



**Summary**

This newsletter discusses changes announced to the student aid community regarding the use of “real-time” data from source databases to resolve student eligibility issues related to NSLDS reported loan defaults and loan limit issues. This newsletter also updates the community on the reporting frequency to NSLDS by loan data providers and how recent changes made to data provider schedules have improved the quality and timeliness of data in NSLDS.

**Real-Time Source Data**

**Source Data and Student Eligibility**

It was announced at the Department of Education’s Electronic Access Conferences last fall that, in addition to paper documentation, institutions can rely upon information they access directly from a loan holder’s authoritative database as documentation that a loan shown on NSLDS as being in default is no longer in default, or otherwise no longer impacts a borrower’s eligibility (e.g. satisfactory arrangements have been made). Similarly, loan holder’s data can be used to resolve eligibility problems created by the reporting in NSLDS of excessive borrowing by a student. Institutions must be able to verify that the loan(s) being reviewed is the problematic loan.

Of course, if a school discovers information from a real-time data source that would question a student’s eligibility for additional Title IV aid it should withhold Title IV funding until the issue is resolved.

Access to loan data directly from a loan holder’s database includes the use of third-party web-based products that display a loan holder’s real-time data. To be used for Title IV eligibility purposes, such web-based products must obtain data directly from the relevant guarantor, lender or servicers’ system and be displayed without any modification. The institution must retain an image of the information it obtains from the authoritative real-time site that clearly identifies the borrower, the status of the debt, and the source of the data. FAAs and others may refer to DCL GEN 96-13 to review how NSLDS data affects student aid eligibility.

**NSLDS Reporting Frequency**

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Both the Direct Loan Servicing System (DLSS) for Direct Loans and the Debt Management Collection System (DMCS) for all defaulted loans and grant overpayments held by the Department, submit data to NSLDS weekly, while the Department’s Conditional Disability

Discharge Tracking System (CDDTS) and Perkins Loan data providers update information on a monthly basis.

All 35 Guaranty Agencies (GAs) now report FFEL loan information to NSLDS electronically rather than by sending tapes or diskettes. Five GAs report loan information weekly, while seven GAs send loan information to NSLDS twice each month, The remaining GAs submit loan data to NSLDS monthly.

In addition to regularly scheduled data submissions, a limited set of designated staff at each GA has been granted secure, real-time, online update capability to NSLDS. This allows GAs to instantaneously make necessary changes to NSLDS loan information that may affect a student's eligibility for additional Title IV aid. Since this capability was implemented in August 2002, over 133,785 loan records have been updated using this special online access.

More frequent reporting by data providers continues to improve the quality and timeliness of all data stored in NSLDS. The change to electronic transmission of data from GAs through the Student Aid Internet Gateway (SAIG) and online loan updates has contributed to this effort and has also improved the security of NSLDS data. NSLDS is dedicated to process improvement and will continue to work with all data providers to enhance the accuracy and timeliness of NSLDS information.