

DISCUSSION
OF
NSLDS

DISCUSSION OF NATIONAL STUDENT LOAN DATA SYSTEM

The National Student Loan Data System (NSLDS) is the first national database of loan-level data on the Title IV aid programs. NSLDS includes data on both grants and loans, and is intended to support users at schools, lenders, guaranty agencies, and within the government.

Why Implement NSLDS?

NSLDS is being implemented in response to §485B of the Higher Education Act (HEA) of 1965, as amended. This law requires ED to develop a national database of loan-level information on Federal Family Education Loan (FFEL) Program loans and the Campus-Based Student Aid Program loans.

NSLDS Objectives

The principal objectives of the NSLDS are to:

- Provide a central verification system for use in determining the eligibility of Title IV aid applicants with respect to prior aid received. The HEA authorizes the Secretary of Education to require eligibility prescreening of Title IV aid applications through NSLDS. Prescreening will identify borrowers who should be ineligible for additional Title IV aid based upon their Title IV aid history. Information will also be provided to assist financial aid administrators in determining students' aid eligibility in relation to annual and cumulative loan limits.
- Provide a comprehensive statistical database of student loan disbursement and collection information. For every student loan, NSLDS will contain information on the borrower's identification; loan amount and type; total amount of student loans made to that borrower and the remaining balance on the loans; names of the guaranty agency, lender, holder, and servicer for each loan; all postsecondary education institutions attended and the institution attended at the time each loan was made; and information regarding default, deferments, forbearance, and cancellations.
- Provide a database of additional borrower profile information to support research and analysis of student financial assistance program issues. For a statistically valid sample of borrowers, NSLDS will track information concerning borrower characteristics, such as borrower and family income level, financial need, other student financial assistance received, type of

institution and the year for which each Title IV loan was used, and information on the Federal costs associated with the student loan program. This database will also contain information on the student loan indebtedness of the sample of borrowers. The information will be used to profile student loan recipients and to better understand the factors leading to, and the characteristics associated with, default.

- Provide a database of lender, school, and guaranty agency profile information. This will include such information as loan volume, loan type, and default rates. Lender, school, and guaranty agency profile information will be used to support audit and program review planning, assessments of various institutions' program participation, and other similar functions.

- Improve the quality and accessibility of student loan data. NSLDS will provide users with more timely, accurate, and comprehensive loan-level data than is currently available. To achieve this, NSLDS will include data on all outstanding and paid-in-full, or otherwise closed, Perkins Loans (including National Direct and National Defense Student Loans, and Income Contingent Loans), FFEL Program loans, and Federal Direct Loan Program (FDLP) loans, to the extent possible. Measures have been implemented to continually work toward higher data quality.

- Reduce the burden on institutions administering Title IV loan programs, while improving the efficient and effective transfer of information. NSLDS will be used to reduce the burden on schools, lenders, and guaranty agencies by automating and centralizing some existing functions, such as preparation of Financial Aid Transcript (FAT) information and of Student Status Confirmation Reports (SSCRs).

To accomplish these objectives, NSLDS will contain loan-level data on the loan programs noted above, as well as limited data regarding Supplemental Educational Opportunity Grants (SEOGs), State Student Incentive Grants (SSIGs), and Federal Pell Grants.

Data will be obtained from a variety of sources. These responsibilities are described in more detail under "Who Must Provide Data To NSLDS?"

What Will NSLDS Do?

NSLDS functional requirements were identified through a process that included consultation with representatives of schools, lenders, and guaranty agencies. In 1990, ED conducted forums with school, lender, and guaranty agency representatives to identify major NSLDS requirements. Results of these forums were subsequently developed into detailed functional requirements for the system, which were further coordinated with representatives from schools, lenders, and guarantors. During NSLDS design, groups of school and guaranty agency representatives continued to work with ED regarding data provider and functional issues related to the system.

Phased Implementation

Through the process described above, eight major functions were identified for NSLDS. These were divided into three phases. The design for all three phases is complete, and Phase I capabilities have been implemented. The Office of Management and Budget has now approved implementation of Phases II and III, which are expected to be completed in summer 1995.

Description of Major Functions

The following paragraphs identify each major NSLDS function, by phase, and briefly explain what each function entails.

Phase I.

- ° **Prescreening for Title IV Aid Eligibility.** Prescreen applications for Title IV aid against data in NSLDS to identify individuals who are in default on an existing Title IV loan or who are otherwise ineligible to receive additional Title IV aid, and to assess applicant's eligibility in relation to loan limits.
- ° **Default Rate Calculation.** Using the established formula, calculate the FFEL Program cohort default rate for schools, lenders, and guaranty agencies, and provide backup data for each rate calculated.
- ° **Operations Support.** Encompass various uses of data in NSLDS for research, budget analysis and development, audit and program review planning, policy development, monitoring lender and guaranty agency billings for reasonability, and loan program management.

Phase II.

- Standardized Student Status Confirmation Reporting (SSCR). Up to six times per year, generate SSCR requests to schools in a standard format, receive school responses, update the NSLDS database and provide data to relevant guaranty agencies and FDLP servicers. This will replace the current requirement for guaranty agencies to perform SSCR, although guaranty agencies will still be responsible for providing enrollment status data received from NSLDS to their associated lenders.
- Borrower Tracking. Support individuals who are trying to locate borrowers whose loans are in collection or who are assisting borrowers in identifying the guaranty agency, lender, servicer, and/or school associated with their loans.
- Pre-Claims Assistance (PCA)/Supplemental PCA. Based upon flags and dates received from guaranty agencies in their regular submissions, generate weekly lists of borrowers on whom PCA or Supplemental PCA has been requested and transmit these to schools. This process will initially supplement existing PCA notification requirements.

Phase III.

- Credit Reform Act Support. Track FFEL Program loans by loan program, cohort year, and risk category, in compliance with the Credit Reform Act, which requires agencies to track all Federally guaranteed loans. Provide reports and data used to periodically re-estimate Government costs associated with the loan programs.
- Preparation of FAT Information. Replace the current, manual generation of FATs by schools with an automated process that will generate FAT information on individual students or on rosters of students.

How Will NSLDS Benefit the Title IV Aid Community?

ED expects a number of benefits to accrue from NSLDS implementation.

- Reducing the number of loans entering default by prescreening applications for Title IV aid and by providing schools more timely notification of PCA and Supplemental PCA requests, giving them more time to take action to prevent defaults.
- Supporting more equitable distribution of aid by providing information to determine where a borrower stands in relation to annual and cumulative aid ceilings, and by providing information to keep ineligible students from receiving additional Title IV grants and loans.
- Reducing burden on members of the financial aid community by replacing labor-intensive requirements such as SSCR and FAT with centralized, standardized, and automated capabilities. Additionally, where possible, duplicate reporting streams will be eliminated. For example, one section of the Free Application for Federal Student Aid was already eliminated since required data will reside in NSLDS. Similarly, requirements for guarantors to submit the annual tape dump and to perform Credit Reform Act sampling are eliminated. In conjunction with the community, ED will continue to seek other opportunities to reduce duplicate reporting requirements.
- Providing user-friendly access to national data that can be used to improve financial aid operations and to provide better support to borrowers.
- Providing an improved source of FFEL Program default rate calculation data and provide ready access to complete backup data for each default rate calculated by NSLDS.

Who Must Provide Data to NSLDS?

For NSLDS to provide the services described above, complete and accurate loan data must be provide by several sources. Data provider requirements are summarized in Table 1. The columns present the following information.

Organization	Indicates the data provider—lender, guaranty agency, school, FDLP servicer, or other Title IV system.
Title IV Program(s)	Names the specific aid program(s) in which a provider participates and on which data must be provided.

ORGANIZATION	TITLE IV PROGRAM(S)	NSLDS PHASE	DATA REQUIRED
<u>GUARANTY AGENCIES</u>	<i>Participating in:</i> Federal Family Education Loan Program	Phase I	<ul style="list-style-type: none"> ◦ Loan-level data on all active FFEL Program loans. ◦ Loan-level data on all FFEL Program loans that "closed" on or after October 1, 1989.
<u>LENDERS</u>	<i>Participating in:</i> Federal Family Education Loan Program	Phase I	<ul style="list-style-type: none"> ◦ Provide to guaranty agencies limited loan-level data on active FFEL Program loans. ◦ Requirement to report this data begins July 1, 1995.
<u>FDLP SERVICER(S)</u>	<i>Supporting:</i> Federal Direct Loan Program	Phase I	<ul style="list-style-type: none"> ◦ Loan-level data on all FDLP loans, from the time the loan originates until the loan defaults or is otherwise closed.

TABLE 1
NATIONAL STUDENT LOAN DATA SYSTEM
SUMMARY OF DATA SOURCES

ORGANIZATION	TITLE IV PROGRAM(S)	NSLDS PHASE	DATA REQUIRED
<u>SCHOOLS</u>	<i>Responsible for:</i> Perkins Loans Nat'l Defense Student Loans Nat'l Direct Student Loans Income-Contingent Loans	Phase I	<ul style="list-style-type: none"> ◦ Loan-level data on all active Perkins Loans, NDSLs, and Income-Contingent Loans. ◦ One-time submission of loan-level data on all Perkins Loans, NDSLs, and Income-Contingent Loans that "closed" on or after October 1, 1989.
	<i>Responsible for:</i> Supplemental Educational Opportunity Grants	Phase I	<ul style="list-style-type: none"> ◦ Data on currently owed SEOG overpayments ONLY if school is also providing data on Perkins Loans, NDSLs, and/or Income-Contingent Loans AND if loan and grant data are available from one source.
		Phase III	<ul style="list-style-type: none"> ◦ Data on currently owed SEOG overpayments from all schools participating in the SEOG Program.
	<i>Participating in:</i> Federal Family Education Loan Program Federal Direct Loan Program	Phase I Phase II	<ul style="list-style-type: none"> ◦ No Data Required ◦ Student Status Confirmation Report data on FFEL and FDLP borrowers.

TABLE 1 (Cont'd)
 NATIONAL STUDENT LOAN DATA SYSTEM
 SUMMARY OF DATA SOURCES

ORGANIZATION	TITLE IV PROGRAM(S)	NSLDS PHASE	DATA REQUIRED
<u>TITLE IV SYSTEMS</u>	Central Processing System	Phase III	<ul style="list-style-type: none"> ◦ Demographic data on students who receive Title IV aid.
	Pell Grant Recipient & Financial Management System	Phase III	<ul style="list-style-type: none"> ◦ Grant-level data on Federal Pell Grants.
	FFEL Program/Debt Collection System	Phase I	<ul style="list-style-type: none"> ◦ Loan-level data on all active FFEL, FDLP, Federally Insured Student Loans, Perkins, NDSLs, and Income-Contingent Loans assigned to ED for collection. ◦ One-time submission of loan-level data on all closed FFEL, FISL, Perkins, NDSL, and Income-Contingent Loans assigned to ED for collection. ◦ Data on currently owed Federal Pell Grant overpayments.

TABLE 1 (Cont'd)
NATIONAL STUDENT LOAN DATA SYSTEM
SUMMARY OF DATA SOURCES

effect.

Data Required Briefly describes the data that must be provided by each organization, for a specific Title IV aid program, beginning with the phase noted.

Please note that the term "closed loan" refers to any loan that has been paid in full, refinanced, discharged through bankruptcy, cancelled due to student or borrower death, or cancelled due to borrower disability.

How Data Are Provided

Schools, guaranty agencies, FDLP servicers, and other ED systems are required to submit data directly to NSLDS once a month. Submissions by guaranty agencies and ED systems began in November 1994. Data that agencies must obtain from lenders are required to be collected and reported not less than once a quarter, for quarters ending March 31, June 30, September 30, and December 31, each year. Requirements for lender-provided data take effect on July 1, 1995.

Guaranty agencies are responsible for submitting all FFEL Program data to NSLDS, including data that they must obtain from lenders. Although ED requires that the lender-supplied data be reported to NSLDS, the data provider relationship is between the guaranty agency and its associated lenders. The National Council of Higher Education Loan Programs (NCHHELP) is considering implementing a standardized layout for reporting this data so that lenders can use a single format for all agencies with which they work. Questions regarding this layout should be addressed to that organization.

What Data Are Required

This section presents each of the attributes lenders will be responsible for providing to guarantors. It is important to note that all data in NSLDS are reported at loan level; account level data must be separated or prorated.

For each required attribute, the following information is presented:

- Name - A brief, descriptive title;
- Description - A short narrative definition;
- Type - An indicator of value (i.e., numeric, date, or character);
- Size - The number of bytes the attribute comprises;

- Comments - A brief explanation to assist in understanding the attribute;
- First Level Edit(s) - A list of validations performed on the attribute's value before data are submitted to NSLDS by a guaranty agency;
- Third Level Edit(s) - A list of validations performed on the attribute's value during processing at the NSLDS central computer;
- Reporting - Information regarding what should be reported for the attribute; and
- Update Instructions - Instructions regarding which attributes must be included in regular updates to NSLDS. The following situations are possible for lender-provided data:
 - Mandatory on active loans on or after July 1, 1995 - These attributes must be reported on all active loans beginning July 1, 1995.
 - Mandatory on active loans on or after July 1, 1995, conditional - Beginning July 1, 1995, these attributes must be reported on all active loans to which they apply. In each case, a specific condition under which the data must be reported to NSLDS is identified.

In NSLDS, the following nine attributes are used to identify each individual loan record submitted to guaranty agencies:

Code for Guaranty Agency
 Student's Social Security Number
 Date of Student's Birth
 Student's First Name
 Type of Loan
 Date of Guaranty
 Indicator of Separate Loan
 Code for Original School
 PLUS Borrower's Social Security Number

Depending upon the reporting format a guaranty agency decides to use, lenders may be required to provide some or all of these attributes.

Each lender is required to report the following eleven attributes on every active FFEL Program loan in its portfolio.

<u>NAME:</u>	Code for Servicer
<u>DESCRIPTION:</u>	Six-digit code indicating current lender servicer, if there is one, of an FFEL Program loan.
<u>TYPE:</u>	Numeric
<u>SIZE:</u>	6
<u>COMMENTS:</u>	Servicer code table will be available at a later date. Use "000000" for default value.
<u>FIRST LEVEL EDIT(S):</u>	Must be all numbers. If this field contains a value other than all zeroes, then there must be a corresponding value in Date of Servicer Responsibility.
<u>THIRD LEVEL EDIT(S):</u>	Must be all numbers. If this field contains a value other than all zeroes, then it must contain a valid code from Servicer Code table and there must be a corresponding value in Date of Servicer Responsibility.
<u>REPORTING:</u>	Servicer code must be collected from lender at least once each quarter, current through March 31, June 30, September 30, and December 31, each year. Report in periodic extract after update received, and within 90 days of end of quarter. If more than one servicer has been responsible for loan within quarter, report servicer responsible for loan at end of quarter.
<u>UPDATE INSTRUCTIONS:</u>	Mandatory on active loans on or after July 1, 1995, conditional. (Mandatory if loan is assigned to a lender servicer.)

<u>NAME:</u>	Type of Deferment
<u>DESCRIPTION:</u>	One of the legal reasons for delaying the requirement to repay loan principal and interest.
<u>TYPE:</u>	Character
<u>SIZE:</u>	2
<u>COMMENTS:</u>	Valid deferment type code from Deferment Type Codes table (see Table 2).
<u>FIRST LEVEL EDIT(S):</u>	If this field contains a value other than spaces, there must be corresponding values in Date Deferment Starts and Date Deferment Stops.
<u>THIRD LEVEL EDIT(S):</u>	If this field contains a value other than spaces, then it must contain a valid code from Deferment Type Codes table and there must be corresponding values in Date Deferment Starts and Date Deferment Stops.
<u>REPORTING:</u>	Deferment information must be collected from lender at least once each quarter, current through March 31, June 30, September 30, and December 31, each year. Report in the next periodic extract after update is received, and within 90 days of end of quarter.
<u>UPDATE INSTRUCTIONS:</u>	Mandatory on active loans with deferments starting on or after July 1, 1995, conditional. (Mandatory if deferment begins on or after that date.)

<u>CODE</u>	<u>DESCRIPTION</u>
AC	ACTION Program
AP	Armed Forces or Public Health Service
EH	Economic Hardship
FT	Full-time Student
GF	Graduate Fellowship
HT	Half-time Student
IR	Internship/Residency
NO	NOAA
PC	Peace Corps
PL	Parental Leave
PP	Parental PLUS Borrower
RT	Rehabilitation Training
TD	Temporary Disability
TE	Tax-Exempt Organizations
TS	Teacher Shortage
UE	Unemployment, Less Than 3 Years
UN	Unemployment, Less than 2 Years
WM	Working Mother

TABLE 2
DEFERMENT TYPE CODES TABLE

<u>DESCRIPTION:</u>	Date (year, month, and day) on which a legal deferment actually begins.
<u>TYPE:</u>	Date
<u>SIZE:</u>	8
<u>COMMENTS:</u>	CCYYMMDD format. Use "00000000" for default value.
<u>FIRST LEVEL EDIT(S):</u>	Must be all numbers. If this field contains a value other than all zeroes, then MM must be a value from 01 through 12; DD must be a value from 01 through 28, 29, 30, or 31, depending on the month and year; must be on or after Date Entered Repayment (Date of Maturity); and there must be corresponding values in Type of Deferment and Date Deferment Stops.
<u>THIRD LEVEL EDIT(S):</u>	Must be all numbers. If this field contains a value other than all zeroes, then MM must be value from 01 through 12; DD must be value from 01 through 28, 29, 30, or 31, depending on the month and year; must be on or after Date Entered Repayment (Date of Maturity); and there must be corresponding values in Type of Deferment and Date Deferment Stops.
<u>REPORTING:</u>	Date must be collected from lender at least once each quarter, current through March 31, June 30, September 30, and December 31, each year. Report in periodic extract after update received and within 90 days of end of quarter.
<u>UPDATE INSTRUCTIONS:</u>	Mandatory on active loans with deferments starting on or after July 1, 1995, conditional. (Mandatory if deferment begins on or after that date.)

<u>DESCRIPTION:</u>	Date (year, month, and day) on which a legal deferment is projected to end. Includes post deferment grace period, if applicable.
<u>TYPE:</u>	Date
<u>SIZE:</u>	8
<u>COMMENTS:</u>	CCYYMMDD format. Use "00000000" for default value.
<u>FIRST LEVEL EDIT(S):</u>	Must be all numbers. If this field contains a value other than all zeroes, then MM must be value from 01 through 12; DD must be value from 01 through 28, 29, 30, or 31, depending on the month and year; must be later than Date Deferment Starts; and there must be corresponding values in Type of Deferment and Date Deferment Starts.
<u>THIRD LEVEL EDIT(S):</u>	Must be all numbers. If this field contains a value other than all zeroes, then MM must be value from 01 through 12; DD must be value from 01 through 28, 29, 30, or 31, depending on the month and year; must be later than Date Deferment Starts; and there must be corresponding values in Type of Deferment and Date Deferment Starts.
<u>REPORTING:</u>	Date must be collected from lender at least once each quarter, current through March 31, June 30, September 30, and December 31, each year. Report in periodic extract after update received and within 90 days of end of quarter.
<u>UPDATE INSTRUCTIONS:</u>	Mandatory on active loans with deferments starting on or after July 1, 1995, conditional. (Mandatory if deferment starts on or after that date.)

DESCRIPTION: Date (year, month, and day) on which lender receives a refund from the school.

TYPE: Date

SIZE: 8

COMMENTS: CCYYMMDD format. Use "00000000" for default value.

FIRST LEVEL EDIT(S): Must be all numbers. If this field contains a value other than all zeroes, then MM must be value from 01 through 12; DD must be value from 01 through 28, 29, 30, or 31, depending on the month and year; must be later than Date of Guaranty; and there must be a corresponding value in Amount of Refund From School to Lender According to Lender.

THIRD LEVEL EDIT(S): Must be all numbers. If this field contains a value other than all zeroes, then MM must be value from 01 through 12; DD must be value from 01 through 28, 29, 30, or 31, depending on the month and year; must be later than Date of Guaranty; and there must be a corresponding value in Amount of Refund From School to Lender According to Lender.

REPORTING: Amount must be collected from lender at least once each quarter, current through March 31, June 30, September 30, and December 31, each year. Report in the next periodic extract after update is received, and within 90 days of the end of the quarter.

UPDATE INSTRUCTIONS: Mandatory on active loans on or after July 1, 1995, conditional. (Mandatory if refund has occurred.)

<u>NAME:</u>	Amount of Refund From School to Lender According to Lender
<u>DESCRIPTION:</u>	The cumulative amount of refund(s) returned from school to lender, as reported by lender. School refunds should be reported in this field up to the time an insurance claim is paid on a loan.
<u>TYPE:</u>	Numeric
<u>SIZE:</u>	6
<u>COMMENTS:</u>	Six-digit field expressing whole dollars (e.g., \$000100). Use "000000" for default value.
<u>FIRST LEVEL EDIT(S):</u>	Must be all numbers. If this field contains a value other than all zeroes, then must not exceed value of Amount of Guaranty and there must be a value in Date of Refund to Lender.
<u>THIRD LEVEL EDIT(S):</u>	Must be all numbers. If this field contains a value other than all zeroes, then must not exceed value of Amount of Guaranty and there must be a value in Date of Refund to Lender.
<u>REPORTING:</u>	Amount must be collected from lender at least once each quarter, current through March 31, June 30, September 30, and December 31, each year. Report in periodic extract after update received, and within 90 days of the end of the quarter.
<u>UPDATE INSTRUCTIONS:</u>	Mandatory on active loans on or after July 1, 1995, conditional. (Mandatory on active loans with refunds on or after July 1, 1995.)

DESCRIPTION: Date (year, month, and day) on which value in Amount of Outstanding Principal Balance field was updated or verified.

TYPE: Date

SIZE: 8

COMMENTS: CCYYMMDD format. Use "00000000" for default value.

FIRST LEVEL EDIT(S): Must be all numbers. If this field contains a value other than all zeroes, then MM must be value from 01 through 12 and DD must be value from 01 through 28, 29, 30, or 31, depending on the month and year.

THIRD LEVEL EDIT(S): Must be all numbers. If this field contains a value other than all zeroes, then MM must be value from 01 through 12; DD must be value from 01 through 28, 29, 30, or 31, depending on the month and year; and there must be a corresponding value in Amount of Outstanding Principal Balance.

REPORTING: Guarantors are responsible for reporting the outstanding balance data on all loans within their portfolios at least once a quarter, current through the end of the quarter. For loans on which no insurance claims have been paid, amount and date must be collected from lender at least once each quarter, current through March 31, June 30, September 30, and December 31, each year.

UPDATE INSTRUCTIONS: Mandatory on active loans on or after July 1, 1995.

<u>NAME:</u>	Amount of Outstanding Principal Balance
<u>DESCRIPTION:</u>	The cumulative dollar value of the outstanding balance due on a loan, including capitalized interest.
<u>TYPE:</u>	Numeric
<u>SIZE:</u>	6
<u>COMMENTS:</u>	Six-digit field expressing whole dollars (e.g., \$000100). Negative amounts must be reported as zero.
<u>FIRST LEVEL EDIT(S):</u>	Must be all numbers.
<u>THIRD LEVEL EDIT(S):</u>	Must be all numbers. If Date of Outstanding Principal Balance contains a value other than all zeroes, then this field must contain a value. If Code for Loan Status is equal to "DP" (defaulted, paid in full), "PF" (paid in full), "CA" (cancelled), "PC" (paid in full through Consolidation), or "RF" (refinanced), then zero is a valid value for this field.
<u>REPORTING:</u>	Guarantors are responsible for reporting the outstanding balance data on all loans within their portfolios at least once a quarter, current through the end of the quarter. For loans on which no insurance claims have been paid, amount and date must be collected from lender at least once each quarter, current through March 31, June 30, September 30, and December 31, each year.
<u>UPDATE INSTRUCTIONS:</u>	Mandatory on active loans on or after July 1, 1995.

NAME:

Date of Outstanding Accrued Interest Balance

DESCRIPTION:

Date (year, month, and day) through which the reported outstanding interest balance (i.e., Amount of Outstanding Accrued Interest Balance) was accrued.

TYPE:

Date

SIZE:

8

COMMENTS:

CCYYMMDD format. Use "00000000" for default value.

FIRST LEVEL EDIT(S):

Must be all numbers. If this field contains a value other than all zeroes, then MM must be value from 01 through 12 and DD must be value from 01 through 28, 29, 30, or 31, depending on the month and year.

THIRD LEVEL EDIT(S):

Must be all numbers. If this field contains a value other than all zeroes, MM must be value from 01 through 12; DD must be value from 01 through 28, 29, 30 or 31, depending on the month and year; and there must be a corresponding value in Amount of Outstanding Accrued Interest Balance.

REPORTING:

Guarantors are responsible for reporting the outstanding balance data on all loans within their portfolios at least once a quarter, current through the end of the quarter. For loans on which no insurance claims have been paid, amount and date must be collected from lender at least once each quarter, current through March 31, June 30, September 30, and December 31, each year.

UPDATE INSTRUCTIONS:

Mandatory on active loans on or after July 1, 1995.

NAME: Amount of Outstanding Accrued Interest Balance

DESCRIPTION: The cumulative dollar value of the outstanding accrued interest balance on an FFEL Program loan.

TYPE: Numeric

SIZE: 6

COMMENTS: Six-digit field expressing whole dollars (e.g., \$000100). If an amount of zero is to be reported for this field, then Date of Outstanding Accrued Interest Balance must be populated with a valid date.

FIRST LEVEL EDIT(S): Must be all numbers.

THIRD LEVEL EDIT(S): Must be all numbers.

REPORTING: Guarantors are responsible for reporting the outstanding balance data on all loans within their portfolios at least once a quarter, current through the end of the quarter. For loans on which no insurance claims have been paid, amount and date must be collected from lender at least once each quarter, current through March 31, June 30, September 30, and December 31, each year.

UPDATE INSTRUCTIONS: Mandatory on active loans on or after July 1, 1995.

NAME: **Date of Servicer Responsibility**

DESCRIPTION: Date (year, month, and day) on which a servicer assumes responsibility for servicing an FFEL Program loan for a lender, as reported by the responsible lender.

TYPE: Date

SIZE: 8

COMMENTS: CCYYMMDD format. Use "00000000" for default value.

FIRST LEVEL EDIT(S): Must be all numbers. If this field contains a value other than all zeroes, then MM must be value from 01 through 12; DD must be value from 01 through 28, 29, 30, or 31, depending on the month and year; and there must be a corresponding value in Code for Servicer.

THIRD LEVEL EDIT(S): Must be all numbers. If this field contains a value other than all zeroes, then MM must be value from 01 through 12; DD must be value from 01 through 28, 29, 30, or 31, depending on the month and year; and there must be a corresponding value in Code for Servicer.

REPORTING: Servicer information must be collected from lender at least once each quarter, current through March 31, June 30, september 30, and December 31, each year. Report in the next periodic extract after update is received, and within 90 days of end of quarter. If more than one servicer has been responsible for loan within quarter, report the date associated with the servicer responsible for loan at the end of the quarter.

UPDATE INSTRUCTIONS: Mandatory on active loans on or after July 1, 1995, conditional. (Mandatory if loan is assigned to a lender servicer.)

The Importance of Data Quality

For NSLDS to be effective, the data in the system must be of the highest possible quality. The edits performed at each data provider's site and within the central computer are intended to help ensure that complete and accurate data is provided to the system. Similarly, error reports resulting from each of these processes give data providers a tool to help correct data in their database(s). Lenders are responsible for timely provision of required data to their associated guaranty agencies so that it can be reported to NSLDS, and for responding to requests for corrections based upon the error reports that the guaranty agencies receive as a result of the NSLDS edits.

Who Can Use NSLDS?

NSLDS will be accessible, directly or indirectly, to users within the following organizations:

- Lenders
- Servicers
- Guaranty Agencies
- Schools
- ED and Other Government Agencies
- Other Independent Researchers.

Initially, in addition to the specific functions described earlier in this letter, NSLDS will provide users at schools and guaranty agencies access to a limited menu of canned queries and reports. Lenders needing data from NSLDS will need to obtain that data via their associated guaranty agencies.

Once NSLDS has been operational for awhile, ED expects that additional access requirements will be defined. ED's goal is to make NSLDS as useful as possible to members of the community, within the performance and cost constraints associated with a large computer system serving an extensive user base. ED intends to continue to expand and improve user access to NSLDS data as the system evolves.

Who Can I Call If I Have Questions?

If you have any questions, comments, or suggestions regarding NSLDS, you may either contact ED directly or you may call the NSLDS Customer Service Center. To contact ED, call or write:

Ms. Susan Pentecost
Director, National Student Loan Data System Division
U.S. Department of Education
600 Independence Avenue, SW
ROB-3, Room 4640
Washington, D.C. 20202

Telephone: (202)708-8125
FAX: (202)708-9461

The NSLDS Customer Service Center is staffed from 7 a.m. to 7 p.m. Eastern time, and can be reached at:

1-800-999-8219

What is the Next Step?

Table 2 summarized the attributes that each lender must be prepared to submit to its associated guaranty agencies. Although lender reporting is not required to commence until July 1995, it is important that lenders begin analyzing data and preparing to meet these reporting requirements. Additionally, lenders should contact their associated guaranty agencies to determine specific format and reporting instructions.