



June 22, 2007

This edition of the COD Processing Update will remain on the [COD Web site](#) until a new edition is posted. We will notify schools via a COD Web Message when a new edition has been posted.

ACG, National SMART Grant, and Pell Grant Programs

COD News

COD System Maintenance Planned For Sunday, June 24, 2007 (06/20/07)

The COD System will undergo routine maintenance on Sunday, June 24, 2007 from 1:30 A.M. until 8:00 A.M. (ET). In addition, the Student Aid Internet Gateway (SAIG) will be unavailable from 3:00 A.M. until 11:00 A.M. (ET) due to its regular Sunday morning maintenance. The impact of these overlapping outages is as follows:

- Users will not be able to submit or retrieve data via the COD Web site between 1:30 A.M. and 8:00 A.M. (ET).
- Batches submitted by schools via the SAIG between 1:30 A.M. and 3:00 A.M. (ET) will be held and not acknowledged back to schools until after the SAIG comes back up at 11:00 A.M. (ET).
- Schools attempting to transmit batches via the SAIG between 3:00 A.M. and 11:00 A.M. (ET) will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.

Federal Student Aid apologizes for any inconvenience these outages may cause. If you have any questions about the COD System, contact the COD School Relations Center. If you have any questions about the SAIG, contact CPS/SAIG Technical Support at 800/330-5947 or by e-mail at CPSSAIG@ed.gov.

COD Holiday Schedule For July 4, 2007 (06/22/07)

The COD School Relations Center will be closed on Wednesday, July 4, 2007 in observance of the Independence Day Federal holiday. The COD System will accept and process data from schools and send back responses/acknowledgements on July 4, 2007, but schools will not be able to receive any Federal funds on that day. Requests for changes in funding levels and for funds will not be processed until Thursday, July 5, 2007.



NEW!



Further information regarding Independence Day processing and customer service hours for COD and other Federal Student Aid/ED call centers will be posted in an Electronic Announcement on the [Information for Financial Aid Professionals \(IFAP\) Web site](#).

Pell Grant, ACG, and National SMART Grant Disbursement Processing for 2007-2008 Award Year (06/21/07)

The Common Origination and Disbursement (COD) System will now accept actual disbursement records for 2007-2008 Academic Competitiveness Grant (ACG), National Science and Mathematics Access to Retain Talent Grant (National SMART Grant), and Federal Pell Grant (Pell Grant) awards. This means that schools may now submit or update disbursements with a Disbursement Release Indicator (DRI) value equal to “true”.

Disbursement-Related Information

At this time, Federal Student Aid wants to remind schools of the following disbursement-related information:

Information for Pell Grant Program

- An Advanced Funded school may submit actual disbursements for 2007-2008 Pell Grant awards to the COD System up to 30 days before the disbursement date. However, the disbursements will not be posted and funded in the Grant Administration and Payment System (GAPS) until 7 days before the disbursement date.
- On May 15, 2007, Federal Student Aid established a 2007-2008 Pell Grant Initial Current Funding Level (CFL) for most Advanced Funded schools. As an Advanced Funded school submits actual Pell Grant disbursement records, the COD System will apply the total accepted and posted amount for each disbursement to the amount of the school’s Initial CFL. Only after the Initial CFL amount has been reached will the school’s CFL be increased to cover additional accepted and posted disbursements. A new Electronic Statement of Account (ESOA) will be sent to the school’s Student Aid Internet Gateway (SAIG) mailbox each time its Pell Grant CFL amount changes.
- The following schools have not received a 2007-2008 Pell Grant Initial CFL:
 - Advanced Funded schools that had less than \$8,600 in 2006-2007 Pell Grant actual disbursements
 - Schools that participate in the Just-in-Time pilot
 - Schools that receive funds under the Reimbursement, Heightened Cash Monitoring 1 (HCM1), or Heightened Cash Monitoring 2 (HCM2) funding method

These schools will receive a 2007-2008 Pell Grant CFL once the COD System has accepted and posted 2007-2008 Pell Grant actual disbursement records. A new ESOA will be sent to a school’s SAIG mailbox each time its Pell Grant CFL amount changes.

- A school will be able to view and draw down 2007-2008 Pell Grant funds in the GAPS ***on Monday, July 2, 2007.***



Information for ACG and National SMART Grant Programs

- An Advanced Funded school may submit actual disbursements for 2007-2008 ACG and National SMART Grant awards to the COD System up to 7 days before the disbursement date.
- Unlike the Pell Grant Program, no 2007-2008 Initial CFLs were established for the ACG and National SMART Grant programs. A school will receive a CFL under one or both of these programs based on the accepted and posted 2007-2008 ACG or National SMART Grant actual disbursement records that it submits to the COD System. A new ESOA will be sent to the school's SAIG mailbox each time its ACG or National SMART Grant CFL amount changes. In addition, a new or revised authorization will be available in the GAPS.
- After the COD System accepts and posts ACG and National SMART Grant actual disbursement records, **but no earlier than Monday, July 2, 2007**, a school will be able to view and draw down 2007-2008 ACG and National SMART Grant funds in the GAPS.

An [Electronic Announcement](#) with this same information is posted on the Information for Financial Aid Professionals (IFAP) Web site. If you have any questions about ACG, National SMART Grant, or Pell Grant disbursement processing, contact the COD School Relations Center.

COD Batch Processing Suspension And Web Site Outage June 29-30, 2007 (06/18/07)

As explained in [an Electronic Announcement posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#), during the period June 29-30, 2007, Federal Student Aid plans to update the 2007-2008 COD System with new COD Web site user enhancements and functionality. Of particular note, Federal Student Aid will implement functionality that will allow COD Web site users to reset their own passwords and unlock their own accounts. In addition to this and a few other COD Web site improvements, Federal Student Aid will implement revised Direct Subsidized Loan/Direct Unsubsidized Loan Master Promissory Note (MPN) materials to reflect the loan limit changes effective July 1, 2007.

Note: Please refer to [the June 15th Electronic Announcement](#) for detailed information **about the new password reset and account unlock functionality**. Attached to the announcement is a "Password Reset & Account Unlock User Guide."

The June 29-30, 2007 activities will have the following impact:

- Federal Student Aid will suspend COD batch processing beginning at 8:00 P.M. (ET) on Friday, June 29, 2007. Records submitted after 8:00 P.M. (ET) will be held and processed after 1:00 A.M. (ET) on Saturday, June 30, 2007.
- The [COD Web site](#) will be unavailable from 8:00 P.M. (ET) on Friday, June 29, 2007 until 1:00 A.M. (ET) on Saturday, June 30, 2007.

Federal Student Aid apologizes for any inconvenience the batch processing suspension and web site outage may cause and appreciates your understanding and patience while it completes these important activities.



Publication of Loans Issues NPRM (06/20/07)

On June 12, 2007, the Department of Education (the Department) posted a Notice of Proposed Rulemaking (NPRM) in the Federal Register (72 FR 32410). This NPRM proposes changes to the regulations governing the Title IV Federal student loan programs – Federal Family Education Loan (FFEL), William D. Ford Federal Direct Loan (Direct Loan), and Federal Perkins Loan (Perkins Loan).

The [NPRM](#) is available on the Information for Financial Aid Professionals (IFAP) Web site. As stated in the NPRM, the Department must receive comments on the NPRM on or before August 13, 2007. Comment submission information is provided on page 32410 of the NPRM.

2006-2007 National SMART Grant Deobligation Due to No Corresponding Pell Grant Warning Message (06/15/07)

One of the eligibility criteria to be awarded a National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) is that the student must receive a Federal Pell Grant (Pell Grant) disbursement in the same award year. This requirement in 34 CFR 691.15(a)(2) is met if the student received a Pell Grant disbursement at any school he or she attended in the same award year. That is, the student is not required to receive the Pell Grant and the National SMART Grant at the same school.

To ensure that National SMART Grants have been awarded consistent with the Pell Grant eligibility requirement, each award year, Federal Student Aid will perform a Common Origination and Disbursement (COD) System-wide job that reduces to zero (\$0.00) all National SMART Grant actual disbursements made to a student who does not have a Pell Grant actual disbursement for that award year in the COD System. Federal Student Aid is ready to perform this job for the 2006-2007 Award Year because the majority of National SMART Grant and Pell Grant disbursements for the first and second payment periods of the 2006-2007 Award Year should have already been submitted to the COD System for processing.

2006-2007 National SMART Grant Deobligation Due to No Corresponding Pell Grant Warning Message Processed on June 14, 2007

On June 14, 2007, Federal Student Aid began processing a message to schools that have reported 2006-2007 National SMART Grant actual disbursements for a student who does not have a 2006-2007 Pell Grant actual disbursement recorded in the COD System. The message is a warning that these disbursements will be considered overawards and reduced to a zero dollar amount (\$0.00), even if the disbursements were previously accepted in the COD System. The reduction of the affected disbursements is scheduled to occur on June 29, 2007.

Federal Student Aid sent the June 14, 2007 warning message to schools' Student Aid Internet Gateway (SAIG) mailboxes in the message class SGTX07OP. Additionally, Federal Student Aid sent a file of student records reported to the COD System that do not have a corresponding 2006-2007 Pell Grant actual disbursement in the Reconciliation Report message class SGRC07OP. Schools that receive the warning message should review the accompanying Reconciliation Report and, if applicable, report 2006-2007 Pell Grant disbursements for affected students before June 29, 2007.



Exception Process for No Corresponding 2006-2007 Pell Grant Due to R2T4 Calculation

As schools are aware, National SMART Grant awards are included in the Return of Title IV Funds (R2T4) calculation for a student who withdraws from his or her educational program. The required priority order for returning unearned Title IV grants is as follows: Pell Grant, Academic Competitiveness Grant (ACG), National SMART Grant, and Federal Supplemental Educational Opportunity Grant (FSEOG).

The subsequent full repayment of a Pell Grant as a result of the R2T4 calculation and the priority order for Title IV grants (Pell Grant before National SMART Grant) do not make the student ineligible for the earned portion of a National SMART Grant. In such a case, the school must ensure that it has documented in its records the student's original amount of Pell Grant eligibility as well as the return of those funds consistent with the R2T4 regulations in 34 CFR 668.22.

Some of the student records included in the Reconciliation Report may be for students who do not have a corresponding Pell Grant for the 2006-2007 Award Year due to the documented full repayment of the Pell Grant as a result of an R2T4 calculation. A school can inform Federal Student Aid of the student records to which this exception applies by calling the COD School Relations Center by June 26, 2007. A customer service representative will collect the following information from the school via the phone:

- School's Name
- School's Pell ID and GAPS Award Number
- Student's First and Last Names
- Student's Social Security Number (SSN)
- Student's Grade Level
- National SMART Grant Award ID
- National SMART Grant Award Amount
- National SMART Grant Award Year-to-Date Disbursement Amount

Upon notification that an R2T4 exception applies, Federal Student Aid will exclude the applicable student records from the reduction scheduled for June 29, 2007.

An [Electronic Announcement](#) with this same information is posted on the Information for Financial Aid Professionals (IFAP) Web site. If you have any questions about the warning message or about submitting disbursements to the COD System, contact the COD School Relations Center.

2006-2007 ACG Deobligation Due to No Corresponding Pell Grant Warning Message (06/14/07)

One of the eligibility criteria to be awarded an Academic Competitiveness Grant (ACG) is that the student must receive a Federal Pell Grant (Pell Grant) disbursement in the same award year. This requirement in 34 CFR 691.15(a)(2) is met if the student received a Pell Grant disbursement



at any school he or she attended in the same award year. That is, the student is not required to receive the Pell Grant and the ACG at the same school.

To ensure that ACGs have been awarded consistent with the Pell Grant eligibility requirement, each award year, Federal Student Aid will perform a Common Origination and Disbursement (COD) System-wide job that reduces to zero (\$0.00) all ACG actual disbursements made to a student who does not have a Pell Grant actual disbursement for that award year in the COD System. Federal Student Aid is ready to perform this job for the 2006-2007 Award Year because the majority of ACG and Pell Grant disbursements for the first and second payment periods of the 2006-2007 Award Year should have already been submitted to the COD System for processing.

2006-2007 ACG Deobligation Due to No Corresponding Pell Grant Warning Message Processed on June 13, 2007

On June 13, 2007, Federal Student Aid began processing a message to schools that have reported 2006-2007 ACG actual disbursements for a student who does not have a 2006-2007 Pell Grant actual disbursement recorded in the COD System. The message is a warning that these disbursements will be considered overawards and reduced to a zero dollar amount (\$0.00), even if the disbursements were previously accepted in the COD System. The reduction of the affected disbursements is scheduled to occur on July 6, 2007.

Federal Student Aid sent the June 13, 2007 warning message to schools' Student Aid Internet Gateway (SAIG) mailboxes in the message class AGTX07OP. Additionally, Federal Student Aid sent a file of student records reported to the COD System that do not have a corresponding 2006-2007 Pell Grant actual disbursement in the Reconciliation Report message class AGRC07OP. Schools that receive the warning message should review the accompanying Reconciliation Report and, if applicable, report 2006-2007 Pell Grant disbursements for affected students before July 6, 2007.

Exception Process for No Corresponding 2006-2007 Pell Grant Due to R2T4 Calculation

As schools are aware, ACG awards are included in the Return of Title IV Funds (R2T4) calculation for a student who withdraws from his or her educational program. The required priority order for returning unearned Title IV grants is as follows: Pell Grant, ACG, National Science and Mathematics Access to Retain Talent Grant (National SMART Grant), and Federal Supplemental Educational Opportunity Grant (FSEOG).

The subsequent full repayment of a Pell Grant as a result of the R2T4 calculation and the priority order for Title IV grants (Pell Grant before ACG) do not make the student ineligible for the earned portion of an ACG. In such a case, the school must ensure that it has documented in its records the student's original amount of Pell Grant eligibility as well as the return of those funds consistent with the R2T4 regulations in 34 CFR 668.22.

Some of the student records included in the Reconciliation Report may be for students who do not have a corresponding Pell Grant for the 2006-2007 Award Year due to the documented full repayment of the Pell Grant as a result of an R2T4 calculation. A school can inform Federal Student Aid of the student records to which this exception applies by calling the COD School



Relations Center by July 3, 2007. A customer service representative will collect the following information from the school via the phone:

- School's Name
- School's Pell ID and GAPS Award Number
- Student's First and Last Names
- Student's Social Security Number (SSN)
- Student's Grade Level
- ACG Award ID
- ACG Award Amount
- ACG Award Year-to-Date Disbursement Amount

Upon notification that an R2T4 exception applies, Federal Student Aid will exclude the applicable student records from the reduction scheduled for July 6, 2007.

An [Electronic Announcement](#) with this same information is posted on the Information for Financial Aid Professionals (IFAP) Web site. If you have any questions about the warning message or about submitting disbursements to the COD System, contact the COD School Relations Center.



ACG and National SMART Grant Resources (06/21/07)

As a reminder, the Department of Education (the Department) has posted a number of Dear Colleague Letters and Electronic Announcements that communicate regulatory, policy, and operational information related to the implementation of the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs. In addition, Federal Student Aid has updated the [2006-2007 COD Technical Reference](#) and the [2007-2008 COD Technical Reference](#). A school should refer to the [communications posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#) and to the 2006-2007 and 2007-2008 COD technical references for complete information about the ACG and National SMART Grant programs.

More specifically, the 2006-2007 and 2007-2008 COD technical references cover all aspects of the operational implementation of the ACG and National SMART Grant programs. This includes information on the following key aspects of ACG and National SMART Grant processing:

- Financial Award ID and Financial Award Number (Award Sequence Number)
Volume II, Section 1 "Implementation Guide"
- Citizenship and Student Level Code
Volume II, Section 1 "Implementation Guide"
- Message Classes
Volume II, Section 2 "Message Classes"



- Common Record Layout
Volume II, Section 3 “Common Record Layout”
- Reports Generated by COD System
Volume VI, Section 8 “COD Reports”
- Eligibility/Payment Reason and Rigorous High School Program Code for ACG
Volume VI, Section 9 “Rigorous Secondary School Programs of Study, and Eligible Majors”
- Major/Classification of Instructional Program (CIP) Code for National SMART Grant
Volume VI, Section 9 “Rigorous Secondary School Programs of Study, and Eligible Majors”

If your school needs help locating information related to the operational implementation of the ACG and National SMART Grant programs, contact the COD School Relations Center.

Note for EDEExpress Users: Volume III of the 2006-2007 and 2007-2008 COD technical references provides additional guidance for schools that use EDEExpress in combination with another system. If your school needs help locating information related to EDEExpress, contact CPS/SAIG Technical Support at 880/330-5947 or by e-mail at CPSSAIG@ed.gov.



Unlocking and Resetting COD Web Site Passwords (06/21/07)

COD would like to remind COD Web site users that Security Administrators (COD Web site User Level 5) are able to unlock and reset passwords for the users (User Level 1-4) they established at their school or organization. However, if the Security Administrator needs his or her password unlocked or reset, the Security Administrator must contact the COD School Relations Center.

In order to unlock users, a Security Administrator should log in to the [COD Web site](#) and complete the following steps:

- Step 1: From the Welcome to Common Origination & Disbursement Web Site screen, click on the User tab on the blue bar at the top of the screen. The User Search screen displays.
- Step 2: Enter the search criteria for the user and click on the submit button at the bottom of the User Search screen. The Search Results screen displays and lists users that match the search criteria.
- Step 3: On the Search Results screen, select the name of the user that needs to be unlocked. The User Information screen displays.
- Step 4: Click on the Modify button at the bottom of the User Information screen. The Update User Profile screen displays.
- Step 5: The Locked Out box on the Update User Profile screen contains a checkmark. Click on the Locked Out box to remove the checkmark.
- Step 6: If a new temporary password is not needed, skip this item and go to Step 7. If a new temporary password is needed, enter the new temporary password in the New Password field. Then re-enter the new password in the Re-enter New Password field to confirm. The user will need to change this password to one of his or her choosing.



Step 7: Click on the submit button at the bottom of the Update User Profile screen. The Update Your Profile screen displays.

Step 8: On the Update Your Profile screen, click on the Submit button to confirm the updates made to the user's profile.

This information is also posted on the COD Web site in a document entitled "Unlocking And Resetting COD Web Site Passwords." To access the document *before* you log in to the Web site, click on the "Click here if you are looking for more information on Common Origination and Disbursement" Link. To access the document *after* you log in to the Web site, click on the "Today's Update" link at the bottom of the page.

Schools can refer to the Electronic Announcement on the IFAP Web site, <http://www.ifap.ed.gov/eannouncements/0201UpdatedCODWebsiteSchools.html>, for information regarding COD Web site access. Third party servicers can refer to the Electronic Announcement on the IFAP Web site at <http://www.ifap.ed.gov/eannouncements/UpdatedCODWebsiteThirdPartyServ.html>.

Current Issues

Unexpected Occurrences of COD Edit 11 and COD Edit 24 (06/14/07)

Federal Student Aid has discovered and is researching an issue with Central Processing System (CPS) Transaction Numbers for certain student records submitted to the COD System. Schools should be aware that this issue may cause records to unexpectedly hit COD Edit 11 (No Eligible SSN, DOB, and Last Name Combination Match Found On CPS For Student) or COD Edit 24 (Reported CPS Transaction Number Does Not Match CPS) and reject.

If a school receives an Edit 11 or an Edit 24 for a student for whom it has a valid Institutional Student Information Record (ISIR), the school should take the following actions, as applicable:

1. Verify that the student information (Name, Date of Birth, Social Security Number, and CPS Transaction Number) submitted to the COD System matches the student information in the ISIR.
2. ***If the information submitted to the COD System does not match the information in the ISIR***, research the discrepant information and submit a corrected record to the COD System.
3. ***If the information submitted to the COD System matches the information in the ISIR***, contact the COD School Relations Center for assistance.

The COD School Relations Center will initiate a process to reload the CPS record for the student into the COD System. Once the student's CPS record has been reloaded, the school will be informed that it is okay to resubmit the record to the COD System.

Federal Student Aid apologizes for any inconvenience this issue causes schools. Updates on this issue will be provided as Federal Student Aid completes its research and resolution of the issue.