



NSLDS Newsletter

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Prescreening Success

NSLDS has implemented enhancements to the prescreening and postscreening processes to improve services to schools and students. These enhancements are described below.

The successful implementation of prescreening enhancements for 2002-03 has significantly improved service to schools and students. These improvements include the following:

- A significant reduction in the number of match result indicators of “2” that result in CPS comment code 138 rejects.
- A more accurate representation of a borrower’s outstanding aggregate amounts.
- The addition of “Last Disbursement Amount” and “Last Disbursement Date” data fields to the Loan History page.
- The addition of the “Disbursement Post Date” field to the Pell History page. This field is the date RFMS posted the accepted disbursement.

Postscreening

The Postscreening process has been enhanced to include two new conditions that will generate postscreening results for 2002-03: 1) to identify students who appear to have exceeded their aggregate subsidized and combined loan limits in the FFEL and Direct Loan programs and 2) to identify loans that have entered or exited a disability or death “Discharged” loan status.

A postscreening reason code of “09” or “10” indicates that the student has exceeded a maximum aggregate limit and may not be eligible for additional Title IV aid. The postscreening reason codes of “06” and “07” generated when a loan enters or exits a disability or death “Discharged” loan status will assist schools in determining whether a student’s eligibility for additional Title IV funds is limited based on the discharge.

Following is a table that lists the Postscreening Reason Codes.

Table 1: Postscreening Reason Codes

Code	Definition
01	Applicant had a loan deteriorate.
02	Applicant had an overpayment deteriorate.
03	Applicant had a loan improve (from default to non-default).
04	Applicant had an overpayment improve.
05	Applicant had a MPN change.
06	Applicant had a loan go into a discharge status.
07	Applicant had a loan go out of discharge status.
08	Closed school request (special request only).
09	Applicant exceeded subsidized loan limit.

Code	Definition
10	Applicant exceeded combined loan limit.
99	Other.

Exceeding Aggregate Loan Limits

A postscreening result is generated if a student exceeds one or more of the aggregate loan limits. For 2002-03 one postscreening alert (reason code "09") is generated if the student exceeds the subsidized aggregate loan limit and another (reason code "10") is generated if the student exceeds the combined aggregate loan limit. If both limits are exceeded and identified in the same postscreening run, the "09" reason code is generated and the next time postscreening is run the student will be identified with a reason code of "10".

The formula for calculating a student's aggregate loan balances includes the student's dependency status and academic level. The dependency status used to determine the applicable aggregate loan limits is based on the student's current year CPS processing results. If CPS dependency status data is not available in NSLDS for the current year, NSLDS will use the prior year's status. If the prior year's status is not available, the system will default to "dependent". The academic level is determined from the Loan Period Start date of the most recent loan in NSLDS. No distinction on academic level is made for a student who may have received loans during a graduate/professional status and then returned to an undergraduate program.

There are certain circumstances in which the aggregate calculation may not include all the information available to the school. Because the FFEL program does not send to NSLDS data on a PLUS denial or receipt of additional Health Professions Loans (HEAL), some students who receive a postscreening result for exceeding the aggregate limit may not have exceeded their aggregate limit. Also, aggregate limits for some students may include graduate/professional loans for students who are now pursuing a second undergraduate degree. Schools will have to research these cases. Schools will also have to research cases where a student moved from an undergraduate program to graduate and then back to undergraduate status.

CPS and NSLDS calculate loan aggregates differently. Therefore, a school may receive a postscreening result from NSLDS and no CPS produced aggregate message or may receive a CPS aggregate message and no postscreening result. CPS uses the academic level as reported by the student from the latest CPS transaction; NSLDS determines academic level based on the latest loan in the system. CPS does not utilize the PLUS denial or HEAL eligibility factors, which are available to NSLDS for the Direct Loan Program. In addition, CPS does not include consolidation loans in its formula, while NSLDS includes consolidation loans as described in the following paragraph.

When calculating a student's loan aggregates, because NSLDS receives the subsidized/unsubsidized breakdown of a Direct Loan Consolidation Loan, the subsidized aggregate includes any portion of a Direct Consolidation Loan that is subsidized. However, NSLDS does not receive similar breakdowns for FFEL Consolidation Loans. In order to address this issue, for purposes of calculating aggregates for postscreening, NSLDS assumes that the total outstanding balance of an FFEL Consolidation Loan consists of the same ratio of subsidized loans as was in the sum of the original underlying loans. If NSLDS cannot identify the underlying loans for an FFEL Consolidation Loan, NSLDS will count the entire FFEL Consolidation Loan in the subsidized aggregate balance. Because these two assumptions are used in postscreening, schools will need to calculate the actual breakdown of the FFEL Consolidation Loan to determine whether the student has actually exceeded his or her aggregate limits.

Following is a table that summarizes the aggregate calculations.

Table 2: Aggregate Loan Limit Chart

Formula No.	Sub Limit	Combined Limit	Dependency	Academic Level	PLUS Denial	HEAL Flag
1	\$23,000	\$23,000	Dependent	UG	No	No
2	\$23,000	\$46,000	Dependent with additional unsubsidized eligibility	UG	Yes	No
		OR	Independent	UG	N/A	No
3	\$23,000	\$70,625	Dependent with HEAL eligibility	UG	N/A	Yes
		OR	Independent	UG	N/A	Yes
4	\$65,500	\$138,500	N/A	G/P	N/A	No
5	\$65,500	\$189,125	N/A	G/P with HEAL eligibility	N/A	Yes

Discharge Loan Status

A Postscreening result is generated if a student has loans that enter or exit a disability or death “Discharged” loan status (DD, DE, DI, or DS). Loans that enter into a disability or death “Discharged” loan status generate a postscreening reason code of “06”. Loans that exit a disability or death “Discharged” loan status generate a reason code of “07”.

The Department will publish a more comprehensive “Dear Partner Letter” providing detail on the new NSLDS postscreening processes.