses only actual disbursements for subsidized loans when determining whether the incoming record will cause the student to exceed the maximum Subsidized amount.

   ii. The COD System uses the Annual Base Amount as the maximum Subsidized amount.

b. The COD System determines whether the disbursement amount on the incoming record will cause the student to exceed the highest maximum combined amount (base plus additional unsubsidized amounts) for the loans included in the calculations. The highest loan limit is determined by looking at the student level code, the Health Professions flag, the PPCI flag, and Earliest Disbursement Date for the selected loans or incoming loan.

c. The COD System excludes any discharged amounts or payments to Servicing made within 120 days of disbursement from the calculation.

d. The COD System uses the gross amount `<DisbursementAmount>` for the actual disbursements reported for the loans selected.

Submitting Direct Loan Disbursement Information and Disbursement Release Indicator

The COD System can accept Direct Loan Disbursement information in advance, on or after the Disbursement Date.

Business Rules:

1) The COD System accepts disbursement information in advance of, on or after the disbursement date.

2) The COD System will only accept an actual disbursement if an accepted MPN exists on the COD System linked to the associated Direct Loan award.

3) Disbursement Date is the date the money was credited to the student's account or paid to the student (or borrower, if PLUS loan) directly for a specific disbursement number. Disbursement Date is NOT the date of the adjustment transaction. The Disbursement Date is submitted on a Disbursement transaction as well as on an Adjusted Disbursement Amount transaction.

   Note: Schools must submit the Disbursement Date, NOT the transaction date for adjusted disbursement amounts.

4) Disbursement information must be submitted in compliance with the 30-day reporting regulation.

a. All data necessary to book a loan or subsequent disbursement must be reported within 30 days of the actual disbursement date.

b. Adjustments to disbursement amounts should be reported within 30 days of the date the adjustment occurred, which may or may not be within 30 days of the actual disbursement date reported in the record.

5) Schools will receive Warning Edit 055 "Disbursement Information Received 30 Days or More After Date of Disbursement" in the following conditions;

a. Disbursement Sequence Number = 01 AND

b. Disbursement Information received and processed more than 30 days later than the Disbursement Date reported on the record, AND

c. Disbursement Release Indicator (DRI) = "true"

6) Disbursement information is submitted to the COD System with a Disbursement Release Indicator equal to "true" or "false."

a. A Disbursement Release Indicator = "false" (submit anticipated disbursement information). False indicates anticipated disbursement information and functions like an origination record.

b. A Disbursement Release Indicator = "true." True indicates actual disbursement information.

c. If the Disbursement Release Indicator is omitted from the Common Record, the COD System sets it to "false."

7) A Disbursement Release Indicator = "false" can be updated to "true" on a Direct Loan disbursement.

8) A Disbursement Release Indicator = "true" cannot be updated to "false" on a Direct Loan disbursement.

Note: In this case, a school needs to adjust the disbursement to $0. Details on adjusting disbursements to $0 are provided in the Updating and Adjusting Direct Loan Disbursement Amounts and Dates section.

9) Disbursement Release Indicator can be updated and disbursements can be generated, updated and adjusted on the COD web site.

10) The required data elements for an anticipated Direct Loan disbursement are:

a. Disbursement Number, `<Disbursement Number= " ">`

b. Disbursement Amount (gross), `<DisbursementAmount>` (gross amount)

c. Disbursement Date, `<DisbursementDate>`

d. Disbursement Release Indicator set to “false,”
`<DisbursementReleaseIndicator = “false”>`

e. Disbursement Sequence Number, `<DisbursementSequenceNumber>`

f. Disbursement Net Amount, `<DisbursementNetAmount>`

g. Disbursement Fee Amount, `<DisbursementFeeAmount>`

h. Interest Rebate Amount, `<InterestRebateAmount>`

11) The required data elements for an actual Direct Loan disbursement are:

a. Disbursement Number, `<Disbursement Number= " ">`

b. Disbursement Amount (gross), `<DisbursementAmount>` (gross amount)

c. Disbursement Date, `<DisbursementDate>`

d. Disbursement Release Indicator set to “true,”
`<DisbursementReleaseIndicator = “true”>`

e. Disbursement Sequence Number, `<DisbursementSequenceNumber>`

f. Disbursement Net Amount, `<DisbursementNetAmount>`

g. Disbursement Fee Amount, `<DisbursementFeeAmount>`

h. Interest Rebate Amount, `<InterestRebateAmount>`

Note: The COD System does not accept Direct Loan PLUS disbursements with a Disbursement Release Indicator = “true” without an approved credit decision on file.

12) The calculation to determine whether or not to increase the CFL is driven by:

a. Disbursement Date,

b. Disbursement Release Indicator set to “true,” and

c. Acceptance of an actual disbursement.

13) Schools participating in **Advanced Funded** can submit a Disbursement Release Indicator = “true” up to seven (7) calendar days prior to the disbursement date.

a. When the current date is seven (7) calendar days or less prior to the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System accepts the

actual disbursement if the MPN is accepted for that loan. The COD System will not accept a PLUS actual disbursement without an approved credit decision on file.

i. The CFL calculation is performed and uses the actual disbursement to determine if the CFL needs to be increased once the promissory note is on file.

ii. When the actual disbursement is accepted prior to the disbursement date and the promissory note is on file, the actual disbursement is booked on the disbursement date and passed to Servicing.

b. When the current date exceeds seven (7) calendar days prior to the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System rejects the disbursement with Edit 051.

Example for Schools Participating in Advanced Funded:

Date Disb Info Submitted	**Disbursement Release Indicator**	**Disb Date**	**Accepted MPN**	**RESULTS: CFL Calculation is Performed**
08-29-2008	true	09-06-2008	Yes or No	NO
08-30-2008	true	09-06-2008	Yes	YES
09-01-2008	true	09-06-2008	Yes	YES
09-08-2008	true	09-06-2008	Yes	YES

14) Schools participating in **Pushed Cash** can submit a Disbursement Release Indicator = "true" up to seven (7) calendar days prior to the disbursement date.

a. When the current date is seven (7) calendar days or less prior to the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System accepts and funds the actual disbursement if the MPN is accepted for that loan. If the MPN is not accepted, the actual disbursement is rejected. In addition, the COD System does not accept a PLUS actual disbursement without an approved credit decision on file.

i. The CFL calculation is performed and uses the actual disbursement to determine if the CFL needs to be increased.

ii. When the actual disbursement is accepted prior to the disbursement dae, the actual disbursement is booked on the disbursement date and passed to Servicing.

b. When the current date is more than seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD system rejects the disbursement with Edit 051.

Note: For schools participating in Pushed Cash, the Pending Disbursement List report can assist in identifying estimated disbursements and their disbursement dates.

Example for Schools Participating in Pushed Cash or HCM1:

Date Disb Info Submitted	Disbursement Release Indicator	Disb Date	Accepted MPN	RESULTS: CFL Calculation is Performed
08-29-2008	true	09-06-2008	Yes or No	NO
08-30-2008	true	09-06-2008	No	NO
08-30-2008	true	09-06-2008	Yes	YES
09-08-2008	true	09-06-2008	No	NO
09-08-2008	true	09-06-2008	Yes	YES

15) Schools placed in **Cash Monitoring 1 (HCM1)** review status by the School Participation Team (SPT) can submit a Disbursement Release Indicator = "true" up to seven (7) calendar days prior to the disbursement date.

   a. When the current date is seven (7) calendar days or less prior to the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System accepts and funds the actual disbursement if the MPN is accepted for that loan. If the MPN is not accepted, the actual disbursement is rejected. In addition, the COD System does not accept a PLUS actual disbursement without an approved credit decision on file.

      i. The CFL calculation is performed and uses the actual disbursement to determine if the CFL needs to be increased.

      ii. When the actual disbursement is accepted prior to the disbursement date, the actual disbursement is booked on the disbursement date and passed to Servicing.

   b. When the current date is more than seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System rejects the disbursement with Edit 051.

      Note: For schools participating in HCM1, the Pending Disbursement List report can assist in identifying estimated disbursements and their disbursement dates.

16) Schools placed in **Reimbursement** or **Cash Monitoring 2 (HCM2)** review status by the School Participation Team can submit a Disbursement Release Indicator = "true" if the current date is equal to or after the Disbursement Date.

   a. If the current date is equal to or after the Disbursement Date and the Disbursement Release Indicator is set to "true" the disbursement is reviewed and may be approved by FSA.

      i. CFL is increased based upon approvals by the School Participation Team. Reimbursement and Cash Monitoring 2 schools do not receive a CFL until the COD System accepts and posts actual disbursements.

ii. For Pell, Payment Analyst (formerly referred to as Reimbursement Analyst) initiates the drawdown through G5.

iii. For Direct Loan the money is pushed to the schools based on the disbursements approved by the Analyst.

iv. Reimbursement and HCM2 schools are required to have an accepted origination record and accepted MPN before COD will accept actual disbursements.

b. For Direct Loan Schools on **Cash Monitoring 2 (HCM2),** or **Reimbursement**, COD will automatically reduce the CFL to be equal to the sum of the Net Accepted and Posted Disbursement or Net Drawdowns (whichever is greater) for all open award years.

Example for Schools Participating in Reimbursement or HCM2:

Date Disb Info Submitted	Disbursement Release Indicator	Disb Date	Accepted MPN	RESULTS: Review by FSA
08-29-2008	true	09-06-2008	Yes or No	NO
08-30-2008	true	09-06-2008	Yes or No	NO
09-06-2008	true	09-06-2008	Yes	YES
09-06-2008	true	09-06-2008	No	NO
09-08-2008	true	09-06-2008	Yes	YES
09-08-2008	true	09-06-2008	No	NO

Reporting Pennies in the Award and Disbursement Amount Data Elements

The Award and Disbursement Amounts on the Common Record may include pennies. In the Direct Loan Program, pennies are not processed or stored by the COD System. All Direct Loan reported amounts that include partial dollar amounts will be truncated.

Business Rules:

1. The data elements for Award and Disbursement Amounts on the Common Record may include two digits to the right of a decimal point.

2. The Direct Loan Program does NOT process or store award and disbursement amounts using pennies. (The method for calculating disbursements has not changed and is included in the next section.)

3. Pennies that are reported in the award and disbursement amount data elements will be truncated by the COD System. The COD System does NOT round to the nearest dollar when truncating reported amounts. For example, a reported amount of $2625.67 is truncated to $2625.

4. The award and disbursement amount data elements are:

a. Award Amount, `<FinancialAwardAmount>`

b. Award Amount Requested, `<FinancialAwardAmountRequested>` (**Note**: For the 2003-2004 award year only)

c. Disbursement Amount (gross), `<DisbursementAmount>`

d. Disbursement Fee Amount, `<DisbursementFeeAmount>`

e. Interest Rebate Amount, `<InterestRebateAmount>`

f. Disbursement Net Amount, `<DisbursementNetAmount>`

Calculating Direct Loan Disbursements

The current disbursement calculations and rounding logic used to process Direct Loans in 2004- 2005 continues to be used through the 2008-2009 Award Year.

The next two sections discuss these calculations and provide examples. This first section discusses ***Disbursement Amount (Gross) Calculations***. The next section discusses ***Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount Calculations*.**

Business Rules:

1) The current method to calculate individual Disbursement Amounts (Gross) and the current rounding logic have not changed since the implementation of COD. The variance is still applied to the last disbursement. See **Disbursement Amount (Gross) Calculations** below for steps and examples.

2) Schools submit the Disbursement Amount (gross), Disbursement Fee Amount, Interest Rebate Amount and Disbursement Net Amount to the COD System for disbursements.

3) The method to calculate the Disbursement Net Amount and Disbursement Fee Amount and Interest Rebate Amount is a six step process. See the next section **Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount Calculations** for the calculations and examples.

Disbursement Amount (Gross) Calculations:

When determining disbursement amounts (gross) for a loan, dollar figures are rounded to the nearest dollar and all disbursements are equal with the exception of the last disbursement, in some cases. This is due to any variance being applied to the last disbursement.

When computing gross disbursement amounts, use the following specifications:

Step 1: *Individual disbursement amount is Award Amount divided by the total number of disbursements.*

If necessary, truncate any positions that exist past 2 decimal places.

Step 2: *Round the individual disbursement amount. Rounding occurs at the 1st and 2nd decimal places to the nearest dollar.*

- If the 1st and 2nd decimal places are 50 or greater, increase the 1st digit to the left of the decimal sign by one.
- If the 1st and 2nd decimal places are less than 50, do not change the 1st digit to the left of the decimal sign.

Step 3*: To determine the amount of the last disbursement, multiply the individual disbursement amount by the number of disbursements.*

- If the sum of the disbursements is greater than the Loan Amount Approved, subtract the difference from the last disbursement.
- If the sum of the disbursements is less than the Loan Amount Approved, add the difference to the last disbursement.

The variance is applied to the last disbursement.

Example 1: Determining Gross Disbursement Amounts for Two Disbursements

Award Amount: $3425

Step 1: 3425 divided by 2 = 1712.5000

First truncate any positions that exist past 2 decimals as rounding occurs at the 1st and 2nd decimal places.

Therefore, 1712.5000 truncates to 1712.50

Step 2: Round at the 1st and 2nd decimal places to determine the individual disbursement amount.

- If the 1st and 2nd decimal places are .50 or greater, increase the 1st digit to the left of the decimal sign by 1.
- If the 1st and 2nd decimal places are less than .50, do not change the 1st digit to the left of the decimal sign.

Round 1712.50 to 1713. Therefore, all disbursement amounts are 1713 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

Multiply 1713 by 2 = 3426

Since $3426 is more than $3425, subtract the difference of $1. The last disbursement is equal to $1713–$1 or $1712.

Final Results:

1st Disbursement Amount (gross) = $1713

2nd Gross Disbursement Amount (gross) = $1712

Total Award Amount = $3425

Example 2: Determining Gross Disbursement Amounts for Three Disbursements

Award Amount: $1000

Step 1: 1000 divided by 3 = 333.3333

First truncate any positions that exist past 2 decimals as rounding occurs at the 1st and 2nd decimal places.

Therefore, 333.3333 truncates to 333.33

Step 2: Round at the 1st and 2nd decimal places to determine the individual disbursement amount.

- If the 1st and 2nd decimal places are .50 or greater, increase the 1st digit to the left of the decimal sign by one.
- If the 1st and 2nd decimal places are less than .50, do not change the 1st digit to the left of the decimal sign.

Round 333.33 to 333. Therefore, all disbursement amounts are 333 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

Multiply 333 by 3 = 999

Since $999 is less than $1000 you add the difference of $1. The last disbursement is equal to $333 + $1 or $334.

Final Results:

1st Disbursement Amount (gross) = $333

2nd Disbursement Amount (gross) = $333

3rd Disbursement Amount (gross) = $334

Total Award Amount = $1000

Example 3: Determining Gross Disbursement Amounts for Six Disbursements

Award Amount: $22,167

Step 1: 22167 divided by 6 = 3694.5000

First truncate any positions that exist past 2 decimals as rounding occurs at the 1st and 2nd decimal places.

Therefore, 3694.5000 truncates to 3694.50

Step 2: Round at the 1st and 2nd decimal places to determine the individual disbursement amount.

- If the 1st and 2nd decimal places are .50 or greater, increase the 1st digit to the left of the decimal sign by 1.
- If the 1st and 2nd decimal places are less than .50, do not change the 1st digit to the left of the decimal sign.

Round 3694.50 to 3695. Therefore, all disbursement amounts are 3695 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

Multiply 3695 by 6 = 22170

Since $22170 is more than $22167, subtract the difference of $3. The last disbursement is equal to $3695–$3 or $3692.

Final Results:

1st Disbursement Amount (gross) = $3695

2nd Disbursement Amount (gross) = $3695

3rd Disbursement Amount (gross) = $3695

4th Disbursement Amount (gross) = $3695

5th Disbursement Amount (gross) = $3695

6th Disbursement Amount (gross) = $3692

Total Award Amount = $22,167

Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount Calculations

A 6-step calculation is used to derive the Disbursement Net Amount, Disbursement Fee Amount and Interest Rebate Amount. This process allows a school to start the calculation with either the gross disbursement amount or the net disbursement amount and end with the same results.

Origination Fee Percentage for Subsidized and Unsubsidized Direct Loans

For Subsidized and Unsubsidized Direct Loan originations, the COD System uses the Disbursement Date on the earliest dated actual disbursement, regardless of disbursement number, to confirm the appropriate Origination Fee Percent, **regardless of the award year**. If no actual disbursements are submitted, the system will use the Disbursement Date of the earliest dated anticipated disbursement, regardless of disbursement number, to confirm the appropriate Origination Fee Percent was submitted, regardless of the award year. Actual disbursements (DRI = "True") will always take precedence over anticipated disbursements (DRI = "False") when determining the Earliest Disbursement Date. The Origination Fee Percent will vary depending on the Origination Fee Period in which the earliest Disbursement Date falls.

If a loan is submitted with an earliest Disbursement Date prior to July 1, 2007, the corresponding Origination Fee Percent must be 3%.

If a loan is submitted with an earliest Disbursement Date on or after July 1, 2007 and before July 1, 2008, the corresponding Origination Fee Percent must be 2.5%.

If a loan is submitted with an earliest Disbursement Date on or after July 1, 2008 and before July 1, 2009, the corresponding Origination Fee Percent must be 2%.

If a loan is submitted with an earliest Disbursement Date on or after July 1, 2009 and before July 1, 2010, the corresponding Origination Fee Percent must be 1.5%.

If a loan is submitted with an earliest Disbursement Date on or after July 1, 2010, the corresponding Origination Fee Percent must be 1%.

Origination Fees Periods and Percentage Table:

	Origination Fee Period				
Earliest Disbursement Date	On or Before 06/30/2007	On or After 07/01/2007 and Before 07/01/2008	On or After 07/01/2008 and Before 07/01/2009	On or After 07/01/2009 and Before 07/01/2010	On or After 07/01/2010
Origination Fee Percent (%)	3.0	2.5	2.0	1.5	1.0

For new award originations, the COD System will return an award level reject edit if the Origination Fee Percent is not consistent with the Origination Fee Period in which the Earliest Disbursement Date falls.

NOTE: The COD system will not allow you to change an Origination Fee Percent on an active loan. If a school wants to adjust the Origination Fee, they must first inactivate the loan. For an inactive DL Sub/Unsub Award, if an Origination Fee change record is submitted, the COD System must evaluate the incoming Disbursement Dates to establish the Earliest Disbursement Date. Once COD has established the Earliest Disbursement Date for the loan, the incoming Origination Fee will be evaluated to determine if the record should be accepted or rejected. COD will accept an Origination Fee change record if the updated Origination Fee is consistent with the Origination Fee Period in which the Earliest

Disbursement Date falls. The COD System must create a Student Event if the Origination Fee is successfully changed. This event will be called the 'Loan Origination Fee Change' event.

Origination Fee Percentage for PLUS Direct Loans

The origination fee percent for PLUS loans is always 4.0%.

Business Rules:

The following business rules apply to all Direct Loan types:

1) An up-front interest rebate amount is calculated at the disbursement level by the schools for each Subsidized, Unsubsidized, and PLUS loan.

2) The combined fee/interest is a field used to assist in the calculation of the net disbursement amount. This field is for the calculation only and is NOT a field sent to the COD System.

3) When calculating the Combined Fee/Interest Rebate Amount and the Loan Fee Amount, take all results out three (3) decimal places to ensure consistent results and then truncate.

4) When determining the Combined Fee/Interest Rebate Amount, Disbursement Fee Amount, and the Interest Rebate Amount truncate the result by removing the cents from the whole dollar amount. Do not round to the nearest dollar when truncating.

5) When calculating the individual Disbursement Fee Amount, Interest Rebate Amount, and Disbursement Net Amount, use the following specifications for all disbursements:

   To calculate **Net Disbursement Amount**:

   Step 1: Combined Fee/Interest Rebate Amount (go out to 3 decimal places) = Disbursement Amount (Gross) x (Origination Fee Percentage – Interest Rebate Percentage)

   Step 2: Truncate the Combined Fee/Interest Rebate Amount

   Step 3: Disbursement Net Amount = Disbursement Amount (gross) – Combined Fee/Interest Rebate Amount

   To calculate **Loan Fee Amount**:

   Step 4: Disbursement Fee Amount (go out to 3 decimal places) = Disbursement Amount (gross) x Origination Fee Percentage

   Step 5: Truncate the Disbursement Fee Amount

   To calculate **Interest Rebate Amount**:

   Step 6: Interest Rebate Amount = Disbursement Net Amount – (Disbursement Amount (gross) – Disbursement Fee Amount)

To calculate from **Disbursement Net Amount to Disbursement Amount (gross)** use the following calculation:

Disbursement Net Amount multiplied by 100 divided by 100 minus (Fee% - Rebate%)

OR

For Subsidized and Unsubsidized loans, Disbursement Net Amount divided by .995 = Disbursement Amount (gross) (truncated)

For PLUS loans, Disbursement Net Amount divided by .975 = Disbursement Amount (gross) (truncated)

Then proceed with Step 4.

Interest Rebate Amount for Subsidized and Unsubsidized Loans

For Subsidized and Unsubsidized Direct Loan interest rebate calculations, the COD System uses the Disbursement Date on the earliest dated actual disbursement, regardless of disbursement number, to confirm the appropriate Interest Rebate Percent, **regardless of the award year**. If no actual disbursements are submitted, the system will use the Disbursement Date of the earliest dated anticipated disbursement, regardless of disbursement number, to confirm the appropriate Interest Rebate Percent was submitted, regardless of the award year. Actual disbursements (DRI = "True") will always take precedence over anticipated disbursements (DRI = "False") when determining the Earliest Disbursement Date. The Interest Rebate Percent will vary depending on the Interest Rebate Period in which the earliest Disbursement Date falls.

If a loan is submitted with an earliest Disbursement Date prior to July 1, 2009, the corresponding Interest Rebate Percent must be 1.5%.

If a loan is submitted with an earliest Disbursement Date on or after July 1, 2009 and before July 1, 2010, the corresponding Interest Rebate Percent must be 1%.

If a loan is submitted with an earliest Disbursement Date on or after July 1, 2010, the corresponding Interest Rebate Percent must be 0.5%.

Interest Rebate Periods and Percentage Table:

Earliest Disbursement Date	Prior to 07/01/2009	On or After 07/01/2009 and Before 07/01/2010	On or After 07/01/2010
Interest Rebate Percent (%)	1.5	1.0	0.5

Example 1: Determining Combined Fee / Interest Rebate Amount, Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount for three Disbursements

Example 1a – DL Sub/Unsub Origination with three disbursements

Suppose the Disbursement Date of the earliest actual disbursement is 2007-09-30. The origination fee percent will be 2.5%, and the combined fee/interest rebate amount, disbursement net amount, disbursement fee amount, and interest rebate amount for each disbursement will be calculated as follows:

		Step 1	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**
Disb. Number	Gross Disb. Amount	Combined Fee/Interest Rebate Amount	Truncated Combined Fee/Interest Rebate Amount	Disb. Net Amount	Disb. Fee Amount	Truncated Disb. Fee Amount	Interest Rebate Amount
1	$1167	1167 × (.025-.015) = 11.67	11	1167-11 = 1156	1167 × .025 = 29.175	29	1156-(1167-29) = 18
2	$1167	1167 × (.025-.015) = 11.67	11	1167-11 = 1156	1167 × .025 = 29.175	29	1156-(1167-29) = 18
3	$1166	1166 × (.025-.015) = 11.66	11	1166-11 = 1155	1166 × .025 = 29.15	29	1155-(1166-29) = 18
Totals	$3500			$3467		87	54

Example 1b – DL PLUS Origination with three disbursements

The origination fee percent for DL PLUS is always 4.0%. The combined fee/interest rebate amount, disbursement net amount, disbursement fee amount, and interest rebate amount for each disbursement will be calculated as follows:

		Step 1	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**
Disb. Number	Gross Disb. Amount	Combined Fee/Interest Rebate Amount	Truncated Combined Fee/Interest Rebate Amount	Disb. Net Amount	Disb. Fee Amount	Truncated Disb. Fee Amount	Interest Rebate Amount
1	$1167	1167 × (.04-.015) = 29.175	29	1167-29 = 1138	1167 × .04 = 46.68	46	1138-(1167-46) = 17
2	$1167	1167 × (.04-.015) = 29.175	29	1167-29 = 1138	1167 × .04 = 46.68	46	1138-(1167-46) = 17
3	$1166	1166 × (.04-.015) = 29.150	29	1166-29 = 1137	1166 × .04 = 46.64	46	1137-(1166-46) = 17
Totals	$3500			$3413		138	51

Example 2: Determining Combined Fee / Interest Rebate Amount, Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount for twelve disbursements

DL Sub/Unsub Origination with twelve disbursements

Suppose the Disbursement Date of the earliest actual disbursement is 2008-06-30. The origination fee percent will be 2.5%, and the combined fee/interest rebate amount, disbursement net amount, disbursement fee amount, and interest rebate amount for each disbursement will be calculated as follows:

		Step 1	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**
Disb. Number	Gross Disb. Amount	Combined Fee/Interest Rebate Amount	Truncated Combined Fee/Interest Rebate Amount	Disb. Net Amount	Disb. Fee Amount	Truncated Disb. Fee Amount	Interest Rebate Amount
1	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
2	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
3	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
4	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
5	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
6	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
7	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
8	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
9	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
10	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
11	$319	319 × (.025-.015) = 3.19	3	319 - 3 = 316	319 × .025 = 7.975	7	316-(319-7) = 4
12	$316	316 × (.025-.015) = 3.16	3	316 - 3 = 313	316 × .025 = 7.9	7	313-(316-7) = 4
Totals	$3825			$3789		84	48

Updating and Adjusting Direct Loan Disbursement Amounts and Dates

While Disbursement Release Indicator is set to “false,” the Anticipated Disbursement Amounts and Dates can be updated. Once the Disbursement Release Indicator = “true,” the Actual Disbursement Amount and Dates can be adjusted.

Business Rules:

Updating (when Disbursement Release Indicator=false):

1) Disbursement Amount and Disbursement Date can be updated prior to a Disbursement Release Indicator = "true."

2) To update a Disbursement Amount and/or Disbursement Date, the following data elements are required:

    a. Disbursement Release Indicator = "false", `<DisbursementReleaseIndicator = "false">`

    b. Disbursement Number, `<Disbursement Number= "">`

    c. Disbursement Sequence Number of "01", `<DisbursementSequenceNumber>`

    d. Disbursement Amount (gross), `<DisbursementAmount>`

    e. Disbursement Net Amount, `<DisbursementNetAmount>`

    f. Disbursement Fee Amount, `<DisbursementFeeAmount>`

    g. Interest Rebate Amount, `<InterestRebateAmount>`

    h. Disbursement Date, `<DisbursementDate>`

Adjusting (when Disbursement Release Indicator=true):

1) Once a disbursement transaction with a Disbursement Sequence Number of "01" is accepted with a Disbursement Release Indicator = "true," the Disbursement Amount and Disbursement Date can be adjusted.

2) An upward Disbursement Amount adjustment should occur on the Disbursement Date only if the additional funds are disbursed on that same date.

Note: If a student requests additional aid after the Disbursement Date, schools should submit a new Disbursement Number and Disbursement Date.

3) Disbursement Amount and Disbursement Date **cannot** be adjusted in the same Disbursement complex element.

4) A disbursement transaction to adjust a Disbursement Amount or Date **must** have a unique Disbursement Sequence Number.

5) Disbursement Sequence Numbers for a specific Disbursement Number must be used in incremental, sequential order within the range of 01-65.

6) Previous Sequence Number for a specific Disbursement Number is returned on all disbursement responses with Disbursement Sequence Number greater than 01 and can be used to determine the next Disbursement Sequence Number.

7) Disbursement Amount and Disbursement Date can be adjusted in the same Common Record submission if each Disbursement complex element uses distinct sequential Disbursement Sequence Numbers AND is nested within the same Award tag.

8) Disbursement Date is always the date the cash was credited to the student's account (according to Federal regulations) or paid to the student (or parent, if PLUS loan) directly for a specific disbursement number.

9) Disbursement Date is submitted on an Adjusted Disbursement Amount transaction.

   Note: Schools must submit the Disbursement Date, NOT the transaction date for adjusted disbursement amounts. See Example below.

10) Direct Loan disbursement amounts can be adjusted to $0.

11) **To adjust a Disbursement Amount**, the following data elements are required:

    a. Disbursement Release Indicator = "true", `<DisbursementReleaseIndicator = "true">`

    b. Disbursement Number, `<Disbursement Number= "">`

    c. New Disbursement Sequence Number, `<DisbursementSequenceNumber>`

    d. New Disbursement Amount (gross), `<DisbursementAmount>`

    e. Disbursement Date, `<DisbursementDate>`

    f. New Disbursement Net Amount, `<DisbursementNetAmount>`

    g. New Disbursement Fee Amount, `<DisbursementFeeAmount>`

    h. New Interest Rebate Amount, `<InterestRebateAmount>`

    Note: When adjusting a disbursement amount, the disbursement date CANNOT also be updated in the same Disbursement complex element. When you submit the disbursement date, it must be the disbursement date already on file on the COD database for this disbursement number.

12) **To adjust a Disbursement Date**, the following data elements are required:

    a. Disbursement Release Indicator = "true", `<DisbursementReleaseIndicator = "true">`

    b. Disbursement Number, `<Disbursement Number= "">`

c. New Disbursement Sequence Number, `<DisbursementSequenceNumber>`

d. New Disbursement Date, `<DisbursementDate>`

Note: When adjusting a disbursement date, the disbursement amounts CANNOT also be updated in the same Disbursement complex element. If you submit the disbursement amounts, the amounts must be the disbursement amounts already on file on the COD database for this disbursement number.

Example:

When submitting an adjusted disbursement amount for an actual disbursement on the Common Record, the Disbursement Date (i.e. the date the school disburses the funds to the student) is reported. The transaction date (i.e. the date the school processes the adjusted disbursement amount) is not submitted.

A school disburses the first disbursement of a loan to a student for $2000 on 9/10/2007. The school discovers that the disbursement amount needs to be corrected to $1000. On 9/15/2007, the school adjusts the disbursement amount to $1000. The school then discovers that the student needs the full original loan amount. On 9/20/2007, the school disburses a second disbursement to the student for $1000. The school does NOT upwardly adjust the first disbursement since the additional funds were disbursed on a different date. The actual disbursement transaction and adjusted disbursement transaction must be submitted on the Common Record as follows:

	Disbursement Release Indicator	**Disb #**	**Disb Sequence #**	**Disbursement Date**	**Disb Amt (gross)**	**Fee Amt**	**Interest Rebate Amt**	**Net Disb Amt**
Actual Disbursement	True	01	01	09-10-2007	2000	60	30	1970
Adjusted Disbursement	True	01	02	09-10-2007**	1000	30	15	985
Actual Disbursement	True	02	01	09-20-2007	1000	30	15	985

** DO NOT submit the transaction date of 09-15-2007 on the Adjusted Disbursement.

Disbursement Requirements for Award Amount Updates

The anticipated and actual disbursement amounts that exist for the award determine whether a change to the Award Amount is accepted or rejected by the COD System. Anticipated disbursement information may be recalculated by the COD System when the school submits a change to the Direct Loan Award Amount on an existing award.

Business Rules:

1) The COD System compares the changed Award Amount to the sum of the actual disbursements (Disbursement Release Indicator = “true”) and the sum of the anticipated disbursements

(Disbursement Release Indicator = “false”) to determine if the change to the Award Amount should be rejected or accepted.

2) A change to the Award Amount is accepted if the new Award Amount is greater than or equal to the sum of the actual disbursements.

3) A change to the Award Amount is rejected if the new Award Amount is less than the sum of the actual disbursements. The change to the Award Amount rejects with error code 041. (Edit 041 is only returned if the Disbursement Release Indicator = “true” on the change record).

4) If a new Award Amount is less than the sum of the anticipated disbursements and the sum of the actual disbursements is equal to $0, the COD System recalculates the anticipated disbursements until the sum of the anticipated disbursements is equal to the new Award Amount. Edit 118 informs the school that the anticipated disbursements have been recalculated.

    a. The COD System recalculates the anticipated disbursements by first reducing the last anticipated disbursement (highest disbursement number) and then reducing each of the previous disbursement amounts as needed. See EXAMPLE #1.

    b. The COD System does not recalculate the anticipated disbursements when the school submits both a reduction to the Award Amount and adjustments to the anticipated disbursements in the same submission to the COD System.

5) If the Award Amount is reduced to $0 and the sum of the actual disbursements is equal to $0, all anticipated disbursements are reduced to $0 to allow loan inactivation. Warning edit 119 is returned in the Response document to inform schools that all anticipated disbursements have been reduced to $0.

Note: Please refer to the “Inactivating a Direct Loan” section for more information on loan inactivation.

6) If an accepted Award Amount is less than the original Award Amount, but greater than the sum of the anticipated disbursements, the anticipated disbursements are not recalculated by the COD System. See EXAMPLE #2.

7) When COD recalculates an anticipated disbursement, the Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amounts are also recalculated.

    Note: Please refer to the “Calculating Direct Loan Disbursements” and the “Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount Calculations” sections for more information about Direct Loan calculations performed by the COD System.

8) The COD system returns zero in the actual and anticipated disbursement data elements in the Direct Loan Rebuild file for an award with a Disbursement Release Indicator = “true” and the sums of the actual and anticipated disbursements equal zero. These data elements contain zero in both the origination and disbursement segments of the file.

Examples:

EXAMPLE #1:
The award amount changes from $6000 to $1500 on an award with no actual disbursements on file. The anticipated disbursements are recalculated as follows:

Disbursement Number	Previous Anticipated Disbursement Amount	New Anticipated Disbursement Amount
1	$2000	$1500
2	$2000	$0
3	$2000	$0

The award amount changes from $6000 to $3000 on an award with no actual disbursements on file. The anticipated disbursements are recalculated as follows:

Disbursement Number	Previous Anticipated Disbursement Amount	New Anticipated Disbursement Amount
1	$2000	$2000
2	$2000	$1000
3	$2000	$0

EXAMPLE #2:
The award amount changes from $6000 to $8000 on an award with no actual disbursements on file. The anticipated disbursements are not recalculated since the sum of the anticipated disbursements is less than the new award amount.

Disbursement Number	Previous Anticipated Disbursement Amount	New Anticipated Disbursement Amount
1	$2000	$2000
2	$2000	$2000
3	$2000	$2000

Inactivating a Direct Loan

To inactivate a Direct Loan, update the Award Amount to $0 and reduce actual disbursements to $0.

Business Rules:

1) The Award Amount and actual disbursements must be reduced to $0 to inactivate a loan.

2) All activity can be generated and submitted in the same Common Record.

3) If the Award Amount is reduced to $0 and the sum of the actual disbursements is equal to $0, the COD System automatically reduces all anticipated disbursements to $0 to allow loan inactivation. Warning edit 119 is returned in the Response document to inform schools that all anticipated disbursements for the award have been reduced to $0. See EXAMPLE 1.

4) A funded loan may be inactivated for a number of reasons. Examples include: A borrower returns all of the disbursed funds to the school within 120 calendar days of disbursement, or the school returns the money to comply with Federal Regulations. Gross, fees, interest and rebate are adjusted accordingly.

5) Schools must always return funds to COD via G5 or check.

Examples:

EXAMPLE #1:
The award amount changes from $6000 to $0 on an award with no actual disbursements on file. The COD System reduces all anticipated disbursements to zero and inactivates the loan.

Disbursement Number	Previous Anticipated Disbursement Amount	New Anticipated Disbursement Amount
1	$2000	$0
2	$2000	$0
3	$2000	$0

Generating Direct Loan Booking Notification Responses

The COD System generates a Booking Notification Response when the loan books with the initial disbursement. Subsequent Booking Notifications are NOT sent for each subsequent funded disbursement.

Business Rules:

1) A loan books when each of the following exists on the COD System:

   a. Accepted Award
   When the Response Code is equal to "Accepted" and the Disbursement Release Indicator is "false," the Common Record Response indicates an accepted Award or in the case of Direct Loan accepted loan.

   b. Accepted Actual Disbursement that is greater than $0 and has a disbursement date equal or prior to the current date.
   When the Response Code is equal to "Accepted" and the Disbursement Release Indicator is "true," the Common Record Response indicates an accepted actual Disbursement.

   c. Accepted MPN

   Note: Beginning in March 2008, all schools will be required to have an accepted MPN on the COD System before actual disbursements can be accepted for the associated Direct Loan award.

   d. Accepted Credit Decision for a PLUS loan.
   When the Credit Decision Status tag `<CreditDecisionStatus>` indicates a status of "A," it is indicating an accepted credit decision for the PLUS Loan.

2) Two tags on the Common Record assist a school in determining if an MPN is accepted.

   a. The MPN Status Code `<MPNStatusCode>` indicating a status of "A" (Accepted) OR

   b. The MPN Link Indicator `<MPNLinkIndicator>` indicating a status of "true," record has been linked to an MPN.

3) When a loan books, the COD System generates a Booking Notification Response to the school.

4) A COD system-generated Booking Notification Response contains a Document Type of "BN." The Document Type indicates the type of Response.

5) A Response Document of Document Type "BN" contains a system-generated Document ID.

6) A Booking Notification Response contains the following data elements in the Response Complex Element `<Response>`:

   a. Booked Loan Amount, `<BookedLoanAmount>`

   b. Booked Loan Amount Date, `<BookedLoanAmountDate>`

   c. Document Type, `<DocumentTypeCode>`

   d. Processing Date, `<ProcessDate>`

7) Booked Amount is the total net amount of the first disbursement accepted and booked by COD for the award.

8) The Booking Notification allows a school to update their system with the Booked Status of a loan to assist with the Direct Loan reconciliation process.

Example:

Below is a sample **Booking Notification Response**:


```
<CommonRecord>
   <DocumentID>2008-07-0T09:09:09.0012345678</DocumentID>
   <CreatedDateTime>2008-07-10T09:09:09.00</CreatedDateTime>
   <Source>
      <COD EntityID="00000001"/>
   </Source>
   <Destination>
      <School EntityID="12345678"/>
   </Destination>
   <FullResponseCode>F</FullResponseCode>
   <ReportingSchool EntityID="12345678">
      <AttendedSchool EntityID="12345678">
         <Student SSN="123456789" BirthDate="1973-01-01" LastName="SMITH">
            <NoteMessage>999999999</NoteMessage>
            <DLSubsidized>
               <FinancialAwardYear>2009</FinancialAwardYear>
               <NoteMessage>999999999</NoteMessage>
               <FinancialAwardNumber>001</FinancialAwardNumber>
               <FinancialAwardID>123456789S09G12345001</FinancialAwardID>
               <Response>
                  <ResponseCode>A</ResponseCode>
                  <BookedLoanAmount>985</BookedLoanAmount>
                  <BookedLoanAmountDate>2008-07-10</BookedLoanAmountDate>
               </Response>
            </DLSubsidized>
            <Response>
               <ResponseCode>A</ResponseCode>
            </Response>
         </Student>
         <Response>
            <ResponseCode>A</ResponseCode>
         </Response>
      </AttendedSchool>
      <Response>
         <ResponseCode>A</ResponseCode>
      </Response>
   </ReportingSchool>
   <Response>
      <DocumentTypeCode>BN</DocumentTypeCode>
      <DocumentStatusCode>A</DocumentStatusCode>
      <ProcessDate>2008-07-10</ProcessDate>
   </Response>
</CommonRecord>
```

Generating Payment to Servicing Responses

When a student or parent makes a payment to Direct Loan Servicing within 120 calendar days of the disbursement date, the COD System generates a Payment to Servicing Response that is sent to a school. This transaction should be considered when determining the borrower's eligibility for a subsequent loan.

Business Rules:

1) A Payment to Servicing is generated by the COD System and sent to a school when a borrower makes a payment to Direct Loan Servicing within 120 calendar days of the disbursement date.

2) A Payment to Servicing transaction should NOT update the disbursed amount for the loan. This transaction is for informational purposes only and should be considered when determining the borrower's eligibility for future loans.

3) The COD System will not send Payment to Servicing responses to schools containing PLUS loan data. COD will send Payment to Servicing responses to schools containing data for Subsidized and Unsubsidized loans only.

4) In order to process a Payment to Servicing Response accurately, the following data elements are returned in addition to the Response complex element:

    a. Award Year, `<FinancialAwardYear>`

    b. Award ID, `<FinancialAwardID>`

    c. Disbursement Number, `<Disbursement Number = "">`

    d. Disbursement Sequence Number, `<DisbursementSequenceNumber>`

5) Disbursement Sequence Numbers on a Payment to Servicing Response are in descending, sequential order starting with 99 to 91.

6) The Payment to Servicing Response contains the `<PreviousSequenceNumber>` tag indicating the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

7) The Payment to Servicing Amount is reported as a dollar value with a negative sign.

    a. If a previous Payment to Servicing Amount or partial amount needs to be reversed a positive dollar value is sent with the next descending sequential disbursement sequence number.

8) A COD system-generated Payment to Servicing Response contains a Document Type of "PS." The Document Type indicates the type of Response.

9) A Response Document of Document Type "PS" contains a system-generated Document ID.

10) A Payment to Servicing Response contains the following data elements in the Response complex element `<Response>`:

a. Payment to Servicer Amount, `<PaymentToServicerAmount>`

b. Payment to Servicer Date, `<PaymentToServicerDate>`

c. Document Type, `<DocumentTypeCode>`

d. Processing Date, `<ProcessDate>`

e. Previous Sequence Number, `<PreviousSequenceNumber>`

Note: For all data elements refer to the sample on the next page.

Example:

A school receives a Payment to Servicing transaction for $500 on a fully disbursed $3500 loan for a first year student. The school's system should continue to store the borrower's loan as $3500.

However, if the first year student decides to later request an additional loan for $500 for the same academic year, the $500 Payment to Servicing would be taken into consideration by the school when determining the student's eligibility to borrow an additional $500 loan.

If the student is eligible to borrow the additional $500 loan, the school's system should display two loans for this first-year student:

Student Grade Level	Academic Year	Disbursed Loan Amount	Payment to Servicing
1	09/02/2008 to 06/20/2009	$3500	$500
1	09/02/2008 to 06/20/2009	$500	

Annual Loan Limit for 1st Year = $3500
Total Disbursed for Academic Year = $4000
Payment to Servicing = $500

Below is a sample **Payment to Servicing Response**:


```
<CommonRecord>
<DocumentID>2008-07-10T09:09:09.0012345678</DocumentID>
   <CreatedDateTime>2008-07-10T09:09:09.00</CreatedDateTime>
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Loan Discharge

A loan may be discharged if the borrower is declared bankrupt, becomes totally and permanently disabled, dies, if the loan was the result of an unauthorized signature or payment or if the borrower is a victim of Identity Theft - False Certification. The Direct Loan Servicing Center notifies COD of the change in the loan and/or borrower's condition and of the effective date of the loan discharge, or pending discharge. The discharge date is the date the Direct Loan Servicing Center received notification of an unauthorized signature/payment, bankruptcy, or disability, or the date of the borrower's death.

Business Rules Specific to Closed School, False Certification – Ability to Benefit, Total and Permanent Disability, False Certification – Disqualifying Status, Teacher Forgiveness, Unpaid Refund, and Bankruptcy:

1) The COD system continues to process all disbursement activity for loans originated prior to and after the discharge date.

2) All MPNs are unaffected by the discharge.

Business Rules Specific to Death:

1) Upon receipt of a discharge notification due to death, the COD System performs the following functions:

    a) Inactivates ***all*** MPNs for the borrower. MPNs will remain linked to loans dated prior to the discharge date, but cannot be linked to new loans.

    b) Updates the MPN Expiration Date for all discharged MPNs to be equal to the date of the loan discharge, unless the MPN Expiration Date precedes the discharge date. If the MPN Expiration Date is updated due to discharge, schools will receive an unsolicited promissory note response with the updated MPN Expiration Date for their information.

    c) Rejects the following disbursements with Edit 095:
        i. New actual disbursements submitted after the discharge date where the disbursement date is after the discharge date.
        ii. New anticipated disbursements submitted after the discharge date where the disbursement date is after the discharge date.
        iii. Upward actual disbursement adjustments submitted after the discharge date where the disbursement date is also after the discharge date.
        iv. Actual Disbursement adjustments to an anticipated disbursement submitted after the discharge date where the disbursement date is after the discharge date.

    d) Rejects ***all*** loan originations submitted after the discharge date with Edit 092.

Business Rules Specific to Unauthorized Signature/Payment and Identity Theft - False Certification:

1) Upon receipt of a discharge notification for an unauthorized signature/payment, the COD System performs the following functions:

    a) Inactivates ***only*** the MPN for the loan with an unauthorized signature/payment.

    b) Updates the MPN Expiration Date for the MPN associated with the discharge to equal the date of the loan discharge, unless the MPN Expiration Date precedes the discharge date. If the MPN Expiration Date is updated due to discharge, schools will receive an unsolicited promissory note response with the updated MPN Expiration Date for their information.

    c) Rejects the following disbursements for the affected award with Edit 094:
        i. New actual disbursements submitted after the discharge date where the disbursement date is after the discharge date.
        ii. New anticipated disbursements submitted after the discharge date where the disbursement date is after the discharge date.
        iii. Upward actual disbursement adjustments submitted after the discharge date where the disbursement date is also after the discharge date.
        iv. Actual disbursement adjustments to an anticipated disbursement submitted after the discharge date where the disbursement date is after the discharge date.

2) A borrower is eligible for future Direct Loan aid.

3) The amount of the affected award is NOT applied toward the student's annual loan limit.

Impact of Loan Discharges on MPN, New Disbursements, and Originations

Discharge Type	Discharge Reason	Count discharge amount toward the student's annual loan limit	Inactivate MPN	New Disbursements and Upward Adjustments on already originated loans	New Origination
D	C = Closed School	No	No	Accept	Accept
D	**D = Death**	**No**	**Yes - ALL MPNs for borrower**	**Reject – All Awards**	**Reject – ALL**
D	F = False Certification - Ability to Benefit	No	No	Accept	Accept
D	**G = Unauthorized Signature/ Unauthorized Payment**	**No**	**Yes - Only for MPN linked to loan being discharged**	**Reject - Just disbursements for the loan being discharged**	**Accept**
D	H = Disability	Yes	No	Accept	Accept
D	**I = False Certification – Identity Theft**	**No**	**Yes – Only for MPN linked to loan being discharged**	**Reject – Just disbursements for the loan being discharged**	**Accept**
D	M = False Certification - Disqualifying Status	No	No	Accept	Accept
D	T = Teacher Forgiveness	No	No	Accept	Accept
D	U = Unpaid Refund	No	No	Accept	Accept
D	X = Bankruptcy	No	No	Accept	Accept
P	X = Bankruptcy	Not Processed	Not Processed	Not Processed	Not Processed

Direct Loan Master Promissory Notes

Master Promissory Notes

The Master Promissory Note (MPN) is the approved promissory note for Direct Subsidized and Unsubsidized Loans, and PLUS loans for both parent borrowers and graduate and professional student borrowers for all schools.

Note: PLUS loans for graduate and professional student borrowers are referred to as Grad PLUS.

Business Rules for All MPNs:

1) The MPN is a legal document requiring a student/borrower to repay the funds borrowed under the Direct Loan Program.

2) No dollar amount is printed on the MPN by the school or COD.

3) The COD System will process paper and electronic MPNs for all loan types.

4) An MPN must be signed by the borrower before disbursing a Direct Loan (Subsidized, Unsubsidized, or PLUS [parent and graduate student]).

   Note: Beginning with the 2008-2009 release, an MPN must be accepted on the COD System in order to allow actual disbursements to be accepted on COD for associated loans.

5) An open MPN is valid for up to ten years from the date the MPN is received by the COD System provided that at least one disbursement is made within a year from the date COD received it and that the borrower does not close the MPN. Otherwise, it will expire after 1 year from the date it is received.

6) To close an MPN a borrower must provide a request in writing.

   Note: Please refer to the topic entitled "Closing MPNs" for more information.

7) When a school receives a closed MPN notification, the school must forward all original documentation to COD.

8) Once an MPN is closed or expires, no new loans can be linked to it. A new MPN must be generated if new loan awards are created. However, all disbursements and booking activities for the loans already linked to the closed or expired MPN continue to be processed by the COD System.

Business Rules Specific to PLUS MPN:

1) The PLUS MPN is to be used for PLUS processing.

2) The PLUS MPN is for one or more PLUS loans that one parent borrows for one student, or one graduate student borrows for his or herself.

3) The parent or graduate student borrower can have multiple PLUS MPNs on the COD System. The parent's MPNs may be for the same or for different students for the same or subsequent academic years. See EXAMPLE #1 below.

4) A student can have multiple parents borrow PLUS loans for the same or subsequent academic years. See EXAMPLE #2 below.

5) The student associated on a PLUS loan cannot be the endorser for that same PLUS award.

6) The PLUS MPN has a borrower type indicator at the top that must be completed. If "I am a Graduate/Professional Student" is checked, Section C: Dependent Undergraduate Student Information will be blank.

7) Once a PLUS borrower signs a PLUS MPN, the borrower authorizes the COD System to perform an initial credit check and future credit checks for awards made under that MPN, without requiring subsequent authorization. Thus, multiple credit decisions can be associated with one MPN.

8) The PLUS MPN Status can be viewed on the COD web site.

9) The Borrower's Rights and Responsibilities have been incorporated into the PLUS MPN and is no longer a separate document.

Examples:

EXAMPLE #1: Parent borrower with multiple MPNs for multiple students:
Parent James Smith has two students (Jack and Jill) attending school during the same award year (2007-2008). James Smith signs a PLUS MPN for student Jack Smith for 2008-2009 and signs a separate PLUS MPN for student Jill Smith for 2008-2009.

EXAMPLE #2: Student with multiple MPNs for multiple parent borrowers:
Student Jack is attending school and multiple parents are helping to fund his education. Jack's father, James Smith, borrows a PLUS loan and signs an individual PLUS MPN for Jack Smith. In addition, Jack's stepfather, Robert Jones, borrows a PLUS loan for Jack and signs a separate PLUS MPN. Thus, there are two MPNs on the COD System associated with Jack for the same award year, 2008-2009, for different parent borrowers.

Master Promissory Note Features

All MPNs are processed using the multi-year (MY), single-year (SY), or, in the case of certain PLUS and Grad PLUS loans, single-loan (SL) feature. Each feature is discussed in more detail below.

NOTE: The multi-year/single-year features of the MPN apply to the school and not to the MPN itself. An example would be that an MPN submitted by a single-year school and with the Academic Year

Dates of 8/21/2007 – 4/10/2008 may link to an award submitted by a multi-year school and with the Academic Year Dates of 9/21/2008 – 5/30/2009.

Multi-Year MPN Feature

The U.S. Department of Education has expanded the authority for multi-year use of the Master Promissory Note (MPN) in the William D. Ford Federal Direct Loan (Direct Loan) and Federal Family Education Loan (FFEL) programs. Under the expanded authority, unless a school is specifically informed otherwise, all Direct Loan schools may allow their student borrowers (Subsidized/Unsubsidized/ Grad PLUS) and their parent borrowers (PLUS) to receive loans for subsequent academic years based upon a previously signed MPN (even if that MPN was signed before the effective date of the expanded authority). For more information regarding eligibility for the MY MPN feature see the Dear Colleague Letter GEN-02-10 (November 2002).

Business Rules:

1) The MY feature applies to all loan types. (Subsidized, Unsubsidized, and PLUS [parent and graduate student borrower]).

2) The MY feature has been expanded to include Direct Loan schools that are not four-year colleges or graduate or professional schools.

    a. The expanded authority for multi-year use of the MPN is effective beginning with any Direct Loan for the 2003-2004 year and forward (a loan with an identification number that includes "04") that is processed after the COD System start up for the 2003-2004 award year.

3) Any Direct Loan school that is not a four-year college or graduate or professional school that would like to use the multi-year feature of the MPN must inform COD School Relations Center by phone at (800) 848-0978 or by e-mail at CODSupport@acs-inc.com.

    a. Schools that used the single-year feature in 2007-2008 will be identified in the COD System as using the single-year feature of the MPN for the purpose of linking loans for the 2008-2009 Award Year if they do not inform COD School Relations of their desire to use the multi-year feature of the MPN.

4) New schools to the Direct Loan program that are eligible for the MY feature under the expanded authority for multi-year use of the MPN will be defaulted to use the MY feature in the COD System.

5) Multiple loans for a borrower are linked to the same MPN across schools and academic years.

    a. Multiple Subsidized and Unsubsidized loans for a borrower are linked to the same MPN across schools and academic years.

    b. Multiple PLUS loans for a borrower are linked to the same PLUS MPN across schools and academic years.

c. Multiple Grad PLUS loans for a borrower are linked to the same PLUS MPN across schools and academic years.

6) A school using the MY feature can use any MPN accepted by the COD System (even if that MPN was signed before the effective date of the expanded authority for multi-year use of the MPN).

7) When processing 2002-2003 loan records and forward, COD is aware of open MPNs processed by the LOC for program years prior to 2002-2003.

8) Schools using the MY feature must have a confirmation process in place.

   Note: For more details regarding a confirmation process, refer to the Direct Loan School Guide, Chapter 6 at http://www.ed.gov/DirectLoan/pubs/profpubs.html.

9) The COD System allows schools eligible for the MY feature to opt between the MY feature and the SY feature.

Schools Opting for Single-Year MPN Feature

Schools eligible for the Multi-Year (MY) feature may choose to use the Single-Year (SY) feature of the MPN.

Business Rules:

1) When a school opts to process MPNs using the MY or SY feature, the feature selected applies to all Direct Loans processed by the school (Subsidized, Unsubsidized, and PLUS [parent and graduate student borrower] loans).

   a. All loans are processed using the SY feature OR all loans are processed using the MY feature.

2) If an eligible school opts to change the SY/MY feature, the change applies only to MPNs received at COD after the change is processed on the COD System.

3) Awards received after the date the option is changed link to an MPN using the newly selected option.

4) Schools must contact COD School Relations to change their SY/MY feature.

Single-Year MPN Feature

The single-year (SY) MPN feature requires that a new MPN be completed by a borrower for each academic year. All schools NOT eligible to process MPNs using the MY feature must use the SY feature. Schools eligible for the MY feature may opt to process MPNs using the SY feature as discussed in the previous section.

Business Rules:

1) The SY feature of the MPN is available to all schools.

2) All schools NOT eligible to process MPNs using the MY feature must use the SY feature. Therefore, the COD System does not allow these schools to change this processing feature.

3) Under SY feature a new MPN must be generated each academic year for each student.

4) A SY school must use an MPN generated at or for that school only.

5) A SY school can link multiple loans for the same academic year, for the same borrower, to the same MPN.

6) The academic year start and end dates must be the same on all loan records from the single year school linked to a specific MPN under the SY feature.

7) When a school eligible for the MY feature opts to use the SY feature, the school must update its option on the COD web site.

Single-Loan MPN Feature (PLUS and Grad PLUS Only)

The single-loan (SL) MPN is an MPN linked to a PLUS or Grad PLUS loan that is accepted with an Endorser with an approved credit decision. Once an Endorser is associated with a PLUS or Grad PLUS loan, the MPN linked to that PLUS or Grad PLUS loan cannot be linked to any other loans even if the school processes MPNs using the MY feature.

Business Rules:

1) An MPN for a PLUS or Grad PLUS loan becomes an SL MPN under the following conditions:

   a. An endorser is obtained because the borrower has received an adverse credit decision,

   b. The award receives an approved credit decision for the endorser, AND

   c. The award is linked to the PLUS MPN.

2) When a PLUS or Grad PLUS Loan with an Endorser is linked to an MPN, the COD System returns an MPN Status of Accepted on the Response. However, this MPN is flagged by the COD System as a Single Loan (SL MPN) so that no further loans can be linked to this note.

3) Once an SL MPN is established, it becomes an inactive MPN and no other awards will be linked to that same MPN.

4) Once an SL MPN is established, all other pending and active PLUS MPNs for the borrower become inactive, including the SL MPN.

5) When a PLUS or Grad PLUS loan with an endorser is linked to an MPN, the MPN Status displayed on any future ISIRs will be Inactive.

6) If the borrower wants to borrow a subsequent PLUS or Grad PLUS loan a new MPN must be generated and signed.

Electronic Master Promissory Notes (e-MPN)

Schools can choose whether or not to use the e-MPN for their borrowers.

Business Rules:

Schools can choose whether or not to use the e-MPN for their borrowers.

1) Schools who want to participate in the e-MPN have the option to participate. To obtain a User ID, schools must send a written request to customer service per instructions available on the e-MPN website.

2) If a school uses the e-MPN, there is no need to print a paper version of the MPN unless a borrower specifically asks for one.

    a. If a borrower wants to sign a paper MPN, that option must be available to them.

    b. If a borrower requests a paper MPN, the school has the option of having COD print and mail the MPN to the borrower or school or printing the MPN themselves.

3) An e-MPN is available for Subsidized/Unsubsidized loans, as well as for PLUS loans.

4) When borrowers complete an e-MPN, a Promissory Note Response is sent to the school the borrower selected while completing the e-MPN.

5) If a school is primarily using the e-MPN process to obtain MPNs for their borrowers, the schools promissory note print option should be set to “school prints” within COD.

Master Promissory Note Printing Process

The Master Promissory Note (MPN) printing process is either the responsibility of the school or the COD System.

Business Rules:

1) Obtaining a signed MPN is the responsibility of the school.

    a. Schools can choose whether or not their students can sign an e-MPN. Schools who want to participate in the e-MPN must sign up by contacting COD School Relations.

    b. The borrower can complete an electronic MPN on the e-MPN web site or a paper MPN. However, borrowers must be allowed the option of signing a paper MPN.

i. When a borrower completes the e-MPN process, a Promissory Note Response is sent to the appropriate school.

c. A PLUS borrower can complete an e-MPN or a paper PLUS MPN for a PLUS Loan.

d. A Grad PLUS borrower can complete an e-MPN or a paper PLUS MPN for a Grad PLUS loan.

2) When a school is responsible for the MPN printing process, the school can print the MPNs.

a. Completed MPNs must be mailed to the Promissory Note processing center.

b. MPNs sent via regular mail should be mailed to the following address:

US Department of Education
P.O. Box 5692
Montgomery, AL 36103-5692

c. MPNs sent via overnight, express, or certified mail should be mailed to the following address:

US Department of Education
201 TechnaCenter Drive
Montgomery, AL 36117

d. Upon receipt of MPNs, the notes are screened for completeness.

e. Incomplete or illegible MPNs are returned to the school for correction.

f. Accepted MPNs generate a Promissory Note Response to be sent to the school.

g. If a school chooses, it can have the COD system print an MPN on a case-by-case basis. See the Submitting a Promissory Note Print Code section.

h. Schools can submit MPNs for COD testing and review by sending them to:

US Department of Education
P.O. Box 5691
Montgomery, AL 36103

Note: All documents and shipping packages should be clearly marked “For Testing Only”.

3) When COD is responsible for the MPN printing process, the MPNs are printed by the COD System and mailed to the borrower.

a. The borrower returns all completed MPNs to COD.

b. Upon receipt of an MPN, the COD System generates and sends an MPN Response to the school.

Note: For more details on this response process, refer to the topic entitled "Generating an MPN Response".

4) All MPNs printed by the COD System for all award years are printed using the MPN text and format cleared by OMB.

5) The MPN for PLUS and Grad PLUS awards contains language authorizing COD to perform an initial and subsequent credit checks for the PLUS and Grad PLUS borrower. Additional authorization is not required for subsequent credit checks.

6) COD or a school does not print a dollar amount on the MPN.

7) An MPN ID is generated for each MPN and printed/displayed on the MPN. (See below for details of the Sub/Unsub and PLUS ID).

8) The COD System does not print an MPN if the award is linked to an existing Subsidized/Unsubsidized, or PLUS MPN already on file at the COD System.

Business Rules Specific to Printing the Subsidized/Unsubsidized MPN:

1) The Subsidized/Unsubsidized MPN is printed for all Subsidized/Unsubsidized awards.

2) The Subsidized/Unsubsidized MPN ID is 21-characters. A Subsidized/Unsubsidized MPN ID contains an 'M' in the 10th position. The components for the Subsidized/Unsubsidized MPN ID are:

   a. Student's Social Security Number: 001010001–999999998

   b. MPN Indicator: M

   c. S and U were used for MPN Indicator for 1999-2000, but are no longer valid for printing new MPNs.

   d. Award Year: 03 and forward

      Note: When generating the MPN ID the COD System increments the program year in the MPN ID by one each year. For all MPN IDs created on the electronic MPN web site after the implementation of the 2008-2009 software, the program year in the MPN ID is 09.

   e. Direct Loan School Code: X00000–X99999 where X = G or E.

      Note: The school code imbedded in the MPN ID continues to be the DL school code (G or E code) and does NOT use the Routing Number (Common School Identifier).

f. Award Number: 001–999

3) The COD System prints an 'M' in the 10th position of the Subsidized/Unsubsidized MPN ID.

4) The MPN ID is used by the COD System to identify which Subsidized/Unsubsidized awards are linked to an MPN.

Example:

An MPN ID for a subsidized/unsubsidized MPN may look like:

123456789M09G12345001

123456789	M	09	G12345	001
Social Security Number	Sub/Unsub MPN Indicator	Award Year	Direct Loan School Code	Award Number

Business Rules Specific to Printing the PLUS MPN:

1) The PLUS MPN prints for all PLUS awards for award year 2003-2004 and forward. The PLUS MPN prints for all Grad PLUS awards for award year 2005-2006 and forward.

2) The PLUS MPN ID is a 21-character ID. A PLUS MPN ID contains an 'N' in the 10th position. The components for the PLUS MPN ID are:

   a. Student's Social Security Number: 001010001–999999998

   b. MPN Indicator: N

   c. Award Year: 04 and forward

      Note: When generating the PLUS MPN ID the COD System increments the program year in the PLUS MPN ID by one each year. For all PLUS MPN IDs created on the electronic MPN web site after the implementation of the 2008-2009 software, the program year in the PLUS MPN ID is 09.

   d. Direct Loan School Code: X00000–X99999 where X = G or E.

      Note: The school code imbedded in the MPN ID continues to be the DL school code (G or E code) and does NOT use the Routing Number (Common School Identifier).

   e. MPN Sequence Number: 001–999

3) The COD System prints an 'N' in the 10th position of the PLUS MPN ID.

4) The MPN ID is used by the COD System to identify which PLUS awards are linked to an MPN.

5) When printing the PLUS MPN, the borrower type indicator must be completed under Section A: Borrower Information. The borrower type indicator is worded:

CHECK ONE – I am a:
- Graduate or Professional Student
- Parent of a Dependent Undergraduate Student

6) If Graduate or Professional Student is checked, the following is left blank:

   a. Section C: Dependent Undergraduate Student Information, numbers 14, 15, and 16

   b. Section A: Borrower Information, number 7

Example:

An MPN ID for a PLUS MPN may look like:

123456789N09G12345001

123456789	N	09	G12345	001
Social Security Number	PLUS MPN Indicator	Award Year	Direct Loan School Code	Award Number

Submitting a Promissory Note Print Code

The Promissory Note Print Code identifies at the individual loan level who is responsible for the printing the MPN for a specific loan and who can override the school's promissory note print option. This code can also be used to request the COD System to reprint a promissory note. The valid values of the Promissory Note Print Code in the Common Record Layout are "S", "R", "V", "Z", "O", and nil=true.

Business Rules:

1) The school has the option on the COD web site to indicate who is responsible, the school or the COD System, for printing promissory notes for loans originated by that school.

   Note: For more information School Processing Options, refer the School Processing Options topic in this Implementation Guide.

2) The Promissory Note Print Code is an optional data element on the Common Record that can be submitted for an individual loan award and overrides the selected school option.

3) The Promissory Note Print Code can also be used to request the COD System to reprint a promissory note.

4) The valid values for the Promissory Note Print Code in the Common Record are:

   a. S = COD Prints and sends to Borrower

b. R = COD Prints and sends to School

c. V = COD Reprints and sends to School

d. Z = COD Reprints and sends to Borrower

e. O = School Prints On-site and provides to Borrower

5) If an award does not contain the Promissory Note Print Indicator, the COD System defaults to the option on the school profile when processing the award.

6) The COD System prints the MPN for Subsidized/Unsubsidized, Grad PLUS and PLUS awards according to the matrix below:

School option set within COD System	**School: Promissory Note Print Indicator**	**COD System Prints**
School prints	S, R, V, or Z	Yes
School prints	O	No
School prints	nil=true or no tag	No
COD prints	S, R, V, or Z	Yes
COD prints	O	No
COD prints	nil=true or no tag	Yes

7) Schools printing Promissory Notes can either

a. Print using the appropriate approved form or

b. Print all text including data and data labels using the same format and wording as the form provided by the Department of Education.

Note: Schools printing all text must have the format approved by FSA. For more information on the approval process contact COD School Relations.

8) To obtain approved MPN and PLUS MPN forms contact FSA Pubs.

9) When printing Promissory Notes, it is recommended to use Courier, 10 point, 12 pitch font.

10) When mailing the MPN, a number 10 business window envelope is recommended.

11) The MPN and PLUS MPN print specifications are provided in *Volume VI, Section 7 – Print Specifications and Forms*.

Examples:

EXAMPLE #1:
A school has sets its option on the COD web site for the School to print all its own promissory notes. The printer used by the school malfunctions and cannot be repaired for four weeks.

During this four week period, the school submits all loan records with a print code of ‘R’ = COD Prints and sends to School.

EXAMPLE #2:
A school has set its option on the COD web site for COD to print all promissory notes.
During the registration period, the school opts to print and have the students complete MPNs on site.

During this registration period, the school submits all loan records with a print code of ‘O’ = School prints on-site and provides to the borrower.

Linking an MPN to a Direct Loan Subsidized/Unsubsidized, Grad PLUS or PLUS Award

The COD System links Direct Loan Subsidized/Unsubsidized and PLUS (parent and graduate student borrower) awards to an active MPN for that Borrower.

Business Rules:

1) When linking an award to an MPN, if multiple valid MPNs exist for a student, the award is linked to the MPN with the greatest expiration date.

2) The COD web site displays the MPN expiration date to assist schools in determining if the borrower has an active MPN available on the COD System

3) The MPN Expiration Date displays for all MPNs for Subsidized/Unsubsidized awards, and for PLUS awards.

4) The COD System does not link an MPN to a loan if the loan amount and all actual and anticipated disbursements equal zero.

5) The COD System initiates an MPN linking process when an award amount on an unlinked award is increased from zero.

Business Rules Specific to Linking the Subsidized/Unsubsidized MPN:

1) The COD System links an accepted Subsidized/Unsubsidized award to a valid MPN using the following student data elements:

   a. Current SSN, AND

   b. Date of Birth AND

   c. First two characters of the first name OR the first two characters of the last name, if the first name is blank.

   Note: Schools should encourage students to list the same identifier information (i.e. complete formal name) used to file the Free Application for Federal Student Aid (FAFSA) on

applications for all types of financial aid. An accepted award and valid MPN will not link if the identifier information differs on the award and MPN. See EXAMPLE below.

2) When a Subsidized/Unsubsidized Award is accepted and a valid MPN is already on file, the MPN and award are linked.

    a. The MPN Status, MPN Link Indicator, MPN ID and Electronic MPN Indicator are generated on an **Award Response**.

3) When a Subsidized/Unsubsidized Award is accepted and no valid MPN is on file, the award is not linked and the MPN Status Code on the Award Response equals R (Rejected MPN or valid MPN not on file at COD).

4) When a Subsidized/Unsubsidized Award is NOT accepted and there is a valid MPN on file, the Award will not be linked to the MPN. The MPN Link Indicator of false and the appropriate MPN Status Code (X = Pending or R = Rejected) will be returned in the Award Response.

5) When an MPN is received and an accepted Subsidized/Unsubsidized award is already on file and not yet linked to an MPN, the MPN and the award are linked.

    a. The MPN Status, MPN Link Indicator, MPN ID and Electronic MPN Indicator will be generated on an **MPN Response** for the Subsidized/Unsubsidized award.

6) When an MPN is received and no accepted Subsidized/Unsubsidized award is already on file, the MPN is not linked and an unsolicited Promissory Note Response is generated.

7) If a valid MPN is on file and an accepted Subsidized/Unsubsidized award does not link (MPN Status Code = X, Pending), the student identifier information on the award does not match the student identifier information on the MPN. See EXAMPLE below. Schools should compare the student identifier information listed on the award and MPN, and perform the following actions:

    a. Update the student identifier information listed on the award origination via batch or web.

    b. Inactivate the loan by reducing the award amount and all anticipated disbursements to zero ($0.00). Originate a new award with student identifier information that matches that of the MPN.

***Example**:*

Student Robert Adams files a FAFSA using his given name. The student identifier information Robert lists on the FAFSA is pulled from CPS to create a valid MPN. The student identifier information on the MPN is as follows:

```
<Student SSN="999931101" BirthDate="1987-04-15" LastName="ADAMS">
    <Identifiers>
      <SSN>999931101</SSN>
    </Identifiers>
    <BirthDate>1987-04-15</BirthDate>
```

```
<Name>
  <FirstName>ROBERT</FirstName>
  <LastName>ADAMS</LastName>
</Name>
```

Robert then applies for a loan using his common first name, Bob. The student identifier information on the award is as follows:

```
<Student SSN="999931101" BirthDate="1987-04-15" LastName="ADAMS">
    <Identifiers>
      <SSN>999931101</SSN>
    </Identifiers>
    <BirthDate>1987-04-15</BirthDate>
    <Name>
      <FirstName>BOB</FirstName>
      <LastName>ADAMS</LastName>
    </Name>
```

The COD System attempts to match the student identifier information contained on the award with the student identifier information of a valid MPN on file at COD. Since the first two letters of the student's first name listed on the award do not match the first two letters of the student's first name listed on the MPN, the award and MPN do not link. The COD System is unable to find the appropriate MPN with which to link the award, and returns the MPN Status Code of X (Pending) on the Award Response.

Business Rules Specific to Linking the PLUS MPN for Parent and Graduate Student Borrowers:

1) The COD System links an accepted PLUS award to a valid MPN using the following borrower (parent) and student data elements. For Grad PLUS, the COD System links an accepted PLUS award to a valid MPN using the borrower (graduate student) and student data elements:

    a. Current SSN,

    b. Date of Birth AND

    c. First two characters of the first name OR the first two characters of the last name, if the first name is blank.

    Note: For parent PLUS, schools should encourage both parents and students to list the same identifier information (i.e. complete formal names) used to file the FAFSA for a PLUS loan application. An accepted award and valid PLUS MPN does not link if either the borrower or student identifier information on the award differs from that on the PLUS MPN. See EXAMPLE below.

    Note: For Grad PLUS, the current SSN, Date of Birth, and First Name submitted for the student must match the values submitted for the borrower on the award. If there is not an exact match on any of the fields, the award will not be recognized as a Grad PLUS award and will not link to a Grad PLUS MPN.

2) Regardless of whether the award is linked or not linked to an MPN, a PLUS Award Response is not sent to a school until a credit decision status (Accepted, Pending or Denied) is received.

    a. If the credit decision for a PLUS award is pending or denied, the MPN Status on the Award Response equals R (Rejected MPN or valid MPN not on file at COD), even when there is a valid MPN.

    b. If the credit decision for a PLUS award is accepted, the MPN Status on the Award Response is either 'MPN on file' or 'MPN not on file' depending on whether there is a valid MPN on file at COD.

3) When a PLUS Award with a positive credit decision is accepted and a valid PLUS MPN is already on file, the PLUS MPN and PLUS award are linked.

    a. The MPN Status, MPN Link Indicator, MPN ID and Electronic MPN Indicator are generated on an Award Response for the PLUS award.

4) When a PLUS Award with a positive credit decision is NOT accepted and a valid PLUS MPN is already on file, the PLUS MPN and PLUS Award are not linked.

    a. The MPN Link Indicator of false and the appropriate MPN Status Code (X = Pending or R = Rejected) is returned in the Award Response

5) When a positive credit decision is received for an Endorser and an accepted award and accepted MPN (one that is not yet linked to any awards) is already on file, the award is linked to the PLUS MPN and the PLUS MPN becomes a Single-Loan MPN.

    Note: Please refer to the topic entitled "Single-Loan MPN" for more information.

    a. The PLUS MPN Status, MPN Link Indicator, MPN ID, Electronic MPN Indicator and Endorser Amount, if applicable, are sent to the school on a **Credit Decision Override Response** and an unsolicited MPN Response is NOT generated.

6) When a PLUS MPN is received and an accepted award with a positive credit decision is already on file and not yet linked to an MPN, the PLUS MPN and the PLUS award are linked.

    a. The MPN Status, MPN Link Indicator, MPN ID, and Electronic MPN Indicator are sent to the school on a **MPN Response**.

7) If a valid PLUS MPN already on file does not link to an accepted award with a positive credit decision, the student and/or borrower identifier information on the award does not match the student and/or borrower identifier information on the PLUS MPN. See EXAMPLE below. Schools should compare all identifier information listed on the award and PLUS MPN, and perform the following actions:

    a. Update the student and/or borrower identifier information listed on the award origination via batch or web.

b. Inactivate the loan by reducing the award amount and all anticipated disbursements to zero ($0.00). Originate a new award with student identifier information that matches that of the MPN.

***Example**:*

Parent William Adams decides to take out a PLUS loan for his son John. William and John file a FAFSA and list William's given name. The borrower identifier information on the PLUS MPN is as follows:

```
<Borrower SSN="123456789" BirthDate="1953-05-19" LastName="ADAMS">
    <Identifiers>
      <SSN>123456789</SSN>
    </Identifiers>
    <BirthDate>1953-05-19</BirthDate>
    <Name>
      <FirstName>WILLIAM</FirstName>
      <LastName>ADAMS</LastName>
    </Name>
```

William then applies for a PLUS loan using his common first name, Bill. The borrower identifier information on the award is as follows:

```
<Student SSN="123456789" BirthDate="1953-05-19" LastName="ADAMS">
    <Identifiers>
      <SSN>123456789</SSN>
    </Identifiers>
    <BirthDate>1953-05-19</BirthDate>
    <Name>
      <FirstName>BILL</FirstName>
      <LastName>ADAMS</LastName>
    </Name>
```

The COD System attempts to match the borrower identifier information contained on the award with the borrower identifier information of a valid PLUS MPN on file at COD. Since the first two letters of the borrower's first name on the award do not match the first two letters of the borrower's first name listed on the PLUS MPN, the award and PLUS MPN do not link. The COD System is unable to find the appropriate PLUS MPN with which to link the award, and returns the MPN Status Code of X (Pending) on the Award Response.

***Example**:*

Robert Smith decides to take out a Grad PLUS loan. Robert files a FAFSA and lists his given name. The borrower identifier information on the PLUS MPN is as follows:

```
<Borrower SSN="123456789" BirthDate="1953-05-19" LastName="ADAMS">
    <Identifiers>
      <SSN>123456789</SSN>
    </Identifiers>
    <BirthDate>1953-05-19</BirthDate>
    <Name>
      <FirstName>ROBERT</FirstName>
      <LastName>SMITH</LastName>
    </Name>
```

Robert then applies for a Grad PLUS loan using his common first name, Bob. The borrower identifier information on the award is as follows:

```
<Student SSN="123456789" BirthDate="1953-05-19" LastName="SMITH">
    <Identifiers>
      <SSN>123456789</SSN>
    </Identifiers>
    <BirthDate>1953-05-19</BirthDate>
    <Name>
      <FirstName>BOB</FirstName>
      <LastName>SMITH</LastName>
    </Name>
```

The COD System attempts to match the Grad PLUS borrower identifier information contained on the award with the borrower identifier information of a valid PLUS MPN on file at COD. Since the first two letters of the borrower's first name on the award do not match the first two letters of the borrower's first name listed on the PLUS MPN, the award and PLUS MPN do not link. The COD System is unable to find the appropriate PLUS MPN with which to link the award, and returns the MPN Status Code of X (Pending) on the Award Response.

Multi-Year (MY) Feature Linking Business Rules:

1) The MY feature allows multiple awards for different academic years from the same or different MY schools to link to the same MPN.

2) The COD System applies the MY feature only to schools eligible for the MY feature.

3) When the borrower has more than one MPN on file with the same expiration date, the COD System links incoming awards to the MPN with the latest received date by the COD System (when the receive dates are different).

4) The COD System links the award to the MPN only if the Award Begin Date on the award is prior to or equal to the MPN expiration date.

5) An inactive or closed MPN is no longer eligible for processing. This means no other awards can be linked to the MPN once it is inactive or closed.

    a. The exception to this rule would be if an award is received with an Award Begin Date prior to the MPN expiration date and the award is NOT inactive due to a pending bankruptcy discharge or an unauthorized signature discharge. Then, the award will be linked to the MPN; however, the MPN remains inactive.

Single-Year (SY) Feature Linking Business Rules:

1) The SY feature allows one or more PLUS (parent and student borrower) awards with the same academic year from the same school to link to the same PLUS MPN.

2) PLUS (parent and student borrower) awards from the same school with different academic years may not be linked to the same PLUS MPN.

3) The SY feature allows one or more subsidized and unsubsidized awards with the same academic year from the same school to link to the same MPN.

4) Subsidized/Unsubsidized awards from the same school with different academic years may not be linked to the same MPN.

5) The COD System must match the Direct Loan School Code on the Award ID with the school code in the 21-character MPN ID.

6) For the purpose of linking, the COD System establishes the academic year period used for an MPN to be the academic year start and end dates of the first award linked to the MPN.

7) The COD System links subsequent awards to the MPN if the academic year start and end dates are the same as those of the first award linked to the MPN.

Single-Loan MPN Linking Business Rules (for PLUS and Grad PLUS only):

1) A PLUS MPN becomes a single-loan MPN under the following conditions:

    a. The PLUS MPN has no other awards linked to it,

    b. An endorser is obtained because the borrower has received an adverse credit decision,

    c. The award receives an approved credit decision for the endorser, and

    d. The award is linked to the PLUS MPN.

2) Once a single-loan MPN is established, no other awards are linked to that same MPN.

3) The expiration date for a single-loan MPN is the date that the COD System assigns the single-loan flag to the MPN.

4) Once a single-loan MPN is established, all other pending and active PLUS MPNs for the borrower become inactive, including the SL MPN. Thus, if the borrower wants to borrow a subsequent PLUS or Grad PLUS loan a new MPN must be generated and signed.

5) The COD System rejects with error code 113 any disbursements that exceed the endorser amount on the award linked to a single-loan MPN since the endorser is responsible for no more than the PLUS or Grad PLUS Loan amount on the Endorser Addendum.

6) On an award linked to a single-loan MPN, the Award Amount can be decreased.

    Note: Once a PLUS or a Grad PLUS award is linked to a single-loan MPN, the COD System must receive a new PLUS MPN and a new award, provided all other linking criteria are satisfied, in order to accept an increase to the amount the parent or student wants to borrow.

7) The COD System sends to the PLUS or Grad PLUS borrower with a denied credit decision, an Endorser Addendum and a new PLUS MPN unless a pending PLUS MPN is on file. (A pending MPN is one that is not yet linked to an award.)

8) If the borrower elects to have an endorser, a PLUS MPN is needed on file to link the award to once the endorser is approved. When the award is linked, the MPN becomes a single-loan MPN.

9) If the borrower elects to have an endorser, the award can be linked to the pending PLUS MPN once an approved endorser credit decision is received.

Generating an Expiration Date for an MPN

The MPN expiration date calculation performed by the COD System for all MPNs is based on MPN expiration date regulations.

Business Rules:

1) For a pending MPN (one that does not yet have an award linked to it), the expiration date is calculated as the date the MPN is received by COD for processing plus one year.

2) For an MPN that has been linked but has no award with an accepted actual disbursement, the expiration date is calculated as the date the MPN is received by COD for processing plus one year.

3) For an MPN that has been linked and has at least one award with an accepted actual disbursement, the expiration date is calculated as the date the MPN is received by COD for processing plus 10 years.

4) For an MPN associated with a discharged loan, the expiration date is calculated as the discharge date, unless the expiration date precedes the discharge date.

5) The MPN expiration date and the date an MPN is received by COD are viewable on the COD web site.

6) The COD System accepts a disbursement with a Disbursement Release Indicator = true for any award linked to an MPN even if the MPN has expired only when the following two conditions are met:

    a. The award is already linked to the MPN, AND

    b. The disbursement successfully passes all other disbursement edits for being accepted by the COD System.

7) The COD System accepts disbursements for any award already linked to an expired MPN provided the disbursement passes all other edits.

    a. If the accepted disbursement is the first actual disbursement under the MPN and the date of that disbursement is on or before the MPN expiration date, the MPN expiration date is

recalculated using the date the MPN was received at COD for processing plus 10 years and the MPN is reactivated (Accepted Status).

b. If the accepted disbursement is the first actual disbursement under the MPN and the date of that disbursement is after the MPN expiration date, the MPN expiration date remains unchanged and the MPN status remains inactive.

c. If an accepted subsequent disbursement is not the first actual disbursement under the MPN, the MPN expiration date remains unchanged and the MPN status stays the same.

8) The COD System sends unsolicitied MPN Acknowledgements to all schools associated with the MPN each time the MPN Expiration Date changes. The MPN Acknowledgement will include the `<MPNExpirationDate>` tag. This applies for ALL award years.

Closing MPNs

To close an MPN (Subsidized/Unsubsidized or PLUS) a borrower must send a written request to Direct Loan Servicing. If a school receives a written request from a borrower, the request should be sent to the COD School Relations Center. The borrower must put their request in writing.

Business Rules:

1) Upon receipt of a written request from the borrower:

   a. COD Customer Service manually closes an MPN via the COD web site.

   b. When an MPN is closed, a confirmation letter is sent to the borrower.

2) No new awards can be linked to a closed MPN.

3) Awards that are already linked to a closed MPN can continue to use that MPN for the disbursement processing.

4) A closed MPN is reopened by the COD System only if the MPN was closed in error by COD.

5) An MPN that is reopened goes back to the MPN Status to which the note was assigned prior to being closed.

Generating a Master Promissory Note Response

A Master Promissory Note Response is generated by COD and sent to a school to provide the status of an MPN for Subsidized/Unsubsidized, Grad PLUS and PLUS loans.

The COD System sends MPN responses to all schools associated with an MPN. A school is associated with an MPN when it has a loan linked to that MPN and/or it is the school specified on the MPN.

MPN Responses also contain an MPN expiration date data element. The MPN expiration date will be transmitted in the `<MPNExpirationDate>` tag. This applies to ALL award years.

Business Rules:

1) MPN Responses are sent to the Attended school.

2) MPN Acknowledgments won't be sent to a school under the following conditions:

   a. The loan(s) from that school linked to the MPN has (have) been reduced to $0.

   b. The school has confirmed that it has completed processing (confirmed closeout) for the Direct Loan Award Year indicated on the MPN or in the loan record(s) from that school and the school has no award linked to that MPN in a year that is still "open."

   c. FSA has confirmed that the school has completed processing (confirmed closeout for the school) for the Direct Loan Award Year indicated on the MPN or in the loan record(s) from that school and the school has no award linked to that MPN in a year that is still "open."

   d. The date is beyond the annual July 31st processing deadline (closeout deadline) for the Direct Loan Award Year indicated on the MPN or in the loan record(s) from that school and the school isn't on Extended Processing and the school has no award linked to that MPN in a year that is still "open."

3) Schools will receive MPN Responses when the conditions above don't exist and:

   a. COD accepts an MPN and there are no existing awards.

   b. COD accepts an MPN and at least one award exists. The award(s) and MPN link.

   c. COD accepts an award and the MPN exists. The award and the MPN link.

      1. The MPN Response is sent to the school where the award originated.

      2. In this case, an MPN Response will only be sent to all associated schools if the linking results in an MPN Expiration Date change.

   d. The MPN Expiration Date changes due to:

      1. The acceptance of an actual disbursement within a year of COD's receiving the MPN.

      2. COD is notified that a loan associated with the MPN has been discharged due to death, unauthorized signature/unauthorized payment, or identity theft.

   e. The MPN Response will be sent to all schools associated with the MPN that have active awards (Award Amount and Disbursement Amounts > $0) or were listed on the MPN.

      1. If the school specified on the MPN is the same as the school where an active award originated, the school will not receive a separate response.

2. MPN responses sent to schools that do not have an award linked to their MPN, but the MPN is linked to an award from another school, will not receive the `<MPNLinkIndicator>` tag.

f. Award (active or inactive) and MPN exist on COD System and are unlinked. The MPN and award are manually linked.

1. The MPN Response will be sent to the school where the award was originated.

2. If the linking results in the expiration date of the MPN changing, all associated schools will receive an MPN Response.

g. Award and MPN exists on COD System and are unlinked. MPN and award are linked through SSIM.

1. The MPN Response will be sent to the school where the award was originated.

2. If the linking results in the expiration date of the MPN changing, all associated schools will receive an MPN Response.

h. When an MPN expiration date changes the COD system will send MPN Acknowledgement to all associated schools.

1. MPN Responses sent to schools that do not have an Award linked to their own MPN, but the MPN is linked to an award at a different school, will not receive the `<MPNLinkIndicator>` tag.

Note: The COD System does not generate Responses when an MPN is manually unlinked from an award or an MPN is unlinked due to a re-link of an award. No Response will be sent for a newly unlinked MPN if the expiration date is changed from "MPN Promissory Note Date/Signed field (MPN Received Date) + 3650" to "MPN Promissory Note Date/Signed field (Received Date) +365".

4) A COD system-generated MPN Response contains a Document Type of "PN." The Document Type indicates the type of Response.

5) A Response Document of Document Type "PN" contains a system-generated Document ID.

6) An MPN Response contains the following data elements in the Response complex element `<Response>`:

a. Document Status, `<DocumentStatusCode>`

b. Document Type, `<DocumentTypeCode>`

c. Processing Date, `<ProcessDate>`

7) In addition, the following data elements are in the MPN Response:

a. Award ID, `<AwardID>`

b. MPN Status, `<MPNStatusCode>`

c. MPN Link Indicator, `<MPNLinkIndicator>`

d. MPN ID, `<MPNID>`

e. Electronic MPN Indicator `<EMPNIndicator>` is part of the Response if an electronic MPN is filed by the borrower.

f. MPN Expiration Date, `<MPNExpirationDate>`

8) A Pending MPN is an accepted MPN, which cannot yet be linked with a loan award record. (No accepted Origination record on file.)

An e-MPN Indicator= "true" on an MPN Response identifies that the loan has been linked to an e-MPN.

Example:

Below is a sample paper **MPN Response**:

```
<CommonRecord>
<DocumentID>2008-07-10T09:09:09.00000632</DocumentID>
      <CreatedDateTime>2008-07-10T09:09:09.00</CreatedDateTime>
      <Source>
            <COD EntityID="00000001"/>
      </Source>
      <Destination>
            <School EntityID="00000632"/>
      </Destination>
<FullResponseCode>F</FullResponseCode>
      <ReportingSchool EntityID="00000632">
            <AttendedSchool EntityID="00000632">
                  <Student SSN="123456789" BirthDate="1973-01-01" LastName="SMITH">
                        <DLUnsubsidized>
                              <FinancialAwardYear>2009</FinancialAwardYear>
                              <LoanKey>01</LoanKey>
                              <NoteMessage>722411</NoteMessage>
                              <FinancialAwardID>123456789U09G12345001</FinancialAwardID>
                              <Response>
                                    <ResponseCode>A</ResponseCode>
                                    <EMPNIndicator>False</EMPNIndicator>
                                    <MPNID>123456789M09G12345001</MPNID>
                                    <MPNStatusCode>A</MPNStatusCode>
                                    <MPNLinkIndicator>True</MPNLinkIndicator>
                                    <MPNExpirationDate>2018-07-10</MPNExpirationDate>
                              </Response>
                        </DLUnsubsidized>
                        <Response>
                              <ResponseCode>A</ResponseCode>
                        </Response>
                  </Student>
                  <Response>
```

```
                        <ResponseCode>A</ResponseCode>
                  </Response>
            </AttendedSchool>
            <Response>
                  <ResponseCode>A</ResponseCode>
            </Response>
      </ReportingSchool>
      <Response>
            <DocumentTypeCode>PN</DocumentTypeCode>
            <DocumentStatusCode>A</DocumentStatusCode>
            <ProcessDate>2008-07-15</ProcessDate>
      </Response>
</CommonRecord>
```

Direct Loan PLUS and Grad PLUS Credit Check

Requesting a PLUS and Grad PLUS Credit Decision

Schools can request a PLUS and Grad PLUS Credit Decision on the COD web site.

Business Rules:

1) The COD web site provides the ability for schools to request a credit decision for a PLUS or Grad PLUS loan borrower.

2) Results of the credit decision request are displayed on the COD web site.

3) If a credit check has been performed on the borrower within 90 days of the current date, the COD web site does not perform a subsequent credit check.

4) PLUS and Grad PLUS Borrowers can appeal an adverse credit decision.

Credit Decision Appeal Process

Historically, PLUS borrowers have had the ability to appeal an adverse credit decision when applying for a PLUS loan through the Loan Origination Center (LOC). This process continues for the 2003-2004 award year and forward with the exception of the appeals being processed through the Common Origination and Disbursement (COD) System. Additionally, this process is now applicable for the Grad PLUS loan for the 2005-2006 award year and forward.

Business Rules:

1) The COD School Relations Center manages the credit decision appeal process for the COD System.

2) All credit decision appeals process documentation should be mailed to:

   US Department of Education
   COD School Relations Center
   Attn: Applicant Services
   PO BOX 9002
   Niagara Falls, NY 14302

3) The COD System allows a subsequent credit check to be performed for a borrower within 90 days of an adverse credit decision when authorized by a credit decision appeal process.

Generating Credit Decision Override Responses

When a PLUS or Grad PLUS borrower requests a credit decision override or submits an Endorser Addendum, a Credit Decision Override Response is generated by the COD System and sent to the school. This response provides the credit decision status of the override or endorser.

Business Rules:

1) A Credit Decision Override Response is generated by the COD System and sent to a school to provide the status of a credit override or the credit decision results of an endorser.

2) A COD system-generated Credit Decision Override Response contains a Document Type of "CO." The Document Type indicates the type of Response.

3) A Response Document of Document Type "CO" contains a system-generated Document ID.

4) A Credit Decision Override Response contains the following data elements in the Response complex element `<Response>`:

    a. PLUS or Grad PLUS Credit Decision Override Code, `<CreditOverrideCode>`

    b. PLUS or Grad PLUS Credit Decision Date, `<CreditDecisionDate>`

    c. Document Type Code, `<DocumentTypeCode>`

    d. Process Date, `<ProcessDate>`

    e. MPN Status Code, `<MPNStatusCode>`

    f. MPN ID, `<MPNID>`

    g. MPN Link Indicator, `<MPNLinkIndicator>`

    h. EMPN Indicator, `<EMPNIndicator>` (only if eMPN)

    i. Endorser Amount, `<EndorserAmount>` (only if endorser exists on loan)

5) The Endorser Amount has been added to the Credit Decision Response to indicate the endorsed amount on the Endorser Addendum.

    a. The Endorser Amount indicates the total amount of the PLUS or Grad PLUS loan for which the endorser has agreed to co-sign.

    b. The sum of the disbursements for a PLUS or Grad PLUS loan with an endorser cannot be greater than the Endorser Amount.

Example:

Below is a sample Credit Decision Override Response:


```
<CommonRecord>
<DocumentID>2008-07-11T09:09:09.0012345678</DocumentID>
       <CreatedDateTime>2008-07-11T09:09:09.00</CreatedDateTime>
       <Source>
              <COD EntityID="00000001"/>
       </Source>
       <Destination>
              <School EntityID="00000632"/>
       </Destination>
       <FullResponseCode>F</FullResponseCode>
       <ReportingSchool EntityID="00000632">
              <AttendedSchool EntityID="00000632">
                     <Student SSN="123456789" BirthDate="1973-01-01" LastName="SMITH">
                            <DLPLUS>
                               <FinancialAwardYear>2009</FinancialAwardYear>
                               <NoteMessage>722411</NoteMessage>
                               <FinancialAwardNumber>001</FinancialAwardNumber>
                               <FinancialAwardID>123456789P09G12345001</FinancialAwardID>
                               <Borrower SSN="123456789" BirthDate="1943-01-01" LastName="SMITH"/>
                               <Response>
                                   <ResponseCode>A</ResponseCode>
                                   <EMPNIndicator>False</EMPNIndicator>
                                   <MPNID>123456789N09G12345001</MPNID>
                                   <MPNStatusCode>A</MPNStatusCode>
                                   <MPNLinkIndicator>true</MPNLinkIndicator></Response>
                                   <EndorserAmount>1000.00</EndorserAmount>
                                          <CreditDecisionDate>2008-07-11</CreditDecisionDate>
                                          <CreditOverrideCode>E</CreditOverrideCode>
                               </Response>
                            </DLPLUS>
                            <Response>
                                   <ResponseCode>A</ResponseCode>
                            </Response>
                     </Student>
                     <Response>
                            <ResponseCode>A</ResponseCode>
                     </Response>
              </AttendedSchool>
              <Response>
                     <ResponseCode>A</ResponseCode>
              </Response>
       </ReportingSchool>
       <Response>
              <DocumentTypeCode>CO</DocumentTypeCode>
              <DocumentStatusCode>A</DocumentStatusCode>
              <ProcessDate>2008-07-11</ProcessDate>
       </Response>
</CommonRecord>
```

Direct Loan Entrance/Exit Interview

Requesting an Entrance Counseling File/Report

See *Volume VI, Section 8 – COD Reports*

Requesting an Exit Counseling File/Report

See *Volume VI, Section 8 – COD Reports*

Direct Loan Closeout

The COD System provides the ability for schools to perform end of program year closeout activities for award year 2002-2003 and forward.

Business Rules:

1) The COD System generates a (Zero) Balance Confirmation Letter based on the greatest loan period end date for all Direct Loan awards for that school within a specific award year.

    a. This letter includes the following variables:

        i. Net Loan Detail

        ii. Ending Cash Balance

        iii. Unbooked Loan Amount
        Note: Unbooked Loan Amount will not apply for the 2008-2009 award year and forward.

        iv. Latest Loan Period End Date reported by the school for the award year.

    b. This letter informs the school that if the school is not finished processing, they need to be aware that they are at least X number of days, or 90 days, past their latest reported loan period end date.

2) The COD System sends via email the (Zero) Balance Confirmation Letter to the schools:

    a. This letter is sent via email to the Financial Aid Administrator of those schools that have a valid email address on file.

    b. The COD System records the receipt of the email when it is received by the school as well as when the email has been read by the Financial Aid Administrator.

    c. If the email address comes back as undeliverable, a letter is sent to the Financial Aid Administrator.

    d. If there is no email address, a letter is sent to the Financial Aid Administrator.

3) When the school indicates a Yes, that they agree with the Balance Confirmation Letter that they have a zero balance, the COD System does the following:

    a. Updates a flag indicating that the school has completed processing for the specific award year.

    b. Generates and sends a Program Year Closeout letter to the school confirming that the school has agreed that the balances given on the Balance Confirmation Letter are true,

the balances have not changed, and the school is now considered to be closed out for the requested program and award year.

i. This is a paper letter addressed to the President of the school with a copy sent to the Financial Aid Director.

c. Discontinues transmission of school level reports for that program and award year.

4) Reduces the school's CFL for that program and award year to the Amount of Total Net Cash.

5) When the school indicates a No, that they disagree with the balances in the Balance Confirmation Letter, the COD System regenerates the (Zero) Balance Confirmation Letter after X number of future days as specified by FSA.

6) Once the school has been closed out for a specific award year, the COD System does not accept award, disbursement, or change records from that school for that award year.

7) Once the school has been closed out for a specific award year, the school is unable to draw down additional funds for that program and award year.

Pell Grant Award and Disbursement Process

Pell Grant Correction Edits can be Treated as Rejects

The COD System provides an option for the processing of Pell Grant data that allows schools to choose if they want to accept corrections to the Pell Grant data they submit to the COD System, or if they would rather have the data rejected.

Business Rules:

1) Schools may select an option to have Pell Grant data that fails edits rejected rather than receive corrections for that data.

2) This option applies to all edits that are marked as an Edit Type C/R in *Volume II, Section 4 – Edits* within this Technical Reference.

3) Both corrections and rejections utilize the same edit number to indicate which edit was set; the Response Indicator differentiates between corrected and rejected.

4) When returning Response Document files, the COD System returns an edit code, the field it pertains to and the value submitted for rejected data

5) When returning Response complex elements, the COD System returns an edit code, the field to which it pertains, and the corrected value.

6) Unless the School contacts the COD School Relations Center to change this option, the COD System will correct their data.

7) In order to change this option, the school must contact COD School Relations.

Reporting Pennies in the Award and Disbursement Amount Data Elements

The Award and Disbursement Amounts on the Common Record may include pennies. In the Pell Grant Program, pennies can be reported as partial dollars or two zeros.

Business Rules:

1) The data elements for Award and Disbursement Amounts on the Common Record may include two digits to the right of a decimal point.

2) When the reported amount does not include a decimal point, the COD System infers a decimal point and two zeros to the right of the last digit reported. For example, if a school reports 1000, the COD System infers a decimal and two zeros and stores as 1000.00.

3) In the Pell Grant Program, schools may report partial dollars **(3500.32)** OR zeros in the last two digits **(3500.00)** for Award Amount and Disbursement Amount

OR

4) Report the whole dollar amount only **(3500)** and the COD System infers the decimal point and two zeros and stores as **(3500.00)**.

5) The Award and Disbursement Amount data elements are:

    a. Award Amount, `<FinancialAwardAmount>`

    b. Disbursement Amount, `<DisbursementAmount>`

6) When performing edits on the Award Amount, COD calculates the Pell Award Amount using the data provided by the school. If the COD calculated Award Amount contains partial dollar amounts, COD rounds up this Award Amount to the next whole dollar amount. This is the COD calculated Award Amount. COD compares the COD calculated Award Amount to the Award Amount `<FinancialAwardAmount>` reported by the school.

    a. If the school reported Award Amount is less than or equal to the COD calculated Award Amount, COD accepts the Award Amount.

    b. If the school reported Award Amount is greater than the COD calculated Award Amount, COD either:

        (i) Rejects the school reported Award Amount, if the school has selected the option to have its Pell data rejected

        OR

        (ii) Corrects the school reported Award Amount, if the school has selected the option to have its Pell data corrected.

Example:

When reporting a Pell Grant Award Amount of $1250.34:

1) Include the decimal point and two digits to the right: 1250.34
    OR
2) Include the decimal point and two zeroes to the right: 1250.00
    OR
3) Omit the decimal point and report the whole dollar amount only: 1250

Then, the COD System infers a decimal and two zeros and stores 1250**.**00.

DO NOT submit 125000 as the COD System infers a decimal and stores this submission as 125000.00.

Establishing Pell Grant Award Information

Award information submitted to the COD System for a student from a specific Attended School applies to the entire award year for that student.

Business Rules:

1) The COD System establishes only one set of Pell Grant Award information per Attended School Entity ID per student per award year.

    a. The first submission of Award information that is accepted by the COD System establishes the Pell Grant award for the student for that Attended School Entity ID for that award year.

    b. Subsequent submissions of Award information for that student, Attended School Entity ID, and award year are treated as an update to the original accepted data.

2) Pell Grant Award Amounts that establish the award cannot be zero on first submission.

3) The following data elements are optional for establishing a Pell Grant Award:

    a. Academic Calendar Code

    b. Payment Methodology Code

    c. Weeks Used Calculate

    d. Weeks Program Academic Year

    e. Hours Award Year

    f. Hours Program Academic Year

    Note: The COD System will **not** edit on these fields. All data submitted in these fields will be ignored by the COD System.

4) For the 2004-2005 award year and forward, the COD System will calculate the Scheduled Federal Pell Grant for both the Regular and Low Tuition Payment Schedules using the 'Fulltime' Pell Payment Schedule.

    Note: For the 2007-2008 award year and forward, the Low Tuition Payment Schedule will no longer be used.

5) For the 2002-2003 award year and forward, the COD System uses the CPS Transaction Number submitted with the Award information to pull the EFC reported for the student from the CPS and determine the student's Scheduled Federal Pell Grant. The Scheduled Federal Pell Grant and the student's Percentage of Eligibility Used at any other Attended campus(es) is used to determine the student's maximum Award Amount for the entire award year.

6) The CPS Transaction Number reported in the Award information applies to all Pell Grant transactions for that award year.

7) The COD System uses the Scheduled Federal Pell Grant Payment and Disbursement Schedules, including the Low Tuition Payment and Disbursement Schedules, to calculate the Scheduled Award and validate the Award Amounts.

   Note: Refer to *Volume VI, Section 3 - Pell Grant Calculation Table* within this Technical Reference for the data elements and calculations that apply according to the Payment Methodology used by the School.

   Note: For the 2007-2008 award year and forward, the Low Tuition Payment and Disbursement Schedules will no longer be used.

8) If the Award Amount for the entire award year reported for the student exceeds the maximum Award Amount determined by the COD System, COD either corrects or rejects the Award Amount depending on the school's selected option.

   a. If rejected, the School must determine the correct Award Amount and resubmit to the COD System using the student's primary EFC.

   Note: Refer to the Pell Correction Edits to Be Treated as Rejection Edits section for more information.

9) If the Award information for a student changes, the School must submit the change to the COD System within 30 days of the date the School becomes aware of the change, or by the established Pell Grant reporting deadline, whichever comes first.

10) The COD System does not use the Award information to establish or adjust a school's Pell Grant CFL. Only actual Disbursement information submitted with a Disbursement Release Indicator set to "true" can change a school's Pell Grant CFL.

11) The COD System does not accept new Award information or increases to Award information after the established student award data submission deadline (September 30, 2009) unless the school has been granted extended processing from this deadline, has received administrative relief, and is resubmitting an award and/or disbursement for a POP situation, or reducing an award or disbursement.

12) The COD System always accepts Award and Disbursement decreases until the award year closes. For the 2008-2009 Award Year, the Pell Processing deadline is September 30, 2014.

13) For the 2005-2006 award year and forward, the Secondary Expected Family Contribution (EFC) can not be used to pay on a Pell Grant award and disbursement.

    a. The COD System ignores the Secondary EFC Indicator tag if submitted on an incoming record and edits the Award amount using the Primary EFC.

    b. The COD System does not return the Secondary EFC Indicator tag in the Response record on the incoming record.

14) A complete address is required to establish a Pell Grant award. However, these tags are not required to be submitted on the incoming record if it can be pulled from the CPS or the COD database.

a. Complete address

i. The data elements for a domestic address are:

1. Address `<AddressLine>`

2. City, `<AddressCity>`

3. State, `<AddressStateProvinceCode>`

4. Zip Code, `<AddressPostalCode>`

ii. The data elements for a foreign address are:

1. Address, `<AddressLine>`

2. City, `<AddressCity>`

3. Country Code, `<AddressCountryCode>`

b. If any of the address fields are blank, COD will attempt to pull these data elements from CPS or the COD database.

c. The COD System will pull the student address for the highest CPS transaction number for the most recent award year.

d. If a complete address cannot be found on CPS or the COD database, the Person and Award record will reject (Edit 021).

i. The school must resubmit the record with a complete address.

e. If a complete address is found on CPS or the COD database, the record will accept and the school will receive a warning message that a complete address exists on COD (Edit 120).

Note: Phase-In addresses can always be added by using the COD web site. For assistance or questions, contact the COD School Relations Center.

Disbursement Sequence Number Required on all Disbursements

A Disbursement Sequence Number must be reported for all disbursements. This is an indicator of a single transaction associated with a specific disbursement number.

Business Rules:

1) The Disbursement Sequence Number determines the order in which the transaction must be processed for a given Disbursement Number.

2) The Disbursement Sequence Number must be reported in an incremental, ascending order.

3) The Disbursement Sequence Number valid values range from 01-99.

    a. Disbursement Sequence Numbers 01-65 are reported by schools.

    b. Disbursement Sequence Numbers 66-90 are reserved for COD system-generated adjustments to actual disbursements and actual disbursement information submitted online via the COD web site.

    c. Disbursement Sequence Numbers 91-99 are reserved for DCS Overpayments (in descending order).

4) The Disbursement Sequence Number must be reported as “01” when the Disbursement Release Indicator is set to “false”.

5) Duplicate Disbursement Sequence Numbers for the same Disbursement Number when the Disbursement Release Indicator is set to “true” are considered duplicate disbursement transactions.

6) When resubmitting a disbursement transaction that was rejected, the resubmission must use the same Disbursement Sequence Number that was rejected.

7) The `<DisbursementSequenceNumber>` tag is returned in the disbursement response complex element in all Full or Standard Common Record Responses.

8) The tag `<PreviousSequenceNumber>` is returned in all Common Record disbursement response complex elements with Disbursement Sequence Number greater than 01, including COD system-generated “ND”, “PS”, and “WB” responses, to indicate the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

Disbursement Release Indicator

The Disbursement Release Indicator, formerly known as the Payment Trigger tag, is used to identify disbursements that are used to substantiate cash that has been drawn down or may lead to a change in the CFL.

Business Rules:

1) Disbursement information is submitted to the COD System with a Disbursement Release Indicator equal to “true” or “false.”

2) Disbursements with a Disbursement Release Indicator set to “false” do NOT change the CFL. False indicates anticipated disbursement information.

3) Disbursements with a Disbursement Release Indicator set to “true” may change the CFL. True indicates actual disbursement information.

4) If the Disbursement Release Indicator is omitted from the Common Record, the COD System sets it to “false.”

5) Depending on the funding method employed by the school, the COD System may accept Disbursement information with Disbursement Release Indicator set to “true” in advance of, on, or after the disbursement date.

   Note: Refer to the topic entitled “Submitting Pell Grant Disbursement Information and Disbursement Release Indicator” for more information.

6) If the Disbursement Release Indicator is set to “true,” the disbursement is processed only if the required tags in the Disbursement complex element are complete.

   Note: For information on the required tags in the Disbursement complex element, refer to the topic entitled “Minimum Data Elements Required for Document Processing”.

7) A Disbursement Release Indicator set to “true” cannot be updated to “false.”

8) To make an adjustment to an accepted and posted actual disbursement, the Disbursement Release Indicator must be set to “true”.

   Note: Refer to topic entitled “Updating and Adjusting Pell Grant Disbursement Amounts and Dates” for more information.

9) The Disbursement Release Indicator can be updated and disbursements can be generated, updated and adjusted on the COD web site.

Submitting Pell Grant Disbursement Information and Disbursement Release Indicator

The COD System can accept Pell Grant Disbursement information in advance of, on, or after the disbursement date.

Business Rules:

1) Disbursement Date is defined as the date cash was credited to the student’s account or paid to the student directly.

2) The COD System must accept an Award Amount greater than zero ($0) before it can accept Disbursement information for that student.

   Note: Award and Disbursement information can be submitted and accepted in the same transmission.

3) A student can have up to 20 disbursements (Numbers 1-20)

4) Pell Grant Disbursement Amounts cannot be zero on first submission.

Note: Refer to the topic entitled "Updating and Adjusting Pell Grant Disbursement Amounts and Dates" for more information.

5) Disbursement Date may range from 2008-01-14 (January 14, 2008) to 2014-09-30 (September 30, 2014).

   IMPORTANT: The earliest date on which an institution may disburse a Pell Grant, either with Federal funds or its own funds, is the date of the publication of the Pell Payment and Disbursement Schedules for 2008-2009, January 14, 2008 for the 2008-2009 award year. However, COD will not be able to accept 2008-2009 actual disbursement date data (DRI = true) until May 19, 2008.

6) Schools must submit actual disbursements with Disbursement Sequence Number = 01 within 30 days of the disbursement date.

7) Schools will only receive warning Edit 055 "Disbursement Information Received 30 Days or More After Date of Disbursement,' in the following conditions;

   a. Disbursement Sequence Number = 01 AND

   b. Disbursement Information received and processed more than 30 days later than the Disbursement Date reported on the record, AND

   c. Disbursement Release Indicator (DRI) = "true"

   Note: This edit no longer triggers for adjustments to actual disbursements (Disbursement Sequence Number not equal to 01)

8) The COD System accepts Disbursement information for anticipated disbursements (DRI = false) and actual disbursements (DRI = true).

   a. The required data elements for a Pell Grant anticipated disbursement are:

      i. Disbursement Number, `<Disbursement Number= " ">`

      ii. Disbursement Amount, `<DisbursementAmount>`

      iii. Disbursement Date, `<DisbursementDate>`

      iv. Disbursement Release Indicator set to "false", `<DisbursementReleaseIndicator = ″false″>`

   b. The required data elements for an actual Pell Grant disbursement are:

      i. Disbursement Number, `<Disbursement Number= " ">`

      ii. Disbursement Amount, `<DisbursementAmount>`

      iii. Disbursement Date, `<DisbursementDate>`

iv. Disbursement Release Indicator set to “true,” `<DisbursementReleaseIndicator = “true”>`

v. Disbursement Sequence Number, `<DisbursementSequenceNumber>`

9) When reporting a disbursement adjustment to the COD System, replacement Disbursement Amounts must be reported rather than the amount of the reduction or increase to the existing Disbursement Amount.

10) Pell Grant CFL changes, if applicable, are driven by:

a. Disbursement Date, `<DisbursementDate>`

b. Disbursement Release Indicator set to “true,” `<DisbursementReleaseIndicator = “true”>`

11) Depending on the funding method employed by the school, the COD System may accept Disbursement information in advance of, on, or after the disbursement date.

12) Schools designated as Advanced Funded may submit a Disbursement Release Indicator set to “true” up to 30 calendar days before the Disbursement Date.

a. If the current date exceeds 30 calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System rejects the disbursement with error code 051.

b. If the current date is within eight (8) to 30 calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System accepts the disbursement, but does not post the disbursement until seven (7) calendar days before the Disbursement Date.

c. If the current date is within seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true”, the COD System accepts and posts the disbursement.

Example for Schools Designated as Advanced Funded:

Date Sent	Disbursement Number	Sequence Number	Disbursement Date	Disbursement Amount	Disbursement Release Indicator	Result
08/15/2008	01	01	09/08/2008	$1500.00	true	Posted on 9/1/08 (7 calendar days before disbursement date)
02/01/2009	02	01	02/07/2009	$1500.00	true	Posted on 2/1/2009 (7 calendar days before disbursement date)
03/01/2009	03	01	06/01/2009	$500.00	true	Disbursement rejected; School must resubmit

						Disbursement information within 30 calendar days of Disbursement Date.

13) Schools designated as Pell Pushed Cash or Just-In-Time and/or placed on Cash Monitoring 1 (HCM1) review status by the School Participation Team may submit a Disbursement Release Indicator set to "true" up to 7 calendar days before the disbursement date.

    a. If the current date exceeds seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System rejects the disbursement with error code 051.

    b. If the current date is within seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System accepts and posts the disbursement.

Example for Schools Designated as Pell Just-in-Time (JIT) or Cash Monitoring 1 (HCM1):

Date Sent	Disbursement Number	Sequence Number	Disbursement Date	Disbursement Amount	Disbursement Release Indicator	Result
08/15/2008	01	01	09/08/2008	$1500.00	true	Disbursement rejected; School must resubmit Disbursement information within 7 calendar days of Disbursement Date.
02/01/2009	02	01	02/07/2009	$1500.00	true	Posted on 2/1/2009 (7 calendar days before disbursement date)

14) Schools designated as in the Reimbursement or Cash Monitoring 2 (HCM2) review status can submit a Disbursement Release Indicator set to "true" if the current date is equal to or after the Disbursement Date.

    a. If the current date is before the Disbursement Date and the Disbursement Release Indicator is set to "true", the COD System rejects the disbursement with error code 051.

        i. If the current date is equal to or after the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System accepts and posts the disbursement upon review of documentation by the School Participation Team.

Example for Schools Designated as Reimbursement or Cash Monitoring 2 (HCM2):

Date Sent	Disbursement Number	Sequence Number	Disbursement Date	Disbursement Amount	Disbursement Release Indicator	Result
09/06/2008	01	01	09/08/2008	$1500.00	true	Disbursement rejected; School must resubmit Disbursement information on or after the Disbursement Date.
02/07/2009	02	01	02/07/2009	$1500.00	true	Posted on 2/7/2009 (On or after disbursement date, upon review of documentation by SPT)

Updating and Adjusting Pell Grant Disbursement Amounts and Dates

Disbursement Amounts and Dates must be changed using the same disbursement number, rather than reporting a new disbursement number.

Business Rules:

1) To change a Disbursement Amount and/or Disbursement Date, the following data elements are required:

   a. Disbursement Release Indicator, `<DisbursementReleaseIndicator = ″″>`

   b. Disbursement Number, `<Disbursement Number= ″″>`

   c. Disbursement Sequence Number, `<DisbursementSequenceNumber>`

   d. Disbursement Amount, `<DisbursementAmount>`

   e. Disbursement Date, `<DisbursementDate>`

2) When changing a disbursement already reported to COD, the same Disbursement Number must be reported.

3) When changing a disbursement with a Disbursement Release Indicator = “false,” the Disbursement Sequence Number must be set to “01.”

4) When changing a disbursement that already has a Disbursement Release Indicator = “true,” the Disbursement Sequence Number must be unique. The next sequential Disbursement Sequence Number must be reported.

5) Disbursement Sequence Numbers for a specific Disbursement Number must be used in sequential order within the range of 01-65.

6) The Previous Sequence Number for a specific Disbursement Number is returned on all disbursement responses with Disbursement Sequence Number greater than 01 and can be used to determine the next Disbursement Sequence Number.

7) When changing the Disbursement Amount, replacement Disbursement Amounts must be reported, rather than an adjustment to the existing Disbursement Amount.

   Note: Schools cannot report a negative disbursement amount on a Common Record document. A replacement disbursement amount MUST be reported.

8) Disbursement Date is always the date the cash was credited to the student's account or paid to the student directly for this specific Disbursement Number (Disbursement Sequence Number = 01). Disbursement Date is NOT the transaction date of the adjustment to the disbursement (Disbursement Sequence Number not equal to 01).

9) Schools must submit adjustments to actual disbursements (Disbursement Sequence Number not equal to 01) within 30 days of the transaction date.

   Note: Although it is not required to report the transaction date to the COD System, schools are advised to keep it for their records.

10) Pell Grant disbursement amounts can be adjusted to $0.

Example:

The following table illustrates the use of Disbursement Sequence Number and replacement Disbursement Amounts when making a change to an existing disbursement:

Disbursement Number	Sequence Number	Disbursement Date	Disbursement Amount	Accepted YTD Amount
01	01	09/01/2008	$2000.00	$2000.00
02	01	01/02/2009	$2000.00	$4000.00
02	02	01/02/2009	$1500.00	$3500.00

Processing System-Generated Pell Responses

COD system-generated Responses of Document Type "ND" (Negative Disbursement) are generated for several situations, including Verification Status Code W, Negative Pending Records, and Potential Overaward Process reductions.

Business Rules:

1) A Response Document of Document Type “ND” contains a system-generated Document ID.

2) The Response indicates the Disbursement Number to which the downward adjustment applies and a COD system-generated Disbursement Sequence Number between 66 and 90.

3) The Response contains the `<PreviousSequenceNumber>` indicating the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

   Note: Refer to the *Deobligation of Funds Due to Verification Status “W”, Negative Pending Records, and Potential Overaward Process* sections for more information.

Example:

Below is a sample **Negative Disbursement Response**:


```
<CommonRecord
 xmlns="http://www.ed.gov/FSA/COD/2006/v2.0e"
 xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
 xsi:schemaLocation="http://www.ed.gov/FSA/COD/2006/v2.0e CommonRecord2.0e.xsd"
>
<DocumentID>2008-03-24T13:46:05.0000000001</DocumentID>
<DeliveryInfo>
<SAIGHeadBatchId>00000000000000000000002008-03-24T13:46:05.0000000001</SAIGHeadBatchId>
<HeadDestNum>TG04111</HeadDestNum>
<HeadMsgClass>CRND09OP</HeadMsgClass>
<HeadNCNT>NCT=000000</HeadNCNT>
<SAIGTrailBatchId>00000000000000000000002008-03-24T13:46:05.0000000001</SAIGTrailBatchId>
<TrailDestNum>TG04111</TrailDestNum>
<TrailMsgClass>CRND09OP</TrailMsgClass>
<TrailNCNT>NCT=000000</TrailNCNT>
</DeliveryInfo>
<CreatedDateTime>2008-03-24T13:46:32.06</CreatedDateTime>
<Source>
<COD EntityID="00000001" />
</Source>
<Destination>
<School EntityID="10004111" />
</Destination>
<FullResponseCode>F</FullResponseCode>
<ReportingSchool EntityID="10004111">
<AttendedSchool EntityID="10004111">
<Student SSN="214985598" BirthDate="1968-12-27" LastName="MADDOG">
<Pell>
<FinancialAwardYear>2009</FinancialAwardYear>
<Response>
<ResponseCode>A</ResponseCode>
<YTDDisbursementAmount>0.00</YTDDisbursementAmount>
<TotalEligibilityUsed>000.000</TotalEligibilityUsed>
<ScheduledPellGrant>890.00</ScheduledPellGrant>
</Response>
<Disbursement Number="01">
<DisbursementAmount>0.00</DisbursementAmount>
<DisbursementDate>2008-04-01</DisbursementDate>
<DisbursementReleaseIndicator>true</DisbursementReleaseIndicator>
<DisbursementSequenceNumber>66</DisbursementSequenceNumber>
<Response>
<ResponseCode>A</ResponseCode>
<PreviousSequenceNumber>01</PreviousSequenceNumber>
</Response>
</Disbursement>
```

```
</Pell>
<Response>
<ResponseCode>A</ResponseCode>
</Response>
</Student>
<Student SSN="214985599" BirthDate="1968-12-28" LastName="MADDIZZLE">
<Pell>
<FinancialAwardYear>2009</FinancialAwardYear>
<Response>
<ResponseCode>A</ResponseCode>
<YTDDisbursementAmount>0.00</YTDDisbursementAmount>
<TotalEligibilityUsed>000.000</TotalEligibilityUsed>
<ScheduledPellGrant>1690.00</ScheduledPellGrant>
</Response>
<Disbursement Number="01">
<DisbursementAmount>0.00</DisbursementAmount>
<DisbursementDate>2008-04-01</DisbursementDate>
<DisbursementReleaseIndicator>true</DisbursementReleaseIndicator>
<DisbursementSequenceNumber>66</DisbursementSequenceNumber>
<Response>
<ResponseCode>A</ResponseCode>
<PreviousSequenceNumber>01</PreviousSequenceNumber>
</Response>
</Disbursement>
</Pell>
<Response>
<ResponseCode>A</ResponseCode>
</Response>
</Student>
<Response>
<ResponseCode>A</ResponseCode>
</Response>
</AttendedSchool>
<Response>
<ResponseCode>A</ResponseCode>
</Response>
</ReportingSchool>
<Response>
<DocumentTypeCode>ND</DocumentTypeCode>
<DocumentStatusCode>A</DocumentStatusCode>
<ProcessDate>2008-07-02</ProcessDate>
</Response>
</CommonRecord>
```


Reporting Verification Status Code

Valid values for the Verification Status Code tag are: “V”, “W”, and “S”.

Business Rules:

1) The COD System valid values for the Verification Status Codes are “V” (Verified), “W” (Without Documentation), and “S” (Selected, but Not Verified).

2) The Verification Status Code is required from a business standpoint but is an optional tag from a technical standpoint.

3) The Verification Status Code tag may be omitted from the Common Record only if the student is not selected for verification by CPS or if a selected CPS transaction was received by the school after the student was no longer enrolled.

   The verification status codes are “V”, “W”, and “S”. The conditions under which each verification status code should be used are as follows:

"V" is used when…
The school has verified the student.

"W" is used when…
The student was selected for verification by the Central Processing System (CPS) or by the school, and the school chose to pay a first disbursement of the Pell Grant without documentation as provided for in the regulations at 34 CFR 668.58. For students with a Verification Status Code of "W," the COD System only accepts one disbursement with a Disbursement Amount up to 50% of the student's Scheduled Federal Pell Grant. ***Note:*** The "W" code must be updated to "V" once verification is complete. If the code is not updated, the Pell Grant will be reduced to a zero dollar amount ($0.00) when Federal Student Aid performs a global reduction of disbursements for awards with a "W" status.

"S" is used when…
The CPS selected the student for verification, but the school did not verify the student for one of the following reasons: 1) The school was not required to verify the student in accordance with the exclusions from verification provided for in the regulations at 34 CFR 668.54(b). These exclusions are outlined in the *Application and Verification Guide* of the *Federal Student Aid Handbook* posted on the Information for Financial Aid Professionals (IFAP) Web site (http://www.ifap.ed.gov/IFAPWebApp/currentSFAHandbooksPag.jsp). 2) The school was not required to verify the student because it had already reached the 30% verification threshold as provided for in the regulations at 34 CFR 668.54(a). 3) The school participates in the Quality Assurance Program, and the student's application did not meet the school's verification criteria established in accordance with the waiver of verification requirements in the Quality Assurance Program.

Note: A school does not need to submit a verification status code and should leave the field blank if the student was not selected for verification or if a selected transaction was received by the school after the student was no longer enrolled.

Schools can submit a null tag (`nil = "true"`) to remove or delete a Verification Status Code. Refer to the *Empty (Blank) and Null Tags* section of this Implementation Guide for additional information.

2) School reported Verification Status Code is compared against the verification indicator on the highest CPS transaction number for that student and that award year.

3) For the 2004-2005 award year and forward, schools may receive two tags on the Common Record Response based upon how the school reported Verification Status Code compares to the information on file with CPS.

    a. CPS Verification Indicator, `<CPSVerificationIndicator>`, is returned if the school submits a Verification Status Code of blank or "W" and the CPS verification indicator is "Y" on any CPS transaction for that award year.

    b. Highest CPS Transaction Number, `<HighestCPSTransactionNumber>`, indicates the highest CPS transaction number on file for the student for that award year. The tag is returned if any transaction number on file with CPS is greater than the school reported transaction number.

    Note: For more information about the CPS Verification Indicator and Highest CPS Transaction Number tags, please refer to *Volume II, Section 3 – Common Record Layout* of this Technical Reference.

5) The COD System generates a monthly Pell Verification Status Report that consists of those students with actual disbursements that have been selected for verification but for whom no verification activity has been reported to COD by the school.

    Note: For more information about the Pell Verification Status Report, please refer to *Volume VI, Section 8 – COD Reports* of this Technical Reference.

Deobligation of Funds Due to Verification Status "W"

Upon request by FSA, the COD System can send warning messages and generate CFL decreases for schools that have students with Verification Status Codes of "W" (Without Documentation).

Business Rules:

1) Upon request by FSA, the COD System produces and sends a list of students at the School with a Verification Status of "W" and sends a warning to the School that it must take action.

    a. The COD System lists the students with a Verification Status of "W" alphabetically by Last Name, by Attended School in the Reconciliation Report.

        i. The Reconciliation Report is sent to the school's SAIG mailbox using the following message class: PGRC09OP

    b. For Award Year 2007-2008 and prior, the text warning message indicates a date on which COD will reduce the students' YTD disbursements to zero ($0.00) if the School has not reported to COD an acceptable Verification Status Code for each student. *Please see example 1 for the Warning Cycle Text Message sent to schools via SAIG.*

        i. This warning message is sent to the school's SAIG mailbox using the following message class: `PGTX09OP`

ii. Appropriate award year is included in the text message.

c. For Award Year 2008-2009 and forward, the text warning message will contain both a cut-off date (Last Day to Accept W) and reduction date. The reduction date indicates a date on which COD will reduce the students' Pell Disbursements Totals to zero ($0.00) The cut-off date is the date when the COD system will stop accepting Pell origination and disbursement records if the Pell award has verification status of "W." *Please see example 2 for the Warning Cycle Text Message sent to schools via SAIG.*

i. This warning message is sent to the school's SAIG mailbox using the following message class: `PGTX09OP`

ii. Appropriate award year is included in the text message.

2) After the Reduction date indicated in the warning message upon request by FSA, the COD System reduces all disbursements for students with a Verification Status of "W" to zero ($0.00) and generates negative disbursements, these are sent to the school in a response document type of "ND."

a. The COD system-generated disbursements with a document type "ND" contain a Disbursement Sequence Number between 66 – 90

b. The COD system-generated Response with a document type "ND" contains the `<PreviousSequenceNumber>` tag indicating the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

3) The School's CFL is decreased as a result of the COD system-generated "ND" Response.

a. The COD System sends a text message to the School indicating the CFL decrease.

i. This text message is sent to the school's SAIG mailbox using the following message class: `PGTX09OP`.

ii. Appropriate award year is included in the text message.

b. The COD System sends a revised Electronic Statement of Account report to the school to reflect the CFL decrease.

4) For the 2008-2009 Award Year and forward, the COD System will reject all Pell Award originations, award increases, maintenance records which change the verification status of the Pell Award to "W", disbursements, or disbursement increases for awards with verification status of 'W' if the record is submitted after the Verification W cut-off date.

a. If a school submits a new Pell Award origination with a verification status of 'W' after the 2008-2009 Award Year Verification W cut-off date, the COD System will reject with Edit 145.

b. If a school submits an award amount increase to a Pell Award with a verification status of 'W' after the 2008-2009 Award Year Verification W cut-off date, the COD System will reject with Edit 145.

c. If a school attempts to change the existing verification status of a Pell Award to a value of "W" after the 2008-2009 Award Year Verification W cut-off date, the COD System will reject with Edit 145.

d. If a school submits a new Pell disbursement or disbursement increase for a Pell award with a verification status of 'W' after the 2008-2009 Award Year Verification W cut-off date, the COD System will reject with Edit 146.

   i. The date the batch is received by COD will be compared with the Verification W cut-off date.

   ii. Downward disbursements will continue to be accepted by the COD System after the Verification W cut-off date.

5) For the 2007-2008 Award Year and prior, once COD reduces a disbursement to zero due to Verification Status "W", the COD System does not accept any new Disbursement information, or changes to existing Disbursement information, submitted with a Verification Status of "W" for that Award.

   a. After the disbursements have been reduced to zero as a result of Verification W Status for an award, the COD System rejects any new disbursements or upward disbursement adjustments submitted with a Verification Status of W for that award with error code 114.

6) For the 2008-2009 Award Year and forward, once COD reduces a disbursement to zero due to Verification Status "W", the COD System will allow changes to existing Disbursement information submitted with a Verification Status of "W" for that Award until the Verification-W cut-off date.

7) To increase the disbursements from zero, the school must resubmit the disbursement information with the next sequential Disbursement Sequence Number and acceptable Verification Status Code of V, S or blank.

Examples:

EXAMPLE #1: Here is an example of a Warning Cycle Text Message sent to schools via SAIG for the 2007-2008 award year and prior:

Warning Cycle Text Message to SAIG

```
O*N01                                   73
O*N05TG51372      ,CLS=PGTX07OP,XXX,BAT=00000000000000000,NCT= 000000
GRANT HDR 0100#T20070010072003080308075 2                    20070803000000000000000000000000
```

WE HAVE JUST SENT YOU DATA ABOUT YOUR STUDENTS WITH A VERIFICATION STATUS CODE OF "W" (WITHOUT DOCUMENTATION) IN A SEPARATE SAIG MESSAGE CLASS PGRC07OP. THIS FILE CONTAINS A LISTING OF ALL OF YOUR RECIPIENTS THAT HAVE A "W" VERIFICATION STATUS CODE IN COD FOR AWARD YEAR 2006-2007. THE STUDENTS ARE LISTED BY ATTENDED CAMPUS AND ALPHABETICALLY BY LAST NAME. WE WILL REDUCE THESE STUDENTS' YEAR-TO-DATE DISBURSEMENTS TO ZERO ($0) IF YOU DO NOT REPORT AN ACCEPTABLE VERIFICATION STATUS CODE TO US BY DATE. AFTER DATE WE WILL NO LONGER ACCEPT ANY DISBURSEMENT DATA SUBMITTED

FOR STUDENTS WITH A VERIFICATION STATUS CODE “W” IN COD. ACCORDING TO OUR RECORDS YOU HAVE NUMBER STUDENTS WITH A VERIFICATION STATUS CODE OF “W”. THESE STUDENTS REPRESENT $AMOUNT IN PELL GRANT PAYMENTS. WE WILL REDUCE YOUR PELL GRANT AUTHORIZATION BY $AMOUNT IF YOU REPORT NO VERIFICATION UPDATES TO US.

```
GRANT TLR 0100#T20070010072003080308075200000000000000000P0000000000000000P000000
O*N95TG51372      ,CLS=PGTX07OP,XXX,BAT=00000000000000000,NCT= 000000
```

EXAMPLE # 2: Here is an example of a Warning Cycle Text Message sent to schools via SAIG for the 2008-2009 award year and forward:

```
O*N01                                73
O*N05TG51372      ,CLS=PGTX09OP,XXX,BAT=00000000000000000,NCT= 000000
GRANT HDR 0100#T2009001007200908030807 52                    2009080300000000000000000000000
```

WE HAVE JUST SENT YOU DATA ABOUT YOUR STUDENTS WITH A VERIFICATION STATUS CODE OF "W" (WITHOUT DOCUMENTATION) IN A SEPARATE SAIG MESSAGE CLASS PGTX09OP. THIS FILE CONTAINS A LISTING OF ALL OF YOUR RECIPIENTS THAT HAVE A "W" VERIFICATION STATUS CODE IN COD FOR AWARD YEAR 2008-2009. THE STUDENTS ARE LISTED BY ATTENDED CAMPUS AND ALPHABETICALLY BY LAST NAME. WE WILL REDUCE THESE STUDENTS' YEAR-TO-DATE DISBURSEMENTS TO ZERO ($0) IF YOU DO NOT REPORT AN ACCEPTABLE VERIFICATION STATUS CODE TO US BY REDUCTION DATE. AS OF CUT-OFF DATE WE NO LONGER ACCEPT ANY DISBURSEMENT DATA SUBMITTED FOR STUDENTS WITH A VERIFICATION STATUS CODE "W" IN COD. ACCORDING TO OUR RECORDS YOU HAVE NUMBER STUDENTS WITH A VERIFICATION STATUS CODE OF "W". THESE STUDENTS REPRESENT $AMOUNT IN PELL GRANT PAYMENTS. WE WILL REDUCE YOUR PELL GRANT AUTHORIZATION BY $AMOUNT IF YOU REPORT NO VERIFICATION UPDATES TO US.

```
GRANT TLR 0100#T2009001007200908030807520000000000000000000P0000000000000000000P000000
O*N95TG51372      ,CLS=PGTX09OP,XXX,BAT=00000000000000000,NCT= 000000
```

Negative Pending Records

If an update to Pell Grant Award information produces an Award Amount that is less than the total of all accepted and posted Disbursement Amounts for that award, the COD System creates a Negative Pending Record for that award. The Response contains the error code 040 and the Negative Pending Amount tag.

Business Rules:

1) If the total of all accepted and posted Disbursement Amounts (Disbursement Release Indicator = "true") exceed the Award Amount for a Pell Grant Award, the COD System creates a Negative Pending Record for that award.

2) The COD System includes the Negative Pending Amount tag in the Response.

    a. The Negative Pending Amount tag indicates the difference between the sum of all accepted and posted Disbursement Amounts and the Award Amount.

3) The COD System allows a Negative Pending Record to exist for 30 calendar days.

4) The COD System does not accept Disbursement information with a Disbursement Release Indicator of "true" that would result in an increase to the total accepted disbursements for an award with a Negative Pending Record at COD.

5) Within 30 calendar days of receiving a Negative Pending Amount on the Response, the school must either:

    a. Increase the Award Amount by at least the Negative Pending Amount. See EXAMPLE #1

    OR

    b. Decrease the Disbursement Amount by at least the Negative Pending Amount. See EXAMPLE #2

6) If within 30 calendar days the COD System does not receive a change to the Award Amount or Disbursement Amount that meets the conditions above, COD reduces the disbursement by an amount equal to the Negative Pending Amount and creates a negative disbursement. The system -generated Negative Disbursement is sent to the school in a Response with Document Type "ND."

7) The COD system-generated Negative Disbursement Response contains

   a. Disbursement Number

   b. Disbursement Date (original disbursement date)

   c. A COD system-generated Disbursement Sequence Number between 66 and 90

   d. The `<PreviousSequenceNumber>` tag indicating the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

   e. Adjusted Disbursement Amount

Examples:

The Pell Award = $1200 and the Initial accepted Disbursement = $1700. Thus, the Negative Pending Amount is $500.

EXAMPLE #1:

If the appropriate response is for the school to increase the Award Amount, the changed Award Amount must be $1700 or greater.

EXAMPLE # 2:

If the appropriate response is for the school to decrease the Disbursement Amount, the adjusted Disbursement Amount must be $1200 or less.

Concurrent Enrollment

A student may not receive a Pell Grant at two or more schools concurrently. When more than one Attended School reports disbursements for a student and the enrollment dates are within 30 calendar days of each other, the COD System identifies a potential concurrent enrollment and sends a warning message to all schools involved.

Business Rules:

1) A student may not receive a Pell Grant at two or more schools concurrently.

2) When the COD System receives disbursement information for a student from more than one Attended School for the same award year, the COD System checks whether the enrollment dates are within 30 calendar days of each other.

3) If a concurrent enrollment situation exists, the COD System sends the school that submitted the disbursement information Warning Edit 069 on their Response document.

4) The COD System sends the school that submitted the disbursement information and all other schools with accepted disbursement information in COD for the student and that award year, a Multiple Reporting Record (MRR).

Pell Potential Overaward Process (POP)

A student may receive disbursements from more than one Attended School during the course of an award year. When more than one Attended School reports disbursements for a student, the COD System checks to make sure that the student has not received more than 100% of his/her eligibility for a Federal Pell Grant. Section 690.65 of the regulations provides the basis for determining a student's remaining eligibility when another school has disbursed Pell Grant funds to the student:

- Calculate the percentage of Eligibility Used at each previous school by dividing the disbursements to the student at the school by the Scheduled Federal Pell Grant at that specific school;

- Calculate the percentage of Total Eligibility Used for the award year by adding the Eligibility Used for all schools the student previously attended;

- Calculate the Remaining Eligibility by subtracting the Total Eligibility Used from 100% (1.00000).

- The Remaining Eligibility is the percentage of the Scheduled Federal Pell Grant at the new school to which the student is entitled.

If the COD System receives disbursement information that places the student in a situation where he/she has received more than 100% of their Total Eligibility Used, the student has entered a Potential Overaward Process (POP) situation. In a POP situation, the COD System accepts the disbursement information and notifies all of the schools involved that the POP situation must be resolved within 30 calendar days. If after 30 calendar days the situation has not been resolved, the COD System generates a negative disbursement for all of the student's Pell disbursements at all schools for that award year. The eligible schools are then required to re-report accurate disbursement records to reinstate the student's disbursements.

Business Rules:

1) A student may not receive more than 100% of their eligibility for a Pell Grant.

2) A school to which a student transfers must determine the student's Total Eligibility Used, considering disbursements made and the Scheduled Federal Pell Grant at each school the student previously attended in the award year.

3) When the COD System receives disbursement information for a student from more than one Attended School for the same award year, the COD System checks whether the student has received more than 100% of their total eligibility for a Pell Grant.

4) If a Potential Overaward Process (POP) situation exists, the COD System sends the school that submitted the Disbursement Information a Response document containing:

a. Warning Edit 068 (Potential Overaward Project - Notice Sent Separately)

b. FSA Code value of 'PO' (PO = Pell POP) in the ED Use Flags field

c. Total Eligibility Used (TEU) value greater than 100.000%

5) The COD System sends the school that submitted the Disbursement Information and all other schools with accepted and posted Disbursement Information in COD for that student and that award year a Multiple Reporting Record (MRR).

   Note: For more information about the Multiple Reporting Record (MRR), please refer to *Volume VI, Section 8 – COD Reports* of this Technical Reference.

6) For 2004-2005 and forward the COD System sends a weekly Pell POP Report to schools that have an accepted actual disbursement for students that are in or have been in a POP situation for this award year.

   Note: For more information about the Pell POP Report, please refer to *Volume VI, Section 8 – COD Reports* section of this Technical Reference.

7) The COD System allows a POP situation to exist for 30 calendar days from the date the student entered the POP situation (defined as the date the MRR for the POP situation is created).

8) During the 30 day period, each school involved in the Potential Overaward must review the student's award and disbursements and apply the proper eligibility calculation.

9) During that 30 day period, the COD System can accept and post further disbursements that decrease or increase the student's year-to-date disbursement amount.

10) The COD System accepts Disbursement Information from no more than 3 schools for a student in a POP situation.

11) If the student remains in a POP situation after 30 calendar days, the COD System reduces all accepted and posted disbursements to zero ($0.00) for that student and that award year AT ALL SCHOOLS INVOLVED.

12) Each school that correctly paid the student Pell Grant funds must re-report the student's Disbursement Information to COD.

13) During the POP situation, the COD School Relations Center will take a proactive role in contacting the schools in a POP situation.

14) COD does not prevent the same schools from creating another POP situation for the same student

15) COD School Relations will escalate the issue should the same schools create another POP situation involving the same student.

Post-Deadline Processing (Extended Processing) and POP:

1) Post-deadline processing continues for five years after the September 30th award year processing deadline. Therefore, a school with extended processing can trigger a POP situation for a student in an award year that another school has already finished processing.

2) Schools are encouraged to pay close attention to Pell POP Reports and Multiple Reporting Records (MRRs) received after the processing deadline for a prior award year.

3) In order to ensure proper distribution of funds, the COD System will reduce all disbursements for that student and that award year for ALL schools involved in the POP situation, regardless of whether or not a school has extended processing for that award year.

4) Schools should work with Customer Service to resolve the POP situation during the 30 day period to prevent the COD System from negatively reducing disbursements after the processing deadline.

5) Schools do not need to request post-deadline processing to submit upward adjustment records after the end of the processing year in order to correct a POP situation.

6) The COD System accepts downward adjustments to disbursement or award information at any time.

7) Disbursement information can be submitted via the COD web site for those schools that do not wish, or are not able, to re-open any software they may have used to process the affected award year.

Pell Administrative Cost Allowance (ACA)

The COD System calculates and pays ACA amounts.

Business Rules:

1) The COD System calculates ACA amounts based on the number of unduplicated recipients at each Reporting campus.

2) The COD System pays ACA for students with at least one accepted and posted disbursement during the course of an award year.

3) The COD System disburses ACA multiple times during the award year.

4) The Administrative Cost Allowance processing option allows schools to indicate whether or not it will receive the Pell Administrative Costs Allowance (ACA) for each award year.

    a. The Administrative Cost Allowance processing option can be viewed on the COD web site

    b. Schools may contact COD School Relations to request that FSA change this option.

5) Unless a school declines ACA, it receives a text message indicating its unduplicated recipient count and the amount of ACA being paid.

6) The COD System pays each ACA amount directly into the School's bank account regardless of the Funding Methods used for CFL.

7) The COD System will process decreases in ACA obligations.

8) The COD System will generate and send an Electronic Statement of Account (ESOA) to the School's SAIG mailbox when they receive an ACA.

Post-Deadline Processing

The COD System provides Pell Grant post deadline processing for extended processing, audit adjustment, and resolution of POP situations. The Federal Pell Grant Program regulations at 34 CFR 690.83(a) establish the deadline by which a school must submit student payment data each award year. The data must be submitted to the Department by September 30 following the end of the award year in which the Pell Grant is made.

Business Rules:

1) After September 30th of the processing year, the COD System accepts and processes decreases to previously accepted award originations and decreases to previously accepted disbursements.

2) After September 30th of the processing year, the COD System accepts and processes originations and disbursements of new awards or award amount increases only if the student was in a POP situation during the Award Year OR the Department has granted Administrative Relief or Extended Processing for the Award Year.

    a. Unless one of the conditions are true, the COD System rejects new awards or award amount increases with error code 043 – New Award Amount or Award Increase Received After End of Processing Year and Institution has Not Been Granted Administrative Relief.

    b. Unless one of the conditions are true, the COD System rejects new disbursements or disbursement amount increases with error code 071 – New Disbursement Increase, or Payment Trigger to "Y" Received After End of Processing Year and Institution Has Not Been Granted Administrative Relief.

Pell Close-Out Processing

The COD System provides the ability for schools to perform end of program year closeout activities.

Business Rules:

1) Pell Grant close-out processing for the 2008-2009 award year starts after 10/01/2014.

2) The COD System does not allow processing after the close-out process begins, except for the production of final reports.

3) The COD web site displays selected data after the close-out process begins.

Academic Competitiveness Grant (ACG) Award and Disbursement Process

Overview

Eligibility for the ACG program is determined on both the school and student level. ACG records will only be accepted and processed if the school and the student meet all ACG eligibility rules.

School Eligibility

COD only processes ACG awards and disbursements submitted by eligible schools. The COD System verifies the attending school entity identifier is eligible for the ACG program before processing an ACG record.

Business Rules:

1) Schools eligible for the ACG program are two or four year degree-granting institutions (Program length code of 05, 06, 07, or 08) that are also Pell eligible.

    a. Beginning July 2008, Pell-eligible schools with program length codes of 11 or 12 will be eligible for the ACG program.

2) Schools must have reporting permission based on the reporting school entity identifier. If the school is ineligible to report, COD rejects the record (Edit 002, 100).

3) Attending schools can only submit ACG awards through reporting schools to which they have a valid relationship. COD rejects the ACG award if the attending school entity identifier has no established relationship to the reporting school entity identifier in the entity block (Edit 034).

4) If an attending school is eligible for the ACG program and the reporting school is ineligible for the ACG program, COD accepts and processes the record and returns warning edit (Edit 101).

5) If a school loses eligibility for the Pell program, it also loses eligibility for the ACG program. However, if a school loses eligibility for the ACG program, based on program length, it does not affect eligibility for the Pell program.

Student Eligibility

A student's eligibility for the ACG program will be determined by the school. To be eligible for an ACG award, the student must:

1) Be a full-time student;

2) Be a citizen of the United States

3) Be enrolled in a two or four year degree-granting institution of higher education

4) Have not been previously enrolled in a program of undergraduate education

5) Have completed high school after January 1, 2006, if a first-year student

6) Have completed high school after January 1, 2005, if a second-year student

7) Be Pell eligible for the same award year as submitted ACG award

8) Have a Student Level Code of 0, 1, or 2

9) For second year students, must have at least a 3.0 GPA on a 4.0 scale

10) Have a valid Eligibility/Payment Reason Code of 01, 02, or 03

    a. If the valid Eligibility/Payment Reason is equal to 01, must have a valid Rigorous High School Program Code

Note: Refer to *Volume VI, Section 9* for a list of valid Rigorous High School Program Codes.

Note: Refer to DCL GEN-06-08 for details on student eligibility.

ACG Data Will Not Be Corrected

Unlike the Pell Grant program, the COD System does not provide an option for the processing of ACG data that allows schools to choose if they want to accept corrections to ACG data they submit to the COD System. As such, ACG data that fails edits are rejected.

Reporting Pennies in the Award and Disbursement Amount Data Elements

The Award and Disbursement Amounts on the Common Record may include pennies. In the ACG Program, pennies can be reported as partial dollars or two zeros.

Business Rules:

1) The data elements for Award and Disbursement Amounts on the Common Record may include two digits to the right of a decimal point.

2) When the reported amount does not include a decimal point, the COD System infers a decimal point and two zeros to the right of the last digit reported. For example, if a school reports 1000, the COD System infers a decimal and two zeros and stores as 1000.00.

3) In the ACG Program, schools may report partial dollars (500.32) OR zeros in the last two digits (500.00) for Award Amount and Disbursement Amount

   OR

4) Report the whole dollar amount only (500) and the COD System infers the decimal point and two zeros and stores as (500.00).

5) The Award and Disbursement Amount data elements are:

   a. Award Amount, `<FinancialAwardAmount>`

   b. Disbursement Amount, `<DisbursementAmount>`

6) When performing edits on the Award Amount, COD calculates the ACG Award Amount using the data provided by the school. If the COD calculated Award Amount contains partial dollar amounts, COD rounds up this Award Amount to the next whole dollar amount. This is the COD calculated Award Amount. COD compares the COD calculated Award Amount to the Award Amount `<FinancialAwardAmount>` reported by the school.

   a. If the school reported Award Amount is less than or equal to the COD calculated Award Amount, COD accepts the Award Amount.

   b. If the school reported Award Amount is greater than the COD calculated Award Amount, COD rejects the school reported Award Amount

Example:
When reporting an ACG Award Amount of $250.34:

1) Include the decimal point and two digits to the right: 250.34
   OR
2) Include the decimal point and two zeroes to the right: 250.00
   OR
3) Omit the decimal point and report the whole dollar amount only: 250

Then, the COD System infers a decimal and two zeros and stores 250**.**00.

DO NOT *submit 25000 as the COD System infers a decimal and would reject this submission of 25000.00 as it exceeds the maximum award amount.*

Creating Financial Award ID and Financial Award Number

The Financial Award ID and Financial Award Number are used to uniquely identify an ACG Award.

Award ID

- The Award ID helps COD distinguish multiple awards for the same student at the same school for the same Award Year

Financial Award ID & Financial Award Number

- Elements of the Financial Award ID (21 characters)

– Current SSN
– Award Type (A=ACG)
– Award Year (09)
– Pell School ID (Attended School)
– Award Sequence Number (Financial Award Number)

Financial Award Number

- The last 3 positions of the Award ID
  - Schools should always use "001" as the financial award number when the award is the first award for the award year, regardless of the student's grade level or if award is ACG. See Examples below
  - Schools should always use "002" as the financial aid award number when the award is a second award (origination) for the same student, in the same award year, at the same school. See examples below:

Example 1 - Student A
Student level code of 1 receives an ACG Award $750
Fall Disbursement $375
Award ID xxxxxxxxxA09xxxxxx001
Financial Award Number 001

Spring Disbursement $375
Award ID xxxxxxxxxA09xxxxxx001
Financial Award Number 001

Example 2 - Student B
Student level code of 1 receives an ACG Award $750
Fall Disbursement $375
Award ID xxxxxxxxxA09xxxxxx001
Financial Award Number 001

Progresses to student level code of 2 receives an ACG Award $1300
Spring Disbursement $650
Award ID xxxxxxxxxA09xxxxxx002
Financial Award Number 002

Example 3 - Student C
Student level code of 2 receives an ACG Award $750
Fall Disbursement $375
Award ID xxxxxxxxxA09xxxxxx001
Financial Award Number 001

Progresses to student level code of 3 receives a National SMART Grant Award $4000
Spring Disbursement $2000

Award ID xxxxxxxxxT09xxxxxx001
Financial Award Number 001

NOTE: Do NOT confuse Financial Award Number with Disbursement Sequence Number as these are two different data elements with two different definitions.

The Pell program is award year specific and only allows one award for a student at a school per award year. In the ACG program, an award is Student Level/Grade Level specific; therefore, it is possible for a student to move from one level to the next in the same award year and get two different awards. COD implemented unique Award IDs in order to uniquely identify these awards. If the student's level is changing within the same award year for ACG, a new award will need to be submitted with a new sequence number in the Award ID. This could fall under two scenarios:

A. If the change in student level is being done because the student moved up a level, i.e. Jane Doe received an ACG award for Student Level 1 in 0809, then moved up to Student Level 2 within the same award year, the school would submit a new ACG award with a Student Level of 2. This award would also have to use a different Sequence Number in the Award ID.
B. The change in student level change is being done because it was submitted erroneously the first time, i.e. John Doe received an ACG award for Student Level 1 for AY 0809 when it should have been Student Level 2. The school would need to zero out the award and submit a new one with Student Level 2. The new award would have to use a different Sequence Number in the Award ID.

A school could submit two ACG awards with different Student Levels for a student in the same Common Record document provided the Award IDs are unique.

Establishing ACG Award Information

Award information submitted to the COD System for a student from a specific Attended School applies to the entire award year for that student.

NOTE: Unlike Pell, schools must submit a Financial Award ID and Financial Award Number to establish an ACG award. The Award ID format must be: SSN (9 characters), Award Type (A), Award Year (2 characters), Pell School ID (6 characters), and Award Sequence Number (3 characters). Characters 1-9 must be numeric, but there are no checks done to make sure it's the student's actual SSN. Position 10 represents the Award Type and must have a value of 'A' for ACG awards. Positions 11-12 must be numeric and represent the award year submitted. Positions 13-18 must be numeric, but there are no checks done to make sure it's a valid Pell School ID. Positions 19-21 must be numeric (i.e. '001', '002', etc.). The Financial Award Number must be the same as the last three numbers of the Financial Award ID. COD will reject an ACG award record if the Award ID is not 21 digits in length. COD will also reject an ACG award if the Award ID field is blank or does not follow the required format. The following is an example of a valid Award ID: `123456789|A|09|123456|001' submitted as '123456789A09123456001'.

The COD System will not allow schools to report a different Award Type in the Award ID than the Award Type in the Award Block. If a school submits an ACG record that reports the Award Type in the

Award ID as different from the Award Type indicated in the Award Block, COD will reject the record and return an edit to the school (Edit 035).

The COD System will not allow schools to report a different Award Year in the Award ID than the Award Year listed in the Award Information Block. If a school submits an ACG record that reports the Award Year of the Award ID as different from the Award Year indicated in the Award Information Block, COD will reject the record and return an edit to the school (Edit 035).

The COD System will not allow duplicate ACG Award IDs on the system. If a school submits an ACG origination and the ACG Award ID already exists on COD for a different award, COD will reject the award origination and return a reject edit to the school (Edit 033).

The COD System will reject an ACG award record if the Award Identifiers (Attended Entity ID, Award Year, and Award Number) already exist for this student and the school is trying to change the Award ID (Edit 033)."

Business Rules:

1) The first submission of Award information that is accepted by the COD System establishes the ACG award for the student for that Attended School Entity ID for that award year.

2) An ACG Award cannot be originated with an award equal to zero (Edit 042).

3) The maximum Award amount for all ACG awards at a single school cannot exceed the annual scheduled award:

    a. If the student level code is 0 or 1 (1st year), the maximum Award amount cannot exceed $750 (Edit 130)

    b. If the student level code is 2 (2nd year), the maximum Award amount cannot exceed $1,300 (Edit 130)

4) Student level code can span multiple award years.

5) Student level codes of 0 and 1 both indicate 1st year and when combined cannot exceed the annual scheduled award of $750.

6) The use of 0 or 1 as a valid value for the 1st year students is at the discretion of the school.

7) The following fields must be populated with a valid value in order to create an ACG award:

    a. Student SSN

    b. Date of Birth

    c. Last Name

d. Financial Award Year

e. Financial Award Number

f. Financial Award Amount

g. CPS Transaction Number

h. Enrollment Date

i. Eligibility/Payment Reason Code

j. Financial Award ID

k. Student Level Code

l. Rigorous High School Program Code (if Eligibility/Payment Reason Code is equal to 01)

m. Citizenship Status Code (COD will pull this value from CPS if not submitted on the Common Record)

8) A complete address is required to establish an ACG award. However, these tags are not required to be submitted on the incoming record if it can be pulled from the CPS or the COD database.

a. Complete address

   i. The data elements for a domestic address are:

      1. Address `<AddressLine>`

      2. City, `<AddressCity>`

      3. State, `<AddressStateProvinceCode>`

      4. Zip Code, `<AddressPostalCode>`

   ii. The data elements for a foreign address are:

      1. Address, `<AddressLine>`

      2. City, `<AddressCity>`

      3. Country Code, `<AddressCountryCode>`

b. If any of the address fields are blank, COD will attempt to pull these data elements from CPS or the COD database.

c. The COD System will pull the student address for the highest CPS transaction number for the most recent award year.

d. If a complete address cannot be found on CPS or the COD database, the Person and Award record will reject (Edit 021).

   i. The school must resubmit the record with a complete address.

e. If a complete address is found on CPS or the COD database, the record will accept and the school will receive a warning message that a complete address exists on COD (Edit 120).

9) Schools must report the same Award Type in the Award ID as the Award Type submitted in the Award Block (Edit 035).

10) Schools must report the same Award Year in the Award ID as listed in the Award Information Block (Edit 035).

11) The COD System does not allow duplicate ACG Award IDs on the system (Edit 033).

12) The COD System does not allow schools to originate an ACG award or adjust an ACG award amount if the Received Date is after the Latest Date to Accept a Common Record, unless the school has been granted extended processing.

Updating and Adjusting ACG Awards

Business Rules:

1) The following fields are required for making ACG award adjustments:

   a. Financial Award Type

   b. Financial Award Year

   c. Financial Award Number

   d. Financial Award Amount

   e. Financial Award ID

2) The COD System does not allow a change to the Student Level Code for an existing award (Edit 124).

   a. To change the Student Level Code, the school must first submit a record with an award amount equal to $0.

   b. The school can then send a new ACG origination with the new Student Level Code and award amount.

3) The COD System does not accept a change record with an award amount that is less than the sum of accepted funded disbursements (Edit 041).

Disbursement Sequence Number Required on all Disbursements

A Disbursement Sequence Number must be reported for all disbursements. This is an indicator of a single transaction associated with a specific disbursement number.

Business Rules:

1) The Disbursement Sequence Number determines the order in which the transaction must be processed for a given Disbursement Number.

2) The Disbursement Sequence Number must be reported in an incremental, ascending order.

3) The Disbursement Sequence Number valid values range from 01-99.

   a. Disbursement Sequence Numbers 01-65 are reported by schools.

   b. Disbursement Sequence Numbers 66-90 are reserved for COD system-generated adjustments to actual disbursements and actual disbursement information submitted online via the COD web site.

4) The Disbursement Sequence Number must be reported as “01” when the Disbursement Release Indicator is set to “false”.

5) When resubmitting a disbursement transaction that was rejected, the resubmission must use the same Disbursement Sequence Number that was rejected.

Submitting ACG Disbursement Information and Disbursement Release Indicator

The COD System can accept ACG Disbursement information in advance of, on, or after the disbursement date.

Business Rules:

1) Disbursement Date is defined as the date cash was credited to the student’s account or paid to the student directly.

2) The COD System must accept an Award Amount greater than zero ($0) before it can accept Disbursement information for that student.

Note: Award and Disbursement information can be submitted and accepted in the same transmission.

3) ACG Disbursement Amounts cannot equal zero on the first submission.

4) Disbursement Date may range from 2008-01-14 (January 14, 2008) to 2013-09-30 (September 30, 2013).

   IMPORTANT: The earliest date on which an institution may disburse an ACG Grant, either with Federal funds or its own funds, is the date of the publication of the Pell Payment and Disbursement Schedules for 2008-2009, January 14, 2008 for the 2008-2009 award year. However, COD will not be able to accept 2008-2009 actual disbursement date data (DRI = true) until May 19, 2008.

5) The COD System accepts Disbursement information for anticipated disbursements (DRI = false) and actual disbursements (DRI = true).

   a. The required disbursement data elements to process an anticipated ACG disbursement are:

      i. Disbursement Number, `<Disbursement Number= " ">`

      ii. Disbursement Amount, `<DisbursementAmount>`

      iii. Disbursement Date, `<DisbursementDate>`

      iv. Disbursement Release Indicator set to “false”, `<DisbursementReleaseIndicator = “false”>`

   b. The required disbursement data elements to process an actual ACG disbursement are:

      i. Disbursement Number, `<Disbursement Number= " ">`

      ii. Disbursement Amount, `<DisbursementAmount>`

      iii. Disbursement Date, `<DisbursementDate>`

      iv. Disbursement Release Indicator set to “true,” `<DisbursementReleaseIndicator = “true”>`

      v. Disbursement Sequence Number, `<DisbursementSequenceNumber>`

Note: Unlike Pell, schools must submit the Financial Award Number and Financial Award ID data elements when submitting disbursement information.

6) When reporting a disbursement adjustment to the COD System, replacement Disbursement Amounts must be reported rather than the amount of the reduction or increase to the existing Disbursement Amount.

7) Depending on the funding method employed by the school, the COD System may accept Disbursement information in advance of, on, or after the disbursement date.

8) Schools designated as Advanced Funded may submit a Disbursement Release Indicator set to “true” up to seven (7) calendar days before the Disbursement Date.

a. If the current date exceeds seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System rejects the disbursement with (Edit 51).

b. If the current date is within seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true”, the COD System accepts and posts the disbursement.

9) Schools placed on Cash Monitoring 1 (HCM1) review status by the School Participation Team may submit a Disbursement Release Indicator set to “true” up to 7 calendar days before the disbursement date.

   a. If the current date exceeds seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System rejects the disbursement with (Edit 51).

   b. If the current date is within seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System accepts and posts the disbursement.

10) Schools designated as in the Reimbursement or Cash Monitoring 2 (HCM2) review status can submit a Disbursement Release Indicator set to “true” if the current date is equal to or after the Disbursement Date.

   a. If the current date is before the Disbursement Date and the Disbursement Release Indicator is set to “true”, the COD System rejects the disbursement with (Edit 51).

      ii. If the current date is equal to or after the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System accepts and posts the disbursement upon review of documentation by the School Participation Team.

11) The COD System rejects an actual disbursement amount if the sum of the student’s disbursements exceeds 100% Eligibility Used for that award (Edit 135).

12) The COD System rejects an actual disbursement amount if the sum of the student’s disbursements for a specific Student Level Code, across all schools and award years, exceeds 100% of their Total Eligibility Used, determined by the Student Level Code and Award Year (Edit 134).

Calculating Eligibility Used and Total Eligibility Used

For Award Year 2008-2009 and forward, the COD System will calculate Eligibility Used (EU) and Total Eligibility Used (TEU) for all existing and incoming ACG awards. EU and TEU will be calculated slightly differently for ACG than it is for Pell. The EU calculation will be driven by Grade Level and Award Year. This is because students are allowed to have more then one ACG award at an Attended School within an Award Year. Also, a student can be in the same Grade Level for more than

one Award Year, and the Scheduled Award Amounts are subject to change from one year to the next. The COD System will perform the EU calculations for ACG follows:

EU % = 100% × (Sum of Actual Disbursements of Award - DMCS Repayments of Award) ÷ Scheduled Award Amount

Eligibility Used (EU) will be calculated for each award using Actual Disbursements, DMCS Repayments, and Scheduled Award Amount. Scheduled Award Amount is the maximum award amount by Grade Level and Award Year.

The TEU calculation will be driven by Grade Level and School. This is because a student can be in the same Grade Level for more than one Award Year and the Scheduled Award Amounts are subject to change from one year to the next. The COD System shall perform the TEU calculation for ACG as follows:

TEU % = Sum of ALL EU %'s at each applicable Grade Level across all award years and Schools

For the 2008-2009 Award Year and forward, the Total Eligibility Used will be populated in the ACG response file within the `<TotalEligibilityUsed>` field and the Year-To-Date disbursement amount will be populated in the `<YTDDisbursementAmount>` field.

Shown below are some examples illustrating how EU will be calculated.

Examples

Example #1: Award Origination, DMCS Repayment at a Single School

A Student at School B in Grade Level 1 is awarded an ACG award for the 2008-2009 Award Year. The student was referred to DMCS and has made a repayment. EU will be calculated as follows:

EU % = 100% × ($465.00 - $165.00) ÷ $750.00 = 38.0000%

Attended School	Grade Level	Award Year	Award Amount	Anticipated Disb Amount	Actual Disb Amount	DMCS Re-payments	Scheduled Award Amt	Eligibility Used
B	1	2008	650	200	450	165	750	38.0000%
Total Eligibility Used (Sum of all EU's) - Grade Level 1								**38.0000%**

Example #2: Award Origination, DMCS Repayment at a Single School

A Student at School A in Grade Level 2 is awarded an ACG award for the 2008-2009 Award Year. However the student's second disbursement would have caused the sum of his actual disbursements to exceed 100% of his Eligibility Used so the disbursement is rejected with Edit 137.

Attended School	Award Number	Disb Number	Grade Level	Award Year	Award Amount	Actual Disb Amount	Scheduled Award Amt	Eligibility Used	Accepted or Rejected
A	001	1	2	2008	1300	765	1300	58.8461%	A
A	001	2	2	2008	1300	545	1300	*41.9231%*	R 137

Total Eligibility Used (Sum of all EU's) - Grade Level 2	**58.8461%**	

Example #3: Award Origination across Multiple Award Years at Multiple Schools
A student has 4 ACG awards for Grade Levels 1 and 2 in the 2007-2008 and 2008-2009 Award Years. Suppose the Scheduled Grant Amount is increased from $750 to $850 in 2008-2009. TEU will be calculated as follows:

Grade Level 0 TEU % = (36.6666% + 38.8235% + 24.0000%) = 99.4901%
Grade Level 1 TEU % = (97.0000%) = 97.0000%

Award Number	Attended School	Grade Level	Award Year	Award Amount	Disbursement Amount	Scheduled Award Amt	Eligibility Used
001	A	1	2008	750	275	750	36.6666%
002	A	1	2009	850	330	850	38.8235%
003	B	1	2008	750	180	750	24.0000%
004	B	2	2009	850	825	850	97.0000%
Total Eligibility Used (Sum of all EU's) - Grade Level 1							**99.4901%**
Total Eligibility Used (Sum of all EU's) - Grade Level 2							**97.0000%**

Updating and Adjusting ACG Disbursement Amounts and Dates

Disbursement Amounts and Dates must be changed using the same disbursement number, rather than reporting a new disbursement number.

Business Rules:

1) To change a Disbursement Amount and/or Disbursement Date, the following data elements are required:

    a. Disbursement Release Indicator, `<DisbursementReleaseIndicator="">`

    b. Disbursement Number, `<Disbursement Number="">`

    c. Disbursement Sequence Number, `<DisbursementSequenceNumber>`

    d. Disbursement Amount, `<DisbursementAmount>`

    e. Disbursement Date, `<DisbursementDate>`

2) When changing a disbursement already reported to COD, the same Disbursement Number must be reported.

3) When changing a disbursement with a Disbursement Release Indicator = “false,” the Disbursement Sequence Number must be set to “01.”

4) When changing a disbursement that already has a Disbursement Release Indicator = “true,” the Disbursement Sequence Number must be unique. The next sequential Disbursement Sequence Number must be reported.

5) Disbursement Sequence Numbers for a specific Disbursement Number must be used in sequential order within the range of 01-65.

6) When changing the Disbursement Amount, replacement Disbursement Amounts must be reported, rather than an adjustment to the existing Disbursement Amount.

Note: Schools cannot report a negative disbursement amount on a Common Record document. A replacement disbursement amount MUST be reported.

7) Disbursement Date is always the date the cash was credited to the student's account or paid to the student directly for this specific Disbursement Number (Disbursement Sequence Number = 01). Disbursement Date is NOT the transaction date of the adjustment to the disbursement (Disbursement Sequence Number not equal to 01).

8) Schools must submit adjustments to actual disbursements (Disbursement Sequence Number not equal to 01) within 30 days of the transaction date.

Note: Although it is not required to report the transaction date to the COD System, schools are advised to keep it for their records.

9) ACG disbursement amounts can be adjusted to $0.

Deobligation of Funds Due to "No Pell"

Upon FSA request, the COD System can send warning messages and generate CFL decreases for schools that have students without accepted and funded Pell disbursements greater than $0 for that award year.

Business Rules:

1) Upon request by FSA, the COD System produces and sends a list of students at the School with no Pell Grants and sends a warning to the School that it must take action.

   a. The text warning message indicates a date on which COD will reduce the students' YTD disbursements to zero ($0.00) if the student does not have an accepted and funded Pell Disbursement.

      i. This warning message is sent to the school's SAIG mailbox using the following message class: `AGTX09OP`

      ii. Appropriate award year is included in the text message.

2) After the date indicated in the warning message upon request by FSA, the COD System reduces all disbursements for students with no Pell Grants to zero ($0.00) and generates negative disbursements, these are sent to the school in a response document type of "ND."

   a. The COD system-generated disbursements with a document type "ND" contain a Disbursement Sequence Number between 66 – 90

b. The COD system-generated Response with a document type “ND” contains the `<PreviousSequenceNumber>` tag indicating the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

3) The School’s CFL is decreased as a result of the COD system-generated “ND” Response.

a. The COD System sends a text message to the School indicating the CFL decrease.

i. This text message is sent to the school’s SAIG mailbox using the following message class: `AGTX09OP`.

ii. Appropriate award year is included in the text message.

b. The COD System sends a revised Electronic Statement of Account report to the school to reflect the CFL decrease.

National Science and Mathematics Access to Retain Talent (SMART) Grant Award and Disbursement Process

Overview

Eligibility for the National SMART Grant program is determined on both the school and student level. National SMART Grant records will only be accepted and processed if the school and the student meet all National SMART Grant eligibility rules.

School Eligibility

COD only processes National SMART Grant awards and disbursements submitted by eligible schools. The COD System verifies the attending school entity identifier is eligible for the National SMART Grant program before processing a National SMART Grant record.

Business Rules:

1) Schools eligible for the National SMART Grant program are four year degree-granting institutions (Program length code of 06, 07, or 08) that are also Pell eligible.

2) Schools must have reporting permission based on the reporting school entity identifier. If the school is ineligible to report, COD rejects the record (Edit 002, 100).

3) Attending schools can only submit National SMART Grant awards through reporting schools to which they have a valid relationship. COD rejects the National SMART Grant award if the attending school entity identifier has no established relationship to the reporting school entity identifier in the entity block (Edit 034).

4) If an attending school is eligible for the National SMART Grant program and the reporting school is ineligible for the National SMART Grant program, COD accepts and processes the record and returns warning edit (Edit 101).

5) If a school loses eligibility for the Pell program, it also loses eligibility for the National SMART Grant program. However, if a school loses eligibility for the National SMART Grant program, based on program length, it does not affect eligibility for the Pell program.

Student Eligibility

A student's eligibility for the National SMART Grant program will be determined by the school. To be eligible for a National SMART Grant award, the student must:

1) Be a full-time student;

2) Be a citizen of the United States

3) Be enrolled in a four year degree-granting institution of higher education

4) Be Pell eligible for the same award year as submitted National SMART Grant award

5) Have a Student Level Code of 3 or 4

6) Have at least a 3.0 GPA on a 4.0 scale

7) Have a valid Classification Instructional Program (CIP) Code (major of study)

Note: Refer to *Volume VI, Section 9* for a list of valid CIP Codes.

Note: Refer to DCL GEN-06-08 for details on student eligibility.

National SMART Grant Data Will Not Be Corrected

Unlike the Pell Grant program, the COD System does not provide an option for the processing of National SMART Grant data that allows schools to choose if they want to accept corrections to National SMART Grant data they submit to the COD System. As such, National SMART Grant data that fails edits are rejected.

Reporting Pennies in the Award and Disbursement Amount Data Elements

The Award and Disbursement Amounts on the Common Record may include pennies. In the National SMART Grant Program, pennies can be reported as partial dollars or two zeros.

Business Rules:

1) The data elements for Award and Disbursement Amounts on the Common Record may include two digits to the right of a decimal point.

2) When the reported amount does not include a decimal point, the COD System infers a decimal point and two zeros to the right of the last digit reported. For example, if a school reports 1000, the COD System infers a decimal and two zeros and stores as 1000.00.

3) In the National SMART Grant Program, schools may report partial dollars (500.32) OR zeros in the last two digits (500.00) for Award Amount and Disbursement Amount

   OR

4) Report the whole dollar amount only (500) and the COD System infers the decimal point and two zeros and stores as (500.00).

5) The Award and Disbursement Amount data elements are:

   a. Award Amount, `<FinancialAwardAmount>`

   b. Disbursement Amount, `<DisbursementAmount>`

6) When performing edits on the Award Amount, COD calculates the National SMART Grant Award Amount using the data provided by the school. If the COD calculated Award Amount contains partial dollar amounts, COD rounds up this Award Amount to the next whole dollar amount. This is the COD calculated Award Amount. COD compares the COD calculated Award Amount to the Award Amount `<FinancialAwardAmount>` reported by the school.

    a. If the school reported Award Amount is less than or equal to the COD calculated Award Amount, COD accepts the Award Amount.

    b. If the school reported Award Amount is greater than the COD calculated Award Amount, COD rejects the school reported Award Amount

Example:
When reporting a National SMART Grant Award Amount of $250.34:

1) Include the decimal point and two digits to the right: 250.34
OR
2) Include the decimal point and two zeroes to the right: 250.00
OR
3) Omit the decimal point and report the whole dollar amount only: 250

Then, the COD System infers a decimal and two zeros and stores 250**.**00.

DO NOT submit 25000 as the COD System infers a decimal and would reject this submission of 25000.00 as it exceeds the maximum award amount.

Creating Financial Award ID and Financial Award Number

The Financial Award ID and Financial Award Number are used to uniquely identify a National SMART Grant Award.

Award ID

- The Award ID helps COD distinguish multiple awards for the same student at the same school for the same Award Year

Financial Award ID & Financial Award Number

- Elements of the Financial Award ID (21 characters)
  - Current SSN
  - Award Type (T=National SMART Grant)
  - Award Year (09)
  - Pell School ID (Attended School)
  - Award Sequence Number (Financial Award Number)

Financial Award Number

- The last 3 positions of the Award ID
  - Schools should always use “001” as the financial aid award number when the award is the first award for the award year, regardless of the student’s grade level or if award is National SMART Grant. See Examples below
  - Schools should always use “002” as the financial aid award number when the award is a second award (origination) for the same student, in the same award year, at the same school, regardless of the student’s grade level or if award is National SMART Grant. See examples below:

Example 1 - Student A
Student level code of 3 receives a National SMART Grant Award $4000
Fall Disbursement $2000
Award ID xxxxxxxxxT09xxxxxx001
Financial Award Number 001

Spring Disbursement $2000
Award ID xxxxxxxxxT09xxxxxx001
Financial Award Number 001

Example 2 - Student B
Student level code of 3 receives a National SMART Grant Award $4000
Fall Disbursement $2000
Award ID xxxxxxxxxT09xxxxxx001
Financial Award Number 001

Progresses to student level code of 4 and receives a National SMART Grant Award $4000
Spring Disbursement $2000
Award ID xxxxxxxxxT09xxxxxx002
Financial Award Number 002

Example 3 - Student C
Student level code of 2 receives an ACG Award $750
Fall Disbursement $375
Award ID xxxxxxxxxA09xxxxxx001
Financial Award Number 001

Progresses to student level code of 3 receives a National SMART Grant Award $4000
Spring Disbursement $2000
Award ID xxxxxxxxxT09xxxxxx001
Financial Award Number 001

NOTE: Do NOT confuse Financial Award Number with Disbursement Sequence Number as these are two different data elements with two different definitions.

The Pell program is award year specific and only allows one award for a student at a school per award year. In the National SMART Grant program, an award is Student Level/Grade Level specific; therefore, it is possible for a student to move from one level to the next in the same award year and get two different awards. COD implemented unique Award IDs in order to uniquely identify these awards. If the student's level is changing within the same award year for National SMART Grant, a new award will need to be submitted with a new sequence number in the Award ID. This could fall under two scenarios:

A. If the change in student level is being done because the student moved up a level, i.e. Jane Doe received a National SMART Grant award for Student Level 3 in 0809, then moved up to Student Level 4 within the same award year, the school would submit a new National SMART Grant award with a Student Level of 4. This award would also have to use a different Sequence Number in the Award ID.
B. The change in student level change is being done because it was submitted erroneously the first time, i.e. John Doe received a National SMART Grant award for Student Level 3 for AY 0809 when it should have been Student Level 4. The school would need to zero out the award and submit a new one with Student Level 4. The new award would have to use a different Sequence Number in the Award ID.

A school could submit two National SMART Grant awards with different Student Levels for a student in the same Common Record document provided the Award IDs are unique.

Establishing National SMART Grant Award Information

Award information submitted to the COD System for a student from a specific Attended School applies to the entire award year for that student.

NOTE: Unlike Pell, schools must submit a Financial Award ID and Financial Award Number to establish a National SMART Grant award. The Award ID format must be: SSN (9 characters), Award Type (A), Award Year (2 characters), Pell School ID (6 characters), and Award Sequence Number (3 characters). Characters 1-9 must be numeric, but there are no checks done to make sure it's the student's actual SSN. Position 10 represents the Award Type and must have a value of 'T' for National SMART Grant awards. Positions 11-12 must be numeric and represent the award year submitted. Positions 13-18 must be numeric, but there are no checks done to make sure it's a valid Pell School ID. Positions 19-21 must be numeric (i.e. '001', '002', etc.). The Financial Award Number must be the same as the last three numbers of the Financial Award ID. COD will reject a National SMART Grant award record if the Award ID is not 21 digits in length. COD will also reject a National SMART Grant award if the Award ID field is blank or does not follow the required format. The following is an example of a valid Award ID: `123456789|T|09|123456|001' submitted as '123456789T09123456001'.

The COD System will not allow schools to report a different Award Type in the Award ID than the Award Type in the Award Block. If a school submits a National SMART Grant record that reports the Award Type in the Award ID as different from the Award Type indicated in the Award Block, COD will reject the record and return an edit to the school (Edit 035).

The COD System will not allow schools to report a different Award Year in the Award ID than the Award Year listed in the Award Information Block. If a school submits a National SMART Grant record that reports the Award Year of the Award ID as different from the Award Year indicated in the Award Information Block, COD will reject the record and return an edit to the school (Edit 035).

The COD System will not allow duplicate National SMART Grant Award IDs on the system. If a school submits a National SMART Grant origination and the National SMART Grant Award ID already exists on COD for a different award, COD will reject the award origination and return a reject edit to the school (Edit 033).

The COD System will reject a National SMART Grant award record if the Award Identifiers (Attended Entity ID, Award Year, and Award Number) already exist for this student and the school is trying to change the Award ID (Edit 033).

Business Rules:

1) The first submission of Award information that is accepted by the COD System establishes the National SMART Grant award for the student for that Attended School Entity ID for that award year.

2) A National SMART Grant Award cannot be originated with an award amount equal to zero (Edit 042).

3) The maximum Award amount for all National SMART Grant awards at a single school cannot exceed the annual scheduled award.

    a. If the student level code is 3 or 4 (3rd or 4th year), the maximum Award amount cannot exceed $4,000 (Edit 132).

4) Student level code can span multiple award years.

5) The following fields must be populated with a valid value in order to create an National SMART Grant award:

    a. Student SSN

    b. Date of Birth

    c. Last Name

    d. Financial Award Year

    e. Financial Award Number

    f. Financial Award Amount

    g. CPS Transaction Number

h. Enrollment Date

i. Program CIP Code

j. Financial Award ID

k. Student Level Code

l. Citizenship Status Code. (COD will pull this value from CPS if not submitted on the Common Record)

6) A complete address is required to establish a National SMART Grant award. However, these tags are not required to be submitted on the incoming record if it can be pulled from the CPS or the COD database.

a. Complete address

i. The data elements for a domestic address are:

1. Address `<AddressLine>`

2. City, `<AddressCity>`

3. State, `<AddressStateProvinceCode>`

4. Zip Code, `<AddressPostalCode>`

ii. The data elements for a foreign address are:

1. Address, `<AddressLine>`

2. City, `<AddressCity>`

3. Country Code, `<AddressCountryCode>`

b. If any of the address fields are blank, COD will attempt to pull these data elements from CPS or the COD database.

c. The COD System will pull the student address for the highest CPS transaction number for the most recent award year.

d. If a complete address cannot be found on CPS or the COD database, the Person and Award record will reject (Edit 021).

i. The school must resubmit the record with a complete address.

e. If a complete address is found on CPS or the COD database, the record will accept and the school will receive a warning message that a complete address exists on COD (Edit 120).

7) Schools must report the same Award Type in the Award ID as the Award Type submitted in the Award Block (Edit 035).

8) Schools must report the same Award Year in the Award ID as listed in the Award Information Block (Edit 035).

9) The COD System does not allow duplicate National SMART Grant Award IDs on the system (Edit 033).

10) The COD System does not allow schools to originate a National SMART Grant award or adjust a National SMART Grant award amount if the Received Date is after the Latest Date to Accept a Common Record, unless the school has been granted extended processing.

Updating and Adjusting National SMART Grant Awards

Business Rules:

1) The following fields are required for making National SMART Grant award adjustments:

   a. Financial Award Type

   b. Financial Award Year

   c. Financial Award Number

   d. Financial Award Amount

   e. Financial Award ID

2) The COD System does not allow a change to the Student Level Code for an existing award (Edit 124).

   a. To change the Student Level Code, the school must first submit a record with an award amount equal to $0.

   b. The school can then send a new National SMART Grant origination with the new Student Level Code and award amount.

3) The COD System does not accept a change record with an award amount that is less than the sum of accepted funded disbursements (Edit 041).

Disbursement Sequence Number Required on all Disbursements

A Disbursement Sequence Number must be reported for all disbursements. This is an indicator of a single transaction associated with a specific disbursement number.

Business Rules:

1) The Disbursement Sequence Number determines the order in which the transaction must be processed for a given Disbursement Number.

2) The Disbursement Sequence Number must be reported in an incremental, ascending order.

3) The Disbursement Sequence Number valid values range from 01-99.

   a. Disbursement Sequence Numbers 01-65 are reported by schools.

   b. Disbursement Sequence Numbers 66-90 are reserved for COD system-generated adjustments to actual disbursements and actual disbursement information submitted online via the COD web site.

4) The Disbursement Sequence Number must be reported as "01" when the Disbursement Release Indicator is set to "false".

5) When resubmitting a disbursement transaction that was rejected, the resubmission must use the same Disbursement Sequence Number that was rejected.

Submitting National SMART Grant Disbursement Information and Disbursement Release Indicator

The COD System can accept National SMART Grant Disbursement information in advance of, on, or after the disbursement date.

Business Rules:

1) Disbursement Date is defined as the date cash was credited to the student's account or paid to the student directly.

2) The COD System must accept an Award Amount greater than zero ($0) before it can accept Disbursement information for that student.

   Note: Award and Disbursement information can be submitted and accepted in the same transmission.

3) National SMART Grant Disbursement Amounts cannot equal zero on the first submission.

4) Disbursement Date may range from 2008-01-14 (January 14, 2008) to 2013-09-30 (September 30, 2013).

   IMPORTANT: The earliest date on which an institution may disburse a National SMART Grant, either with Federal funds or its own funds, is the date of the publication of the Pell Payment and Disbursement Schedules for 2008-2009, January 14, 2008 for the 2008-2009 award year. However, COD will not be able to accept 2008-2009 actual disbursement date data (DRI = true) until May 19, 2008.

5) The COD System accepts Disbursement information for anticipated disbursements (DRI = false) and actual disbursements (DRI = true).

   a. The required disbursement data elements to process an anticipated National SMART Grant disbursement are:

      i. Disbursement Number, `<Disbursement Number= " ">`

      ii. Disbursement Amount, `<DisbursementAmount>`

      iii. Disbursement Date, `<DisbursementDate>`

      iv. Disbursement Release Indicator set to "false", `<DisbursementReleaseIndicator="false">`

   b. The required disbursement data elements to process an actual National SMART Grant disbursement are:

      i. Disbursement Number, `<Disbursement Number= " ">`

      ii. Disbursement Amount, `<DisbursementAmount>`

      iii. Disbursement Date, `<DisbursementDate>`

      iv. Disbursement Release Indicator set to "true," `<DisbursementReleaseIndicator="true">`

      v. Disbursement Sequence Number, `<DisbursementSequenceNumber>`

   Note: Unlike Pell, schools must submit the Financial Award Number and Financial Award ID data elements when submitting disbursement information.

6) When reporting a disbursement adjustment to the COD System, replacement Disbursement Amounts must be reported rather than the amount of the reduction or increase to the existing Disbursement Amount.

7) Depending on the funding method employed by the school, the COD System may accept Disbursement information in advance of, on, or after the disbursement date.

8) Schools designated as Advanced Funded may submit a Disbursement Release Indicator set to "true" up to seven (7) calendar days before the Disbursement Date.

   a. If the current date exceeds seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System rejects the disbursement with (Edit 51).

   b. If the current date is within seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to "true", the COD System accepts and posts the disbursement.

9) Schools placed on Cash Monitoring 1 (HCM1) review status by the School Participation Team may submit a Disbursement Release Indicator set to "true" up to 7 calendar days before the disbursement date.

   a. If the current date exceeds seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System rejects the disbursement with (Edit 51).

   b. If the current date is within seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System accepts and posts the disbursement.

10) Schools designated as in the Reimbursement or Cash Monitoring 2 (HCM2) review status can submit a Disbursement Release Indicator set to "true" if the current date is equal to or after the Disbursement Date.

   a. If the current date is before the Disbursement Date and the Disbursement Release Indicator is set to "true", the COD System rejects the disbursement with (Edit 51).

      i. If the current date is equal to or after the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System accepts and posts the disbursement upon review of documentation by the School Participation Team.

11) The COD rejects an actual disbursement amount if the sum of the student's disbursements exceeds 100% Eligibility Used for that award (Edit 137).

12) The COD System rejects an actual disbursement amount if the sum of the student's disbursements for a specific Student Level Code, across all schools and award years, exceeds 100% of their Total Eligibility Used, determined by the Student Level Code and Award Year (Edit 136).

Calculating Eligibility Used and Total Eligibility Used

For Award Year 2008-2009 and forward, the COD System will calculate Eligibility Used (EU) and Total Eligibility Used (TEU) for all existing and incoming National SMART Grant awards. EU and TEU will be calculated slightly differently for National SMART Grant than it is for Pell. The EU calculation will be driven by Grade Level and Award Year. This is because students are allowed to have more then one National SMART Grant award at an Attended School within an Award Year. Also, a student can be in the same Grade Level for more than one Award Year, and the Scheduled Award Amounts are subject to change from one year to the next. The COD System will perform the EU calculations for National SMART Grant follows:

EU % = 100% × (Sum of Actual Disbursements of Award - DMCS Repayments of Award)
÷ Scheduled Award Amount

Eligibility Used (EU) will be calculated for each award using Actual Disbursements, DMCS Repayments, and Scheduled Award Amount. Scheduled Award Amount is the maximum award amount by Grade Level and Award Year.

The TEU calculation will be driven by Grade Level and School. This is because a student can be in the same Grade Level for more than one Award Year and the Scheduled Award Amounts are subject to change from one year to the next. The COD System shall perform the TEU calculation for National SMART Grant as follows:

TEU % = Sum of ALL EU %'s at each applicable Grade Level across all award years and Schools

For the 2008-2009 Award Year and forward, the Total Eligibility Used will be populated in the National SMART Grant Response file within the `<TotalEligibilityUsed>` field and the Year-To-Date disbursement amount will be populated in the `<YTDDisbursementAmount>` field.

Shown below are some examples illustrating how EU will be calculated.

Examples

Example #1: Award Origination, DMCS Repayment at a Single School

A Student at School B in Grade Level 3 is awarded a National SMART Grant for the 2008-2009 Award Year. The student was referred to DMCS and has made a repayment. EU will be calculated as follows:

EU % = 100% × ($1234.00 - $769.00) ÷ $4000.00 = 11.6250%

Attended School	Grade Level	Award Year	Award Amount	Anticipated Disb Amount	Actual Disb Amount	DMCS Re-payments	Scheduled Award Amt	Eligibility Used
B	3	2008	3000	1000	1234	769	4000	11.6250%
Total Eligibility Used (Sum of all EU's) - Grade Level 3								**11.6250%**

Example #2: Award Origination, DMCS Repayment at a Single School

A Student at School A in Grade Level 4 is awarded a National SMART Grant for the 2008-2009 Award Year. However the student's second disbursement would have caused the sum of his actual disbursements to exceed 100% of his eligibility used so the disbursement is rejected with Edit 137.

Attended School	Award Number	Disb Number	Grade Level	Award Year	Award Amount	Actual Disb Amount	Scheduled Award Amt	Eligibility Used	Accepted or Rejected
A	001	1	4	2008	4000	1050	4000	26.2500%	A
A	001	2	4	2008	4000	3000	4000	*75.0000%*	R 137
Total Eligibility Used (Sum of all EU's) - Grade Level 4								**26.2500%**	

<u>Example #3: Award Origination across Multiple Award Years at Multiple Schools</u>

A student has 4 National SMART Grant awards for Grade Levels 3 and 4 in the 2007-2008 and 2008-2009 Award Years. Suppose the Scheduled Grant Amount is increased from $4000 to $4500 in 2008-2009. TEU will be calculated as follows:

Grade Level 3 TEU % = (21.2500% + 64.4444% + 12.5000%) = 98.1944%
Grade Level 4 TEU % = (88.8889%) = 88.8889%

Award Number	Attended School	Grade Level	Award Year	Award Amount	Disbursement Amount	Scheduled Award Amt	Eligibility Used
001	A	3	2008	2000	850	4000	21.2500%
002	A	3	2009	3000	2900	4500	64.4444%
003	B	3	2008	2000	500	4000	12.5000%
004	B	4	2009	4500	4000	4500	88.8889%
Total Eligibility Used (Sum of all EU's) - Grade Level 3							**98.1944%**
Total Eligibility Used (Sum of all EU's) - Grade Level 4							**88.8889%**

Updating and Adjusting National SMART Grant Disbursement Amounts and Dates

Disbursement Amounts and Dates must be changed using the same disbursement number, rather than reporting a new disbursement number.

Business Rules:

1) To change a Disbursement Amount and/or Disbursement Date, the following data elements are required:

   a. Disbursement Release Indicator, `<DisbursementReleaseIndicator = “”>`

   b. Disbursement Number, `<Disbursement Number= “”>`

   c. Disbursement Sequence Number, `<DisbursementSequenceNumber>`

   d. Disbursement Amount, `<DisbursementAmount>`

   e. Disbursement Date, `<DisbursementDate>`

2) When changing a disbursement already reported to COD, the same Disbursement Number must be reported.

3) When changing a disbursement with a Disbursement Release Indicator = “false,” the Disbursement Sequence Number must be set to “01.”

4) When changing a disbursement that already has a Disbursement Release Indicator = “true,” the Disbursement Sequence Number must be unique. The next sequential Disbursement Sequence Number must be reported.

5) Disbursement Sequence Numbers for a specific Disbursement Number must be used in sequential order within the range of 01-65.

6) When changing the Disbursement Amount, replacement Disbursement Amounts must be reported, rather than an adjustment to the existing Disbursement Amount.

Note: Schools cannot report a negative disbursement amount on a Common Record document. A replacement disbursement amount MUST be reported.

7) Disbursement Date is always the date the cash was credited to the student's account or paid to the student directly for this specific Disbursement Number (Disbursement Sequence Number = 01). Disbursement Date is NOT the transaction date of the adjustment to the disbursement (Disbursement Sequence Number not equal to 01).

8) Schools must submit adjustments to actual disbursements (Disbursement Sequence Number not equal to 01) within 30 days of the transaction date.

Note: Although it is not required to report the transaction date to the COD System, schools are advised to keep it for their records.

9) National SMART Grant disbursement amounts can be adjusted to $0.

Deobligation of Funds Due to "No Pell"

Upon FSA request, the COD System can send warning messages and generate CFL decreases for schools that have students without accepted and funded Pell disbursements greater than $0 for that award year.

Business Rules:

1) Upon request by FSA, the COD System produces and sends a list of students at the School with no Pell Grants and sends a warning to the School that it must take action.

   a. The text warning message indicates a date on which COD will reduce the students' YTD disbursements to zero ($0.00) if the student does not have an accepted and funded Pell Disbursement.

      i. This warning message is sent to the school's SAIG mailbox using the following message class: `SGTX09OP`

      ii. Appropriate award year is included in the text message.

2) After the date indicated in the warning message upon request by FSA, the COD System reduces all disbursements for students with no Pell Grants to zero ($0.00) and generates negative disbursements, these are sent to the school in a response document type of "ND."

   a. The COD system-generated disbursements with a document type "ND" contain a Disbursement Sequence Number between 66 – 90

b. The COD system-generated Response with a document type “ND” contains the `<PreviousSequenceNumber>` tag indicating the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

3) The School’s CFL is decreased as a result of the COD system-generated “ND” Response.

a. The COD System sends a text message to the School indicating the CFL decrease.

i. This text message is sent to the school’s SAIG mailbox using the following message class: `SGTX09OP`.

ii. Appropriate award year is included in the text message.

b. The COD System sends a revised Electronic Statement of Account report to the school to reflect the CFL decrease.

User Readiness Checklist

The following is a list of required or recommended steps to assist Schools, Third-Party Servicers, and Software Providers with implementing the COD System for the 2008-2009 Direct Loan, Pell Grant, ACG and National SMART Grant Programs.

1) All Schools became Full Participants beginning with the 2005-2006 Award Year.

2) Obtain your Routing Number (formerly Common School Identifier) from COD School Relations or the COD web site.

3) Communicate your Routing Number to your software vendor, third-party servicer, or state agency, as needed.

4) Contact COD Customer Service or review the COD web site to verify that your Reporting, Attending, and Funding School Relationships are set in COD accurately.

5) Contact COD Customer Service or review the COD web site to verify that the Funding Method for your school is set in COD accurately.

6) Reference Volume II of the COD Technical Reference for information on how to modify school or software provider applications to create Common Record files in XML format

7) Reference Volume V of the COD Technical Reference for information on COD School Testing.

8) Obtain a COD School Administrator User ID for the COD web site. (Reference the "COD User ID Setup for Website" announcement on IFAP for more information).

9) Establish User IDs within your organization for access to the COD web site (to be completed by the organization's Security Administrator).

10) Establish Rules of Behavior documents related to use of the COD System

11) Access the COD web site to:

    a. Update your School Processing Options, as needed.

    b. Review COD Processing Updates.

    c. Review COD FAQs.

    d. Review COD Web Messages.

    e. Ensure your school contact information is accurate.

    Note: If your school's contact information needs to be updated, please contact COD School Relations for assistance.

School Processing Options

School Processing Options are parameters or criteria that are set by the school and dictate how the COD System processes school data. Schools must confirm that these school processing options are set appropriately for each award year prior to submitting data for that award year to COD for processing.

Any questions related to the following school processing options should be directed to the COD School Relations Center at the following phone numbers or email address:

- 1-800-474-7268 for Grant assistance
- 1-800-848-0978 for Direct Loan assistance
- CODSupport@acs-inc.com

Promissory Note Print Option

This processing option determines whether the COD System prints the promissory notes or the school prints its own promissory notes for each award year.

Business Rules:

1) This option applies to Direct Loan schools only.
2) The values for this option are "N" or "Y."
3) "Y" signifies that the COD System prints the promissory note and sends to borrower.
4) "N" signifies that the school prints the promissory note.
5) Direct Loan schools may update this option at anytime on the COD web site.
6) The Promissory Note Print Code tag on the Common Record allows a school to override the selected school option at the individual loan level.
7) The Promissory Note Print Code tag enables a school to select who is responsible to print the note for a specific loan and, if COD prints, to select whether the note is sent to the school or the borrower.
8) The Promissory Note Print Code tag can also be used to request the COD System to reprint a promissory note and sent to the borrower or the school.
9) If an award does not contain the Promissory Note Print Code field/tag, the COD System defaults to the option on the school profile when processing the award.

Promissory Note Type Option

This option determines whether the single-year or multi-year feature is applied to a Promissory Note for each award year. Schools eligible to use the multi-year feature can choose to issue single-year or multi-year promissory notes.

Business Rules:

1) This option applies to Direct Loan schools only.

2) The values for this option are "single-year" or "multi-year."

3) "Single-year" signifies the borrower must submit a promissory note for each academic year for that specific school.

4) "Multi-Year" signifies the school may allow the borrower to receive loans for subsequent academic years based on a previously signed MPN.

5) All schools are now eligible for the MY feature.

6) New schools to the Direct Loan program will be defaulted to use the MY feature in the COD system

7) Direct Loan schools may update this option by contacting COD Customer Service.

Note: For more information regarding eligibility for the MY MPN feature see the Dear Colleague Letter GEN-02-10 (November 2002) and DLB-03-02.

Disclosure Statement Print Option

This processing option determines whether the school prints its own disclosure statements or allows the COD System to generate the Disclosure Statement upon receipt of the required information for each award year.

Business Rules:

1) This option applies to Direct Loan schools only.

2) The Disclosure Statement Print Code tag on the Origination Record and Common Record allows a school to decide at the individual student loan level who is responsible to print the disclosure statement for a specific loan and overrides the selected school option.

3) The Disclosure Statement Print Code tag can also be used to request the COD System to reprint a disclosure statement.

4) If an award does not contain the Disclosure Statement Print Code, the COD System defaults to the option on the school profile when processing the award.

5) Direct Loan schools may update this option at anytime on the COD web site.

6) The values for this option are “Y” or “N.”

7) “Y” signifies that COD prints.

8) “N” signifies that school prints.

Administrative Cost Allowance Option

This processing option determines whether or not the school will receive the Pell Administrative Costs Allowance (ACA) for each award year.

Business Rules:

1) This option applies to Pell Grant Schools only.

2) The values for this option are “N” or “Y.”

3) “Y” signifies that the school will receive the ACA.

4) “N” signifies that the school will not receive the ACA.

5) Pell Grant schools may contact COD School Relations to request that FSA updates this option.

Pell Grant Error Processing Option

This processing option determines whether the COD System rejects or corrects certain Pell Grant data elements that do not pass edits.

Business Rules:

1) This option applies to Pell Grant Schools only.

2) The values for this option are “Rejected” or “Corrected.”

3) “Rejected” signifies that the COD System will reject certain Pell Grant data elements that do not pass edits.

4) “Corrected” signifies that the COD System will correct certain Pell Grant data elements that do not pass edits.

5) The default for this option is “Corrected.”

6) Pell Grant schools may contact COD School Relations to request that FSA updates this option.

Full or Standard Response

This processing option determines whether the COD System returns to the school a Full or Standard Response to Common Records processed by the COD System.

Business Rules:

1) A Full Response contains all the original tags sent by the School and the rejected data elements and reason codes.

2) A Standard Response contains only the rejected data elements and reason codes.

3) This option defaults to a Standard Response.

4) Schools can override this option on a record-by-record basis by submitting the `<FullResponseCode>` tag on the Common Record.

5) If the `<FullResponseCode>` tag is not sent, the option defaults to Standard Response.

Note: EDExpress users always receive a Full Response regardless of their selected response option.

Response Records Generated Based on Web Activities

This processing option determines whether the COD System sends Response Documents to the school's SAIG mailbox based on activity performed on the COD web site. This activity includes processing a new student, award or disbursement, or a change to any of these on the COD web site.

Business Rules:

1) The values for this option are "N" or "Y."

2) "Y" signifies that the COD System will send a Response Document to the school's SAIG mailbox based on activity performed on the COD web site.

3) "N" signifies that the COD System will not send a Response Document to the school's SAIG mailbox based on activity performed on the COD web site.

4) The default for this option is "N."

5) Schools may update this option at anytime on the COD web site.

6) If the school selects to receive a Response Document for activity performed on the COD web site, the Document Type is "WB" indicating a web-initiated response.

7) The `<DisbursementSequenceNumber>` is 66-90 for the Response with a Document Type of "WB."

8) The `<PreviousSequenceNumber>` tag is returned on the Response with a Document Type of "WB" to indicate the previous accepted Disbursement Sequence Number on the COD system for this Disbursement Number.

Common Record Response Document Length Option

Schools have the option to receive Response Documents with one tag set per line or a specified maximum number of bytes per line up to 9,999 bytes.

Business Rules:

1) The default for this option is one tag set per line.

2) Schools may choose to change the default to a specified maximum number of bytes per line, up to 9,999 bytes per line.

    a. The minimum allowed bytes per line is the length of the longest tag in the Common Record XML Schema.

3) Schools must contact COD School Relations to request that this option be updated.

    Note: Schools are encouraged to discuss this option with their software vendors before electing to make any changes to the default. The school's software must be prepared to accept Response of the new length.

Schema Version for System Generated Responses Option

Beginning July 1, 2008, schools have the option to receive system-generated responses in either 2.0e or 3.0a schema versions. This option is both award year and program specific.

Business Rules:

1) The default for this option is schema version 2.0e for all programs except TEACH for the 2008-2009 award year and forward.

2) The only version available for award years prior to 2008-2009 will be schema version 2.0e.

3) For award years 2008-2009 and forward, schools can choose between receiving system-generated responses in either schema version 2.0e or 3.0a.

    a. For the TEACH program, system-generated responses are only available in schema version 3.0a.