

# Custom System Requirements (For Phase-in Participants)

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## Processing Direct Loan Data—Direct Loan Processing Cycles

Direct Loan processing relies on electronic access of information. Phase-in Participants exchange loan information with the Common Origination and Disbursement System (COD) routinely. Schools should develop data production and transmission schedules around the various Direct Loan processing cycles. Batch processing of Direct Loan data occurs by data type. The following are the major processing cycles:

- Full Loan Origination Records
- Loan Origination Change Records
- Promissory Notes
- Request and Receipt of Cash
- Disbursement Records

**Note:** For 2002-2003, schools continue to send batches of promissory notes with paper shipping manifests to the following address:

P.O. Box 5692

Montgomery, AL 36103-5692

On acceptance of the Full Loan Origination Record, COD establishes the unique 21-character Loan Identification (Loan ID) and all loan information pertaining to that Full Loan Origination Record is stored on COD's database.

**Note:** In the COD process a Loan ID is referred to as an Award ID. For Phase-in Participants the term Loan ID will continue to be used. However, be aware that the terms Loan ID and Award ID are synonymous.

With the exception of Promissory Notes, COD rejects loan changes or disbursement records for a Loan ID for which an acceptable Full Loan Origination Record has not been transmitted to COD.

However, when an acceptable Full Loan Origination Record is not transmitted to COD, COD can accept and maintain a Promissory Note for the Loan ID. The Promissory Note is acknowledged to the school with a pending status. When the Full Loan Origination Record is submitted and accepted, COD returns a promissory note acknowledgement for the pending promissory note.

## What Is a Booked Loan?

The goal of all Direct Loan processing is to book loans with COD. A “booked” loan implies that there is a binding obligation between the borrower and the U.S. Department of Education for the borrower to repay the loan. A loan is considered “booked” when COD has accepted the Full Loan Origination record, the Promissory Note, the first actual disbursement record, and an accepted credit check decision for a PLUS loan. This means COD has accepted them and transmitted them to the Direct Loan Servicing Center (DLSC).

At the time COD books the first actual disbursement, a booking notification is generated and forwarded to the schools. The booking notification simplifies the reconciliation process between the schools and COD. The booking notification contains the booking date for the loan and COD’s total net booked loan amount. This booking date is the date COD passes the booked disbursement amount to the DLSC.

- The Disbursement Acknowledgement Message Class—DIOD03OP/Batch Type #B—is used to transmit the Booking Notification to the schools.
- Disbursement Activity type for the booking notification is:
  - L for the booking disbursement

**New for 2002–2003:** A booking notification is sent only for the first actual disbursement booked at COD. Subsequent disbursements and disbursement adjustments received at COD will not generate separate booking notifications.

### **Batch Processing and Batch Identifiers (Batch IDs)**

All data exchanged between Phase-in Participants and COD must be in the required record layout format. Data must be sent to the Student Aid Internet Gateway (SAIG) for submission to COD in groups of like data types. Each data type has a specific record layout, that is, Full Loan Origination Records, Disbursement Records, and so forth. Therefore each record set is considered a separate batch type. Every batch must contain a header and trailer record (see Custom Layouts). The batch header contains a Batch ID that is unique to the export batch.

**Note:** Each Direct Loan batch is sent to SAIG with a Transmission Header and a Direct Loan Batch Header. It is most important that the Batch ID and the Message Class submitted in both of the header records are the same. If these data elements are different on the two header records, the Direct Loan detail records will not process correctly at COD. For more information regarding transmitting to the SAIG, see the SAIG Host Communication Guide at [www.SFAdownload.ed.gov](http://www.SFAdownload.ed.gov).

Schools should track Batch IDs on their systems. It is helpful to store the Batch IDs at a record level and at a batch level for each submission.

All Batch IDs transmitted to COD must have the same format and be 23 characters long. The first two characters are the Batch Type, which indicates the type of data included in the batch. The next character is the Cycle Indicator, which indicates the program year of the data included in the batch. The next six characters are the School Code, which indicates the Direct Loan School Number of the school sending the batch. The next eight characters are the Date Batch Created, which indicates the date on which the school created the batch. The last six characters are the Time Batch Created, which indicate the time at which the school created the batch.

**Note:** In the COD process Batch IDs are referred to as Document IDs. For Phase-in Participants the term Batch ID will continue to be used. However, be aware that the terms Batch ID and Document ID are synonymous.

### ***The Batch Integrity Rule***

COD returns an acknowledgement record for every Full Loan Origination Record, Disbursement Record, and Loan Origination Change Record that is submitted by the school. If a school submits a batch with 1,000 Full Loan Origination Records, COD returns an acknowledgement file corresponding to only those 1,000 Full Loan Origination Records. The acknowledgement file always contains the same Batch ID originally submitted by the schools. This rule applies for Full Loan Origination Records, Loan Origination Change Records, and Disbursement Records initiated by the school.

**Note:** In the COD process, an Acknowledgement is referred to as a Response. For the purposes of this technical reference, we will continue to use the term Acknowledgement. However, be aware that the terms Acknowledgement and Response are synonymous.

To expedite school processing, COD acknowledges Promissory Notes as they are accepted. COD returns an electronic file (DIPA03OP) containing the acknowledgements of all Promissory Notes. Unlike other batch types, batch integrity is not maintained by COD for Promissory Notes. Acknowledgements do not match one to one with paper manifests sent by the school.

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## Full Loan Origination Records

The Direct Loan Program requires Phase-in Participant schools in the Direct Loan Program to store loan data and submit Full Loan (Subsidized/Unsubsidized/PLUS) Origination Records to COD. Schools can establish a Direct Subsidized Loan and a Direct Unsubsidized Loan based on the student's eligibility. Participating schools may include a Federal Direct PLUS Application and Promissory Note for signature in award packages for the parents or guardians of eligible students. Once the Full Loan PLUS Origination Record is transmitted and accepted by COD, a credit check is performed on the parent or guardian borrower.

Schools create one loan record and a unique Loan ID for each new loan. For example, if a borrower has one Direct Subsidized Loan and one Direct Unsubsidized Loan, the school maintains two unique Loan IDs. The Full Loan (Subsidized/Unsubsidized/PLUS) Origination Record (DESF03IN/DEPF03IN) is created from student/borrower demographic data and anticipated disbursement data.

When creating Full Loan Origination Records, it is strongly recommended that all custom users create loan sequence numbers (the last 3 digits of the 21-character Loan ID) beginning with 001, then 002, and so forth and not begin with 101.

Full Loan Origination Records contain anticipated disbursement amounts and anticipated disbursement dates. In the COD process disbursements have a Payment Trigger associated with them. Upon acceptance of a loan record, COD stores anticipated disbursements and sets the Payment Trigger appropriately.

**Note:** No action is required by Phase-in Participants to set or unset the COD Payment Trigger.

## Submitting Full Loan Origination Records

The school transmits a Full Loan (Subsidized/Unsubsidized/PLUS) Origination Record to SAIG for transmission to COD for every loan it originates whether or not the school chooses to print the loan's Promissory Note or have COD print it. If the school requests that COD print promissory notes, the request is indicated in the Full Loan Origination Record. If the school prints the Promissory Note, the Full Loan Origination Record can be transmitted to COD before or after the student signs the Promissory Note. For Standard Origination schools, COD prints all Promissory Notes.

Full Loan (Subsidized/Unsubsidized) Origination Records are transmitted to COD under the message class DESF03IN. Full Loan PLUS Origination Records are transmitted to COD under the message class DEPF03IN.

**Schools can perform credit checks for PLUS borrowers at their school by using the COD Web site.** Schools have the option to submit credit check requests via the COD Web site or to submit Full Loan PLUS Origination Records to COD for COD to perform the credit check request.

Schools are given the capability to receive a credit decision through the interactive COD Web site. The COD Web site accesses an approved credit bureau and returns a credit acknowledgement to the school. The COD Web site displays the credit decision of approved (accepted) or denied (failed). The reason for a failed credit decision is not displayed.

When the school receives a failed credit decision from the COD Web site, it has the option to either submit the Full Loan PLUS Origination Record to COD (so that COD can send an endorser form to the borrower) or to originate the additional unsubsidized loan for the student. The Full Loan PLUS Origination Record must be sent to COD if the borrower requests an endorser.

The credit decision received from the COD Web site does not have to be forwarded via batch to COD. COD receives a simultaneous response from the credit bureau at the time the school performs the credit check. COD stores the credit decision and sends necessary letters to the borrowers.

**Note:** Certification must be kept at the school, indicating that the borrower has authorized the school to perform the credit check and also indicating whether or not the borrower wants an endorser in the case of a failed credit decision.

## Receiving Full Loan Origination Acknowledgements

COD edits the Full Loan (Subsidized/Unsubsidized/PLUS) Origination Record to ensure it passes the editing requirements that have been established by the U.S. Department of Education. Full Loan (Subsidized/Unsubsidized) Origination Record Acknowledgements are transmitted to the schools under the message class DISF03OP. Full Loan PLUS Origination Record Acknowledgements are transmitted to the schools under the message class DIPF03IN. The acknowledgement files transmitted to the schools indicate the status of each Full Loan Origination Record (Field #4) and up to five reject reasons (Field #5) for each Full Loan Origination Record. For Full Loan PLUS Origination Records, the acknowledgement record also indicates whether the credit check is accepted or denied.

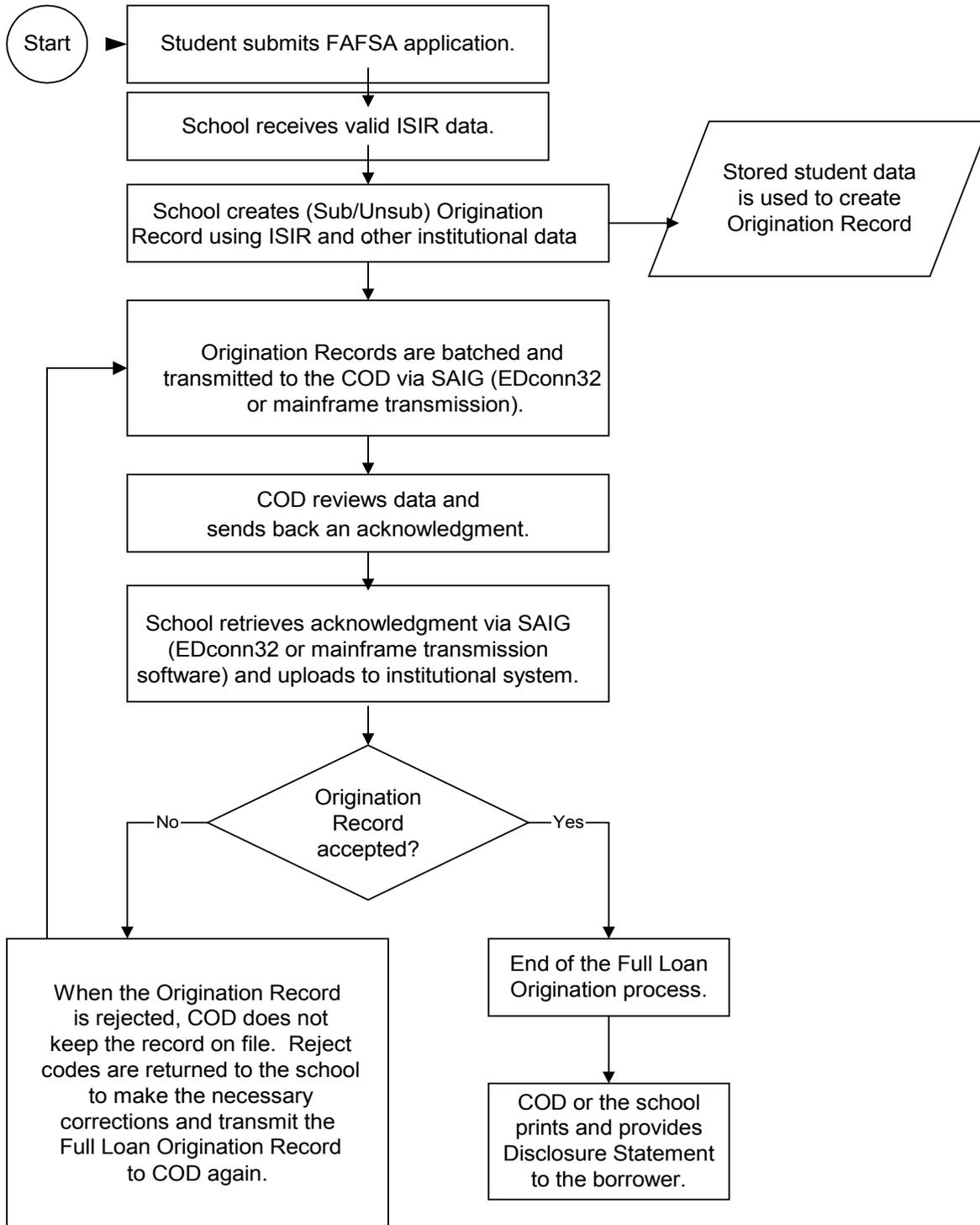
**Note:** COD is creating a Student Identifier composed of Social Security Number, last name and date of birth. The combination of these data elements is matched against CPS. If this match is unsuccessful on a subsidized or unsubsidized loan record a school receives a reject code of A9 – No eligible SSN, date of birth and last name combination match on CPS for student. When a school receives this error, the school should go to the COD Web site for assistance in how to resolve this mismatch. After the Full Loan Origination Record is accepted and acknowledged by COD, it should not be transmitted to COD again. Retransmitting causes a duplicate Loan ID rejection. If updates need to be made to the loan information on the record, a Loan Origination Change Record must be submitted to COD.

When a Full Loan Origination Record is rejected by COD, the school needs to re-submit the entire Full Loan Origination Record with the corrected information under message class (DESF03IN/DEPF03IN).

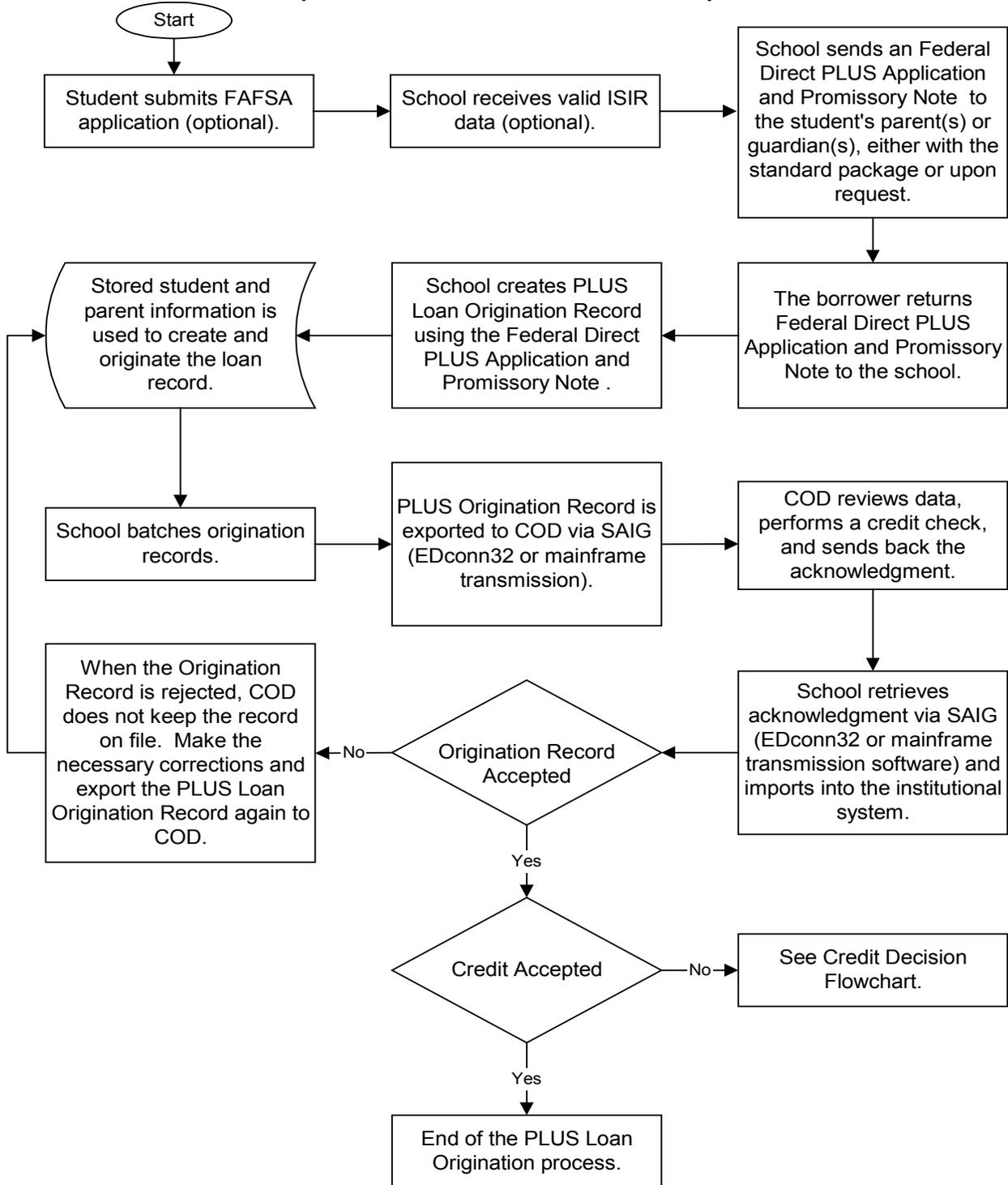
**Note:** If the error code fields are blank, there are no errors for an accepted origination record.

To reduce turnaround time for acknowledging Full Loan PLUS Origination Records, COD processes the credit check and acknowledges the PLUS loans within 24 hours of receipt at COD. If a credit decision other than “accepted” or “denied” is received, COD acknowledges the accepted PLUS loan with a "pending" credit check status.

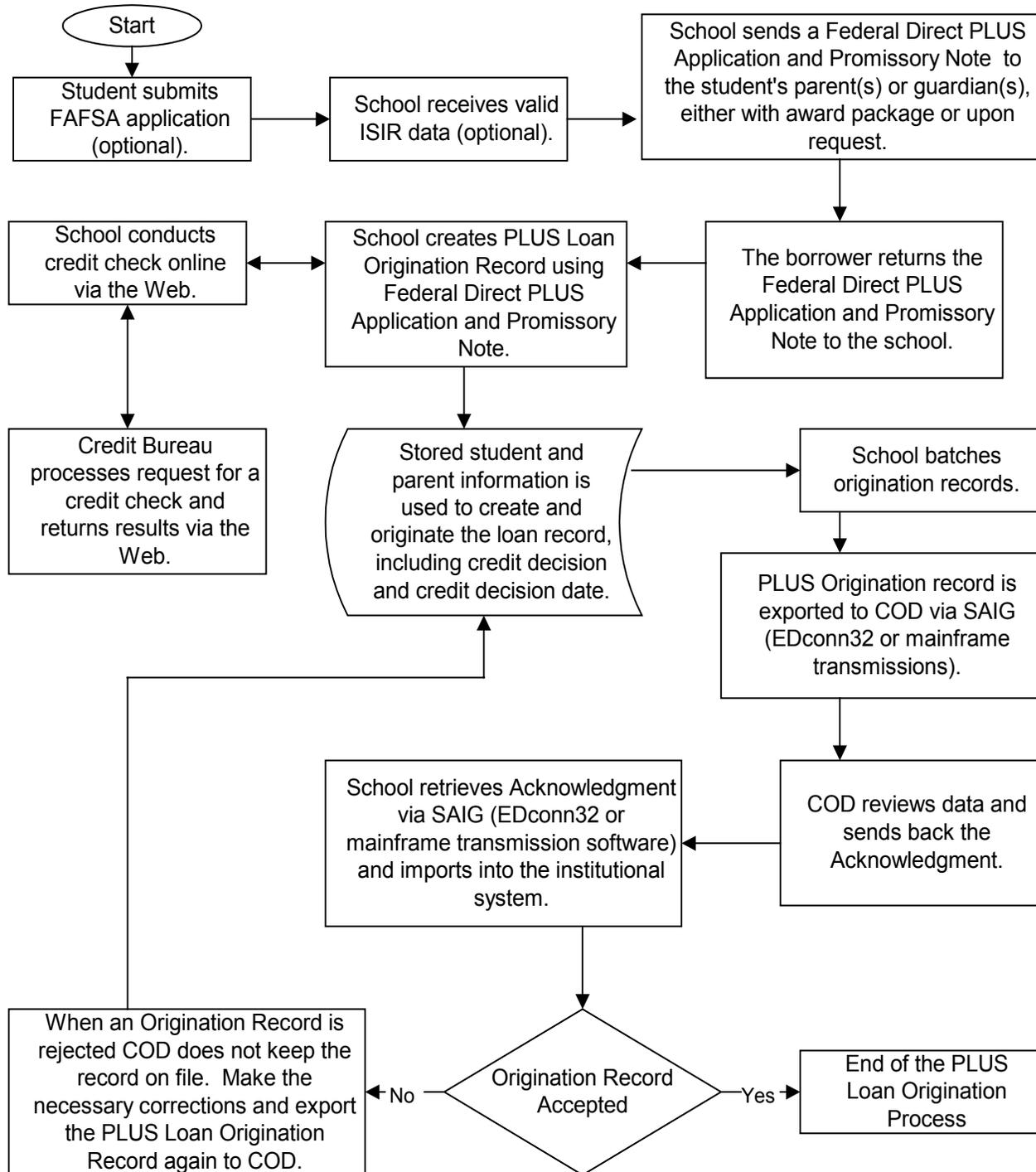
## Loan Origination Process (Sub/Unsub)



## Loan Origination Process (PLUS) (COD Executes Credit Check)



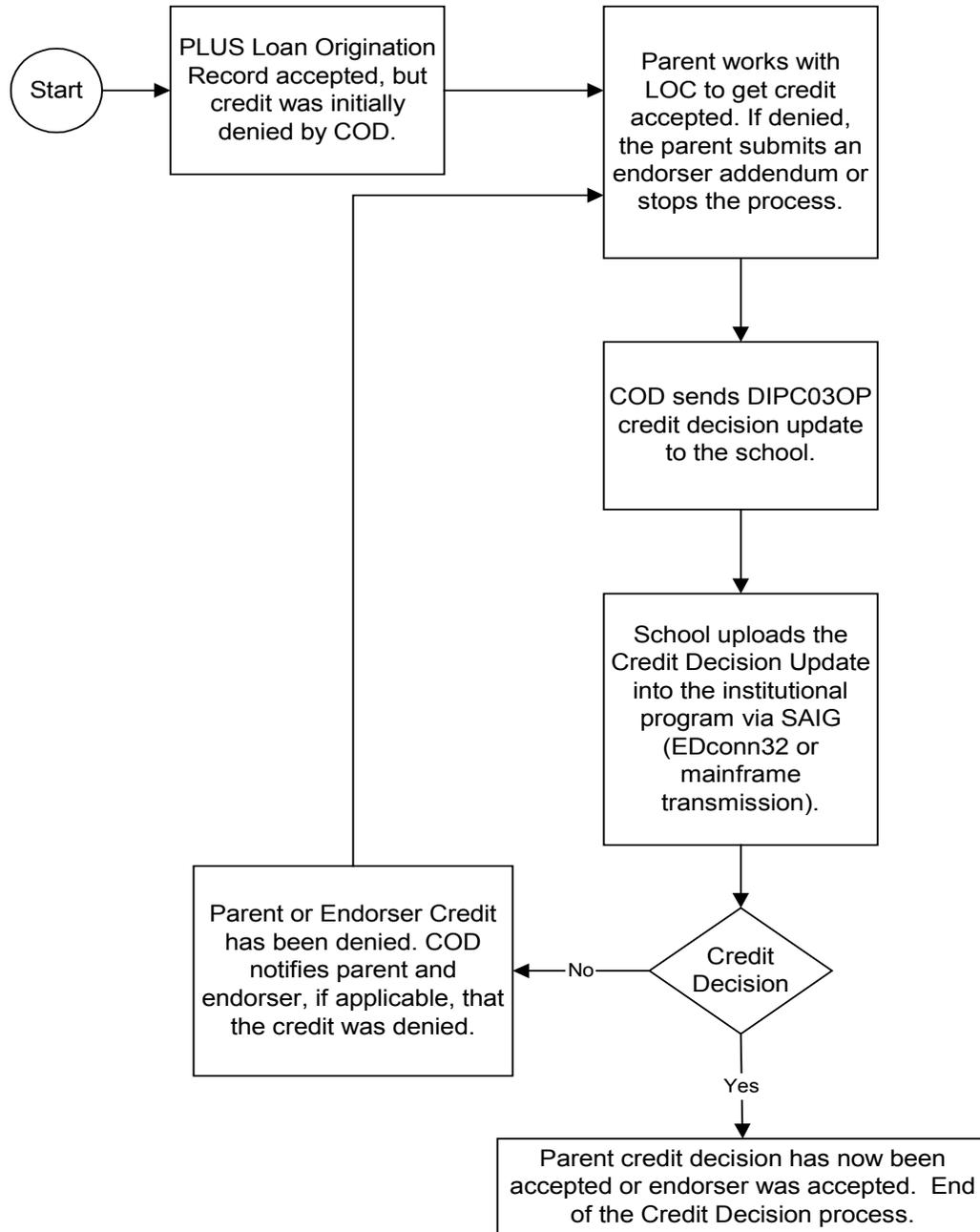
## Loan Origination Process (PLUS) (School Executes Credit Check)



## **Processing PLUS Credit Decisions Update (Override)**

If the credit is originally denied on a Full PLUS Loan Origination Record and the borrower requests a subsequent credit check, an override, or submits an endorser addendum, COD returns a credit decision update to the school under the message class DIPC03OP. The Credit Decision indicates the result of PLUS loan credit checks on the parent borrower or endorser. For approved applicants, the school can proceed in disbursing funds to the student's account. COD sends further information and instructions directly to those applicants not approved for a PLUS loan on the basis of credit checks. COD has the option to override the credit decision after an initial denial. The PLUS credit checks can be updated at any time on the basis of the borrower submitting supporting documentation to COD or the credit reporting agency. Therefore, schools processing PLUS loans should expect to receive updated credit decisions in this acknowledgement file at any time from COD.

## PLUS Credit Decision Update (Override) Process



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# Loan Origination Change Records

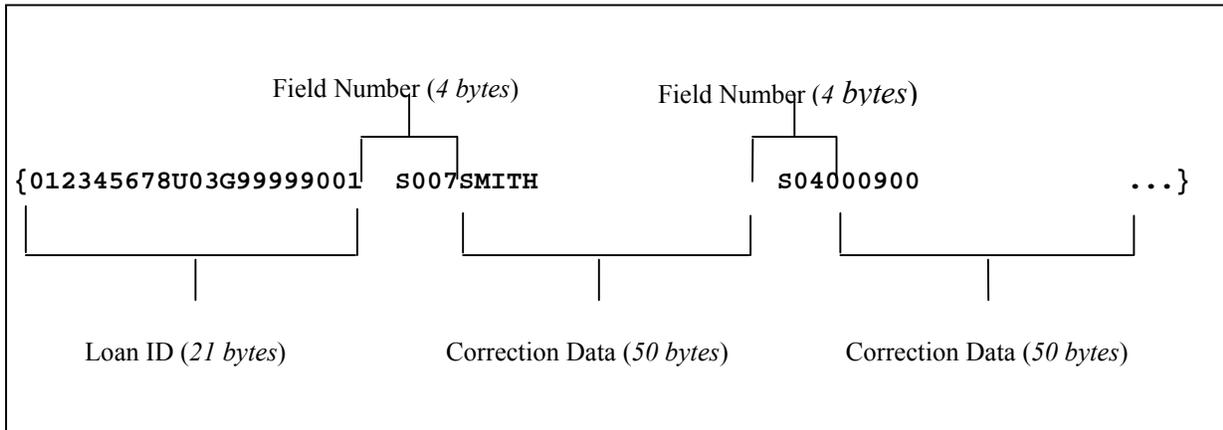
## Submitting Change Records

After the Full Loan Origination Record is accepted by COD, modifications to the loan record are transmitted to COD via a Loan Origination Change Record (DESC03IN). Loan Origination Change Records only apply to Full Loan Origination data. Loan Origination Change records are not used to change actual disbursement data (see Disbursement Records). A list of the fields that can be changed and their Change Field Transmit Numbers are provided in the Export Change Table Values for Field Transmit Numbers Table in Section 1. Loan Origination Change Records are submitted to COD by Loan ID. Each record must contain the Loan ID, the change field number, and the new value for the field.

Corrected values must be left-justified within the 50-byte change value field. Numeric fields are left-justified and blank filled up to the maximum number of positions for that field.

**Example:**

The example below shows two changes submitted to a loan record whose Loan ID is 012345678U03G99999001: The record is changing the borrower's last name to SMITH and the first disbursement anticipated gross amount to \$900. The layout below shows the contents of the change record excluding the Change Batch Identifier. Each change record is limited to 10 data element changes. For records with more than 10 changes to a single Loan ID, submit more than one change record for the Loan ID.

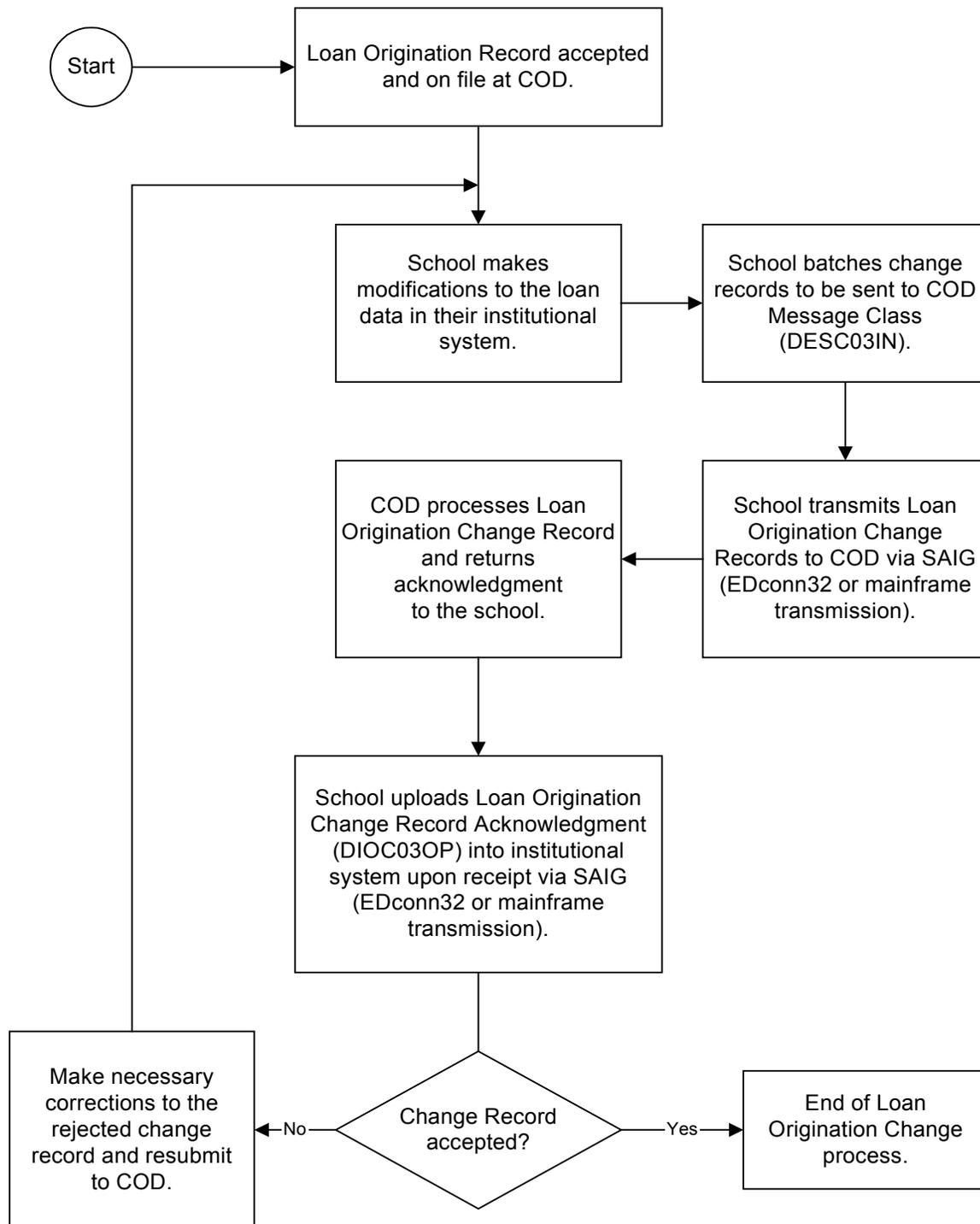


## Receiving Loan Origination Change Acknowledgements

COD edits the Loan Origination Change Records with the same or similar requirements as the Full Loan Origination Record data elements. COD returns an acknowledgement file (DIOC03OP) containing codes accepting or rejecting the change record (Loan Identifier Error Code) or each change field (Error Values 1–10). The school should resolve rejected change records or fields and resubmit another change record to COD. Refer to the Loan Origination Change Reject Codes in Section 2, Custom Edits, for a list of the reject codes.

**Note:** If the error code fields are blank, there are no errors for an accepted origination change record. Only the fields that are in error need to be corrected and resubmitted to COD.

## Loan Origination Change Record Process



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## **Printing Direct Subsidized/Unsubsidized Loan Disclosure Statements**

COD or the school is required to print a Disclosure Statement for every Full Loan (Subsidized/Unsubsidized) Origination Record. The Disclosure Statement is printed and mailed to the borrower 30 calendar days prior to the first anticipated disbursement date of the loan. However, schools have the discretion to print before the 30-day criteria.

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# Printing Disclosure Statements for Subsidized/Unsubsidized Loans

## Options for Printing Disclosure Statements

For Program Year 1999–2000 loans, the option to print the Disclosure Statement is at the school level. Either COD or the school prints all the Disclosure Statements. The school can request to print the Disclosure Statements for 1999–2000 loans by calling its Customer Service Representative.

For Program Years 2000–2001 and forward, a field is included on the Full Loan (Subsidized/Unsubsidized) Origination Record to indicate who is responsible for printing the Disclosure Statement at the loan level. Schools can change the option by submitting a Loan Origination Change Record using Change Field Transmit Number S115 to COD.

A copy of the Disclosure Statement can be found in Appendix D.

~~The LOC is responsible for printing the Disclosure Statements for 2000–2001 loans that have more than 12 non-zero anticipated disbursements. The reason is that the Disclosure Statement used for 1999–2000 and 2000–2001 loans only accommodates up to twelve anticipated disbursements for the Subsidized and Unsubsidized loan on the front. The LOC prints anticipated disbursements 13–20 on the back.~~

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

## Direct Loan Disclosure Statement Print Specifications

The following are the specifications for printing the variable data on the Disclosure Statement:

<b>Borrower Information</b>		
<b>Label and Position</b>	<b>Field</b>	<b>Print Instructions</b>
BORROWER INFORMATION--- Line 1	Section Heading	From left to right, print label “BORROWER INFORMATION” succeeded by dashes across page
1. Name and Address Line 2, column 1	Data element label	From left to right in column 1, print data element label, “1. Name and Address”
1. Name and Address Line 5, column 1	Student Borrower’s Last Name, First Name and Middle Initial	From left to right, print the Student Borrower’s Last Name, First Name, and Middle Initial. Print a comma and space following Last Name and a space after the First Name. Left justify within the print field.
1. Name and Address Line 6, column 1	Student Borrower’s Permanent Address OR Student Borrower’s Local Address	From left to right, print the Student Borrower’s Street Address. Left justify within the print field.
1. Name and Address Line 7, column 1	Student Borrower’s Permanent City, State, and Zip Code OR Student Borrower’s Local City, State, and Zip Code	From left to right, print the Student Borrower’s City, Mailing State, and Zip Code. Separate each field with a space and follow city with a comma. Left justify within the print field.
2. Date of Disclosure Statement Line 2, column 2	Data element label	From left to right in column 2, print data element label “2. Date of Disclosure Statement”
2. Date of Disclosure Statement Line 5, column 2	Date Disclosure Statement is printed.	Print date in MM/DD/CCYY format.
3. Area Code/Telephone Number Line 7, column 2	Data element label	From left to right in column 2, print label “3. Area Code/Telephone Number”
3. Area Code/Telephone Number Line 8, column 2	Student Borrower’s Permanent Telephone Number	Print the Student Borrower’s Permanent Telephone Number in (999) 999-9999 format.

## Direct Loan Disclosure Statement Print Specifications (Continued)

<b>School Information</b>		
<b>Label and Position</b>	<b>Field</b>	<b>Print Instructions</b>
SCHOOL INFORMATION--- Line 9	Section Heading	From left to right, print section heading “SCHOOL INFORMATION” succeeded by dashes across the page
4. School Name and Address Line 10, column 1	Data element label	From left to right in column 1, print data element label “4. School Name and Address”
4. School Name and Address Line 11, column 1	School Name	From left to right, print the School Name associated with the Direct Loan School Code on the Full Loan Origination record (LOR). Left justify within the print field
4. School Name and Address Line 12, column 1	School Address	From left to right, print the School’s Street Address. Left justify within the print field
4. School Name and Address Line 13, column 1	School Address	From left to right, print the school’s city, state, and zip code associated with the Direct Loan School Code above. Separate each field with a space and follow city with a comma. Left justify within the print field
5. School Code/Branch Line 10, column 2	Data element label	From left to right in column 2, print data element label “5. School Code/Branch”
5. School Code/Branch Line 12, column 2	Direct Loan School Code	Print the Direct Loan School Code on the LOR
<b>Loan Information</b>		
LOAN INFORMATION— Line 14	Section Heading	From left to right, print section heading “LOAN INFORMATION” succeeded by dashes across the page.
6. Loan Identification Number(s) Line 15, column 1	Data element label	From left to right in column 1, print label “6. Loan Identification Number(s)”
6. Loan Identification Number(s) Line 16, column 1	Loan ID	Print the Loan ID of Subsidized loan record in 999999999S03X99999999 format.
6. Loan Identification Number(s) Line 17, column 1	Loan ID	Print the Loan ID of Unsubsidized loan record in 999999999U03X99999999 format

## Direct Loan Disclosure Statement Print Specifications (Continued)

Loan Information, continued		
Label and Position	Field	Print Instructions
7. Loan Period(s) Line 15, column 2	Data element label	From left to right in column 2, print data element label "7. Loan Period(s)"
7. Loan Period(s) Line 16, column 2	Loan Period Start and End Date	Print Loan Period Start and End Date of Subsidized loan record in MM/DD/CCYY – MM/DD/CCYY format.
7. Loan Period(s) Line 17, column 2	Loan Period Start and End Date	Print Loan Period Start and End Date of Unsubsidized loan record in MM/DD/CCYY – MM/DD/CCYY format.
8. Loan Fee % Line 15, column 3	Data element label	From left to right in column 3, print label "8. Loan Fee %"
8. Loan Fee % Line 16, column 3	Loan Fee Percentage	Print Loan Fee Rate of Subsidized loan record in 9.999 % format.
8. Loan Fee % Line 17, column 3	Loan Fee Percentage	Print Loan Fee Rate of Unsubsidized loan record in 9.999 % format.
----- Line 18	Section separator	From left to right, print dashes across page to form a separator line.
9. Information about the loan(s) that your school plans to disburse (payout) follows. This information is explained in detail on the back. The actual disbursement dates and amounts may be different than the anticipated dates and amounts below. Your school and the Direct Loan Servicing Center will notify you of the actual disbursement dates and amounts. Line 19, 20, 21 and 22	Text Statement	From left to right, print statements "9. Information about the loan(s) that your school plans to disburse (payout) follows. This information is explained in detail on the back. The actual disbursement dates and amounts may be different than the anticipated dates and amounts below. Your school and the Direct Loan Servicing Center will notify you of the actual disbursement dates and amounts."
Line 23	Blank line	Insert a blank line

## Direct Loan Disclosure Statement Print Specifications (Continued)

Chart of Anticipated Disbursements Direct Subsidized Loan		
Label and Position	Field	Print Instructions
Direct Line 24, column 1	Label	From left to right in column 1, print the label "Direct"
Subsidized Line 25, column 1	Label	From left to right in column 1, print the label "Subsidized"
Loan Line 26, column 1	Label	From left to right in column 1, print the label "Loan"
Gross Loan Amount Line 24, column 2	Column heading	From left to right in column 2, print the label "Gross Loan Amount"
- Line 24	Minus sign	Print the minus sign "-"
Loan Fee Amount Line 24, column 3	Column heading	From left to right in column 3, print the heading "Loan Fee Amount"
+ Line 24	Plus sign	Print the Plus sign "+"
Interest Rebate Amount Line 24, column 4	Column heading	From left to right in column 4, print the heading "Interest Rebate Amount"
= Line 24	Equal sign	Print the equal sign "="
Net Loan Amount Line 24, column 5	Column heading	From left to right in column 5, print the heading "Net Loan Amount"
Gross Loan Amount Line 25, column 2	Total gross loan amount	Print total anticipated disbursement gross amount of Subsidized loan record in \$99999.99 format
- Line 25	Minus sign	Print the minus sign "-"
Loan Fee Amount Line 25, column 3	Total loan fee amount	Print total anticipated disbursement loan fee amount of Subsidized loan record in \$99999.99 format
+ Line 25	Plus sign	Print the Plus sign "+"
Interest Rebate Amount Line 25, column 4	Total interest rebate amount	Print total anticipated disbursement interest rebate amount of Subsidized loan record in \$99999.99 format
= Line 25	Equal sign	Print the equal sign "="

## Direct Loan Disclosure Statement Print Specifications (Continued)

<b>Chart of Anticipated Disbursements Direct Subsidized Loan, continued</b>		
<b>Label and Position</b>	<b>Field</b>	<b>Print Instructions</b>
Net Loan Amount Line 25, column 5	Total net loan amount	Print total anticipated disbursement net amount of Subsidized loan record in \$99999.99 format
Your school plans to disburse the Net Loan Amount as follows: Line 27	Text Statement	From left to right starting in column 2, print statement "Your school plans to disburse the Net Loan Amount as follows:"
Line 28	Blank line	Insert a blank line
Date Line 29, column 2	Column Heading	In column 2, print heading "Date"
Net Disbursement Amount Line 29, column 3	Column Heading	In column 3, print heading "Net Disbursement Amount"
Date Line 29, column 4	Column Heading	In column 4, print heading "Date"
Net Disbursement Amount Line 29, column 5	Column Heading	In column 5, print heading "Net Disbursement Amount"
(Variable Line 30, column 1	Label	Print and left justify the label "(Variable"
Interest Line 31, column 1	Label	Print and left justify label "Interest"
Rate) Line 32, column 1	Label	Print and left justify label "Rate)"
Date Line 30, column 2	1st Anticipated Disbursement Date	Print 1st Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 30, column 3	1st Anticipated Net Disbursement Amount	Print 1st Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 31, column 2	2nd Anticipated Disbursement Date	Print 2nd Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 31, column 3	2nd Anticipated Net Disbursement Amount	Print 2nd Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format

## Direct Loan Disclosure Statement Print Specifications (Continued)

<b>Chart of Anticipated Disbursements</b> <b>Direct Subsidized Loan, continued</b>		
<b>Label and Position</b>	<b>Field</b>	<b>Print Instructions</b>
Date Line 32, column 2	3rd Anticipated Disbursement Date	Print 3rd Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 32, column 3	3rd Anticipated Net Disbursement Amount	Print 3rd Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 33, column 2	4th Anticipated Disbursement Date	Print 4th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 33, column 3	4th Anticipated Net Disbursement Amount	Print 4th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 34, column 2	5th Anticipated Disbursement Date	Print 5th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 34, column 3	5th Anticipated Net Disbursement Amount	Print 5th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 35, column 2	6th Anticipated Disbursement Date	Print 6th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 35, column 3	6th Anticipated Net Disbursement Amount	Print 6th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 36, column 2	7th Anticipated Disbursement Date	Print 7th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 36, column 3	7th Anticipated Net Disbursement Amount	Print 7th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 37, column 2	8th Anticipated Disbursement Date	Print 8th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 37, column 3	8th Anticipated Net Disbursement Amount	Print 8th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 38, column 2	9th Anticipated Disbursement Date	Print 9th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format

## Direct Loan Disclosure Statement Print Specifications (Continued)

<b>Chart of Anticipated Disbursements</b> <b>Direct Subsidized Loan, continued</b>		
<b>Label and Position</b>	<b>Field</b>	<b>Print Instructions</b>
Net Disbursement Amount Line 38, column 3	9th Anticipated Net Disbursement Amount	Print 9th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 39, column 2	10th Anticipated Disbursement Date	Print 10th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 39, column 3	10th Anticipated Net Disbursement Amount	Print 10th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 30, column 4	11th Anticipated Disbursement Date	Print 11th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 30, column 5	11th Anticipated Net Disbursement Amount	Print 11th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 31, column 4	12th Anticipated Disbursement Date	Print 12th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 31, column 5	12th Anticipated Net Disbursement Amount	Print 12th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 32, column 4	13th Anticipated Disbursement Date	Print 13th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 32, column 5	13th Anticipated Net Disbursement Amount	Print 13th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 33, column 4	14th Anticipated Disbursement Date	Print 14th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 33, column 5	14th Anticipated Net Disbursement Amount	Print 14th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 34, column 4	15th Anticipated Disbursement Date	Print 15th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 34, column 5	15th Anticipated Net Disbursement Amount	Print 15th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format

## Direct Loan Disclosure Statement Print Specifications (Continued)

<b>Chart of Anticipated Disbursements Direct Subsidized Loan, continued</b>		
<b>Label and Position</b>	<b>Field</b>	<b>Print Instructions</b>
Date Line 35, column 4	16th Anticipated Disbursement Date	Print 16th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 35, column 5	16th Anticipated Net Disbursement Amount	Print 16th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 36, column 4	17th Anticipated Disbursement Date	Print 17th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 36, column 5	17th Anticipated Net Disbursement Amount	Print 17th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 37, column 4	18th Anticipated Disbursement Date	Print 18th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 37, column 5	18th Anticipated Net Disbursement Amount	Print 18th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 38, column 4	19th Anticipated Disbursement Date	Print 19th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 38, column 5	19th Anticipated Net Disbursement Amount	Print 19th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Date Line 39, column 4	20th Anticipated Disbursement Date	Print 20th Anticipated Disbursement Date of Subsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 39, column 5	20th Anticipated Net Disbursement Amount	Print 20th Anticipated Net Disbursement Amount of Subsidized loan record in \$99999.99 format
Line 40	Blank line	Insert a blank line

## Direct Loan Disclosure Statement Print Specifications (Continued)

Chart of Anticipated Disbursements Direct Unsubsidized Loan		
Label and Position	Field	Print Instructions
Direct Line 41, column 1	Label	From left to right in column 1, print the label "Direct"
Unsubsidized Line 42, column 1	Label	Print and left justify the label "Unsubsidized"
Loan Line 43, column 1	Label	Print and left justify the label "Loan"
Gross Loan Amount Line 41, column 2	Column heading	From left to right in column 2, print the heading "Gross Loan Amount"
- Line 41	Minus sign	Print the minus sign "-"
Loan Fee Amount Line 41, column 3	Column heading	From left to right in column 3, print the heading "Loan Fee Amount"
+ Line 41	Plus sign	Print the Plus sign "+"
Interest Rebate Amount Line 41, column 4	Column heading	From left to right in column 4, print the heading "Interest Rebate Amount"
= Line 41	Equal sign	Print the equal sign "="
Net Disbursement Amount Line 41, column 5	Column heading	From left to right in column 5, print the heading "Net Disbursement Amount"
Gross Loan Amount Line 42, column 2	Total gross loan amount	Print total anticipated gross loan amount of Unsubsidized loan record in \$99999.99 format
- Line 42	Minus sign	Print the minus sign "-"
Loan Fee Amount Line 42, column 3	Total loan fee amount	Print total anticipated loan fee amount of Unsubsidized loan record in \$99999.99 format
+ Line 42	Plus sign	Print the Plus sign "+"
Interest Rebate Amount Line 42, column 4	Total interest rebate amount	Print total anticipated interest rebate amount of Unsubsidized loan record in \$99999.99 format
= Line 42	Equal sign	Print the equal sign "="

## Direct Loan Disclosure Statement Print Specifications (Continued)

<b>Chart of Anticipated Disbursements Direct Unsubsidized Loan, continued</b>		
<b>Label and Position</b>	<b>Field</b>	<b>Print Instructions</b>
Net Disbursement Amount Line 42, column 5	Total net loan amount	Print total anticipated net loan amount of Unsubsidized loan record in \$99999.99 format
Your school plans to disburse the Net Loan Amount as follows: Line 44	Statement	From left to right starting in column 2, print statement "Your school plans to disburse the Net Loan Amount as follows:"
Line 45	Blank line	Insert a blank line
Date Line 46, column 2	Column heading	In column 2, center heading "Date"
Net Disbursement Amount Line 46, column 3	Column heading	In column 3, center heading "Net Disbursement Amount"
Date Line 46, column 4	Column heading	In column 4, center heading "Date"
Net Disbursement Amount Line 46, column 5	Column heading	In column 5, center heading "Net Disbursement Amount"
(Variable Line 47, column 1	Label	Print and left justify the label "(Variable"
Interest Line 48, column 1	Label	Print and left justify label "Interest"
Rate) Line 49, Column 1	Label	Print and left justify label "Rate)"
Date Line 47, column 2	1st Anticipated Disbursement Date	Print 1st Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 47, column 3	1st Anticipated Net Disbursement Amount	Print 1st Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 48, column 2	2nd Anticipated Disbursement Date	Print 2nd Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 48, column 3	2nd Anticipated Net Disbursement Amount	Print 2nd Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format

## Direct Loan Disclosure Statement Print Specifications (Continued)

<b>Chart of Anticipated Disbursements</b> <b>Direct Unsubsidized Loan, continued</b>		
<b>Label and Position</b>	<b>Field</b>	<b>Print Instructions</b>
Date Line 49, column 2	3rd Anticipated Disbursement Date	Print 3rd Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 49, column 3	3rd Anticipated Net Disbursement Amount	Print 3rd Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 50, column 2	4th Anticipated Disbursement Date	Print 4th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 50, column 3	4th Anticipated Net Disbursement Amount	Print 4th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 51, column 2	5th Anticipated Disbursement Date	Print 5th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 51, column 3	5th Anticipated Net Disbursement Amount	Print 5th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 52, column 2	6th Anticipated Disbursement Date	Print 6th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 52, column 3	6th Anticipated Net Disbursement Amount	Print 6th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 53, column 2	7th Anticipated Disbursement Date	Print 7th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 53, column 3	7th Anticipated Net Disbursement Amount	Print 7th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 54, column 2	8th Anticipated Disbursement Date	Print 8th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 54, column 3	8th Anticipated Net Disbursement Amount	Print 8th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 55, column 2	9th Anticipated Disbursement Date	Print 9th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format

## Direct Loan Disclosure Statement Print Specifications (Continued)

Chart of Anticipated Disbursements Direct Unsubsidized Loan, continued		
Label and Position	Field	Print Instructions
Net Disbursement Amount Line 55, column 3	9th Anticipated Net Disbursement Amount	Print 9th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 56, column 2	10th Anticipated Disbursement Date	Print 10th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 56, column 3	10th Anticipated Net Disbursement Amount	Print 10th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 47, column 4	11th Anticipated Disbursement Date	Print 11th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 47, column 5	11th Anticipated Net Disbursement Amount	Print 11th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 48, column 4	12th Anticipated Disbursement Date	Print 12th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 48, column 5	12th Anticipated Net Disbursement Amount	Print 12th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 49, column 4	13th Anticipated Disbursement Date	Print 13th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 49, column 5	13th Anticipated Net Disbursement Amount	Print 13th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 50, column 4	14th Anticipated Disbursement Date	Print 14th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 50, column 5	14th Anticipated Net Disbursement Amount	Print 14th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 51, column 4	15th Anticipated Disbursement Date	Print 15th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 51, column 5	15th Anticipated Net Disbursement Amount	Print 15th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format

## Direct Loan Disclosure Statement Print Specifications (Continued)

<b>Chart of Anticipated Disbursements</b> <b>Direct Unsubsidized Loan, continued</b>		
<b>Label and Position</b>	<b>Field</b>	<b>Print Instructions</b>
Date Line 52, column 4	16th Anticipated Disbursement Date	Print 16th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 52, column 5	16th Anticipated Net Disbursement Amount	Print 16th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 53, column 4	17th Anticipated Disbursement Date	Print 17th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 53, column 5	17th Anticipated Net Disbursement Amount	Print 17th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 54, column 4	18th Anticipated Disbursement Date	Print 18th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 54, column 5	18th Anticipated Net Disbursement Amount	Print 18th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 55, column 4	19th Anticipated Disbursement Date	Print 19th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 55, column 5	19th Anticipated Net Disbursement Amount	Print 19th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format
Date Line 56, column 4	20th Anticipated Disbursement Date	Print 20th Anticipated Disbursement Date of Unsubsidized loan record in MM/DD/CCYY format
Net Disbursement Amount Line 56, column 5	20th Anticipated Net Disbursement Amount	Print 20th Anticipated Net Disbursement Amount of Unsubsidized loan record in \$99999.99 format

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## Master Promissory Note with Multi-Year Functionality

The Master Promissory Note (MPN) is the only approved promissory note to process Direct Subsidized and Unsubsidized Loans for all schools. No changes are being made to MPN data elements.

The MPN ID prints on the MPN. This MPN ID identification number is used by COD to identify which loans are linked to a MPN. For printed MPNs for 2000–2001 and forward, the format of the MPN ID changed to use “M” as the MPN Indicator instead of “S” or “U” in the loan type code field.

The school prints a MPN based on the completed loan origination record. However, no dollar amount is printed on the MPN by the school or COD and only one MPN is used for both Subsidized and Unsubsidized loans.

A MPN must be printed by the school or COD and signed by the student borrower before disbursing a Direct Subsidized Loan or Direct Unsubsidized Loan. The MPN is a legal document requiring the borrower to repay the funds borrowed under the Direct Loan Program.

Multi-year use of the MPN applies to all four-year and graduate/professional schools that are not subject to an emergency action or limitation, suspension, or termination (LS &T) action per Direct Loan regulations. Any school with questions regarding eligibility may contact Direct Loan Operations.

**Note:** When processing 2002-2003 loan records, COD is aware of open MPNs processed by the LOC for program years prior to 2002-2003.

If a borrower is attending a school using multi-year functionality, the borrower may have only one open MPN on file at COD, for all subsidized and unsubsidized loans originated for program year 1999–2000 and forward. For example, the open MPN at COD can be a MPN processed for year 2000–2001. The 2000–2001 loans and forward are linked to this open MPN. Since multiple loans are linked to a MPN, the promissory note print sequence number is no longer necessary. If a school is using multi-year functionality, that school must have a confirmation process in place. Schools are also allowed to adjust upward and downward within an academic year without having to originate a new loan.

An open MPN on file at COD is assigned to the borrower and is not limited for use at a Direct Loan school. Therefore, a school using multi-year functionality can use any MPN accepted by COD.

All loans for a student are linked to the same MPN across schools and academic years. The Social Security Number (SSN), date of birth, and last name or first name on the Full Loan Origination Record must match the SSN, date of birth, and first name on the MPN. If there are any differences, COD is not able to link the Full Loan Origination Record to the MPN.

If a school is a single-year option school, NOT eligible for multi-year functionality, a new MPN must be generated each academic year for each borrower. A single-year school must use a MPN generated at or for that school only. A single-year school can link multiple subsidized and unsubsidized loans for the same academic year, for the same student, to the same MPN. The academic year start and end dates must be the same on all loan records linked to a specific MPN.

On the Full Loan Origination Record Acknowledgement, there is a MPN Indicator field for Subsidized/Unsubsidized loans. If the LOR has been linked to a MPN at COD, the MPN Indicator is populated with a “Y”. LORs not linked to a MPN on file at COD have the MPN Indicator populated with an “N”.

An open MPN is valid for up to ten years from the later of the date received or the first anticipated disbursement if an actual disbursement is made for any associated full loan origination record. If a student wishes to close a MPN, he or she must provide a request in writing to the Direct Loan Servicing Center or the school. If the closed notification is received at the school, the school must forward all original documentation to COD. COD, upon receipt of the original close MPN notification, closes the MPN. Once a MPN is closed, no new loans can be linked to it. A new MPN must be generated if new loans are originated. However, all disbursements and booking activities for the loans already linked to the closed MPN continue to be processed by COD.

## **Options for Printing Master Promissory Notes**

Option 1 and Option 2 schools have two choices for printing MPNs. They may preprint available borrower and school information on the Master Promissory Note and provide the document to the borrower for review, completion, and signature, or they may request that COD print the Master Promissory Note.

The U.S. Department of Education provides copies of a standard, approved Master Promissory Note to participating schools. A copy of the Master Promissory Note can be found in Appendix D. However, the school may create its own form as long as it is identical in format and wording to the one provided by the U.S. Department of Education. The format must be approved by SFA. For more information on the approval process schools should call COD at 800-848-0978.

A minimum of two copies must be printed—one as the borrower copy and the other as COD copy. Additional copies can be printed, if desired, as school copies.

When mailing the MPN, we recommend the use of a number 10 business window envelope.

When printing the MPN, we recommend the use of Courier, 10 point, 12 pitch. Other settings may cause delays in the processing of the school's MPNs. Use the following specifications to develop a printing system. They are similar to those used to develop the EExpress Direct Loan Software.