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S T U D E N T A I D

LENDER / SERVICER

REVIEW GUIDE

Lender/Servicer Review Guide

TABLE OF CONTENTS

INTRODUCTION	3
1 - DISBURSEMENT PROCEDURES.....	6
2 - CONVERSION TO REPAYMENT	9
3 - DEFERMENTS.....	11
4 - FORBEARANCE	13
5 - COLLECTION DUE DILIGENCE/CURES/CLAIM REIMBURSEMENT	15
6 - PAYMENT APPLICATION AND RATE CHANGES	17
7 - RECONCILIATION OF ED FORM 799 TO LENDER’S BOOKS AND RECORDS	19
8 - CREDIT BUREAU REPORTING	21
9 - PURCHASES/SALES/TRANSFERS	22
10 - FEDERAL CONSOLIDATION LOANS	24
11 - REPORTING NSLDS DATA TO THE GUARANTY AGENCY	26
12 - “SPECIAL” PROGRAMS	27
13 – SERVICER REVIEWS.....	28
ATTACHMENT A - NSLDS GUIDE – 2/2000.....	30
ATTACHMENT B – NSLDS	400
ATTACHMENT C - LAP/LARS CROSSWALK.....	586

Lender/Service Review Guide

INTRODUCTION

Purpose:

The purpose of this guide is to provide information to those responsible for conducting program reviews of lenders, loan holders, servicers, and secondary markets participating in the Federal Family Education Loan (FFEL) program. The guide is intended for use by both guaranty agency and US Department of Education (ED) compliance staff.

This guide is formulated based upon current statutes, regulations, and policies governing the FFEL program as of July 1, 2001 and does not consider outside publications or guaranty agency policies or procedures in FFEL program administration.

Use of the Guide:

Because each review and situation is unique, an all-inclusive guide would be impossible to create and maintain. This guide is divided into review elements that are considered to comprise a thorough and comprehensive review. Not every element applies to each review or situation. The reviewer must determine which elements are applicable and which might need to be altered given the circumstances of the review. For guaranty agency reviews, the scope may be changed due to unique, internal circumstances. The reason for the change in scope must be documented in the work papers. For example, the scope of a guaranty agency's review of loan documentation will be limited to loans guaranteed by that agency.

This guide does not address the organization and closing of a review. In situations where fraud and abuse have been discovered, the guaranty agency must contact its cognizant ED Regional Office for assistance. As well, if the guaranty agency has difficulty in closing a review and/or assessing liabilities, it may contact the Regional Office responsible for oversight of the entity for assistance.

PEPS Data Entry:

Each review must be scheduled and issued a program review control number (PRCN) as soon as the date is agreed upon between the reviewer and the entity reviewed. PRCN's are issued automatically by the Postsecondary Education Participants System (PEPS) when the demographic information and specific review data is input and saved. This PRCN must be referenced in the review report, as there may be several reviews of the same entity entered on the PEPS system. This unique PRCN will link the reported information to the correct program review.

Under the "Entity Maintenance" portion of the Financial Partners (FP) module in PEPS, there is a lender detail report which outlines all of the

Lender/Servicer Review Guide

data PEPS contains on a particular OPE ID (servicer, lender or secondary market). Data on prior reviews and findings are also included. This is a good tool to use to begin any review because all information relative to prior review data is entered into PEPS by both ED and guaranty agency compliance staff.

Note: A number of PEPS codes have been added to differentiate between reviews. Some of the more common are “review type” and “scope”.

File Sampling:

File samples should be scientifically selected from the universe consisting of the portfolios being reviewed. Sampling should be performed during pre-planning in order to allow sufficient time for the entity to compile and submit the requested data. Review data should be requested in an electronic format whenever possible. In order to improve efficiency and reduce time spent on site, this data should be analyzed prior to the visit. While on-site primary documentation should be reviewed to verify the accuracy of the data entered on the entity’s computer system. Additional samples may be selected at the reviewer’s discretion and to ensure all loan programs and all loan statuses are reviewed. In all situations, when reviewing a loan, the entire life of the loan must be reviewed (from the date of guarantee to payment in full).

Lender Relationships:

Some lenders participate in the FFEL program through a trust agreement. In this situation, the Trustee Bank is the legal owner of the FFEL program loans. With the permission of the trustee bank, copies of reports may be sent to the beneficial owner of the trust at the determination of the reviewer. The review report must describe the trust relationship and name all entities involved and their function (e.g., Trustee Bank, beneficial owner, etc.).

Data Mart:

Reviewers should use the Financial Partners Data Mart (FPDM) for their documentation needs. There are many reports designed to access the lender’s payment records and determine the risk of the portfolio. Reports may be created if a need exists. All of the Department of Education’s data regarding payments, accounts receivable/payable, and reporting requirements are recorded in this system.

System Checks:

The review is also an opportunity to verify that information that both the guaranty agency and ED maintains is current and valid. Some of the data may be, but is not limited to: LAP data, User ID data for LaRS, guaranty agency contact information, etc.

Lender/Service Review Guide

Electronic Data Availability:

When possible, records from the lender/service should be requested in an electronic format to assist and accelerate the review process. This allows for greater analysis and pre-planning and can reduce time spent on-site. Many records, such as collection activities, are maintained electronically and are an integral part of the review.

Lender/Service Review Guide

1 - DISBURSEMENT PROCEDURES

Purpose: To verify compliance with due diligence requirements relating to the disbursement of student loan funds and accuracy in reporting in Parts II, III and IV of the ED Form 799. 34 CFR 682.207; 682.300; 682.302; 682.304; 682.305.

Examples of Documents:
Copies of disbursement instruments, reports, wire transfers
ED Form 799 Part II, III and IV data
Written instructions/procedures

Methodology: Interview appropriate staff to determine whether disbursement procedures are in compliance.

Review manuals to determine whether disbursement procedures are in compliance.

Verify that a procedure exists to identify disbursements by EFT, Escrow, and Master Check and to ensure that uncashed checks are delivered by the institution and processed within 120 days after issued.

Verify that those schools receiving loan proceeds in single disbursements have an appropriate cohort default rate permitting single disbursements. (Note: The exception to multiple disbursement requirements expired 9/30/02, therefore it should be verified that single disbursements were not made under this exception after 9/30/02.)

For Escrow Services Only.

Verify that the funds disbursed by the lender are being negotiated and forwarded to the institutions in a timely manner by the Escrow Agent.

Determine if there are any unnecessary delays between the lender and the Escrow Agent or between the Escrow Agent and the institution.

Verify that the funds are disbursed no later than 21 days after the escrow agent receives the proceeds from the lender.

Verify that the lender has an agreement with the escrow agent pursuant to §682.408.

Verify that the escrow agent is a guaranty agency or an eligible lender.

Lender/Servicer Review Guide

Analyze a sample of loans to:

Verify that the guarantee existed prior to the disbursement. In cases of master promissory notes or blanket guaranty authority, verify that the lender has received the necessary school certifications prior to disbursement.

Verify that the timing of disbursements complies with regulations and school's estimated dates.

Verify that the loan amount complies with regulations.

Reconcile disbursements and adjustments for unconsummated and canceled loans to the ED Form 799.

Verify the accuracy of origination and lender fees reported in Part II, ED Form 799.

Verify that average daily balances or actual accruals reported in Part III, ED Form 799, are accurate and calculated in accordance with all interest billing requirements, including restricted interest.

Verify the accuracy of ending principal balances, average daily balances and special allowance categories, including taxable/tax-exempt status for Tax Exempt Authorities (TEA), reported in Part IV of ED Form 799.

Verify that the Secretary is not billed for interest until the required number of days after disbursement per §682.300(c)(3).

Verify that the method of disbursement meets the requirements of §682.207(b)(1)(ii) & (v).

Verify that a procedure is in place to prevent second or subsequent disbursements of a FFEL to a student that has ceased to be enrolled except as provided for in §682.207(f).

Verify that the loan is disbursed in multiple installments with no installment exceeding one-half of the loan except as provided for in §682.207(d)&(e).

Verify that loan proceeds are not being disbursed earlier than reasonably necessary to meet the student's cost of attendance; and in no case (without the Secretary's prior approval) earlier than 30 days prior to the date on which the student is scheduled to enroll.

Lender/Servicer Review Guide

Verify that the lender is not obtaining a Power of Attorney or other authorization to endorse or otherwise approve cashing of a loan check or release of funds. Pursuant to §682.207(b)(1)(v)(C)(2) & (D)(2), in certain circumstances, borrowers may provide a power-of-attorney to an individual not affiliated with the institution to endorse a loan disbursement check or complete an electronic funds transfer. This power-of-attorney may not be delegated to the lender.

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Service Review Guide

2 - CONVERSION TO REPAYMENT

Purpose:

To verify that the lender converted loans to repayment in accordance with regulatory requirements and accurately reported on the ED Form 799, including: ceased billing for interest subsidy on the date the loan entered repayment status; took appropriate action on loans which were converted to repayment late and made adjusting entries to the ED Form 799; accurately reported special allowance average daily balances and special allowance categories on loans made after 7/01/95; and, repayment terms meet all regulatory requirements. 34 CFR 682.209; 682.300; 682.302; 682.304.

Examples of Documents:

Written procedures for conversion to repayment.
SSCR or notification of LTH.
Transaction history.
Repayment Schedule/Disclosure Statement
Correspondence History.
ED Form 799 detail, quarter of conversion.

Note: Some documents may be electronic.

Methodology:

Interview appropriate staff to determine whether the procedures for tracking enrollment or borrower status change information and the conversion to repayment, including loans converted late and the corrective adjustments are in compliance.

Review written procedures to determine whether the procedures for tracking enrollment or borrower status change dates and the conversion to repayment, including loans converted late and the corrective adjustments are in compliance.

Analyze a sample of loans to:

Verify the correct repayment start date and that the lender converted the loan to repayment timely.

Verify that the Repayment Schedule/Disclosure included all necessary information and was sent to the borrower timely.

Verify the total amount disclosed on the Repayment Schedule /Disclosure included all loans of the same type that were due to convert to repayment.

Verify that the monthly amount required on the Repayment Schedule/Disclosure Statement will pay the loan in full within the time limit required by regulation.

Lender/Servicer Review Guide

Verify the special allowance code after conversion for loans made on or after 7/01/95.

Verify that combined repayments after conversion were reported at the lowest special allowance category of the underlying loans.

Calculate the interest subsidy due from quarter begin to the repayment start date and verify the accuracy of the amount billed on the ED Form 799.

Test late conversion adjustments, using outside sample if necessary.

Verify the conversion to repayment for Consolidation: PLUS and SLS loans effective July 1, 2000. 34 CFR 682.209(a); (d).

Check and verify that the forbearance form has not been altered or used as an FB/Repayment Agreement or accepted as a cure of loans.

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Service Review Guide

3 - DEFERMENTS

Purpose: To verify that deferments were granted in accordance with regulatory requirements and that interest and special allowance were billed accurately. Please note that special allowance requirements changed for loans made after 7/01/95. 34 CFR 682.200; 682.210; 682.300; 682.301; 682.302; 682.304.

Examples of Documents:

Written Procedures.
Management Report showing unprocessed deferments and their aging.
Deferment Request Forms.
Substantiating documentation (i.e. Physician's Certification).
Loan Application.
Correspondence History.
Payment History.
799 Detail (quarter in which deferment started; quarter in which deferment ended; and quarter for any adjustments).

Note: Some documents may be electronic.

Methodology:

Interview appropriate staff to determine whether deferment procedures are in compliance.

Review written procedures to determine whether deferment procedures are in compliance.

Review Management Aging Report and discuss discrepancies with appropriate staff.

Verify that deferments are processed in a timely manner and are date-specific. Ensure retroactive application meets regulatory guidelines. See actual backlog of deferment requests.

Examine mailroom processing of deferment requests.

Analyze a sample of loans to:

Verify borrower eligibility.

Determine if the borrower has been granted previous deferments and, how much, if any eligibility remains.

Verify lender is not requiring additional borrowing as a condition for deferment on loans made prior to 7/1/93.

Lender/Servicer Review Guide

Verify that post-deferment grace was granted on eligible loans.

Verify that the correct deferment request form (if required) was used, that it was properly certified, and that all required substantiating documentation is present.

Verify that the deferment was day-specific.

Verify that the borrower was not billed for interest on subsidized loans during the deferment period and that payment was resumed as required after deferment expiration.

Verify that capitalization of interest/suspension of interest between the last payment and the first day of the eligible deferment was not charged to interest subsidy and capitalized or paid by the borrower.

Verify accuracy of interest and average daily balance reported on Part III of ED Form 799, including adjustments.

Verify special allowance categories reported on Part IV of ED Form 799 for loans made on or after 7/01/95.

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Service Review Guide

4 - FORBEARANCE

Purpose: To verify that forbearance was granted in accordance with regulatory requirements; that interest was not billed to ED; and that special allowance has been billed accurately on loans made after 7/01/95. 34 CFR 682.211; 682.302; 682.304.

Examples of Documents:
Written Procedures
Management Report showing unprocessed forbearance requests and their aging.
Forbearance request forms.
Collection correspondence and payment histories.
ED Form 799 Detail for the quarter loan entered forbearance and the Quarter forbearance ended.

Methodology: Interview appropriate staff to determine whether forbearance procedures are in compliance.

Review written procedures to determine whether forbearance procedures are in compliance.

Review Management Aging Report and discuss discrepancies with the appropriate staff.

Verify that forbearance requests are processed in a timely manner. See pending forbearance requests.

If applicable, verify that a mandatory administrative forbearance or a disaster related administrative forbearance was granted on or after 7/1/00.

If interest was capitalized at forbearance end, verify that the loan repayment schedule was updated accurately and timely, and that the changes were disclosed to the borrower promptly.

Examine mailroom processing of forbearance requests.

Analyze a sample of loans to:

Verify that forbearance was granted in accordance with regulatory requirements.

Confirm that the borrower either paid the interest that accrued during the forbearance period or that the interest was capitalized accurately according to regulations.

Lender/Service Review Guide

Verify that the interest paid or capitalized was calculated correctly.

Verify that eligible borrowers have been granted up to one year of mandatory forbearance, as required.

If administrative forbearance was granted without written authorization of the borrower, confirm that the borrower's file has been documented and that all accrued and capitalized interest has been disclosed.

Verify that no interest subsidy has been billed to ED during the period of forbearance, and test adjustments done to reverse any interest billed.

Verify that special allowance categories have been reported accurately on loans made on or after 7/01/95.

Verify that a lender has not used the forbearance agreement as a cure for a non-reinsured loan.

Other - since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These should be explained in "Other" on the Workpapers.

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Service Review Guide

5 - COLLECTION DUE DILIGENCE/CURES/CLAIM REIMBURSEMENT

Purpose: To verify compliance with collection due diligence and timely filing and cure requirements. To verify termination of special allowance billing, as required by regulations. 34 CFR 682.406 and 34 CFR 682.411 for either the 1986 or 1992 regulations; 34 CFR 682 Appendix D.

Examples of Documents:

- Copies of collection letters, delinquency reports or other tracking devices of delinquency
- Electronic systems records of automated letters issued/mailed
- Lender written procedures
- Curing documents (when applicable)
- Claim packages
- ED Form 799 supporting documentation

Methodology: Interview appropriate staff to determine whether the following are in compliance: 1) collection due diligence procedures; 2) claim filing and claim reimbursement processing; 3) procedures for processing borrower payments after claim is filed; 4) policy and procedures for recalling claims for borrowers who make payments or provide other documentation to bring account under 180 or 270 days delinquent after the claim is filed; and 5) procedures for timely cure of accounts with due diligence violations.

Review written procedures to determine whether the following are in compliance: 1) collection due diligence procedures; 2) claim filing and claim reimbursement processing; 3) procedures for processing borrower payments after claim is filed; 4) policy and procedures for recalling claims for borrowers who make payments or provide other documentation to bring account under 180 or 270 days delinquent after the claim is filed; and 5) procedures for timely cure of accounts with due diligence violations.

Verify actual dates of: phone calls (use itemized telephone bill to verify), letters, request for default aversion assistance, final demand letter, skip tracing and claim filing. Use postmarks of returned mail and outgoing mail samples to determine when written correspondence was actually sent, as opposed to "requested" on collection histories, in addition to verifying the correct begin date for skip trace activities. Verify that written correspondence was mailed within the time frames specified by regulations.

Verify that electronic records of collection activities are accurately reporting activities.

Lender/Servicer Review Guide

Review accounts to verify that the lender forwards to the Guaranty Agency all payments after claim was filed. Verify that the money is sent to the Guaranty Agency timely based on the Guaranty Agency's policies.

Verify that cures are performed in accordance with Appendix D of 34 CFR 682.

Review rejected claims and verify that the lender either resubmits timely or removes uninsured loans from the ED Form 799, Part IV. Trace to ED Form 799 detail.

Verify that the lender stopped billing for special allowance when required by regulations. Trace to ED Form 799 detail.

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Service Review Guide

6 - PAYMENT APPLICATION AND RATE CHANGES

Purpose:

To verify that the payments received are accurately applied to principal and interest on the borrower's account and that the variable interest rate changes are updated timely and accurately. To verify that ED Form 799 billing is correct. 34 CFR 682.202; 682.209; 682.300; 682.301; 682.302; 682.304; and 682.414(a)(4)(ii)(I).

Examples of Documents:

Written Policy and Procedures for Payment Processing Management Report of suspense accounts and aging. List of Payment System codes and Criteria).
Copy of Payment History or ID Screen of payment history transactions.
ED Form 799 Borrower Detail for affected quarters.
Cash journal and general ledger entries/trial balances

Methodology:

Interview staff to determine the methods and processes for payment processing, including transaction date and effective posting date and to determine identity of accounts for which payments may be pending.

Review written policy and procedures to determine the methods and processes for payment processing, including transaction date and effective posting date and to determine identity of accounts for which payments may be pending, i.e., rejected payments and manually processed payments.

Review the different types of repayment plans offered by the Lender/Secondary Market. Determine if the plans comply with Federal regulations.

Analyze a sample of loans to:

Review cash receipts journal posting to verify the date and amount posted to borrower's accounts.

Review allocation of payments to late charges, interest and principal to ensure that amounts were correctly calculated.

For each year included in the scope of the review, examine a sample of borrower account payment histories in order to verify that changes to the interest rate impacting the monthly payment amount maintain the correct payment in full date.

Verify the accuracy of ending and average daily balances reported in Part IV, ED Form 799 by reviewing sampled loans using payment history.

Lender/Service Review Guide

Verify that a procedure exists to identify and credit suspense or miscellaneous payments and that reports are accurately and timely updated. Analyze any applicable reconciliation reports and cash items to ensure that these payments are being reconciled timely. Note that the minimum annual payments remain at \$600 annually or at least the amount of interest due “except as otherwise provided by the plan selected.”

Verify the procedure for handling small balances on consolidation or paid-in-full accounts and how these are reported to the guaranty agency.

Review accounts with credit balances and verify that overpayments are returned to the borrower.

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Servicer Review Guide

7 - RECONCILIATION OF ED FORM 799 TO LENDER'S BOOKS AND RECORDS

Purpose: To compare the accuracy of total principal balances on Part VI of ED Form 799 to the lender's books and records. 34 CFR 682.202; 682.300; 682.302; 682.304; and 682.305.

Examples of Documents:

Written statement of Lender procedures used to reconcile ED Form 799, Part VI to the lender's books and records.
Copy of the System Problem Logs.
Lender Search Report, NSLDS data, and electronic download of ED Form 799, Part VI for each quarter being reviewed.
The reconciliation of amounts reported on ED Form 799, Part VI to books and records.
For servicer reviews only: servicer and/or lender back-up and system reports used in the reconciliation process.

Methodology:

Review written procedures to determine if lender's procedures are adequate and reliable for reconciling ED Form 799, Part VI, to lender's books and records.

Review the System Problem Logs for any systemic problems or material weakness. Any significant deficiencies should be brought to the attention of the Team Leader and to the Review Specialist responsible for any element that is affected.

Review reconciliation documents provided by lender for quarter sampled by comparing totals in books and records to totals reported on ED Form 799, Part VI. For servicer review only: review servicer and/or lender reconciliation documents for each quarter.

Review for any gap in lender quarterly submission of ED Form 799. If a lender owes origination fees or loan fees, it must submit quarterly reports to the Secretary, even if the lender is not owed, or does not wish to receive, interest benefits or special allowance from the Secretary.

Review LaRS lender demographic data to ensure that all user ID and demographic data to ensure that it is correct and has been updated as needed.

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Lender/Service Review Guide

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Service Review Guide

8 - CREDIT BUREAU REPORTING

Purpose: To verify that regulatory requirements are followed for credit bureau reporting. 34 CFR 682.208.

Examples of Documents:
Credit reports for sample borrowers
Written policy of lender reporting of loans

Methodology: Interview appropriate staff to determine whether credit bureau reporting procedures are in compliance.

Review manuals to determine whether credit bureau reporting procedures are in compliance.

Review actual credit reports obtained directly from the credit bureau(s) for a sample of borrowers in the following statuses: disbursement, repayment, delinquency, deferment, forbearance, pending claim, and paid claim status, for comparison with actual data.

Determine if the entity receives rejected reports from the credit bureau and assess the adequacy of the process for resolving discrepancies. (Note: Entities are not required to receive error reports. If available for review, determine what procedures are being used to correct the errors.)

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Conclusion: Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Service Review Guide

9 - PURCHASES/SALES/TRANSFERS

Purpose: To verify that appropriate notifications were made; the accuracy of interest and special allowance billing for the purchase/sale/transfer quarter; that the purchaser/lender has procedures to ensure that fees due on purchases are paid. 682.208; 682.304; 682.414(a)(4)(ii)(H) and 682.410(b)(17)

Examples of Document:

Copy of Loan Purchase Policy and Procedures including validation of loan eligibility.
Copy of Sales Transmittal Record with borrower detail.
Copy of purchase and sale agreement.
Copy of confirmation of payment receipt for sale(s) for purchasers only.
Copy of "Notice of Transfer" sent to borrower.
ED Form 799 detail for purchased/sold/transferred loans for the quarters in which the activity occurred and quarters for any adjustments made.
List of purchase codes and descriptions.

Methodology:

Interview appropriate staff to determine how effective date of purchase/sale/transfer, amount, interest rate and status is established and booked for each borrower; and if servicing begin date is established on borrower or loan level.

Analyze appropriate lender policy and procedures to determine how effective date of purchase/sale/transfer, amount, interest rate and status is established and booked for each borrower; and if the service begin date is established on borrower or loan level.

Determine if the seller and purchaser agreed to a billing begin/end date on which each is entitled to receive interest subsidy and special allowance from ED. If there is no agreed upon date, the effective date should be the fund transfer date.

Verify the reporting on ED Form 799 loans purchased, sold, or transferred. (Note the extended period permitted to perform due diligence activities for loans that are sold/transferred/purchased.) 34 CFR 682.411(b)(2).

For TEA Entities Only

Capture and record any premiums paid/received on the sale including "soft" premiums such as rebates paid by the purchaser.

Verify that the loan transfer fees are based on cost.

Lender/Service Review Guide

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Servicer Review Guide

10 - FEDERAL CONSOLIDATION LOANS

Purpose:

To determine if the holder is paying Consolidation Loan Interest Rebate fees as required by HEA, Section 428C(f). Verify that the holder is an eligible lender to make Consolidation Loans, as required under HEA Section 428C. Substantiate that borrower loans are consolidated and that the lender has paid in full the original federal education loans and originated new loan for the total amount of the loan(s) consolidated. Verify total outstanding aggregate balance of consolidation loan in accordance with Section 428C, interest rate calculation, and payment by lender or servicer of rebate fees as appropriate.

Examples of Documents:

Data Mart records of lender consolidations

Lender documents: Borrower Application; Loan Verification documents (sent to original loan holders to determine loan(s) eligibility for consolidation and its payoff balance); Verification certification (listing all verified loans, pay off balances and holders along with promissory note(s)); payment verification to loan holders (either EFT or check copies); GA payment manifest (indicating underlying loans paid in full by consolidation, new loan disbursement, loan holder(s) upon payment); Repayment schedule (provides for graduated or income sensitive repayment and used to determine if the calculated interest rate is correct.)

Methodology:

Verify that the loan consolidation procedures and controls are adequate and that loan disbursements and rebate payments have been made either by the lender or the servicer.

Verify outstanding principal and interest balances where fees are calculated.

Interview appropriate staff to identify how the entity identifies and categorizes affected loans.

Verify that the weighted average interest rate is calculated correctly.

Verify that the correct applicable interest rate is used in special allowance reporting considering loan discounting and repayment incentive programs.

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Lender/Service Review Guide

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Service Review Guide

11 - REPORTING NSLDS DATA TO THE GUARANTY AGENCY

Purpose: To verify that the lender has procedures in place to provide NSLDS information to the guaranty agency in a timely and accurate manner.

Examples of Documents:
NSLDS reports from ED systems with analysis
Guaranty Agency reports
Lender documentation of reporting
Written procedures

Methodology: Interview appropriate staff and review documented procedures to verify that all loans are being reported according to instructions from the guarantor.

Verify that all applicable codes, balances, loan purchases and sales are reported within established timeframes.

Review the most recent error report and unreported/not updated report to ensure that the lender is working these reports and making the necessary corrections to the data.

Do a trend analysis of these reports to a prior report(s) to determine how effective the lender's corrections are in reducing the lender's errors/changes.

Take a sample of data elements from the lender's manifest or any other applicable reporting document required by the guaranty agency and compare to the lender's actual data. At a minimum, the following elements should be analyzed for every review: Code of loan status; Date of outstanding principal balance; and Amount of outstanding principal balance. Use the Code of loan status to review any applicable codes that you deem necessary, i.e. canceled loans, deferment status, paid-in-full status, etc.

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Conclusion: Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Service Review Guide

12 - "SPECIAL" PROGRAMS

Purpose: To determine the nature and extent of the entity's participation in non-Title IV programs. To review any arrangements with Title IV programs (such as: bond issuance for tax exempt authorities, referrals, etc.) and to ensure that FFELP loans are properly reported on the ED Form 799. (Note: this primarily applies to a tax exempt authorities.)

Examples of Documents:

Lender Documentation
Written Procedures
Bond Issuance Information

Methodology:

Document non-federal programs and any "special" relationships with guarantors, lenders, schools, etc.

Document "special" programs related to FFEL.

Be sure to note any particular requirements for participation: e.g., a certain number of consecutive payments, loans must be in repayment, etc. These programs may include periodic principal reductions, reduced interest rates for certain loans, and other things we have not yet seen.

Review the 799 to determine that FFELP loan originations are reported, even in cases where borrower paid origination fees are waived.

For programs that offer reduced rates for loans in repayment, review the 799 billing for full subsidy when these loans go into deferment or claim status. These must be billed at the actual interest rate for subsidy but the applicable rate for special allowance. For loans affected by periodic principal reductions, loans must be checked for the quarter in which the reduction occurred. If the scientific sample selected for this review element did not include loans affected by Special Programs, then the sample must be expanded in ensure adequate testing of all Special Programs

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Service Review Guide

13 – SERVICER REVIEWS

Purpose: This chapter highlights activities that need to be performed during the review of a third-party servicer. Information listed below is in addition to that performed and/or collected under the other elements contained within this guide. The authority to review third-party servicers comes from: 20 USC 1082; 34 CFR 682.413; 682.416.

Examples of Documents:

- Written instructions/procedures manuals
- Listing of level of servicing for each client
- Marketing plan/advertising materials
- Loan information by guaranty agency, regardless of lender
- Audited financial statements
- Third Party Compliance Audits
- All automated systems documentation

Methodology: Interview appropriate staff to determine whether operational procedures are in compliance.

Review manuals to determine whether operational procedures are in compliance.

Verify that all marketing materials and advertising do not offer inducements or any other payments based upon loan volume.

Select a random sample based across all lenders, stratified according to level of servicing.

Review systems documentation to determine changes, timeliness of changes, and applicability to loans.

Other – since the methodology above may not be all-inclusive, the reviewer may see the need to add steps as the work progresses. These additions should be explained in the review workpapers.

Variations from Lender Review:

Sampling: ED reviewers should select a sample from all loans in the servicer's portfolio; guaranty agency reviewers should select a sample from loans in the servicer's portfolio that it has guaranteed. Guaranty agencies and ED can do joint reviews to reduce redundancy.

Lender/Servicer Review Guide

Reports: The review report should go directly to the servicer. The report should include all findings or, in cases where there were no findings, a statement that no violations were determined during the review. In all cases a disclaimer statement as to the thoroughness of the review should be included in the report. Liabilities will be assessed to the servicer.

All lenders who have loans serviced by the entity reviewed will be sent either a review report pertaining to their portfolio or a letter informing them that a review was conducted and that no violations were identified during the review. A lender will be sent a review report only in cases where findings were discovered that pertained to their specific loan portfolio or if systemic errors were discovered. In all cases a disclaimer statement as to the thoroughness of the review should be included.

Conclusion:

Work papers must include a description of the review methodology used for this element and results of sampling. All Findings must be fully documented. The Review Report must include a description of the Finding, a Citation, and a Requirement (corrective action).

Lender/Servicer Review Guide

ATTACHMENT A - NSLDS GUIDE – 2/2000

I. Background

The Federal Student Aid office uses data elements provided by guaranty agencies to verify eligibility, make administrative payments, assess risk, forecast budgets, and analyze program trends. The National Student Loan Data System (NSLDS) houses the data elements. Certain payments are made to guaranty agencies based on the NSLDS data. All users and reporting entities must strive to assure the accuracy of the data contained within the system and as the data are reported.

Partner Services, an office within the Financial Partner Channel provides this guide to the guaranty agency staff to assist in insuring the quality, timeliness, and completeness of data forwarded from the guaranty agency to NSLDS. Procedures developed by guarantors should ensure a strong partnership based on the establishment and maintenance of professional relationships with the Information Systems, NSLDS, and compliance staff at the various lenders and servicers.

As guaranty agencies focus efforts on corrections of their own databases and reporting to NSLDS, Compliance staff will contribute to an error free environment by the reconciliation of records between their lenders and the guaranty agency (GA) database. The guide should:

- assist the guaranty agency staff in reconciling their records to lender and servicer records;
- complement the guaranty agency staff and NSLDS staff efforts in the agency's internal reconciliation to information reported to the National Student Loan Data System; and,
- assist in identifying issues resulting from implementation of the Master Promissory Note and blanket guaranty initiatives.

This guide augments the Lender Guide that emphasized lender compliance with loan servicing and lender billing issues.

Lender/Service Review Guide

The guide describes some processes rather than prescribes procedures.

Step by step procedures must be developed for each review based upon the timing of data availability, the database accessibility, and the types of data actually being reviewed.

II. Authority

The Basic Program Agreement 34 CFR 682.401(b)(22) requires lenders to submit information required in guaranty agency reporting:

Submission of information for reports. The guaranty agency shall require lenders to submit to the agency the information necessary for the agency to complete the reports required by §682.414(b).

Further guidance on reporting requirements is found in DCL 97L-194 dated May 1997 and DCL 95L-177 dated March 1995.

The Lenders currently do not submit information directly to NSLDS. They do provide reports to guarantors, most often in electronic format. NSLDS and many servicers and lenders have an agreed upon format for 36 data elements that are conveyed to the guaranty agency on a quarterly time frame. It is from these fields and other reports such as origination reports, loan transfer reports, and various proprietary lender manifests that a guarantor updates its reports to NSLDS. It is anticipated that reporting will change to monthly.

III. Planning

A. Selection

Guidelines for lender candidates for review are detailed in 34 CFR 682.410(c).

B. Planning Considerations

Some lenders and servicers will be subject to multiple reviews by guarantors. Consideration for a lender's use of several agencies, or a servicer's reporting to multiple agencies for one or more lenders may lend itself to cooperative reviews among guaranty agencies.

Possible concerns that affect cooperative efforts include:

- similar reporting format delivered by the lender / servicer to each guarantor;

Lender/Servicer Review Guide

- agreement about when to schedule a review – using the same reporting cycle or end date at the lender / servicer in order to address comparable results;
- the type of issues a guarantor is addressing not related to reconciliation or NSLDS data;
- appropriateness of sharing findings or recommendations;
- managing issues where traditionally the lender / servicer does not disclose lender or loan detail not identified with the specific guarantor
- managing proprietary information; and
- method of issuing reports and closing findings.

When verifying loan level information the reviewer needs to distinguish between data supplied by the guaranty agency and data supplied by NSLDS. The reviewer further needs to know how timing differences affect accuracy of data coming from separate sources. A common timing difference occurs in the Date Loan Sold that is instantly recorded by the lender or servicer but may not be reported until much later by the purchasing lender. Eventually it should show as a “Responsibility Begin Date” by the new holder in NSLDS.

Further, when one of the sources for reconciliation is NSLDS, a reviewer may see differences in definitions between the guaranty agency and NSLDS – “purchase date” and “responsibility begin date” or the distinction between the ‘date entered repayment” and “current maturity date” used for cohort default purposes. Also, the “date entered repayment” for interest benefits may not always be clear at a lender. Some codes have extensions, for instance, deferment as a loan status, has an extension of deferment type. Some elements have codes unique to NSLDS. It is important that the reviewers understand the codes used by their agency as they relate to NSLDS terminology.

C. NSLDS Interest

NSLDS provides a series of reports specifically addressing NSLDS data quality. They may be customized by NSLDS staff or, for some reports, requested directly from a Regional Partner Services office. The reports are not required to conduct a program review. The NSLDS reports can be used to determine critical issues for the review, find unreported lender loans, find unreported loans paid in full, or provide some other analysis that helps to address reconciliation.

NSLDS reports after a program review, however, should show improved guarantor reconciliation to NSLDS.

There are servicers participating directly with NSLDS in a pilot reconciliation project to discover and address problems with data quality. The servicers have this project as a priority. They are not waived from any requests for other review activity. They may, however, need an agency to coordinate with NSLDS staff when performing a separate review.

Additionally NSLDS or Partner Services staff may be available to work with a guarantor in these reviews. On site review activity may be minimized when sound planning and electronic retrieval or analysis are employed.

3/26/04

Lender/Service Review Guide

NSLDS Customized Reports are listed at the end of this guide. Additional reports are being developed continuously.

Each region has a computer specialist resource person able to provide standard text file or *ad hoc* reports from NSLDS customized to a particular lender. Such reports can be further limited to a date range, lender service begin date, or other relevant events and transactions. Requests should be submitted thirty days in advance.

The resource people are as follows:

Information Technology Specialist	City and Region	Telephone	E-mail
Paul Sullivan	Eastern Regions	617-223-9340 212-264-8143	Paul.Sullivan@ed.gov
Mike Duffin	Northern Regions	312-886-4459 312-886-8768	Michael.Duffin@ed.gov
Jerry Wallace	Southern Region	214-880-3087 214-880-3040	Jerry.Wallace@ed.gov
Ben Chiu	Western Region	415-556-4100 415-556-4100	Ben.Chiu@ed.gov

IV. Self Examination

It is important for the guarantor Compliance staff to fully understand their own internal systems, processes and timing issues prior to conducting the review of the lender. Extensive internal discussions will probably be required to gain a level of comfort on this process.

If there are different systems check and test to see that they agree. For example, claims may have been paid at the account level, but only one loan may have been listed as a claim on the guaranty system. A similar situation may have occurred with subrogated loans. Query 4 will assist in identifying loans that have been consolidated but not properly reported to NSLDS.

Ensure that loan transfer statements from buyers and sellers have been processed. Check the internal matching criteria for accepting updates from lenders. If lender ID number is a critical matching field and large numbers have been rejected because of this, then the correct holder must be identified.

Check the history of processing lender manifests, special reports such as the list of Paid in Full loans from SLMA, and NSLDS updates to ensure that the system of record reflects what has been reported.

Lender/Service Review Guide

Using queries and other automated analysis, eliminate as many loans as possible that are incorrectly carried as active. This would include really old loans, loans paid by consolidation, loans shown at inactive or ineligible lenders, etc. Queries 6, 9, and 10 have been used by some agencies.

V. Unreported Loans

Unreported Loans fall into several categories:

- Loans may be off an active guarantor database if a system conversion occurred that eliminated loan detail prior to a presumed paid in full date.
- Lenders may have out-sourced loan servicing but retained some loans that subsequently would not be reported by the service provider.
- Loans sold to ineligible holders would no longer be updated, particularly if they were sold by the FDIC or RTC at auction.
- Lenders may have had loans paid in full prior to doing any manifesting and therefore never reported their final loan status to the guaranty agency.
- Lenders may have reported a final lender status for loans but the agency records were not closed or updated to a final lender status.

VI. Reconciling with the Lender

In dealing with the lender, be conscious of timing issues and who is responsible for the issue. Data in NSLDS could be thirty days old and will contain errors caused by agency processing.

- Request various reports from the lender. These could include all paid in full records, repayment loans, etc. A simple loan count to compare to the agency and NSLDS might be a starting point. The entire portfolio could be requested in some instances. Use the information systems staff to determine the media that best facilitates the reconciliation.
- Request standard reports from your regional Partner Services office or NSLDS. Reports available from the region are APR001 "Loans Originated at a Lender", APR003 "Loan Status Summary", and APR028 "Current Holder". The file layouts are available and a brief description is attached. APR003 may be the least helpful for analysis since it omits loan status data.
- Other Queries from NSLDS may be created and sent to the lender/service. These queries also are used to compare a population to agency records to confirm that values on process dates executed successfully. If there is a difference, it could be on the agency error report from NSLDS or the lender/service error report from the agency.

VII. Quality Control After Reconciliation

Lender/Servicer Review Guide

Ideally verifying data during the review involves all records at the lender. Sampling of loans takes place after the verification to see that those loans are being reconciled to the guaranty agency's records. This is impractical in most situations; it is recommended to at least compare the loan counts to get an idea of how much work needs to be done. Sampling will be necessary.

- Generate a sample from the guaranty agency system to confirm that what is received from the lender and will be submitted to NSLDS agrees with what is on the lender / servicer database.
- Generate a sample from the lender / servicer database and confirm that the loans have been reported to the guaranty agency.
- Review histories of lender / servicer submissions of NSLDS type data to determine timeliness of reporting, error rates, major causes of errors, whether errors are being corrected and resubmitted, and the timeliness of corrections.
- When a lender / servicer has unreported loans according to holder information on the GA's database, determine if progress has been made in eliminating problems. The GA should determine if responses are timely, if the holder and the GA have given sufficient care to insure accuracy of information, and that data recorded by the GA can be confirmed on the lender/servicer database.

VIII. PROGRAM REVIEW REPORT

A. Reconciliation

Program Reviews should be entered into the Post-Secondary Education Participant System (PEPS) and receive a Program Review Control Number (PRCN). There is no plan to change the current deficiency codes specifically for NSLDS. If a finding is written regarding a lender's reporting efforts it might generically be coded a 6100 "Failure to Comply with GA or ED Reporting Requirements."

Reconciling data between the lenders, servicers, and the guaranty agency is a required activity of the compliance efforts by the guaranty agency. The activity taken to its conclusion incorporates the GA effort to provide accurate data to NSLDS. Beyond "one cycle" however FSA has not determined that reconciliation will remain a permanent type of review. We expect that reconciliation will become a normal part of compliance reviews after the current two-year cycle.

Program review report findings, required actions and citations should identify the reconciliation issue and the proposed correction. The findings should reflect the lender's non-compliance with guaranty agency requirements to submit timely and accurate reports.

Lender/Service Review Guide

Compliance is accomplished with accurate records being transmitted to the GA. Required Actions address the format, medium, and time permitted within a short cycle, to submit accurate information. Where a lender or servicer can verify that records have been submitted timely and accurately there is probably no finding. The compliance officer may be faced with other issues to rectify inaccurate reporting or recording of changes. In this case a program review report may need to reflect a different type of activity beyond a listing of findings and required actions.

When a lender or its servicer is in compliance the review should be closed. The closeout should affirm that lender records are accurate and correctly received by the guaranty agency. At that stage the lender has completed its obligation in the review process.

Reconciliation, however, does not insure that NSLDS data is accurate. This will be an ongoing process.

The reviewer should verify, by sampling or other methods, that the GA records have updated the NSLDS records. Refer to the section on Quality Control after Reconciliation. Typical samples for testing can include:

- loans that required updated information on the part of the lender / servicer;
- loans that are off a lender's data base and not transferred to another lender, normally paid in full prior to some historical event, that are being deemed to be paid in full;
- loans with errors that are being corrected.

Compliance should be reflected in the guaranty agency updates to NSLDS. The NSLDS contact at an agency becomes the key person for transmitting information to NSLDS and therefore is the key person as the compliance staff verifies the final outcome of its program review.

A compliance officer at the GA may write an addendum to a program review report. This descriptive report should verify the GA's efforts to bring lender records current at NSLDS. The descriptive report will confirm that lender records are accurately transmitted from the holder through the guaranty agency to ED and NSLDS. This report, if done, should be copied to a Partner Services Regional Office.

Reconciliation is a partnership effort of all people involved in the FFEL program. If non-compliance is an issue the guaranty agency has limited sanctions in its guaranty function. Just as importantly, however, FSA should be involved where reconciliation issues are not being resolved.

IX. Data Elements

When a loan has been matched, the primary loan elements that should be addressed are loan status (open or closed) and disbursement and balance information (current date and balance).

Lender/Servicer Review Guide

As expertise is gained, or individual issues appear, more elements should be compared and reconciled.

NSLDS Lenders' Manifest

The following 36 data elements are shared in most transmissions between lenders and servicers for NSLDS reporting. Many of the elements are used to identify the loan. Very few elements are solely the responsibility of the lender. They are indicated with an "L" until the loan is no longer active at the lender. All others may be mandatory for identification at the agencies discretion or needs.

Verification Optional / Mandatory	Field Number	Name
M	1	Code for guaranty agency (3 digit LID)
M	2	Code for current holder (6 digit LID)
M	3	Student's SSN
O	4	Date of student's birth
(unless required by GA)		
M	5	PLUS borrower's SSN
M	6	Type of loan
O	7	Date of guaranty
(unless required by GA)		
O	8	First disbursement date
(unless required by GA)		
O	9	Unique loan identifier
(unless required by GA)		
May be provided but no longer required	10	Interest Rate
May be provided but no longer required	11	Type of interest rate (fixed or variable)
May be provided but no longer required	12	Date loan converted to variable interest rate
M (L)	13	Date of loan status
M (L)	14	Code for loan status
M	15	Type of deferment
If code for loan status is "DA"		
M	16	Date deferment starts
If code for loan status is "DA"		
M	17	Date deferment stops
If code for loan status is "DA"		
O	18	Indicator of deferment prior to first payment
(unless required by GA)		
M (L)	19	Date of outstanding principal balance
M (L)	20	Amount of outstanding principal balance
M (L)	21	Date of outstanding accrued interest balance

Lender/Service Review Guide

Verification Optional / Mandatory	Field Number	Name
M (L)	22	Amount of outstanding accrued interest balance
O	23	Date of refund to lender (by school)
(unless required by GA)		
O	24	Amount of refund from school to lender
(unless required by GA)		
M	25	Date of servicer responsibility
If loan is serviced by entity other than holder		
M	26	Code for servicer (6 digit code starting with a 7)
If loan is serviced by entity other than holder		
May be provided but no longer required	27	Code for originating lender (6 digit LID)
May be provided but no longer required	28	Indicator of origination fee payer
O	29	Date loan sold
(unless required by GA)		
O	30	Date of latest disbursement
(unless required by GA)		
O	31	Amount of disbursement
(unless required by GA)		
O	32	Date of cancellation
(unless required by GA)		
O	33	Amount of cancellation
(unless required by GA)		
O	34	Indicator of unconsummated loans
(unless required by GA)		
O	35	Unconsummated loan amount
(unless required by GA)		
O	36	Date entered repayment (never changes once set)
(unless required by GA)		

CFO Survey

The Office of Student Financial Assistance Chief Financial Officer considers the loan balance and adjustment amounts as critical in their review of data at NSLDS. That information forms part of the ED financial statement.

Reviewers should be aware that other studies of NSLDS data are done by various entities within the Department of Education and by contractors.

The Chief Financial Officer of the Office of Student Financial Assistance contracts a survey ("Westat Survey") of NSLDS data in support of the General Ledger for the Department of Education. The elements in their survey are printed below:

Lender/Servicer Review Guide

Item Name	Do Your Records Contain Information On This Item?	If Yes, Identify Item Source	NSLDS Value
1. Amount of guaranty	Yes [1] No [2]		GUARAM
2. Date of guaranty	Yes [1] No [2]		GUARDA
3. Originating FFEL lender code	Yes [1] No [2]		OLNDCO
4. Guaranty agency code	Yes [1] No [2]		GUARCO
5. Servicer code	Yes [1] No [2]		SVCRCO
6. Original school code	Yes [1] No [2]		SCHLCO
7. Current school code	Yes [1] No [2]		CSCHCO
8. Current holder lender	Yes [1] No [2]		CLNDCO
9. Loan type code	Yes [1] No [2]		LOANTY
10. Type of interest rate	Yes [1] No [2]		RATETYP
11. Interest rate	Yes [1] No [2]		INTRATE
12. Date of disbursement	Yes [1] No [2]		DISBDAT
13. Amount of disbursement	Yes [1] No [2]		DISBAMT
14. Date entered repayment (date of	Yes [1] No [2]		MATUDA
15a. Loan status code	Yes [1] No [2]		LOANST
15b. Date of loan status code in 15a	Yes [1] No [2]		STATDAT
16a. Amount of outstanding principal	Yes [1] No [2]		PRINBAL
16b. Date for outstanding principal balance	Yes [1] No [2]		PRINDAT
17a. Amount of outstanding accrued	Yes [1] No [2]		INTBAL
17b. Date for outstanding accrued interest	Yes [1] No [2]		INTDATE
18a. Amount of guaranty agency principal	Yes [1] No [2]		PRINCAM
18b. Date for guaranty agency principal	Yes [1] No [2]		GACDAT
19a. Amount of guaranty agency interest	Yes [1] No [2]		INTCAMT
19b. Date for guaranty agency interest	Yes [1] No [2]		GACDAT
20a. Amount of insurance claim paid	Yes [1] No [2]		AMTINSP
20b. Date of insurance claim paid	Yes [1] No [2]		DTEINSP
20c. Reason for insurance claim	Yes [1] No [2]		RSNINSP
21a. Amount of reinsurance claim	Yes [1] No [2]		REPDAM
21b. Date of reinsurance claim paid	Yes [1] No [2]		REPDDA
21c. Reason for reinsurance claim	Yes [1] No [2]		REPRSN
22. Amount of Cancellation	Yes [1] No [2]		CANCLA
23. Cancellation type code	Yes [1] No [2]		CANCLC

Lender/Service Review Guide

ATTACHMENT B – NSLDS

1. Sample Procedures for GA/Lender/NSLDS Reconciliation

(The following procedures are provided as an example of what one guarantor has been doing. Each agency can develop/modify procedures to fit its needs.)

A. Procedure

Step 1- Decide upon the group of lenders/serviceers to target.

Since this process can be rather lengthy, I suggest that you work with small groups at a time. This insures you better control and makes follow-up easier. Once you have completed work with one group of lenders you are free to focus on and begin work with your next group. Factors that may determine the “grouping” of your lenders may relate to (but are not limited to) the “Unreported Loan Summary By Guarantor, Serviceer and Lender” report (NSLBRL40). This report will show you the lenders and important figures associated with each of those lenders. In my case, I started with the group of lenders showing 100.0 in the ‘Percent Unreported’ column.

Step 2- Make a list of the lender ID’s to be included in your group.

As I wanted to track the progress of this project, I decided that using a spreadsheet would be of great benefit. I listed the lenders included in the group and was able to track the item(s) sent and received and make additional notes and comments as I felt necessary.

Step 3- Order an “NSLDS Unreported Loans Detail” report for each lender id in your group.

Step 4- Review list of available NSLDS Queries to see if any report offered might also be of help in the reconciliation process.

I felt that the NSLDS Query #10 (Loans Open > 15 Years) would prove beneficial. In some cases there was information duplicated between the NSLBRL44 and the NSLDS Query #10 reports but I also found that sometimes there was information captured on the Query that wasn’t on the NSLBRL44, thus the two reports provided a more complete picture.

Lender/Service Review Guide

· **Step 5-** Order the NSLDS Query of choice for each lender id in your group.

I ordered these reports five (5) lender ids's at a time and requested that each lender id be returned to me as a separate file. These reports were ordered at 2-week intervals.

· **Step 6-** Match the 'GA' report with the corresponding NSLDS Query (if applicable), by lender id, and mail along with a cover letter and instructions for each report sent.

NOTE: If a loan has an associated servicer, the serviced loans are listed separately per servicer ID. This portion of the NSLBRL44 should be mailed to the specified servicer for review.

· **Step 7-** Log the item(s) mailed (what and date) on your spreadsheet.

· **Step 8-** As completed reports are returned, log receipt of item(s) and make any necessary notes or comments.

· **Step 9-** Update your agency's database according to the information provided by the lender/servicer on the report.

NOTE: Loans that are being reported in a 'closed' status by the lender/servicer and not been previously reported to NSLDS, should be reported to NSLDS on the behalf of the lender/servicer- more of a courtesy than anything else but also allows for complete closing of the record.

· **Step 10-** Set a schedule for sending reminder or follow-up letters to those lenders who have failed to respond.

I setup a 12-week schedule based upon the date of the original mailing. Letters will continue to be mailed every 12 weeks until information is received.

· **Step 11-** Once information has been received and processed for all lenders in the group return to Step 1 and start with your next group.....

Lender/Service Review Guide

B. Follow up letter to a lender (Step 10)

Date

Lender/Service
Address Line 1
Address Line 2
City, State Zip

Lender/Service ID

Re: NSLDS Lender Manifest Reporting

Dear Lender/Service,

This is to remind you that I have not received a reply from you concerning the NSLDS information mailed to you on May 21, 1999. As stated in my previous letter, I am in hopes of getting these issues resolved and the correct information reported by **(enter proposed deadline date)** allowing for a clean quarter-end.

Please feel free to give me a call at **(enter 800 number)** or locally at **(enter phone number)** should you have any questions. I will be happy to assist you in any way possible concerning these reporting issues.

Sincerely,

Name
Title

Lender/Service Review Guide

C. Contacting a lender

Date

Lender/Service
Address Line 1
Address Line 2
City, State Zip

Dear Lender/Service,

In an effort to ensure the integrity of the data that is reported to NSLDS, I feel that a review of loans is necessary. There seems to be many loans which we have on our system that have never been reported to NSLDS by the lender/service as well as loans that are still showing as being in an 'active' status though the guarantee on these loans took place over twelve (12) years ago. It is my concern that status discrepancies exist between our agency and yours creating the alarming number of loans that fall into these categories. I know that, in most cases, these discrepancies are simply loans that should have been reported as paid-in-full or canceled but somehow the update in status never took place- with your help these are an 'easy' fix. I am also aware that the responsibility of reporting on some of these loans lies with the service or new lender; however, the information that I have does not indicate who that might be so your help in directing us is critical. By working together, we can ensure that the information being reported is correct and, at the same time, bring everyone into compliance by getting unreported loans reported. This not only benefits our agencies but our borrowers as well.

Enclosed you will find two (2) reports.* One report (8"x10") is the NSLDS Unreported Loans Detail Report; the other (8 ½"x14"), NSLDS Query #10, a report of all loans reported to NSLDS that have been open longer than the normal repayment period. Instructions for working each of these reports have also been enclosed. I would like to apologize for the size of the NSLDS Unreported Loans Detail Report. At this time, this is the only report available that lists unreported loans; however, it not only lists loans that have *never* been reported but loans that have previously been reported but not reported for the last quarter. I understand that there are many timing issues that can affect the reporting of a loan; therefore, I am asking that you concentrate on the loans listed that indicate that they have never been reported. (These are notated with an "N/A" in the 'Last Reported' column on the report.)

I understand that for most this may seem like a huge undertaking but I feel that the benefits are well worth the effort. I am in hopes that we can get these issues resolved and the correct information reported by (**enter proposed deadline date**), allowing for a clean quarter-end. I will be happy to assist you in any way possible, whether it be answering a question, research

3/26/04

Lender/Service Review Guide

(when possible) or helping you get information reported. Please feel free to give me a call at **(enter 800 number)** or locally at **(enter phone number)**. You may also contact me via email at **(enter email address)** with any comments and/or questions.

Sincerely,

Name

Title

*Some Lenders/Service providers did not have any loans that fell into the criteria for the NSLDS Query #10; therefore, you may have only received on report.

Lender/Service Review Guide

D. NSLDS UNREPORTED LOANS DETAIL REPORT (internal report)

The Unreported Loans Detail Report identifies loans that have not been reported in a given quarter or loans that have never been reported. This report is formatted in guarantor, servicer and lender order.

When researching this report, as you identify discrepancies that need to be corrected on the guarantor's system, you need to submit those changes by using one of the following two options:

1. If you currently use our tape format for reporting your regular lender manifest submissions, you can report any updates through your normal process.
2. If you don't use our tape format for reporting changes to the guarantor, or you can't trigger an automated record because this information is no longer on your system, please report changes using the appropriate guarantor forms.

The attached report is a slight variation of the NCHELP standard report. Please do not program for our format if you already have the standard available. Do refer to our instructions for placement of data to ensure quick and accurate data entry.

Instructions for processing the Unreported Loans Detail Report in paper format-

If the loan has been paid in full, use the code "PF" in the 'code' column under the Lender Return heading.

If the loan has been paid in full by consolidation, use the code "PC" in the 'code' column under the Lender Return heading.

If the loan has been transferred to a new lender, use the code "T" in the 'code' column under the Lender Return Heading. Also, provide the purchasing lender code in the column marked 'Purch Lender Code'.

If the loan is paid in full or transferred, please provide the effective date in the column marked 'PIF/TRF/DTE' under the Lender Return heading.

If the loan is active, use the code "A" in the 'code' column under the Lender Return heading. Please verify that these loans have been reported on the NSLDS lender manifest. If they have, they are on the error file.

Lender/Servicer Review Guide

If the loan does not fall into any of the above categories, use the code “O” (other) in the ‘code’ column under the Lender Return heading.

Status Codes: PF = Paid in Full; PC = Paid in Full by Consolidation; T = Loan Transferred to Another Lender; A = Active Loan; O = Other

Lender/Service Review Guide

E. NSLDS QUERY #10 (Step 6)

The NSLDS Query #10 identifies loans that have been previously reported to NSLDS that have been open longer than the normal repayment period.

When researching this report, as you identify discrepancies that need to be corrected on the guarantor's system, you need to submit those changes by using one of the following two options:

1. If you currently use our tape format for reporting your regular lender manifest submissions, you can report any updates through your normal process.
2. If you don't use our tape format for reporting changes to the guarantor, or you can't trigger an automated record because this information is no longer on your system, please report changes using the appropriate guarantor forms.

Instructions for processing the NSLDS Query #10 in paper format-

If the loan has been paid in full, list the code "PF" to the left of the status shown in the 'status' column on the report.

If the loan has been paid in full by consolidation, list the code "PC" to the left of the status shown in the 'status' column on the report.

If the loan has been canceled, list the code "X" to the left of the status shown in the 'status' column on the report.

If the loan has been transferred to a new lender, provide the purchasing lender code in the 'servicer' column on the report.

If the loan is paid in full, canceled or transferred, please provide the effective date to the left of the date shown in the 'status date' column on the report.

If the loan is active, verify the status shown in the 'status' column as well as the date shown in the 'status date' column on the report.

Status Codes: PF = Paid in Full; PC = Paid in Full by Consolidation; X = Canceled

Lender/Service Review Guide

After completing this report, please return to:

Agency
Address Line 1
Address Line 2
City, State Zip

Lender/Service Review Guide

2. Standard Queries

AVAILABLE GA QUERIES

Queries are added or dropped from time to time. Most of these queries are tailored for the NSLDS staff at the Guaranty Agency or for ED staff. Suggestions for new queries or for new uses of existing queries are accepted. Special *ad hoc* queries can be requested through Raytheon at 703.560.5000 extension 3030.

No.	Report	Description	Criteria
1	Reconciliation File	Provide complete file of all records on NSLDS <i>Note: A full submittal file should be processed before producing the reconciliation file. As part of the full submittal file process, all prior open errors will be closed by NSLDS.</i>	a) CL, PL, RF, SF, SL, SU loan types b) All records, open and closed, where current GA code = GA c) 640-byte tape format <u>Please call to arrange a schedule.</u>
2	Error File	Identify all open errors on NSLDS	a) Error status = O b) Fields included: Student SSN, DOB, First name, School code, Date guaranteed, PLUS SSN, Loan type, Error code, Field code, Date resolved, GA, Date submitted, Indicator of separate loan, source, record type
3	Rolled-up Loans	Identify loans suspected of being rolled-up and reported to NSLDS at the account level	a) CL, PL, RF, SF, SL, SU loan types b) DA, FB, ID, PC, PF, RF, RP, UI statuses c) Must have multiple loans d) OPB >= twice guaranty amount for one loan in account e) "Twice" loan must have current OPB date f) OPB date = disbursement date on other loans
4	Unpaid Underlying Loans	Identify loans that may have been consolidated but have an open status on NSLDS	a) Select all loans for student with at least one CL loan not in CA status

Lender/Service Review Guide

			<ul style="list-style-type: none">b) Retrieve CL loans regardless of GAc) Retrieve underlying loans only for specified GAd) RF, SF, SL, SU underlying loan typese) Underlying loan statuses CA, DP, PC, PF excludedf) Guaranty date of underlying loans < guaranty date of CL loang) OPB date of underlying loans > 150 days old
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Lender/Servicer Review Guide

5	Subrogated Loans	Identify accounts that may have been transferred to Debt Collections but all loans in account may not have been transferred on NSLDS.	<ul style="list-style-type: none"> a) CL, PL, RF, SF, SL, SU loan types b) GA-held statuses: BK, DB, DL, DO, DT, DU, DX c) OPB date > 150 days old d) One loan in account subrogated to DMCS (GA 555) e) Claim paid to lender, no repurchase
6	OPB Not Updated	Identify open loans that have not been updated with a current Outstanding Principal Balance (OPB)	<ul style="list-style-type: none"> a) CL, PL, RF, SF, SL, SU loan types b) All open statuses: BK, DA, DB, DL, DO, DT, DU, DX, FB, ID, RP c) OPB date > 150 days old
7	Open Loans with Zero Balances	Identify loans that have an open status but have zero principal, interest, and fee balances	<ul style="list-style-type: none"> a) CL, PL, RF, SF, SL, SU loan types b) All open statuses: BK, DA, DB, DL, DO, DT, DU, DX, FB, ID, RP c) OPB + Interest + Fees = 0 d) Period begin date > 180 days old
8	Old Loans Held by GA	Identify 'neglected' loans that have not been updated	<ul style="list-style-type: none"> a) PL, RF, SF, SL, SU loan types b) GA-held statuses: BK, DB, DL, DO, DT, DU, DX c) Claim paid to lender, no repurchase d) Claim paid date > 365 days old e) One loan in account entered repayment > 12 years ago
9	Old Loans Held by lender / servicer	Identify 'neglected' loans that have not been updated	<ul style="list-style-type: none"> a) PL, RF, SF, SL, SU loan types b) Lender-held statuses: DA, FB, ID, RP c) One loan in account entered repayment > 12 years ago d) OPB date > 1 year old
10	Loans Open > 15 Years	Identify loans that have been open longer than the normal repayment period	<ul style="list-style-type: none"> a) CL, PL, RF, SF, SL, SU loan types b) All open statuses: BK, DA, DB, DL, DO, DT, DU, DX, FB, ID, RP c) Guaranty date > 15 years ago

Lender/Service Review Guide

11	No Disbursements	Identify loans with no disbursement data on NSLDS.	<p>a) CL, PL, RF, SF, SL, SU loan types</p> <p>b) All open statuses: BK, DA, DB, DL, DO, DT, DU, DX, FB, ID, RP</p> <p>c) Total disbursements = \$0</p> <p>d) Loan period end date > 120 days old</p>
12	Repurchased Loans	Identify loans held by lenders that may be missing repurchase data on NSLDS	<p>a) PL, RF, SF, SL, SU loan types</p> <p>b) Lender-held statuses: DA, FB, ID, RP</p> <p>c) Claim paid to lender, no repurchase</p> <p>d) OPB date > 150 days old</p>
13	OPB Twice Guaranty Amount	Identify loans with outstanding principal balances in excess of loan amount + capitalized interest (*) (* estimated standard amount)	<p>a) CL, PL, RF, SF, SL, SU loan types</p> <p>b) All open statuses: BK, DA, DB, DL, DO, DT, DU, DX, FB, ID, RP</p> <p>c) OPB >= 2 times guaranty amount</p>
14	Potential Duplicate Loans	Identify loans that occur more than once on NSLDS <ul style="list-style-type: none"> - within the same GA - between GAs - transfers to ECMC - subrogation's to ED 	<p><u>Note: This query must be tailored to individual GA needs. Please call to discuss your specific situation.</u></p> <p>Matches on student number (# & sequence #), loan type, guaranty date, OPEID, guaranty amount, and PLUS borrower (# & sequence #).</p>
15	Partner Services "Samples" File	Generate full file of loans meeting criteria of Partner Services samples sent to GAs in June 1999. Samples originally were produced for Partner Services on 4/26/99. Two sets of samples were created: OLD loans with no OPB updates since NSLDS inception, and ROLLED loans with OPB date changes	<p>a) CL, PL, RF, SF, SL, SU loan types</p> <p>b) Lender-held statuses: DA, FB, ID, RP</p> <p>c) Maturity date < 12/1/86</p> <p>d) OLD Loans: OPB date <= 1/1/95</p> <p>e) ROLLED Loans: OPB date > 1/1/95</p>

Lender/Servicer Review Guide

16	NO Provider ID	Generate file of loans that do not have a Provider ID: All loans; Open only; or Closed only, PLEASE SPECIFY	a) CL, PL, RF, SF, SL, SU loan types b) Selected statuses c) Provider ID is blank
17	Top 10 Error Report	Run Top 10 Error Report on request	<i>Same as benchmark report</i> <i>Run immediately after most recent submission is processed</i>
18	Full Error Count	Produce report count of errors, by field and error code	a) All errors in most recent submission b) Field, Error code, # of errors

Lender/Servicer Review Guide

3. Other NSLDS Reports

The following are descriptions of other NSLDS reports. Before a report can be released to a guaranty agency, Partner Services staff must purge loans identified as insured by another guaranty agency. The file layouts for these reports are in the NSLDS User Documentation manual.

APR001 Report Request - P070 Report Output. This request generates all loans whose first disbursement occurs between two dates by the original lender. It gives a loan status but does not indicate a date or the current holder of the loan. It can be requested through a regional office. It can also be requested for loans originated at a particular school. It may have limited utility for NSLDS but when appended to the P153 report can tie a loan's initial disbursement to the current information in P153.

APR003 Report Request – P074 Report Output. This report gives a smaller file of loan status information about the current lender. It reports the Outstanding Principal Balance, Outstanding Interest Balance, Interest Rate, and Loan Status but does not give a date field for any of these transactions. It also reports the original school.

APR028 Report Request – P153 Report Output. This request generates all loans guaranteed between two dates and held by the current holder. It gives service, current holder, outstanding balances, last disbursement, and current status dates, among other fields. It does not give the initial disbursement date. For loans paid in full or not otherwise active it still reports the last lender holder. Unlike the other reports listed above it can give a much larger file since the only limiting criteria is a Loan Guaranty Begin and End Date.

Lender/Service Review Guide

4. NSLDS Codes

NSLDS Codes relevant to verifying lender held data are minimal. A lender is responsible for a loan only if the loan status signifies In School or Grace, in Repayment, in Deferment, or in Forbearance. It is also responsible for transmitting information if it receives the final payment and the loan is paid in full or paid by a consolidation. All other status codes are determined by the guaranty agency. The following table is an abbreviated list of codes used by NSLDS that might be most relevant when comparing lender information to NSLDS, particularly when using queries from the APR001, APR003, and APR028:

Current	New	
AE	AE	Assigned to U.S. Department of Education
BC	BC	Bankruptcy Claim, Discharged
BK	BK	Bankruptcy Claim, Active
CA	CA	Cancelled
DA	DA	Deferred
DA	IP	In Post-Deferment Grace
DB	DB	Defaulted, Then Bankruptcy, Active, Chapter 13
DC	DC	Defaulted, Compromise
DD	DD	Defaulted, Then Died
DE	DE	Death
DI	DI	Disability
DK	DK	Defaulted, Then Bankruptcy, Discharged, Chapter 13
DL	DL	Defaulted, In Litigation
DO	DO	Defaulted, Then Bankrupt, Active, Other
DP	DR	Defaulted Loan Included in Roll-Up Loan
DP	DP	Defaulted, Paid in Full
DS	DS	Defaulted, Then Disabled
DT	DT	Defaulted, Collection Terminated
DU	--	Defaulted, Unresolved
DU	DF	Defaulted, Unresolved
DU	DZ	Defaulted, 6 Consecutive Payments, Then Missed Payment
DW	DW	Defaulted, Write-Off
DX	--	Defaulted, 6 Consecutive Payments
DX	XD	Defaulted, 6 Consecutive Payments
FB	FB	Forbearance
ID	N/A	In School or Grace Period
ID	IA	Loan Originated
ID	IG	In Grace Period
ID	IM	In Military Grace
OD	OD	Defaulted, Then Bankrupt, Discharged, Other
PC	--	Paid in Full Through Consolidation
PC	DN	Defaulted, Then Paid in Full Through Consolidation Loan
PC	PN	Non-Defaulted, Then Paid in Full Through Consolidation Loan
PF	CS	Closed School Discharge
PF	FC	False Certification Discharge

3/26/04



Lender/Service Review Guide

PF	PF	Paid in Full
RF	RF	Refinanced
RP	RP	In Repayment
RP	PM	Presumed Paid in Full
UI	--	Unreinsured
UI	UA	Temporarily Uninsured, No Default Claim Requested
UI	UB	Temporarily Uninsured/Unreinsured, Default Claim Denied
UI	UC	Permanently Uninsured/Unreinsured, Default Claim Denied
UI	UD	Permanently Uninsured/Unreinsured, No Default Claim Request
UI	AL	Abandoned Loan

Lender/Service Review Guide

5. Contact Us

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Lender/Service Review Guide

ATTACHMENT C - LAP/LaRS CROSSWALK

This document provides a crosswalk of the data elements from the existing 799 form to the new Lender Application (LAP), Lender Reporting System (LaRS) application and the File Transfer Record Layout. Each section of the 799 Form is documented, and traced to its corresponding page or section in LAP and/or LaRS. The Comments section indicates any substantial differences in names, numbers, or column order between the 799 Form and the new applications. The Lender Participant Questionnaire (LPQ) has not been mapped to the LAP or the LaRS in this version of the crosswalk. There are some new LaRS and File Transfer screens that contain data elements that do not correspond to any existing 799 sections.

Crosswalk

799 Section	LaRS Screen	File Transfer Record	Comments
Part I: Identification			
Item 1. Lender Identification Number (LID), Lender Name, and Address	Profile Page	Lender Identification Number is captured in the header and every section of the LaRS File Transfer Layout.	<p>Note: -Item 1 "Lender Identification Number (LID), Lender Name, and Address" in the 799 is now on the "New User Screen as a Lender" in LAP.</p> <p>-The registration process information captured in the LAP will be converted into the LaRS. The LaRS "Profile Page" will initially be populated with data from the "New User Screen as a Lender" screen from LAP. After the LaRS "Profile Page" is initially populated with this information, users will be able to update their demographic information from within the LaRS "Profile Page".</p>
Item 2. Servicer Name and Address, if applicable	Profile Page	Captured in LaRS profile	<p>Note: -Item 2 "Servicer Name and Address, if applicable" in the 799 is now on the "New User Screen as a Servicer" in LAP.</p> <p>-The LaRS "Profile Page" will initially be populated with data from the "New User Screen as a Servicer" screen from LAP. After the LaRS "Profile Page" is initially populated with this information, users will be able to update their demographic information from within the LaRS "Profile Page".</p>

Lender/Service Review Guide

799 Section	LaRS Screen	File Transfer Record	Comments
Item 3. Employer Identification Number	Profile Page	Captured in LaRS profile	<p>Note:</p> <ul style="list-style-type: none"> -Item 3 "Employer Identification Number" in the 799 is now on the "New User Screen as a Lender" in LAP. -The LaRS "Profile Page" will initially be populated with data from the "New User Screen as a Lender" screen from LAP. After the LaRS "Profile Page" is initially populated with this information, users will be able to update their demographic information from within the LaRS "Profile Page".
Item 4. Routing Number	Profile Page	Captured in LaRS profile	<p>Note:</p> <ul style="list-style-type: none"> -Item 4 "Routing Number" in the 799 is now on the "Bank Account Information" screen in LAP. -Due to sensitivity of Bank Account Information changes must be processed through the SFA Help Desk
Item 5. Account Number for Deposit	Profile Page	Captured in LaRS profile	<p>Note:</p> <ul style="list-style-type: none"> -Item 5 "Account Number for Deposit" in the 799 is now on the "Bank Account Information" screen in LAP. -Due to sensitivity of Bank Account Information changes must be processed through the SFA Help Desk
Item 6. Year and Quarter Ending (Complete both fields)	Create New LaRS - "Year" and "Quarter" Sections	LaRS Report Detail Record Header Layout (RECORD_I)	
Contact Name	Profile Page	Captured in LaRS profile	
Contact Telephone Number	Profile Page	Captured in LaRS profile	
Certification	Disclaimer	N/A	
Signature	N/A	N/A	Captured in Organization Participation Agreement (OPA)
Date	N/A	N/A	System Time Stamp



Lender/Service Review Guide

799 Section	LaRS Screen	File Transfer Record	Comments
Typed Name and Title	Profile Page	Captured in LaRS profile	
Part II: Loan Origination and Lender Loan Fees	Part I - Loan Origination	LaRS Report Detail Record Layout for Loan Origination (Part I) (RECORD 1)	Note: -Column B "Fee Percent" in the 799 is now Column C "Fee Percent" in LaRS. -Column C "Fee Code" in the 799 is now Column B "Fee Code" in LaRS.
Loan Type (A)	Part I -Loan Type (A)	RECORD_1 -Loan Type	
Fee Percent (B)	Part I - Fee Code (B)	RECORD_1 - Fee Code	
Fee Code (C)	Part I - Fee Percent (C)	RECORD_1 - Fee Percent	
Loan Interest Rate (D)	Part I - Loan Interest Rate (D)	RECORD_1 - Loan Interest Rate	
Principal Amount of Loans (E)	Part I - Principal Amount of Loans (E)	RECORD_1 - Principal Amount of Loans	
Fee Due (F)	N/A	N/A	
Part III: Interest Benefits	Part II - Interest Benefits	LaRS Report Detail Record Layout for Interest Benefits (PART II) (RECORD 2)	
Loan Type (A)	Part II - Loan Type (A)	RECORD_2 - Loan Type	
Interest Rate (B)	Part II - Interest Rate (B)	RECORD_2 - Interest Rate	
Billing Code (C)	Part II - Billing	RECORD_2 - Billing	



Lender/Service Review Guide

799 Section	LaRS Screen	File Transfer Record	Comments
	Code (C)	Code	
Ending Principal Balance (D)	Part II - Ending Principal Balance (D)	RECORD_2 - Ending Principal Balance	
Average Daily Principal Balance (E)	Part II - Average Daily Principal Balance (E)	RECORD_2 - Average Daily Principal Balance	
Interest Amount (F)	Part II - Interest Amount (F)	RECORD_2 - Interest Amount	
Part IV: Special Allowance	Part III - Special Allowance	LaRS Report Detail Record Layout for Special Allowance (PART III) (RECORD_3)	Note: -Column A "Calendar Year" in the 799 is now Column B "Calendar Year" in LaRS. -Column B "Quarter Code" in the 799 is now Column C "Quarter Code" in LaRS. -Column C "Special Allowance Category" in the 799 is now Column E "Special Allowance Category" in LaRS. -Column E "Interest Rate" in the 799 is now Column F "Interest Rate" in LaRS. -Column F "Billing Code" in the 799 is now Column A "Billing Code" in LaRS.
Calendar Year (A)	Part III - Billing Code (A)	RECORD_3 - Billing Code	
Quarter Code (B)	Part III - Calendar Year (B)	RECORD_3 - Calendar Year	
Special Allowance Category (C)	Part III - Quarter Code (C)	RECORD_3 - Quarter Code	
Loan Type (D)	Part III - Loan Type (D)	RECORD_3 - Loan Type	



Lender/Service Review Guide

799 Section	LaRS Screen	File Transfer Record	Comments
Interest Rate (E)	Part III - Special Allowance Category (E)	RECORD_3 - Special Allowance Category	
Billing Code (F)	Part III - Interest Rate (F)	RECORD_3 - Interest Rate	
Ending Principal Balance (G)	Part III - Ending Principal Balance (G)	RECORD_3 - Ending Principal Balance	
Average Daily Principal Balance (H)	Part III - Average Daily Principal Balance (H)	RECORD_3 - Average Daily Principal Balance	
Adjustments for Difference in Average Daily Principal Balance (I)	Part III - Adjustments for Difference in Average Daily Principal Balance (I)	RECORD_3 - Adjustments for Difference in Average Daily Principal Balance	
Part V: Changes in Guaranteed Loan Principal for the Quarter	Part IV - Loan Activity	LaRS Report Detail Record Layout for Loan Activity (Part IV) (RECORD_4)	Note: -Row 1 "Check if adjustment to prior quarter" in the 799 does not exist in LaRS. -Row 11 "Ending Principal Balance" in the 799 does not exist in LaRS.
Stafford & FISL (Except Unsubsidized) (A)	Part IV - Stafford & FISL (Except Unsubsidized) (A)	RECORD_4	All Applicable Fields
Federal Plus (B)	Part IV - Federal Plus	RECORD_4	All Applicable Fields

3/26/04



Lender/Service Review Guide

799 Section	LaRS Screen	File Transfer Record	Comments
	(B)		
Federal SLS (C)	Part IV - Federal SLS (C)	RECORD_4	All Applicable Fields
Federal Consolidation (D)	Part IV - Federal Consolidation (D)	RECORD_4	All Applicable Fields
Unsubsidized Stafford (E)	Part IV - Unsubsidized Stafford (E)	RECORD_4	All Applicable Fields
Part VI: Guaranteed Loan Portfolio Analysis for End of Quarter	Part V - Loan Portfolio Status	LaRS Report Detail Record Layout for Loan Portfolio Status (Part V) (RECORD_5)	
Stafford & FISL (Except Unsubsidized) (A)	Part V - Stafford & FISL (Except Unsubsidized) (A)	RECORD_5	All Applicable Fields
Federal Plus (B)	Part V - Federal Plus (B)	RECORD_5	All Applicable Fields
Federal SLS (C)	Part V - Federal SLS (C)	RECORD_5	All Applicable Fields
Federal Consolidation (D)	Part V - Federal Consolidation (D)	RECORD_5	All Applicable Fields



Lender/Service Review Guide

799 Section	LaRS Screen	File Transfer Record	Comments
Unsubsidized Stafford (E)	Part V - Unsubsidized Stafford (E)	RECORD_5	All Applicable Fields
	Create New LaRS ("Activities" section)		The "Activities" section in the Create New LaRS screen is new. It prompts the user to respond to the following question with a "Yes" or "No" answer: -Do you have activity to report this Quarter? -Do you have origination activity/lender fees or adjustments to report? -Do you have interest activity or adjustments? -Do you have special allowance or adjustments? If the answer is "Y", the system will allow the user to enter information for the corresponding "part" in the LaRS form.
		LaRS Report Header Record Layout (HEADER)	This is a new section that shows the total number of invoices in the file. The number should be one if the sender is a Lender, and more than one if the sender is a Servicer. This is for the File Transfer only and is not specific to the web version of LaRS.
		LaRS Report Trailer Record Layout (TRAILER)	This is a new section that shows the Lender or Servicer ID (depending on which one sent the LaRS via File Transfer). It also shows the total number of records in the file. This is for the File Transfer only and is not specific to the web version of LaRS.
	User Login		This screen will enable the Lender/Service representative to log in to the web-based Lender Reporting System.
	Main Menu		This screen is what the user sees when he/she logs into the Lender Reporting System.
	Reports-Canned		Enables the user to view data by selecting canned reports.

