



Technical Update GA-2008-09

October 27, 2008

Reporting ED Loan Purchases to NSLDS and New PLUS Deferment Type Codes

This information is intended for the person in your organization who is responsible for working with NSLDS. If that person is not you, please forward this update to the appropriate person.

Introduction

The purpose of this Technical Update is to inform Guaranty Agencies (GAs) of National Student Loan Data System (NSLDS) reporting instructions for loans purchased by (or “put” to) the United States Department of Education (ED) and to provide GA Data Provider Instructions (DPI) change pages for new Deferment Type Codes.

Reporting Loans Purchased by ED

The ED Servicer will use the following codes to report on loans that have been purchased by ED:

1. GA Code – 577 US Department of Education
2. Lender Code – 899577 US Department of Education
3. Lender Servicer Code – 700577 US Department of Education

These codes will be reported at the loan-level and the appropriate contact information will display on the NSLDS Financial Aid Professionals and the NSLDS Student Access web sites for each of these loans.

Currently, the ED Servicer (577) is not reporting loan-level data to NSLDS. NSLDS anticipates that the ED Servicer will begin reporting to NSLDS in November 2008.

When the ED Servicer notifies a GA that a loan has been purchased by ED, the GA should report that loan to NSLDS with a similar methodology as the GA reports loans being transferred to ED for assignment. The GA DPI requires the following fields for loan transfers to be reported to NSLDS:

830 First St. N.E., Washington, DC 20202
www.FederalStudentAid.ed.gov
1-800-4-FED-AID

1. The Date for Loan Status (062) should be populated with the date that the loan was sold to ED.
2. The Code for Loan Status (063) should be populated with “AE”.
3. The Code for Servicer (088) should be populated with the GA Code assigned to the ED, which is “577”.

The combination of reporting these three fields will update the loan on NSLDS to display “577 US Department of Education” as the current GA for the loan.

The GAs also have the option of reporting the Lender Code as transferred to ED’s Lender Code; however, reporting the Lender Code transfer is optional. To report the Lender Code in the same record as the GA Code transfer, the GA should report the following:

1. The Date Loan Sold (141) should be populated with the date that the loan was sold to ED.
2. The Code for Current Holder Lender (134) should be populated with the Lender Code assigned to ED, which is “899577”.

Reporting these two fields will update the loan on NSLDS to display “899577 US Department of Education” as the current lender for the loan.

Once the ED Servicer begins reporting loan-level data to NSLDS in November 2008, the ED Lender Code (899577) and Lender Servicer Code (700577) will display on each loan automatically when the ED Servicer reports on the loan.

The ED Servicer will be reporting to NSLDS on a weekly basis. Based on the ED Servicer’s frequency of reporting, it is likely that they will report loans to NSLDS that have been “put” to ED prior to the GA reporting the loan as “put” to ED. When the GA attempts to update a loan that the ED Servicer has already reported on, the GA will receive an Error No. 0737 on Field Code 020 indicating that the loan is currently held by ED. This error code will not be included in the GA’s error rate. The language attached to the new Error Code will be published in a future Technical Update.

GAs should report loans that have been “put” to ED using the loan transfer methodology even if the GA is aware that the ED Servicer has already reported the loan as “put” to ED. This will allow NSLDS to use the GA’s reporting on the loan as confirmation that the ED Servicer has begun to report on the correct loan.

If a loan is first-reported to NSLDS by the ED Servicer (before the original GA) then the original GA will not be able to report that loan to NSLDS. To allow for the appropriate payment of LPIF for these loans, the ED Servicer will report the original GA Code and disbursement data to NSLDS and NSLDS will store that loan as held by the original GA until the effective date of the sale to ED. To assist GAs in reconciling their LPIF data, NSLDS will add three NSLDS system create dates to the LPIF Back-Up Detail File layouts. These include the Disbursement System Create Date, the Cancellation System Create Date, and the Responsibility End Date System Create Date. These NSLDS system create dates will also help indicate activity that occurred on a loan affecting LPIF payment after the GA no longer held the guarantee on the loan. These data elements will not be populated until the February 2009 calculation

NSLDS is currently developing a report for GAs that will detail and assist reconciling loans that have been “put” to ED. This report will be made available in January 2009.

PLUS Deferment Type Codes

Technical Update GA-2008-07 announced the future availability of two new Deferment Type Codes, established under the Ensuring Continued Access to Student Loans Act (ECASLA), that would be eligible to be reported on PLUS loans. The enhancement to NSLDS to accept these codes will be complete on October 19, 2008, and the codes will be available for GA loan-level submissions that are transmitted to NSLDS on or after October 20, 2008.

The following Deferment Type Codes will be made available:

1. PD – Parent PLUS In-School Deferment
2. PE – Six Month Post-Enrollment Period

The PD Deferment Type Codes will be available for reporting on the Parent PLUS (PL) loan type and the PE Deferment Type Code will be available for reporting on Parent PLUS (PL) and Graduate PLUS (GB) loan types.

See Attachment A for GA DPI change pages.

If you have any questions, please contact the NSLDS Customer Service Center at (800) 999-8219, or e-mail NSLDS@ed.gov.