Volume II, Section 1 – Full Participant Implementation Guide

Overview

This Chapter provides assistance to Full Participants (Schools, EDExpress Users, Third Party Servicers, and Software Providers) with implementing the COD System for the 2004-2005 Pell Grant and Direct Loan Programs. Additionally, this Chapter provides assistance to Full Participants that choose to submit Campus-Based information to the COD System. It serves as a companion to the 2004-2005 Overview of Changes, Common Record Layout and Full Participant Edit Codes contained in this Technical Reference and the XML Common Record Schema v2.0d available at www.ifap.ed.gov.

Note: Phase-In Participants are advised to refer to the Pell Grant Phase-In Participant Implementation Guide and the Direct Loan Phase-In Participant Implementation Guide contained in Volume III and Volume IV of this Technical Reference.

All schools that intend to transmit records to COD as Full Participants in 2004-2005, and were not Full Participants for a prior award year, are required to register as a Full Participant with the COD School Relations Center prior to transmitting 2004-2005 records. If your school submits 2004-2005 records in XML Common Record format and COD is unaware that your school is a Full Participant, your records will reject. **Additionally, all new EDExpress Users must register as Full Participants prior to using EDExpress to transmit 2004-2005 records to COD**. If your school submits 2004-2005 records using EDExpress software and COD is unaware that your school is an EDExpress user, your records will reject.

Schools are encouraged to discuss their participant status with their software vendor, third party servicers, and/or IT Department prior to registering. **Once a school has submitted records for an award year as a Full Participant, the school is unable to revert to submitting Phase-In Participant records for that award year.**

Schools may inquire about the registration process by contacting the COD School Relations Center at the following phone numbers or email address:

- 1-800-474-7268 for Pell Grant and/or Campus-Based assistance
- 1-800-848-0978 for Direct Loan and/or Campus-Based assistance
- CODSupport@acs-inc.com

Any questions concerning the material in this document should be directed to the COD School Relations Center.

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Full Participants in 2004-2005

XML version of EDExpress for 2004-2005

The EDExpress Software v2.0 communicates to COD using the Common Record in XML for Pell Grant and Direct Loan awards. The Internal Import and Export files for EDExpress Combination System users continue to be offered in fixed-length format and not XML.

Business Rules:

1) EDExpress v2.0 exports and imports the XML Common Record to and from COD for Pell and Direct Loan awards.

2) EDExpress Users are Full Participants in the 2003-2004 award year and forward.

   a. A school/3rd Party Servicer that uses EDExpress v2.0 to export and import Direct Loan and/or Pell Grant data to COD is a Full Participant

3) EDExpress Users should refer to the sections within Volume II – Common Record Full Participant Technical Reference of the 2004-2005 COD Technical Reference as their reference tool.

4) The EDExpress Internal Import and Export files used by EDExpress v2.0 and Combination and Mainframe Systems continue to be offered in fixed-length format and not XML for 2004-2005.

5) All reports continue to be produced and imported into EDExpress in current formats and not XML.

6) EDExpress does not accommodate the submission of Campus-Based data for 2004-2005.

Note: All schools that intend to transmit records to COD using EDExpress Software version 2.0 in 2004-2005, and have not used EDExpress in previous award years, are required to register as a Full Participant with the COD School Relations Center prior to transmitting 2004-2005 records. If your school submits 2004-2005 records using EDExpress software and COD is unaware that your school is an EDExpress user, your records will reject. After registering as a Full Participant, COD School Relations will

communicate to your school your Routing ID (formerly known as the Common School ID). This Routing ID is required to complete the setup process for the EDExpress Software Version 2.0. To register as a COD Full Participant for 2004-2005, contact the COD School Relations Center at 1-800-474-7268 (1-800-4PGRANT) for Pell Grants or 1-800-848-0978 for Direct Loans.

Full Participant Status by Program

For the 2004-2005 award year, schools may choose to be a COD Full Participant for one award program and a Phase-In Participant for the other award program.

Business Rules:

1) Schools that use multiple software packages to process their award programs are able to submit records for one program in XML Common Record format and records for another program in fixed-length flat-file format.

2) Schools are required to register with the COD School Relations Center as a Full Participants prior to submitting 2004-2005 records if they were not a Full Participant for a prior award year. Schools must specify that they intend to process as a Full Participant for one program and a Phase-In Participant for the other program.

Example:

School A uses the Department of Education EDExpress software to submit Direct Loan records and a homegrown software product to submit Pell Grant records to COD. Since EDExpress software version 2.0 supports the XML Common Record for 2004-2005, School A is, by default, a COD Full Participant for the Direct Loan program. However, their homegrown software product has not been modified to accommodate the XML Common Record in 2004-2005 and will continue to use the fixed length, flat file formats. As a result, School A will continue to be a Phase-In Participant for the Pell Grant program. School A contacts the COD School Relations Center to register as a Full Participant for the Direct Loan program and to confirm that it will continue to process as a Phase-In Participant for the Pell Grant program.

Common Record Valid Format Rules

2004-2005 Common Record XML Schema

All tag names in the 2004-2005 Common Record XML schema v2.0 have been updated to reflect EBXML standards and recommendations from the Post-Secondary Electronic Standards Council. The Common Record XML schema v2.0 latest release is available at www.ifap.ed.gov.

Business Rules:

1) All 2003-2004 award year and forward Common Record documents must conform to the Common Record XML schema v2.0 latest release.

    a. The attribute "xmlns" and its value (e.g. http://www.ed.gov/FSA/COD/2004/v2.0d) in the <CommonRecord xmlns=""> root element of the document are required on all 2004-2005 submissions.

    b. The attribute and its value together are used to indicate the namespace of the elements in the XML document. The namespace convention incorporates the schema version indicator. The version indicator is the "/v2.0d" component of the namespace. When schema updates are made, the version indicator should reflect the update (e.g., "/v2.0e", "/v2.0f").

2) 2002-2003 award year Common Record documents can either continue to conform to the Common Record XML schema v1.0g OR conform to the new Common Record XML schema v2.0 latest release.

3) The COD System uses the XML format of the Document ID tag as an indicator of the XML schema version to which the Common Record document conforms. The COD System processes the Common Record Document using the XML schema version indicated by the Document ID tag.

    a. If tags are identified that are not specific to the XML schema version used for processing, the document is considered invalid and Customer Service is notified of the error. Customer Service works with the school to avoid future processing problems.

4) Non-standard abbreviations have been eliminated from all tag names in the XML Common Record XML schema v2.0.

5) The following tags have been added to the XML Common Record schema v2.0:

   a. <CPSVerificationIndicator>

   b. <HighestCPSTransactionNumber>

   Note: Please refer to Volume II, Section 3 – Full Participant Common Record Layout in this technical reference for more information about the CPS Verification Indicator and Highest CPS Transaction Number tags.

Maximum Length Values and Leading Zeros

XML does not require that the data occupy the maximum length specified for a tag.

Business Rules:

1) Do not include leading zeros and spaces to satisfy the maximum length for a given tag.

Examples:

EXAMPLE #1:
In the example below, the student's first name, John, is four (4) characters long. Although the first name tag has a maximum length of 12 characters, leading zeros or spaces are not necessary to occupy the maximum length of the tag.

```
<FirstName>JOHN</FirstName>
```

EXAMPLE #2:
In the example below, the Disbursement Amount is 400.00. Although the disbursement amount tag has a valid value up to 99999999.99, leading zeros or spaces are not necessary to occupy the length of the tag.

```
<DisbursementAmount>400.00</DisbursementAmount>
```

Empty (Blank) and Null Tags

The COD System differentiates between a tag being empty (blank) and a tag being null in the database.

Business Rules:

1) An empty tag is one in which content of the tag equals blank or spaces.

2) An empty tag is reported as:

```
<LowTuitionFeesCode></LowTuitionFeesCode>
                    OR
<LowTuitionFeesCode/>
```

3) Tags not necessary or not applicable for the document submission should be omitted, rather than reported as empty. See EXAMPLE #1, 2.

4) A blank tag is reported as:

```
<LowTuitionFeesCode>  </LowTuitionFeesCode>
```

5) Tags that can contain blank as a valid value have `<xsd: enumeration value= “  ”/>` defined for them in the XML Common Record Schema.

6) If a school reports blank for a tag that does NOT have blank as a valid value defined in the XML Common Record Schema, the tag will reject with error code 996.

7) If a school reports blank for a tag that does have blank as a valid value defined in the XML Common Record Schema, blank will override the data in the COD database.

8) A null tag is used to remove or delete content currently on the COD database.

9) A null tag is reported as:

```
<LowTuitionFeesCode xsi:nil=“true”>
```

10) Tags that can contain null values have a nil=true attribute set for them in the XML Common Record Schema.

11) If a tag has a minOccurs greater than zero and the school has no content to report in that tag, the school must report a null tag. See EXAMPLE #3.

Examples:

EXAMPLE #1

If a student does not have a middle initial, the Middle Initial tag should be omitted from the Common Record, rather than reported as empty or blank.

```
<Name>
      <FirstName>SUE</FirstName>
      <LastName>SMITH</LastName>
</Name>
```

EXAMPLE #2
For Direct Loans, the Additional Unsubsidized Loan for Health Professionals Indicator, <HPPAIndicator>, is not necessary if the student does not qualify. In these cases, this tag should not be included in the document, rather than reported as empty.

EXAMPLE #3
Address State/Province Code, <AddressStateProvinceCode>, is a required tag in the Address complex element. Address State/Province Code has a minimum length of 2 characters and therefore, the tag cannot be submitted as empty. Additionally, blank is not an enumerated value. If reporting a foreign address where Address State/Province Code is not applicable, the Address State/Province Code tag must be reported as null, rather than being omitted or reported as empty or blank.

<AddressStateProvinceCode xsi:nil='true'></AddressStateProvinceCode>

Data Types

The Common Record includes the following data types:

1) Date
2) Date/Time
3) Year
4) Decimal
5) Integer
6) String
7) Boolean

Note: Each of these data types is discussed in detail below.

Date Fields

All date fields on the Common Record use the following format: CCYY-MM-DD.

Business Rules:

1) The dashes must be included.
2) The CC designates the Century.
3) The YY designates the Year.
4) The MM designates the Month.
5) The DD designates the Day.
6) A leap year is defined as one in which the value of YY is divisible by four (4).
7) In a leap year, the valid values for DD are “01 – 29” when MM is equal to “02”.

Note: This leap year logic represents no change from prior years.

Year Fields

All year fields on the Common Record use the following format: CCYY.

Business Rules:

1) The CC designates the Century.

2) The YY designates the Year.

Date/Time Fields

All date/time fields on the Common Record use the following format: CCYY-MM-DDThh:mm:ss.ff.

Business Rules:

1) The punctuation marks (dashes, colons and decimal point) must be included.

2) The CC designates the Century.

3) The YY designates the Year.

4) The MM designates the Month.

5) The DD designates the Day.

6) The T is the date/time separator.

7) The hh designates the Hour.

8) The mm designates the Minutes.

9) The ss designates the Seconds.

10) The ff designates the hundredths of a second. This value may be zero (00).

11) The hh must be submitted in 24 hour clock time.

Decimal Fields

Decimal fields on the Common Record are either dollar amount fields or percentage fields. Each of these field types is described in detail below.

Dollar Amount Fields

Dollar amount fields on the Common Record use the following format: -999999.99 to 999999999999.99.

Business Rules:

1) Leading zeros are not necessary to occupy the maximum length of the field.

2) Dollar amount fields may include two digits to the right of a decimal point.

3) If a dollar amount reported by the school does not contain a decimal point, the COD System infers a decimal point and two zeros after the last digit reported. See EXAMPLE #1.

4) To report cents (partial dollar amounts), the school must submit a decimal point and the digits to the right of the decimal point. See EXAMPLE # 1.

5) When reporting a positive dollar amount, the school must submit amount fields without a sign indicator.

6) When reporting a negative dollar amount, the school must submit the amount field with the negative sign in the lead character, e.g. FISAP Income Amount. See EXAMPLE #2.

7) Common Records may be returned to the source with a negative sign in the lead character of a dollar amount field, e.g. Payment to Servicer Amount. See EXAMPLE #3.

8) The following fields on the Common Record are dollar amount fields:

    a. Total Award Amount Reported, <TotalReportedAward>

    b. Total Disbursement Amount Reported, <TotalReportedDisbursement>

    c. Award Amount, <FinancialAwardAmount>

    d. Federal Share Amount, <FederalShareAmount>

    e. FISAP Income Amount, <FISAPIncomeAmount>

    f. Award Amount Requested, <FinancialAwardAmountRequested> (**Note**: For 2002-2003 award year only)

    g. Cost of Attendance, <AttendanceCost>

h. Disbursement Amount, <DisbursementAmount>

i. Disbursement Net Amount, <DisbursementNetAmount>

j. Disbursement Fee Amount, <DisbursementFeeAmount>

k. Interest Rebate Amount, <InterestRebateAmount>

l. Payment to Servicer Amount, <PaymentToServicerAmount>

m. Booked Loan Amount, <BookedLoanAmount>

n. Endorser Amount, <EndorserAmount>

o. Year to Date Disbursement Amount, <YTDDisbursementAmount>

p. Scheduled Federal Pell Grant, <ScheduledPellGrant>

q. Negative Pending Amount, <NegativePendingAmount>

r. Total Financial Disbursement Accepted, <TotalFinancialDisbursementAccepted>

s. Total Financial Award Accepted, <TotalFinancialAwardAccepted>

t. Total Funded Disbursement Accepted, <TotalFundedDisbursementAccepted>

u. Total NonFunded Disbursement Accepted, <TotalNonFundedDisbursementAccepted>

v. Total Amount Corrected, <TotalFinancialAwardCorrected>

Examples:

EXAMPLE #1:
When reporting an amount of $2625.34:

1) Include the decimal point and two digits to the right: 2625.34
OR
2) Include the decimal point and two zeroes to the right: 2625.00
OR
3) Omit the decimal point and report the whole dollar amount only: 2625

Then, the COD System infers a decimal point and two zeros and stores 2625**.**00

DO NOT submit 262500 as the COD System infers a decimal and stores this submission as 262500.00.

Note: Pennies are not processed or stored by the COD System for the Direct Loan Program but are processed and stored for the Pell Grant and Campus-Based Programs. All Direct Loan reported amounts that include partial dollar amounts will be truncated. Please refer to the Reporting Pennies in the Award and Disbursement Amount Data Elements sections for more information about reporting pennies in the Direct Loan, Pell Grant, and Campus-Based Programs.

EXAMPLE #2:
The FISAP Income Amount tag can be reported with a negative value for Campus-Based information.

```
<FISAPIncomeAmount>-10000</FISAPIncomeAmount>
```

EXAMPLE #3:
The Payment to Servicer Amount is returned with a negative sign as the lead character in the amount field.

```
<PaymentToServicerAmount>-1000.00</PaymentToServicerAmount>
```

Note: Refer to the topic entitled "Generating Payment for Servicer Response" for more information on the Payment to Servicer Amount.

Percentage Fields

Percentage fields on the Common Record use the following format: 0 – 999.999

Business Rules:

1) Leading zeros are not necessary to occupy the maximum length of the field.

2) Percents must be reported as whole numbers or mixed numbers without the percent sign.

3) The following fields on the Common Record are percentage fields:

    a. Origination Fee Percentage, <OriginationFeePercent>

    b. Interest Rebate Percentage, <InterestRebatePercent>

c. Total Eligibility Used, <TotalEligibilityUsed>

Examples:

Three percent (3%) is reported as 3 or 3.0 and the COD System stores as 3.000

One and a half percent (1.5%) is reported as 1.5 and the COD System stores as 1.500

Note: Please refer to Volume II, Section 3 - Common Record Layout in this Technical Reference for more information on valid values and formats on specific fields.

Integer Fields

Integer fields on the Common Record are non-dollar amount, non-percentage, numeric fields.

Business Rules:

1) Integer fields contain whole numbers.

2) Integer fields do not contain decimal points, dollar or percent signs.

String Fields

String fields on the Common Record are alphanumeric fields that can contain a variety of characters.

Business Rules:

1) String fields can contain all ASCII characters, except a raw, unescaped opening angle bracket (<), ampersand (&), closing angle bracket (>), quotation mark ("), or apostrophe (').

Note: Refer to the topic entitled “XML Predefined Entity References” for more information.

Boolean Fields

Boolean fields on the Common Record are fields that have exactly two values: true or false

Business Rules:

1) Boolean fields contain a value of ‘true’ or ‘false.’

XML Predefined Entity References

XML does not allow character data inside an element to contain a raw unescaped opening angle bracket (<), ampersand (&), closing angle bracket (>), quotation mark ("), or apostrophe ('). If these characters are necessary in your markup, they must be escaped using predefined entity references. An XML parser replaces the predefined entity references with actual characters.

Business Rules:

1) XML predefines the following five entity references:

- < the less than sign (<)
- & the ampersand (&)
- > the greater than sign (>)
- " the straight, double quotation marks ("")
- ' the apostrophe, straight quotation mark (')

Common Record Processing Rules

Document

An XML document is the vehicle through which data is transmitted. A Common Record transmission is considered to be an XML document. A Common Record transmission, or document, may contain multiple awards and multiple disbursements for one or multiple students. In cases where the Reporting School transmits data for multiple Attended Schools, the Common Record may contain student, award, and disbursement data for multiple schools. It can be thought of as a batch.

Document Submission

Common Record documents can be submitted to the COD System via Batch Processing or the COD web site.

Batch Processing

All documents submitted via batch processing for the 2004-2005 award year must be submitted via the Electronic Data Exchange over the Student Aid Internet Gateway (SAIG).

Business Rules:

1) All documents submitted via batch processing must be submitted via the Student Aid Internet Gateway (SAIG).

2) Each transmission must have a SAIG transmission batch header (O*N05) and trailer (O*N95) record.

3) Each transmission can include the SAIG transmission header (O*N01) and trailer (O*N99) record. Inclusion of the SAIG transmission header (O*N01) and trailer (O*N99) record is optional, and is not required for COD processing.

4) Only one set of Common Record begin and end tags can be submitted within each pair of SAIG transmission batch header (O*N05) and trailer (O*N95).

5) If more than one set of Common Record begin and end tags is submitted within a pair of SAIG transmission batch header (O*N05) and trailer (O*N95) COD rejects the document with error code 105.

6) Multiple pairs of SAIG transmission batch headers (O*N05) and trailers (O*N95) can be submitted within the SAIG transmission headers (O*N01) and trailers (O*N99). See EXAMPLE below.

7) Beginning in award year 2004-2005, SAIG has expanded the variable length Batch Number field on the SAIG Transmission batch header (O*N05) and trailer (O*N95) from positions 42 – 67 to positions 42 -91.

   a. Positions 42 – 61 are reserved for school use.

   b. Positions 62 – 91 are reserved for Department of Education use.

   c. COD populates positions 62 – 91 with the 30 character Common Record Document ID on all response records. If the school populates any data in positions 62-91 on the incoming record, COD will overwrite this data with the Document ID on the response record.

Note: For further information, please refer to the "SAIG Host Communication Guide" http://www.sfadownload.ed.gov/mainframeguide.htm

Example:

```
N01 – Transmission Header
N05 – Transmission Batch Header
<CommonRecord>
</CommonRecord>
N95 - Transmission Batch Trailer
N05 - Transmission Batch Header
<CommonRecord>
</CommonRecord>
N95 – Transmission Batch Trailer
N99 - Transmission Trailer
```

COD Message Classes

For information on the message classes to be used by COD Full Participants, please refer to Volume II, Section 2 - COD Full Participant Message Class in this Technical Reference.

Logical Record Length Limitation

For information and recommended solutions concerning the 32 kilobyte file length limitation on mainframe systems and the 4000 byte limitation on the COD System, refer to the Common

Record Physical Record Layout topics within Volume II, Section 3 - Common Record Layout in this Technical Reference.

COD Receipts

COD Receipts are generated for every Common Record document received via SAIG by the COD System. The COD Receipt indicates that the Common Record document was received and can be read by the COD System.

Business Rules:

1) One COD Receipt is generated per Common Record document received via SAIG by the COD System.

2) The COD Receipt is generated after the COD System validates the Common Record against the XML Common Record Schema, but before actual processing of the Common Record.

3) A COD Receipt is not generated for Common Record data submitted via the COD web site.

Example:

The following is an example of a COD Receipt:

```
CommonRecord>
  <DocumentID>2004-03-18T09:09:09.0012345678</DocumentID>
  <CreatedDateTime>2004-03-18T09:20:01.00</CreatedDateTime>
  <Source>
     <COD EntityID="00000001"/>
  </Source>
  <Destination>
     <School EntityID="12345678"/>
  </Destination>
  <Receipt>2004-03-18T09:21:00.00</Receipt>
</CommonRecord>
```

Response Documents

For all Common Records received and processed by the COD System, the COD System returns a Response document indicating the status of Common Record processing, including any rejected data elements and reason for the rejection.

Business Rules:

1) The COD System sends one Response document for each Common Record document processed by the COD System.

2) A Response complex element is generated for each major complex element reported on a Common Record document: Document, Reported School, Student, Award, and Disbursement.

3) All Response complex elements are nested within the Response document.

4) Schools have an option to receive a Full or Standard Response to Common Records processed by the COD System.

    a. A Full Response contains all the original tags sent by the School and the rejected data elements and reason codes.

    b. A Standard Response contains only the rejected data elements and reason codes.

    c. This option defaults to a Standard Response.

    Note: EDExpress users always receive a Full Response regardless of their selected response option.

5) Schools can override this option on a record-by-record basis by submitting the <FullResponseCode> tag on the Common Record.

    a. If the <FullResponseCode> tag is not sent, the option defaults to Standard Response.

6) For Common Records transmitted via SAIG, the COD System sends Response Documents to the school's SAIG mailbox.

7) For Common Records transmitted via the web, schools have an option to receive a Response either via the web or via their SAIG mailbox.

    a. Unless the school changes this option on the COD web site, the school will receive a Response via the web.

    b. A response via the web will indicate whether the record was accepted or rejected.

    c. Schools that chose to receive a response for web activity will receive a Full Response via their SAIG mailbox.

School will receive:	If the school sends the Common Record via:	
	SAIG Mailbox	**COD Web Site**
Receipt	Via SAIG Mailbox	N/A
Response	Via SAIG Mailbox	On COD Web Site AND/OR Via SAIG Mailbox

Example:

The following diagram illustrates how a Response complex element is generated for every complex element of data submitted on the Common Record and the nesting of those complex elements within the Response Document:

```
Common Record
        Reporting School
                Attended School
                        Student
                                Award
                                Award Response
                                        Disbursement
                                        Disbursement Response
                        Student Response
        Reporting School Response
Common Record Response
```

Response Code

For each Response complex element returned, the COD System generates a Response Code that indicates whether the complex element was accepted, rejected, or corrected. The Response complex element and Response Code is returned for each major complex element: Reporting School, Student, Award, and Disbursement.

Business Rules:

1) The COD System returns a Response complex element with a Response Code of A (Accepted), R (Rejected), or C (Corrected).

2) A Response complex element with a Response Code of A (Accepted) is returned to indicate that the complex element was accepted.

3) A Response complex element with a Response Code of A (Accepted) may have a warning edit returned on the complex element.

4) A Response complex element with a Response Code of A (Accepted) does not exclude another complex element in the hierarchy from being accepted, corrected, or rejected.

    a. If a Person complex element is Accepted, this does not exclude the possibility that the Award or Disbursement complex elements may be accepted, corrected, or rejected.

    b. If an Award complex element is Accepted, this does not exclude the possibility that the Person or Disbursement complex elements may be accepted, corrected, or rejected.

5) A Response complex element with a Response Code of R (Rejected) is returned to indicate that the data elements in the complex element are rejected.

6) A Response complex element with a Response Code of R (Rejected) is returned with at least one reject edit.

7) A Response complex element with a Response Code of R (Rejected) can result in other complex elements being rejected.

    a. On the initial submission of a Person, if a Person complex element is rejected, then the Award complex element is rejected, even if all data in the Award complex element passed the edits, because the COD System cannot accept an Award complex element without an established Person.

    b. On the initial submission of a Person, if all Award complex elements in the submission are rejected, then the Person complex element is rejected, because the COD System cannot accept a Person complex element without at least one established Award.

    c. On an initial submission of an Award, if an Award complex element is rejected, then the Disbursement complex element is rejected, even if all data in the Disbursement complex element passed the edits, because the COD System cannot accept the Disbursement complex element without an established Award.

Note: Please refer to the topic entitled "Documents Must Contain At Least One Detailed Record" for more information.

8) A Response complex element with a Response Code of C (Corrected) is returned only when at least one data element within the complex element has been corrected. Because the COD System corrects only Pell Grant Award and Disbursement data for schools that choose to have their data corrected rather than rejected, a <ResponseCode > of C is returned only in these complex elements.

    a. A Response complex element with a Response Code of C (Corrected) does not preclude another complex element in the hierarchy from being accepted, corrected, or rejected.

    b. If an Award complex element is corrected, this does not exclude the possibility that the Disbursement complex element may be accepted, corrected, or rejected.

    c. If a Disbursement complex element is corrected, this does not exclude the possibility that the Award complex element may be accepted, corrected, or rejected.

Example:

Complex Element	Processed with Edits	Response Code
Person	No	A (Accepted)
Award (1)	No	A (Accepted)
Disbursement (for Award 1)	No	A (Accepted)

Complex Element	Processed with Edits	Response Code
Person	No	A (Accepted)
Award (1)	Yes (with corrections)	C (Corrected)
Disbursement (for Award 1)	No	A (Accepted)

Complex Element	Processed with Edits	Response Code
Person	No	R (Rejected) *Because no Awards were accepted
Award (1)	Yes	R (Rejected)
Disbursement	No	R (Rejected) *Because

(for Award 1)		the Award was not accepted

Complex Element	Processed with Edits	Response Code
Person	No	A (Accepted) *Because at least one Award was accepted
Award (1)	No	A (Accepted)
Award (2)	Yes	R (Rejected)
Disbursement (for Award 2)	No	R (Rejected) *Because the Award was not accepted

Document Validation

If a document does not validate against the XML Common Record Schema, the COD System does not process the document.

Business Rules:

1) The COD System contains a validation program that ensures that the Common Record documents are well formed and properly structured.

2) The COD System processes the Common Record Document using the XML schema version indicated by the Document ID tag.

    a. If tags are identified that are not specific to the XML schema version used for processing, the document is considered invalid and Customer Service is notified of the error. Customer Service works with the school to avoid future processing problems

3) The COD System does not process a document if:

    a. The Document ID is missing or incomplete.

    OR

    b. The document structure does not meet the rules of the XML Common Record Schema.

OR

c. More than one Common Record document is inserted between a pair of SAIG Transmission Batch Header (O*N05) and Trailers (O*N95).

4) When a Common Record is submitted with a missing or incomplete Document ID, the COD System cannot return a receipt or response to the sender.

5) When a Common Record document does not meet the rules of the XML Common Record Schema, the COD System returns a Receipt and Response with an error code

6) When more than one Common Record is inserted between a pair of SAIG Transmission Batch Headers (O*N05) and Trailer (O*N95), the COD System returns a Receipt and Response with an error code 105 and message.

   Note: This is not an issue if you use Edconn32.

Note: Please refer to the Document ID Required for Document Submission, Sequence of Data Elements Required for Document Processing, and Document Submission sections for more information.

Sequence of Data Elements Required for Document Processing

The sequence of data within the Common Record is dictated by the sequence of data elements presented in the XML Common Record Schema.

Business Rules:

1) Data elements submitted by a school must occur in the same sequence as depicted in the XML Common Record Schema.

2) A Common Record submitted with data elements out of sequence will not validate against the XML Common Record Schema, and will therefore be rejected.

Documents Must be Submitted by a Full Participant

The COD System accepts Common Records submitted by Full Participants. Phase-In Participants must submit records in the Direct Loan or Pell Grant fixed-length record formats to the COD System.

Business Rules:

1) XML Common Records submitted by Phase-In Participants are rejected with error code 107 for 2003-2004 records and forward and error code 010 for 2002-2003 records.

2) Fixed-length format records submitted by Full Participants are rejected with error code 005.

Note: For information on the fixed-length record formats, refer to Volume III, Section 3 - Pell Grant Fixed Length Record Layouts and Volume IV, Section 3 - Direct Loan Fixed Length Record Layouts available within this Technical Reference.

Document ID Required for Document Submission

The COD System checks to ensure the Document ID is present and is properly formatted.

Business Rules:

1) Document ID is an essential element for importing, storing and tracking the data submitted in a Common Record Document by a school.

2) The COD System does not process documents that do not have a Document ID.

3) The COD System does not process documents that have an incomplete Document ID.

4) The COD System does not process documents that have an invalid Document ID format.

5) The COD System uses the Document ID as an indicator of the XML schema version to use for processing the entire document.

6) The entity ID listed in the Document ID must be the same entity ID as the Source Entity ID.

7) The COD System is unable to store a Common Record document that has an invalid, incomplete, or missing Document ID.

8) The COD System cannot return a receipt or response to a sender that submits an invalid, incomplete, or missing Document ID.

Note: Please refer to Volume II, Section 3 - Common Record Layout in this Technical Reference for proper format of the Document ID.

Duplicate Document IDs

The COD System checks the Document ID for duplicates on the COD database.

Business Rules:

1) Document ID for Full Participants is defined as the DateTime stamp and the Source Entity ID.

2) A duplicate document is defined as a document that has a Document ID identical to one already established on the COD System.

3) The COD System rejects the document if the Document ID is duplicate.

4) A rejected Document ID cannot be resubmitted as the COD System will recognize it as a duplicate.

5) The COD System generates a Receipt if the Document ID is duplicate.

6) The COD System generates a Response with error code 003 for documents with duplicate Document IDs. The Response does not contain detail data elements.

Note: Please refer to Volume II, Section 3 - Common Record Layout for an example of a Document ID.

Inability to Process Future-Dated Documents

The COD System confirms that the date portion of the Document's Created DateTime is not greater than the System Date.

Business Rules:

1) If the date portion of the Document's Created DateTime is greater than the System Date, the COD System rejects the document with error code 006.

2) The COD System generates a Receipt and a Response for future-dated documents.

3) Schools over the international dateline should resubmit documents rejected with error code 006.

Documents Submitted Must Contain at Least One Detailed Record

A detailed record consists of at least one Student Identifier and one Award. A Student Identifier consists of the student tag and three attributes: Social Security Number, Date of Birth, and Last Name.

Business Rules:

1) The COD System rejects the document if it does not contain at least one detailed record.

    a. A detailed record on a New record is defined as at least one Student Identifier (Social Security Number, Date of Birth and Last Name) and one Award tag.

    b. A detailed record on an Update record is defined as at least one Student Identifier (Social Security Number, Date of Birth and Last Name) and one Award tag.

2) The COD System generates a Response with error code 007 for documents with no detailed records.

Note: For more information on the Student Identifier, please refer to the Student Identifier section. For more information on the Award, please refer to the Minimum Data Elements Required for Document Processing section.

Document Submissions of One Detailed Record

The COD System is designed to process a large number of detailed records at one time when submitted together in a Common Record document. Standard school practice when submitting records is to submit a large quantity of records at once in one document. The design of the COD System incorporates this common school practice with its batch processing functionality.

Business Rules:

1) The COD System will accept and process single detailed record documents, but is not designed to regularly process multiple Common Record document submissions of one record each.

2) Processing time increases with submission of multiple documents of one detailed record each.

    a. The time it takes the COD System to process a Common Record document is effected by the amount of time it takes to process the individual components of the document:

i. the batch header and trailer

ii. the records contained within the document

b. The time it takes the COD System to process each record within a Common Record document is minimal in comparison to the time it takes the COD System to process the batch header and trailer.

c. The processing time for the batch header and trailer does not vary with document size. The batch header and trailer will be processed in the same amount of time by the COD System for a document containing one detailed record, as for a document containing 50 records.

d. Processing time for a multiple records submitted in individual Common Record documents will take significantly more time than it takes to process the same number of records submitted together in one Common Record document. For example, it will take much longer for the COD System to process 50 documents of one record each than one document containing 50 records.

3) Multiple document submissions each containing one individual record will delay processing of all schools' records submitted after the group of single record documents.

4) The COD System will NOT reject document submissions containing only one record.

5) Document submissions containing only one record should be submitted on an exception basis only.

6) The COD web site is designed to accommodate record submission on a record by record basis. Schools may submit multiple individual records to the COD System via the COD web site without experiencing processing delays.

Minimum Data Elements Required for Document Processing

The COD System requires certain data elements for processing each complex element of the document.

Business Rules

1) The following data elements are required for processing a change to Student demographic data for a Pell Grant Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<SourceEntityID=“”>
<Destination>
<DestinationEntityID=“”>
<ReportedSchoolEntityID=“”>
<AttendedSchoolEntity ID>
<Student SSN=“” BirthDate=“” LastName=“”>
<Pell>
<FinancialAwardYear>
```

2) The following data elements are required for processing a change to Student demographic data for a Direct Loan Subsidized or Unsubsidized Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<SourceEntityID=“”>
<Destination>
<DestinationEntityID=“”>
<ReportedSchoolEntityID=“”>
<AttendedSchoolEntity ID>
<Student SSN=“” BirthDate=“” LastName=“”>
<DLSubsidized> OR <DLUnsubsidized>
<FinancialAwardYear>
<FinancialAwardNumber>
```

3) The following data elements are required for processing a change to Student demographic data for a Direct Loan PLUS Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<SourceEntityID=“”>
<Destination>
<DestinationEntityID=“”>
<ReportedSchoolEntityID=“”>
<AttendedSchoolEntity ID>
<Student SSN=“” BirthDate=“” LastName=“”>
<Borrower SSN=“” BirthDate=“” LastName=“”>
<DLPLUS>
<FinancialAwardYear>
<FinancialAwardNumber>
```

4) The following data elements are required for processing a change to Student demographic data for a Campus-Based Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<SourceEntityID=“”>
<Destination>
<DestinationEntityID=“”>
<ReportedSchoolEntityID=“”>
<AttendedSchoolEntity ID>
<Student SSN=“” BirthDate=“” LastName=“”>
<FWSP> OR <SEOG> OR <Perkins>
<FinancialAwardYear>
```

Note: The COD database is student centric. Changing the student demographic data for one award year and award type will change it for all award years and award types for that student. Please refer to the Changing Student Identifier Information topic for more information about submitting changes to the Student Identifier.

5) The following data elements are required for processing a Direct Loan Subsidized or Unsubsidized Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<DLLoanInformation Loankey=“”>
<OriginationFeePercent>
<InterestRebatePercent>
<StudentLevelCode>
<FinancialAwardBeginDate>
<FinancialAwardEndDate>
<AcademicYearBeginDate>
<AcademicYearEndDate>
<DLSubsidized> or <DLUnsubsidized>
<FinancialAwardYear>
<CPSTransactionNumber>
<FinancialAwardAmount>
<LoanKey>
<FinancialAwardNumber>
<FinancialAwardID>
<FinancialAwardCreateDate>
```

6) The following data elements are required for processing a Direct Loan PLUS Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<DLLoanInformation LoanKey=“”>
<OriginationFeePercent>
<InterestRebatePercent>
<StudentLevelCode>
<FinancialAwardBeginDate>
<FinancialAwardEndDate>
<AcademicYearBeginDate>
<AcademicYearEndDate>
<DLPLUS>
<FinancialAwardYear>
<FinancialAwardAmount>
<LoanKey>
<DefaultOverpayCode>
<FinancialAwardNumber>
<FinancialAwardID>
<FinancialAwardCreateDate>
<FinancialAwardAmountRequested>
<Borrower SSN=“” BirthDate=“” LastName=“”>
<Identifiers>
<Contacts>
<Address>
<AddressLine>
<AddressCity>
<AddressStateProvinceCode>
<AddressPostalCode>
<CitizenshipStatusCode> (This tag is for student and parent borrower)
<DefaultOverpayCode>
```

7) The following data elements are required for processing a change to a Direct Loan (Subsidized, Unsubsidized, or PLUS) Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
```

```
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<DLSubsidized> or <DLUnsubsidized> or <DLPLUS>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID> (Optional)
```

8) The following data elements are required for processing a Direct Loan anticipated disbursement (Disbursement Release Indicator set to “false”):

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportingSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<DLSubsidized> or <DLUnsubsidized> or <DLPLUS>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID> (Optional)
<Disbursement>
<Disbursement Number =“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementNetAmount>
<DisbursementFeeAmount>
<InterestRebateAmount>
<DisbursementReleaseIndicator = “false”>
```

9) The following data elements are required for processing a Direct Loan actual disbursement (Disbursement Release Indicator set to “true”):

```
<CommonRecord xmlns=“”>
```

```
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<DLSubsidized> or <DLUnsubsidized> or <DLPLUS>
<FinancialAwardYear>
<FinancialAwardNumber>
<FinancialAwardID> (Optional)
<Disbursement>
<Disbursement Number="">
<DisbursementAmount>
<DisbursementDate>
<DisbursementSequenceNumber>
<DisbursementNetAmount>
<DisbursementFeeAmount>
<InterestRebateAmount>
<DisbursementReleaseIndicator = "true">
```

10) The following data elements are required for processing a Pell Grant Award:

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<Pell>
<FinancialAwardYear>
<CPSTransactionNumber>
<FinancialAwardAmount>
<AttendanceCost>
<EnrollmentDate>
```

Note: Beginning with the 2004-2005 award year and forward, the following data elements will not be required by the COD System for processing a Pell Grant Award:

```
<AcademicCalendarCode>
<PaymentMethodCode>
<WeeksUsedCalculate>
<WeeksProgramsAcademicYear>
<HoursAwardYear>
<HoursProgramsAcademicYear>
```

If a Full Participant school submits data in these tags, the COD System will not edit or store the data and will not return these tags on a Full Response.

11) The following data elements are required for processing a change to a Pell Grant Award:

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<Pell>
<FinancialAwardYear>
```

12) The following data elements are required for a Pell Grant anticipated disbursement (Disbursement Release Indicator set to "false"):

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportingSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<Pell>
```

```
<FinancialAwardYear>
<Disbursement>
<Disbursement Number =“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementReleaseIndicator = “false”>
<PaymentPeriodStartDate> (if school ineligible)
```

13) The following data elements are required for processing a Pell Grant actual disbursement (Disbursement Release Indicator set to “true”):

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportedSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<Pell>
<FinancialAwardYear>
<Disbursement>
<Disbursement Number=“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementSequenceNumber>
<DisbursementReleaseIndicator = “true”>
<PaymentPeriodStartDate> (if school ineligible)
```

14) The following data elements are required for processing a Campus-Based Award:

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportedSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID=“”>
```

```
<Student SSN="" BirthDate="" LastName="">
<StudentLevelCode>
<FWSP> or <SEOG> or <Perkins>
<FinancialAwardYear>
<CPSTransactionNumber>
<FinancialAwardAmount>
<LessThanFullTimeIndicator>
<FederalShareAmount>
<FISAPIncomeAmount> (Only if school based award on different FISAP Total
Income figure than CPS has on file for the transaction used to calculate
the award)
<SecondaryEFCCode> (Only if Secondary EFC used to calculate Campus-Based
eligibility)
<DependencyStatusCode>
```

15) The following data elements are required for processing a change to a Campus-Based Award:

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportedSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<AttendedSchool EntityID="">
<Student SSN="" BirthDate="" LastName="">
<FWSP> or <SEOG> or <Perkins>
<FinancialAwardYear>
<CPSTransactionNumber>
<DependencyStatusCode>
```

16) The following data elements are required for a Campus-Based anticipated disbursement (Disbursement Release Indicator set to "false"):

```
<CommonRecord xmlns="">
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID="">
<Destination>
<Destination EntityID="">
<ReportedSchool EntityID="">
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
```

```
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<FWSP> or <SEOG> or <Perkins>
<FinancialAwardYear>
<Disbursement>
<Disbursement Number =“”>
<DisbursementAmount>
<DisbursementDate>
<DisbursementReleaseIndicator = “false”>
```

17) The following data elements are required for processing a Campus-Based actual disbursement (Disbursement Release Indicator set to “true”):

```
<CommonRecord xmlns=“”>
<DocumentID>
<CreatedDateTime>
<Source>
<Source EntityID=“”>
<Destination>
<Destination EntityID=“”>
<ReportedSchool EntityID=“”>
<ReportedFinancialSummary>
<FinancialAwardType>
<FinancialAwardYear>
<TotalCount>
<TotalReportedAward>
<TotalReportedDisbursement>
<AttendedSchool EntityID=“”>
<Student SSN=“” BirthDate=“” LastName=“”>
<FWSP> or <SEOG> or <Perkins>
<FinancialAwardYear>
<Disbursement>
<Disbursement Number =“”>
<DisbursementAmount>
<DisbursementDate>
```

Routing ID

In 2003-2004, the Common School Identifier became known as the Routing ID. The Routing ID was established in award year 2002-2003 as an identifier assigned to Schools and Third Party Servicers that is common across the Pell Grant and Direct Loan programs.

Business Rules:

1) The Routing ID is used in the Entity ID tags on the Common Record and serves as a routing number for COD.

2) The Routing ID is a randomly generated eight-character, numeric key. The values in the key do not signify any information about the numbered entity except its identity.

3) Routing IDs are assigned to all post-secondary Schools, Third Party Servicers, and the COD System, although only Full Participant post-secondary Schools, Third Party Servicers, and the COD System actively use their Routing ID in 2002-2003 records and forward.

4) The Routing ID replaces the Pell Institution Number and Direct Loan (E/G) School code.

   Note: The Pell Institution Number is still used in data requests. The Direct Loan (E/G) School code is still used in the 21 character Award ID (Loan ID) and the MPN ID.

Entity ID

A valid Routing ID is required in the Source, Destination, Reporting School, and Attended School Entity ID tags.

Business Rules:

1) A valid Routing ID must be reported in the following fields:

   a. Source Entity ID, <Source>

   b. Destination Entity ID, <Destination>

   c. Reporting School Entity ID, <ReportingSchool EntityID = “”>

   d. Attended School Entity ID, <AttendedSchool EntityID = “”>

   e. A valid Entity ID is the Routing ID for the school or 3rd Party Servicer.

2) The **Source Entity ID** is the physical sender of the document

   a. The Source Entity ID must be the same Entity ID listed in the Document ID.

   b. The Source Entity ID can be a school or 3rd Party Servicer.

c. Since the Source Entity sends the Common Record document to COD, the TG Destination Number that the Source Entity reported in the SAIG Transmission Header and Trailer is more than likely for the same entity.

3) The **Destination Entity ID** is the destination or recipient of the document.

   a. If a School sends the document to the COD System, the Destination Entity ID is "00000001" for COD.

   b. If the document is sent from the COD System back to the Source, the Destination Entity ID is equal to the Source Entity ID on the original transmission.

   c. The response file is sent to the TG Number reported in the Transmission Header and Trailer.

4) The **Reporting School Entity ID** is the school that sends and receives data for the campuses or students it serves.

   a. The Reporting School Entity ID must be a school and cannot be a 3rd Party Servicer.

   b. The Reporting School Entity ID does not have to be equal to the Source Entity ID, but must have a relationship with the Source Entity ID and the TG Destination Number.

5) The **Attended School Entity ID** is the school or campus where the student attends class, if that location is separately eligible.

   a. Attended School Entity ID must be equal to the Reporting School Entity ID

   OR

   b. Attended School Entity ID must have an established relationship to the Reporting School Entity ID.

   c. If the school or campus where the student attends class is not separately eligible, the Reporting School Routing ID must be reported in the Attended School Entity ID tag.

   Note: Reporting and Attended relationship are still a relatively new concept in the Direct Loan program since the implementation of the COD System. Direct Loan schools are encouraged to call COD School Relations to verify that the

Reporting/Attended relationships are accurately set in COD prior to transmitting any records. Additionally, schools that report for multiple Attended Schools are encouraged to contact COD School Relations to verify these relationships. If COD is unaware of your school's Attended/Reporting relationships, your records will reject.

6) Multiple Reporting School Entity IDs and Attended School Entity IDs can be submitted in the same Common Record.

   Note: The Reporting and Attended relationships reported in the Common Record do not affect the funding process. Funding relationships are controlled separately from the reporting and attended relationships.

7) The COD System checks the Source Entity ID against the COD database and rejects the document if the Entity ID cannot be found or is invalid.

8) When the Source Entity ID cannot be found, the COD System generates a Response with error code 004.

9) When the Source Entity ID is invalid, the COD System generates a Response with error code 001.

Note: For Campus-Based information, the TG number listed on the FISAP enrollment form defaults to your Campus-Based mailbox. You may submit Campus-Based data in a valid Direct Loan or Pell TG Number.

Currently, if you have separate TG numbers for Pell and Direct Loan and you wish to report both Pell and Direct Loan in one Common Record, contact SAIG to complete paperwork to have one TG Number (you may select which number you want to use) that reports both Pell and Direct Loan. This does NOT mean that every Common Record must have both Pell and Direct Loan information. It simply means your school wants the option to send both Pell and Direct Loan in the same Common Record document. If your school decides to continue processing Pell Grant and Direct Loan information by always sending separate Common Record documents for each program, your school can continue to process using separate TG numbers.

Examples:

EXAMPLE 1:

In this first example, a Common Record is submitted for Pell, Campus-Based, and Direct Loan programs for multiple schools using one TG Number for the SAIG Transmission Batch Header.

The Reporting Entity is sending the Common Record and is reporting awards for two other schools which are both separately eligible.

School A:

- Reports for two additional locations – School B and School C. Therefore, this Routing ID is used in the Reporting Entity ID tag.
- Sends the Common Record to COD. Therefore, School A Routing ID is used in the Source Entity ID and the Document ID.
- TG # = 99991. This TG # is used in the SAIG Transmission Batch Header and Trailer.
- Routing ID = 11111111

School B:

- Has an Attended relationship with School A. This Routing ID is used in the Attended School Entity ID tag.
- TG # is not applicable because School A sends the Common Record.
- Routing ID = 22222222

School C:

- Has an Attended relationship with School A. This Routing ID is used in the Attended School Entity ID tag.
- TG # is not applicable because School A sends the Common Record.
- Routing ID = 33333333

```
SAIG Transmission Header Record
SAIG Transmission Batch Header Record (Header Destination # - TG #99991)
<CommonRecord>
   <DocumentID>2004-08-29T09:09:09.0011111111</DocumentID>
   <CreatedDateTime>2004-08-29T17:20:01.00</CreatedDateTime>
   <Source>
       <School EntityID="11111111"/>
   </Source>
   <Destination>
       <COD EntityID="00000001"/>
   </Destination>
   <ReportingSchool EntityID="11111111">
       <ReportedFinancialSummary>
       </ReportedFinancialSummary>
   <AttendedSchool EntityID="22222222">
       <Student SSN=”123456789” BirthDate=”1985-01-01” LastName=”SMITH”>
            <Pell>
            </Pell>
            <DLSubsidized>
            </DLSubsidized>
       </Student>
```

```
            <Student SSN=”987654321” BirthDate=”1982-02-20” LastName=”JONES”>
                 <DLSubsidized>
                 </DLSubsidized>
                 <DLUnsubsidized>
                 </DLUnsubsidized>
            </Student>
            <Student SSN=”112233445” BirthDate=”1983-11-22” LastName=”BRADY”>
                 <DLUnsubsidized>
                 </DLUnsubsidized>
                 < FWSP>
                 </FWSP>
            </Student>
        </AttendedSchool>
        <AttendedSchool EntityID="33333333">
            <Student SSN=”456789123” BirthDate=”1985-07-15” LastName=”CLARK”>
                 <Pell>
                 </Pell>
                 <DLSubsidized>
                 </DLSubsidized>
            </Student>
            <Student SSN=”321654987” BirthDate=”1983-05-25” LastName=”JONES”>
                 <DLSubsidized>
                 </DLSubsidized>
                 <DLUnsubsidized>
                 </DLUnsubsidized>
            </Student>
            <Student SSN=”544332211” BirthDate=”1984-06-12” LastName=”FLOOD”>
                 <DLUnsubsidized>
                 </DLUnsubsidized>
                 < FWSP>
                 </FWSP>
            </Student>
        </AttendedSchool>
        </ReportingSchool>
      </CommonRecord>
    SAIG Transmission Batch Trailer Record (Trailer Destination # - TG
      #99991)
    SAIG Transmission Trailer Record
```

EXAMPLE 2:
In this second example, a Common Record is submitted for Pell, Campus-Based, and Direct Loan programs for multiple schools using one TG Number for the SAIG Transmission Batch Header. A Third Party Servicer is sending the records for multiple schools.

Third Party Servicer:

- Sends the Common Record to COD for Schools D and E. Therefore, the 3rd Party Servicer Routing ID is used in the Source Entity ID and the Document ID.
- TG # = 88888. This TG # is used in the SAIG Transmission Batch Header and Trailer.
- Routing ID = 44444444

School D:

- Uses a Third Party Servicer to send records to COD; however, does its own reporting for students that attend its campus. School D Routing ID is used in the Reporting School Entity ID and Attended School Entity ID tag.
- TG # is not applicable because the Third Party Servicer sends the Common Record.
- Routing ID = 55555555

School E:

- Uses a Third Party Servicer to send records to COD; however, does its own reporting for students that attend its campus. School E Routing ID is used in the Reporting School Entity ID and Attended School Entity ID tag.
- TG # is not applicable because the Third Party Servicer sends the Common Record.
- Routing ID = 66666666

```
SAIG Transmission Header Record
SAIG Transmission Batch Header Record (Header Destination # - TG #88888)
<CommonRecord>
   <DocumentID>2004-08-29T09:09:09.0044444444</DocumentID>
   <CreatedDateTime>2004-08-29T17:20:01.00</CreatedDateTime>
   <Source>
       <ThirdPartyServicer EntityID="44444444"/>
   </Source>
   <Destination>
       <COD EntityID="00000001"/>
   </Destination>
   <ReportingSchool EntityID="55555555">
       <ReportedFinancialSummary>
       </ReportedFinancialSummary>
   <AttendedSchool EntityID="55555555">
       <Student SSN=”123456789” BirthDate=”1985-01-01” LastName=”SMITH”>
            <Pell>
            </Pell>
            <DLSubsidized>
            </DLSubsidized>
       </Student>
       <Student SSN=”987654321” BirthDate=”1982-02-20” LastName=”JONES”>
            <DLSubsidized>
            </DLSubsidized>
            <DLUnsubsidized>
            </DLUnsubsidized>
        </Student>
       <Student SSN=”112233445” BirthDate=”1983-11-22” LastName=”BRADY”>
            <DLUnsubsidized>
            </DLUnsubsidized>
            < FWSP>
            </FWSP>
        </Student>
   </AttendedSchool>
```

```
      </ReportingSchool>
      <ReportingSchool EntityID="66666666">
          <ReportedFinancialSummary>
          </ReportedFinancialSummary>
      <AttendedSchool EntityID="66666666">
          <Student SSN=”456789123” BirthDate=”1985-07-15” LastName=”CLARK”>
               <Pell>
               </Pell>
               <DLSubsidized>
               </DLSubsidized>
          </Student>
          <Student SSN=”321654987” BirthDate=”1983-05-25” LastName=”JONES”>
               <DLSubsidized>
               </DLSubsidized>
               <DLUnSubsidized>
               </DLUnsubsidized>
          </Student>
          <Student SSN=”544332211” BirthDate=”1984-06-12” LastName=”FLOOD”>
               <DLUnsubsidized>
               </DLUnsubsidized>
               < FWSP>
               </FWSP>
          </Student>
      </AttendedSchool>
      </ReportingSchool>
  </CommonRecord>
SAIG Transmission Batch Trailer Record (Trailer Destination # - TG
  #88888)
SAIG Transmission Trailer Record
```

EXAMPLE 3:
In this third example, a Common Record is submitted for the Pell, Campus-Based, and Direct Loan programs for multiple schools. The Reporting Entity is sending the Common Record and is reporting awards for one other school which is NOT separately eligible.

School F:

- Reports for one additional location – School G. Therefore, this Routing ID is used in the Reporting Entity ID tag.
- Sends the Common Record to COD. Therefore, this Routing ID is used in the Source Entity ID and the Document ID.
- TG # = 33331. This TG # is used in the SAIG Transmission Batch Header and Trailer.
- Routing ID = 77777777

School G:

- Has an Attended relationship with School F; however, this location is not separately eligible and therefore its Routing ID is NOT used in the Attended School Entity ID tag.
- TG # is not applicable because School F sends the Common Record.
- Routing ID = 88888888

```
SAIG Transmission Header Record
SAIG Transmission Batch Header Record (Header Destination # - TG #33331)
<CommonRecord>
   <DocumentID>2004-08-29T09:09:09.0077777777</DocumentID>
   <CreatedDateTime>2004-08-29T17:20:01.00</CreatedDateTime>
   <Source>
       <School EntityID="77777777"/>
   </Source>
   <Destination>
       <COD EntityID="00000001"/>
   </Destination>
   <ReportingSchool EntityID="77777777">
       <ReportedFinancialSummary>
       </ReportedFinancialSummary>
   <AttendedSchool EntityID="77777777">
       <Student SSN=”123456789” BirthDate=”1985-01-01” LastName=”SMITH”>
            <Pell>
            </Pell>
            <DLSubsidized>
            </DLSubsidized>
       </Student>
       <Student SSN=”987654321” BirthDate=”1982-02-20” LastName=”JONES”>
            <DLSubsidized>
            </DLSubsidized>
            <DLUnsubsidized>
            </DLUnsubsidized>
        </Student>
       <Student SSN=”112233445” BirthDate=”1983-11-22” LastName=”BRADY”>
```

```
                <DLUnsubsidized>
                </DLUnsubsidized>
                < FWSP>
                </FWSP>
            </Student>
        </AttendedSchool>
        </ReportingSchool>
    </CommonRecord>
SAIG Transmission Batch Trailer Record (Trailer Destination # - TG
  #33331)
SAIG Transmission Trailer Record
```

Total Count in the Reported Financial Summary Complex Element

The COD System verifies that the Total Number of Students Tags by Award Type and Award Year, <TotalCount>, reported in the Reported Financial Summary complex element equals the total number of student tags by award type and award year in the document.

Business Rules:

The COD System compares the Total Number of Students Tags by award type and award year, <TotalCount>, reported against the actual total number of student tags by award type (Pell, DL Subsidized, DL Unsubsidized, and DL PLUS, FWSP, SEOG, Perkins), by award year, and by Reporting School Entity ID in the document.

1) The COD System determines the actual total number of student tags by award type and award year in the Document by counting the number of Student Identifiers (SSN, Date of Birth and Last Name) for each award type (Pell, DL Subsidized, DL Unsubsidized, and DL PLUS, FWSP, SEOG, Perkins), award year, and Reporting School Entity ID in the document.

   Note: Refer to the topic entitled "Student Identifier" for more information on the Student Identifier.

2) The COD System sends a warning with error code 008 if the reported <TotalCount> and the actual number of student tags by award type and award year are not identical. The warning does not prevent the document from being processed by the COD System.

3) The Total Number of Students reported may be a duplicated count. In the event that identical Student Identifiers are reported multiple times within a document for multiple award types or award years, the COD System counts them multiple times.

4) The Total Number of Students is reported by Award Year, by Award Type (Pell, DL Subsidized, DL Unsubsidized, and DL PLUS, FWSP, SEOG, Perkins), and by Reported School Entity ID.

Example:

In the following example, a Common Record is submitted for a student <Student SSN="123456789" BirthDate="1972-01-01" LastName="SMITH"> containing one DL Subsidized, one Pell award, and one Federal Supplemental Educational Opportunity Grant. Since the <TotalCount> is not an unduplicated count of student tags, the student tag is counted three times in the Reported Financial Summary block, once for each award type and award year:

```
<ReportedSchool EntityID="00123400">
      <ReportedFinancialSummary>
            <FinancialAwardType>DLSubsidized</FinancialAwardType>
            <FinancialAwardYear>2005</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAmount>2000</TotalReportedAmount>
            <TotalReportedDisbursement>1970</TotalReportedDisbursement>
      </ReportedFinancialSummary>
      <ReportedFinancialSummary>
            <FinancialAwardType>Pell</FinancialAwardType>
            <FinancialAwardYear>2005</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAward>3700</TotalReportedAward>
            <TotalReportedDisbursement>3700</TotalReportedDisbursement>
      </ReportedFinancialSummary>
      <ReportedFinancialSummary>
            <FinancialAwardType>SEOG</FinancialAwardType>
            <FinancialAwardYear>2005</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAward>500</TotalReportedAward>
            <TotalReportedDisbursement>500</TotalReportedDisbursement>
      </ReportedFinancialSummary>
```

Total Award Amount Reported in the Reported Financial Summary Complex Element

The COD System verifies that the Total Award Amount reported in the Reported Financial Summary complex element equals the actual total of all Award Amounts contained in the document.

Business Rules:

1) The COD System compares the Total Award Amount Reported, <TotalReportedAward>, against the actual total of all Award Amounts contained in the document.

2) The COD System determines the actual total of all Award Amounts by adding the values of all the Award Amount tags in the document.

3) The COD System sends a warning with error code 102 if the Total Award Amount Reported and the actual total of all Award Amounts are not equal. The warning does not prevent the document from being processed by the COD System

4) The Total Award Amount must be reported by Award Year, by Award Type (Pell, DL Subsidized, DL Unsubsidized, and DL PLUS, FWSP, SEOG, Perkins), and by Reported School Entity ID.

Example:

```
<ReportedSchool EntityID="00123400">
      <ReportedFinancialSummary>
            <FinancialAwardType>DLSubsidized</FinancialAwardType>
            <FinancialAwardYear>2005</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAmount>2000</TotalReportedAmount>
            <TotalReportedDisbursement>1970</TotalReportedDisbursement>
      </ReportedFinancialSummary>
      <ReportedFinancialSummary>
            <FinancialAwardType>Pell</FinancialAwardType>
            <FinancialAwardYear>2005</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAward>3700</TotalReportedAward>
            <TotalReportedDisbursement>3700</TotalReportedDisbursement>
      </ReportedFinancialSummary>
      <ReportedFinancialSummary>
            <FinancialAwardType>SEOG</FinancialAwardType>
            <FinancialAwardYear>2005</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAward>500</TotalReportedAward>
            <TotalReportedDisbursement>500</TotalReportedDisbursement>
      </ReportedFinancialSummary>
```

Total Disbursement Amount Reported in the Reported Financial Summary Complex Element

The COD System verifies that the Total Disbursement Amount Reported in the Reported Financial Summary complex element equals the actual total of all Disbursement Amounts contained in the document.

Business Rules:

1) The COD System compares the Total Disbursement Amount Reported, <TotalReportedDisbursement> against the actual total of all Disbursement Amounts contained in the document.

2) The COD System determines the actual total of all Disbursement Amounts by adding the values of the Disbursement Amount (gross) fields, regardless of whether the Disbursement Release Indicator is “true” or “false,” in the document.

3) The COD System sends a warning with error code 090 if the Total Disbursement Amount Reported and the actual total of all Disbursement Amounts are not equal. The warning does not prevent the document from being processed by the COD System.

4) The Total Disbursement Amount Reported must be reported by Award Year, by Award Type (Pell, DL Subsidized, DL Unsubsidized, and DL PLUS, FWSP, SEOG, Perkins), and by Reported School Entity ID.

Example:

```
<ReportedSchool EntityID="00123400">
      <ReportedFinancialSummary>
            <FinancialAwardType>DLSubsidized</FinancialAwardType>
            <FinancialAwardYear>2005</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAmount>2000</TotalReportedAmount>
            <TotalReportedDisbursement>1970</TotalReportedDisbursement>
      </ReportedFinancialSummary>
      <ReportedFinancialSummary>
            <FinancialAwardType>Pell</FinancialAwardType>
            <FinancialAwardYear>2005</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAward>3700</TotalReportedAward>
            <TotalReportedDisbursement>3700</TotalReportedDisbursement>
      </ReportedFinancialSummary>
      <ReportedFinancialSummary>
            <FinancialAwardType>SEOG</FinancialAwardType>
            <FinancialAwardYear>2005</FinancialAwardYear>
            <TotalCount>1</TotalCount>
            <TotalReportedAward>500</TotalReportedAward>
            <TotalReportedDisbursement>500</TotalReportedDisbursement>
      </ReportedFinancialSummary>
```

Student Identifier

The COD Student Identifier is composed of the student's current Social Security Number, current Date of Birth, and current Last Name. Current is defined as the value stored in COD as of the date of the transmission.

Business Rules:

1) The Student Identifier is located in the Student complex element of the Common Record, and is reported by the school.

2) A Student Identifier is a required data element for all submissions of a Common Record.

3) A Student Identifier consists of the student tag and three attributes: the student's current Social Security Number, current Date of Birth, and current Last Name.

    a. The Social Security Number portion of the Student Identifier must contain nine digits.

    b. The Social Security Number portion of the Student Identifier must be within the range of 001-01-0001 to 999-99-9998.

    c. The Social Security Number portion of the Student Identifier may or may not contain hyphens after the third and fifth digits.

    d. The Date of Birth portion of the Student Identifier must be in the CCYY-MM-DD format.

    e. The Date of Birth portion of the Student Identifier must be greater than 1905-01-01 and less than 1996-12-31.

    f. The Last Name portion of the Student Identifier may consist of upper case letters A-Z, numbers 0-9, spaces, period, apostrophe and dash.

    g. The Last Name portion of the Student Identifier may be blank.

4) All three attributes of the Student Identifier (current Social Security Number, current Date of Birth, and current Last Name) are required for processing by the COD System.

5) The Student Identifier submitted by a school to establish the student on COD is matched to data from the CPS.

a. For Pell Grants, the SSN, Date of Birth, and first two characters of the Last Name are matched with the CPS data.

b. For Subsidized and Unsubsidized Direct Loans, the SSN and Date of Birth are matched with the CPS data.

   Note: For Direct Loan PLUS Awards the student is established and the person (parent borrower) must be established. Parent borrowers are not matched against data from the CPS.

c. For Campus-Based awards, the SSN, Date of Birth, and first two characters of the Last Name are matched with the CPS data.

6) If a match is found on CPS, COD accepts the student and establishes the student identifier on COD. The student identifier must be submitted in subsequent transactions for that student.

   Note: Please refer to the Changing Student Identifier Information section for more information on making corrections or updates to the student identifier.

7) If a match is not found on CPS, COD rejects the student and returns an error code of 011.

Example:

```
<Student SSN="123456789" BirthDate="1972-01-01" LastName="SMITH">
```

Changing Student Identifier Information

In order to change Student Identifier information, the school or student must first submit a correction to the ISIR, which will result in another transaction on the CPS. After the correction has been submitted to and accepted by the CPS, the school must send a Common Record to the COD System reporting the student tag with the previously reported Student Identifier information currently stored on COD and the changed data in the corresponding simple element (Social Security Number, Date of Birth, or Last Name).

Note: Please refer to the Minimal Data Elements Required For Processing section for more information on changing other student demographic information.

Business Rules:

1) COD stores one Student Identifier for a student; COD does not store separate Student Identifiers for each award.

2) Changes to the Student Identifier data elements must be submitted in the Social Security Number, Date of Birth, and/or Last Name simple element tags and NOT in the Student tag. Changes submitted in the Student tag will not be recognized by the COD System.

3) Upon receipt of a changed Social Security Number, Date of Birth, or Last Name simple element from the school, the COD System attempts to match the changed simple element against the CPS.

    a. If an identical change is found on the CPS, the COD System accepts the changed simple element, updates the Student Identifier, and sends a Response to the school.

    b. If an identical change is not found on the CPS, the COD System rejects the changed simple element, and sends a Response to the school with error code 012.

    Note: Due to the order in which COD matches student identifier data elements with the CPS, it is possible that COD will return error code 012 on SSN even when a school submitted a change on Date of Birth or Last Name, if the Date of Birth and/or Name has not been updated on the CPS. Please refer to the topic entitled "Student Identifier and Data Elements Matched against the CPS" for more information.

3) Regardless of whether the changed simple element is accepted or rejected by the COD System, the old Student Identifier is returned in the Response.

4) If the changed simple element is accepted, the school must submit the new Student Identifier combination in future transmissions.

5) If the changed simple element is rejected, the old Student Identifier combination must be used in future transmissions.

6) The COD System stores the Social Security Number previously submitted to the COD System for query purposes on the COD web site.

7) If the Social Security Number, Date of Birth, or Last Name simple element is submitted with the same value that is listed in the attribute on the COD System, no update takes place and a warning is sent to the school with error code 015.

8) If the award year submitted on the change record is lower than the highest award year listed for the student on the COD System, or if the CPS transaction number on the change record is lower than the highest CPS transaction number on the COD System for that award year and student, no update takes place and a warning is sent to the school with error code 116.

9) If a combination of the current Social Security Number, current Date of Birth, or current Last Name simple elements are changed in the same submission, all changes must be matched on the CPS.

    a. If all changes are not matched on the CPS, the COD System rejects all changed simple elements and the old Student Identifier is returned in the Response to the school.

Example:

A student's last name changes from Oldhat to Newburry. Once the correction has been submitted to the CPS, the appropriate submission to the COD System is:

```
<Student SSN="123456789" BirthDate="1972-01-01" LastName="OLDHAT">
      <Name>
            <LastName>NEWBURRY</LastName>
      </Name>
</Student>
```

The COD Response contains the old student identifier:

```
<Student SSN="123456789" BirthDate="1972-01-01" LastName="OLDHAT">
```

If the COD System accepts the change, subsequent transmissions by the school must contain:

```
<Student SSN="123456789" BirthDate="1972-01-01" LastName="NEWBURRY">
```

If the COD System rejects the change, subsequent transmissions by the school must contain:

```
<Student SSN="123456789" BirthDate="1972-01-01" LastName="OLDHAT">
```

Borrower Identifier

The Borrower Identifier is used to submit parent borrower data when processing a PLUS Loan. The COD Borrower Identifier is composed of the parent borrower's current Social Security Number, current Date of Birth, and current Last Name. Current is defined as the value stored in COD as of the date of the transmission.

Business Rules:

1) The Borrower Identifier is located in the Person complex element of the Common Record, and is reported by the school.

2) A Borrower Identifier is a required data element for all submissions for a PLUS Loan.

3) A Borrower Identifier consists of the Borrower tag and three attributes: the person's current Social Security Number, current Date of Birth, and current Last Name.

    a. The Social Security Number portion of the Borrower Identifier must contain nine digits.

    b. The Social Security Number portion of the Borrower Identifier must be within the range of 001-01-0001 to 999-99-9998.

    c. The Social Security Number portion of the Borrower Identifier may or may not contain hyphens after the third and fifth digits.

    d. The Date of Birth portion of the Borrower Identifier must be in the CCYY-MM-DD format.

    e. The Date of Birth portion of the Borrower Identifier must be greater than 1905-01-01 and less than 1996-12-31.

    f. The Last Name portion of the Borrower Identifier may consist of upper case letters A-Z, numbers 0-9, spaces, period, apostrophe and dash.

    g. The Last Name portion of the Borrower Identifier may be blank.

4) The Borrower Identifier submitted by a school to establish the parent borrower on COD is NOT matched with data from CPS.

5) The Borrower Identifier is changed using the same process as updating a Student Identifier. However, the updates to a Borrower Identifier are NOT matched to CPS data on file at COD.

Example:

```
<Borrower SSN="123456789" BirthDate="1962-01-01" LastName="SMITH">
```

CPS Transaction Number

The CPS Transaction Number is a required field on the Common Record for Pell Grant, Direct Loan (DL Subsidized, DL Unsubsidized), and Campus-Based (FWSP, SEOG, Perkins) processing.

Business Rules:

1) The CPS Transaction Number is a required field on the Common Record for Pell Grant, Direct Loan (DL Subsidized, DL Unsubsidized), and Campus-Based (FWSP, SEOG, Perkins) Award information.

Note: The CPS Transaction Number is not a required field for DL PLUS loans.

Student Identifier and Data Elements Matched against the CPS

COD performs two matches against CPS. The first match confirms that the Student Identifier exists on the CPS. This match does not utilize the CPS Transaction Number submitted by the school. The second match validates certain data elements for editing purposes. This match utilizes the CPS Transaction Number submitted by the school.

Business Rules:

1) The COD System stores one Student Identifier for a student. The COD System does not store separate Student Identifiers for each award.

2) The CPS Transaction Number is stored at the Award level; the COD System stores a separate CPS Transaction Number for each award.

3) The COD System performs a match against the CPS when a Common Record contains:

    a. A new student with an award (See Example 1)

    b. A change to the Student Identifier (See Example 2)

    c. A new award with a new CPS Transaction Number (See Example 2)

    d. An existing award with a new CPS Transaction Number (See Example 3)

4) When a Common Record contains a **new student** with a Pell Grant award,

a. COD matches the SSN, Date of Birth, first two characters of the Last Name, and the CPS Transaction Number with data from CPS.

b. COD uses the CPS Transaction Number submitted to pull data elements from CPS for processing the award.

5) When a Common Record contains a **new student** with a Subsidized or Unsubsidized Direct Loan award,

a. COD matches the SSN, Date of Birth, and the CPS Transaction Number with data from CPS.

b. COD uses the CPS Transaction Number submitted to pull data elements from CPS for processing the award.

6) When a Common Record contains a **new student** with a Campus-Based award,

a. COD matches the SSN, Date of Birth, first two characters of the Last Name, and the CPS Transaction Number with data from CPS.

b. COD uses the CPS Transaction Number submitted to pull data elements from CPS for processing the award.

7) When a Common Record contains a **change to the Student Identifier**,

a. COD checks that <u>any</u> CPS Transaction Number greater than the CPS Transaction Number used to establish the student exists in the data from CPS. If the CPS Transaction Number on the change record is lower than the highest CPS Transaction Number on the COD database, no update to the student identifier takes place and warning edit 116 is sent to the school.

Note: When a school sends a change to a Direct Loan award with a new CPS Transaction Number, COD does NOT go back out to CPS and pull info on that CPS Transaction Number.

b. COD matches the changed SSN, Date of Birth and Last Name with data from CPS. For Direct Loans this match is only on the Social Security Number (SSN) and Date of Birth.

8) When a Common Record contains a **new award** for an existing student,

a. The Student Identifier tag must be the current Student Identifier on file at COD.

b. COD uses the CPS Transaction Number submitted to pull data elements from CPS for processing the award.

c. COD does NOT match the student identifier data elements with the CPS Transaction number submitted in the Award complex element.

9) When a Common Record contains a **new CPS Transaction Number** for an existing award,

a. The Student Identifier needs to be the current Student Identifier on file at COD.

b. COD uses the new CPS Transaction Number submitted to pull data elements from CPS for processing the award.

c. COD does NOT match the student identifier data elements with the CPS Transaction number submitted in the Award complex element

10) COD matches the student identifier data elements in the following order: SSN, Date of Birth, and Last Name.

Note: It is possible that COD will return error code 012 on SSN even when a school submitted a change on Date of Birth or Name if the Name and/or Date of Birth has not been updated on the CPS.

11) When a new award is submitted with a CPS Transaction Number already used by a previously accepted award for the same student, a new CPS match is NOT performed.

12) A later CPS Transaction Number submitted by a student or another school does NOT affect a match performed using an earlier CPS Transaction Number.

Note: The CPS Transaction Number is not a required field for DL PLUS loans.

Examples:

EXAMPLE #1: New student and new award

A school submits a Pell Grant for a student (SID = 3188888881982-03-04 Jones) using CPS Transaction Number 01. There is a match at COD on the CPS data. This establishes the student on the COD Database with a student identifier: 3138888881982-03-04Jones .

CPS **CPS AAF**

SAR ID		**SSN**	**DOB**	**Last Name**	**Pell Elig?**	**EFC**
318888888Jo01		318888888	1982-03-04	JONES	Y	0

Current Student Identifier = 3188888881982-03-04 JONES		
COD SID Database		
SID 318888888	1982-03-04	JONES

Pell Award
CPS Transaction# 01
$4000
Accepted

EXAMPLE #2: New award, New CPS Transaction Number and Change to student identifier

The student gets married resulting in a Name change from Jones to Taylor. The student also becomes a graduate student and is no longer Pell eligible. These changes have already been reported to CPS resulting in a CPS Transaction Number 03. The school submits a Direct Loan award using CPS Transaction Number 03 and the current SID of 3188888881982-03-04JONES, but also submits the name change of Taylor. The Direct Loan award is accepted as there is a match with CPS data at COD for the SSN and Date of Birth and CPS Transaction Number 03. The student identifier is updated to: 313888888 1982-03-04TAYLOR.

CPS **CPS AAF**

SAR ID		**SSN**	**DOB**	**Last Name**	**Pell Elig?**	**EFC**
318888888Jo01		318888888	1982-03-04	JONES	Y	0
318888888Jo02		318888888	1982-03-04	JONES	Y	250
318888888Jo03		318888888	1982-03-04	TAYLOR	N	0

Current Student Identifier = 3188888881982-03-04TAYLOR		
COD Student Identifier (SID) Database		
SID 318888888	1982-03-04	TAYLOR
SID 318888888	1982-03-04	JONES

Pell Award
CPS Transaction# 01
$4000
Accepted

DL Award
CPS Transaction# 03
$7500
Accepted

EXAMPLE #3: Maintenance to CPS Transaction Number on existing award

The student EFC changes. The school submits an update to the Direct Loan using CPS Transaction Number 04. The school submits using student identifier: 318888888 1982-03-04 TAYLOR.

CPS		**CPS AAF**				
SAR ID		**SSN**	**DOB**	**Last Name**	**Pell Elig?**	**EFC**
318888888Jo01		318888888	1982-03-04	JONES	Y	0
318888888Jo02		318888888	1982-03-04	JONES	Y	250
318888888Jo03		318888888	1982-03-04	TAYLOR	N	0
318888888Jo04		318888888	1982-03-04	TAYLOR	N	500

Current Student Identifier = 3188888881982-03-04TAYLOR		
COD Student Identifier (SID) Database		
SID 318888888	1982-03-04	TAYLOR
SID 318888888	1982-03-04	JONES

Pell Award
CPS Transaction# 01
$4000
Accepted

DL Award
CPS Transaction #03
$7500
Accepted
CPS Transaction# 04
$7250
Accepted

Data Elements Pulled from the CPS

The COD System pulls certain data elements from information provided by the CPS for editing purposes only.

Business Rules:

1) The COD System uses the CPS Transaction Number reported in the Award complex element to pull certain data elements from information provided by the CPS.

2) For each Pell Grant award received, the COD System always pulls the following data elements from the CPS:

    a. Expected Family Contribution (EFC)

    b. Secondary EFC (only in the case where the school has indicated its intent to pay from the secondary EFC via the <SecondaryEFCCode> field on the Common Record)

    c. Verification Selection

3) The COD System determines if certain data elements are transmitted in the Common Record or already exist for the student and award year on the COD database. If neither is true, the COD System will 'pull' these data elements from information provided by the CPS.

    a. For each Pell Grant award received, the following data elements are pulled from the CPS information when absent on both the Common Record submission and the COD database:

        i. Address (Only if ALL fields are absent: Address, City, State, Zip/Postal Code, Country)

        ii. First Name

        iii. Loan Default/Grant Overpayment for student

        iv. Citizenship status

    b. For each Subsidized and Unsubsidized Direct Loan award received, the following data elements are pulled from the CPS information when absent on both the Common Record submission and the COD database:

i. Address (Only if ALL fields are absent: Address, City, State, Zip/Postal Code, Country)

ii. First Name

iii. Loan Default/Grant Overpayment for student

iv. Citizenship status

Note: Citizenship status cannot be pulled from the CPS for PLUS loans and, therefore, is required on the Common Record for PLUS loans.

v. Dependency Status

c. For each Campus-Based award received, the following data elements are pulled from the CPS information when absent on both the Common Record submission and the COD database:

i. Address (Only if ALL fields are absent: Address, City, State, Zip/Postal Code, Country)

ii. First Name

iii. Dependency Status

iv. Auto Zero Indicator

v. Primary FISAP Total Income

vi. Secondary FISAP Total Income (Only if the school has indicated on the Common Record that they intend to use the secondary EFC amount to determine Campus-Based awards)

vii. Loan Default/Grant Overpay for student

Note Message Field

In the 2003-2004 award year, the School Use Only field was renamed the Note Message field.

A Note Message field, < NoteMessage>, is included on the Common Record in the Person, Award, and Disbursement complex elements. This field can be used by the school for any purpose and is ignored during COD processing.

Business Rules:

1) Regardless of whether the school opts for a Full or Standard Response, the Note Message field is returned in the Response complex element if the school submits the field in the Common Record.

2) The Note Message field is returned in all COD system-generated Response Documents if the field is populated on the COD database.

3) The Note Message field can be viewed and modified on the COD web site for award and disbursement records.

4) No field level compression is allowed in this field.

Example:

EXAMPLE #1:
The school uses a unique identifier for the student in their system. The school uses the <NoteMessage> field in the Student complex element to record this unique identifier.

```
<Student SSN="123456789" BirthDate="1972-01-01" LastName="SMITH">
      <NoteMessage>888888</NoteMessage>
</Student>
```

The COD Response complex element contains the <NoteMessage> field with the content submitted in the Common Record:

```
<Student SSN="123456789" BirthDate="1972-01-01" LastName="SMITH">
      <NoteMessage>888888</NoteMessage>
</Student>
```

Removal of Invalid Phone Number Edit

For award year 2003-2004 and forward, COD does not reject records based on invalid phone number values.

Business Rules:

1) The COD System continues to edit Phone Numbers for valid values.

2) If the Phone Number tag contains a valid value, the COD System stores the value submitted.

3) If the Phone Number tag contains an invalid value, the COD System stores nil=true, rather than the value submitted.

4) If the Phone Number tag contains an invalid value, the COD System does not return an error code or the tag in the Response.

    a. If the school opts to receive a Full Response, the Phone Number tag contains nil=true.

Updating Phone Numbers

The COD System stores a maximum of three phone numbers for each person.

Business Rules:

1) The Common Record has a maximum occurrence of three phone number tags per person.

    a. The COD System stores the first occurrence of phone number as Home Phone.

    b. The COD System stores the second occurrence of phone number as Alternate Phone 1.

    c. The COD System stores the third occurrence of phone number as Alternate Phone 2.

2) If the Common Record contains only one instance of phone number, the COD System updates the Home Phone number.

3) In order to update the Alternate Phone 1 or Alternate Phone 2, the school must submit all occurrences of the phone number tag.

Direct Loan Award and Disbursement Process

Utilizing Loan Key for Subsidized and Unsubsidized Direct Loans

The Loan Key is a shortcut to avoid multiple submission of tags where data is consistent across loans for a single borrower.

Business Rules:

1) There are two reference tags in the Common Record identified as Loan Key:

    a. The first tag is an attribute for DL Loan Information - <DLLoanInformation LoanKey="1">.

    b. The second tag is a simple element - <LoanKey>.

2) Both of these reference tags are required when submitting Direct Loan Award information.

3) These two reference tags link two sections of loan information together expediting the reporting of similar data across Subsidized and Unsubsidized loans for a single borrower.

4) A Loan Key number is referenced once but can be used by multiple Subsidized and Unsubsidized loans within the same submission. See EXAMPLE #1.

    Note: A PLUS loan within the same submission must have a unique Loan Key number as some of the shared data elements in DL Loan Information always have different values for PLUS. For example, the Origination Fee for PLUS loans = 4% and for Subsidized and Unsubsidized loans =3%.

5) It is permissible to send a unique Loan Key for each Subsidized and Unsubsidized loan. See EXAMPLE #2.

6) A Loan Key references the following data elements shared by Subsidized and Unsubsidized loans:

    a. Origination Fee Percent, <OriginationFeePercent>

    b. Interest Rebate Percent, <InterestRebatePercent>

c. Promissory Note Print Code, <PromissoryNotePrintCode>

d. Disclosure Statement Print Code, <DisclosureStatementPrintCode>

e. Student Level Code, <StudentLevelCode>

f. Financial Award Begin Date, <FinancialAwardBeginDate>

g. Financial Award End Date, <FinancialAwardEndDate>

h. Academic Year Begin Date, <AcademicYearBeginDate>

i. Academic Year End Date, <AcademicYearEndDate>

7) A Loan Key number may only be referenced within that Common Record. The Direct Loan Information Loan Key number is not stored on the COD System and, therefore, the Loan Key number cannot be used in a subsequent Common Record to reference data submitted in the DL Loan Information block of a prior Common Record.

Examples:

EXAMPLE #1:

In this example, there is one Loan Key. The Loan Key = "1"can be used for a Subsidized and an Unsubsidized loan. If this student submission also included a PLUS loan, this same Loan Key = "1"could not be used for a PLUS loan. The PLUS loan must have a unique Loan Key such as Loan Key = "2."

Note: This reference structure allows for more efficient transmission of loan information. Loan information that could be reported for multiple loans is "pulled up" to allow for a repeatable complex element.

Below is the content of DL Loan Information and of the DL Subsidized and DL Unsubsidized complex elements:

```
<DLLoanInformation LoanKey="1">
      <OriginationFeePercent>.03</OriginationFeePercent>
      <InterestRebatePercent>.015</InterestRebatePercent>
      <PromissoryNotePrintCode>S</PromissoryNotePrintCode>
      <DisclosureStatementPrintCode>Y</DisclosureStatementPrintCode>
      <StudentLevelCode>1</StudentLevelCode>
      <FinancialAwardBeginDate>2004-09-01</FinancialAwardBeginDate>
      <FinancialAwardEndDate>2005-05-15</FinancialAwardEndDate>
      <AcademicYearBeginDate>2004-09-01</AcademicYearBeginDate>
      <AcademicYearEndDate>2005-05-15</AcadmicYearEndDate>
</DLLoanInformation>
<DLSubsidized>
      <LoanKey>1</LoanKey>
      <FinancialAwardYear>2005</FinancialAwardYear>
      <CPSTransactionNumber>4</CPSTransactionNumber>
      <FinancialAwardAmount>2625</FinancialAwardAmount>
      <FinancialAwardNumber>001<FinancialAwardNumber>
      <FinancialAwardID>123456789S03G12345001</FinancialAwardID>
      <FinancialAwardCreateDate>2004-07-01</FinancialAwardCreateDate>
</DLSubsidized>
<DLUnsubsidized>
      <LoanKey>1</LoanKey>
      <FinancialAwardYear>2004</FinancialAwardYear>
      <CPSTransactionNumber>4</CPSTransactionNumber>
      <FinancialAwardAmount>1000</FinancialAwardAmount>
      <FinancialAwardNumber>001<FinancialAwardNumber>
      <FinancialAwardID>123456789U03G12345001</FinancialAwardID>
      <FinancialAwardCreateDate>2004-07-01</FinancialAwardCreateDate>
</DLUnsubsidized>
```

In this example, all of the Loan Key content equal one. Therefore, the COD System knows the information in DLLoanInformation can be used for both the DLSubsidized and DLUnsubsidized.

EXAMPLE #2:
In this example, there are two Loan Keys. The Loan Key = “1”is used for the Subsidized loan and the Loan Key = “2” is used for the Unsubsidized loan. If this student submission also included a PLUS loan, the PLUS loan requires a unique Loan Key which could be Loan Key = “3.”

Below is the content of DLLoanInformation for a student receiving a Subsidized and an Unsubsidized loan where a unique Loan Key is used for each loan.

Note: Submitting DLLoanInformation in this manner does NOT take advantage of the short cut described in the previous Example #1 for transmission of loan information. In this example, the same Loan information is reported multiple times within the same submission.

Below is the content of DLLoanInformation for a student receiving a Subsidized and an Unsubsidized loan where a unique Loan Key is used for each loan.

```
<DLLoanInformation LoanKey="1">
      <OriginationFeePercent>.03</OriginationFeePercent>
      <InterestRebatePercent>.015</InterestRebatePercent>
      <PromissoryNotePrintCode>S</PromissoryNotePrintCode>
      <DisclosureStatementPrintCode>Y</DisclosureStatementPrintCode>
      <StudentLevelCode>1</StudentLevelCode>
      <FinancialAwardBeginDate>2004-09-01</FinancialAwardBeginDate>
      <FinancialAwardEndDate>2005-05-15</FinancialAwardEndDate>
      <AcademicYearBeginDate>2004-09-01</AcademicYearBeginDate>
      <AcademicYearEndDate>2005-05-15</AcademicYearEndDate>
</DLLoanInformation>
<DLLoanInformation LoanKey="2">
      <OriginationFeePercent>.03</OriginationFeePercent>
      <InterestRebatePercent>.015</InterestRebatePercent>
      <PromissoryNotePrintCode>S</PromissoryNotePrintCode>
      <DisclosureStatementPrintCode>Y</DisclosureStatementPrintCode>
      <StudentLevelCode>1</StudentLevelCode>
      <FinancialAwardBeginDate>2004-09-01</FinancialAwardBeginDate>
      <FinancialAwardEndDate>2005-05-15</FinancialAwardEndDate>
      <AcadmicYearBeginDate>2004-09-01</AcademicYearBeginDate>
      <AcademicYearEndDate>2005-05-15</AcademicYearEndDate>
</DLLoanInformation>
<DLSubsidized>
      <LoanKey>1</LoanKey>
      <FinancialAwardYear>2005</FinancialAwardYear>
      <CPSTransactionNumber>4</CPSTransactionNumber>
      <FinancialAwardAmount>2625</FinancialAwardAmount>
      <FinancialAwardNumber>001<FinancialAwardNumber>
      <FinancialAwardID>123456789S03G12345001</FinancialAwardID>
      <FinancialAwardCreateDate>2004-07-01</FinancialAwardCreateDate>
</DLSubsidized>
<DLUnsubsidized>
      <LoanKey>2</LoanKey>
      <FinancialAwardYear>2005</FinancialAwardYear>
      <CPSTransactionNumber>4</CPSTransactionNumber>
      <FinancialAwardAmount>1000</FinancialAwardAmount>
      <FinancialAwardNumber>001<FinancialAwardNumber>
      <FinancialAwardID>123456789U03G12345001</FinancialAwardID>
      <FinancialAwardCreateDate>2004-07-01</FinancialAwardCreateDate>
</DLUnsubsidized>
```

In this example, the DLSubsidized and DLUnsubsidized have unique Loan Key content. Therefore, the DLLoanInformation cannot by “pulled up” and the DLLoanInformation complex element is submitted twice with information for each loan.

Disbursement Sequence Number Required on all Disbursements

A Disbursement Sequence Number must be reported for all disbursements. This is an indicator of a single transaction associated with a specific disbursement number.

Business Rules:

1) The Disbursement Sequence Number determines the order in which the transaction must be processed for a given Disbursement Number.

2) The Disbursement Sequence Number must be reported in an incremental, ascending order.

3) The Disbursement Sequence Number valid values range from 01-99.

    a. Disbursement Sequence Numbers 01-65 are reported by schools.

    b. Disbursement Sequence Numbers 66-90 are reserved for COD system-generated adjustments to disbursements and COD web generated disbursements.

    c. Disbursement Sequence Numbers 99-91 are reserved for Direct Loan Payment to Servicer transactions (in descending order).

4) The Disbursement Sequence Number must be reported as “01” when the Disbursement Release Indicator is set to “false”.

5) Duplicate Disbursement Sequence Numbers for the same Disbursement Number when the Disbursement Release Indicator is set to “true” are considered duplicate disbursement transactions.

6) When resubmitting a disbursement transaction that was rejected, the resubmission must use the same Disbursement Sequence Number that was rejected.

7) The <DisbursementSequenceNumber> tag is returned in the disbursement response complex element in all Full or Standard Common Record Responses.

8) The <PreviousSequenceNumber> tag is returned in all Common Record disbursement response complex elements, including COD system-generated “ND”, “PS”, and “WB” responses, to indicate the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

Disbursement Release Indicator

The Disbursement Release Indicator, formerly the Payment Trigger tag, is used to identify disbursements that are used to substantiate cash that has been drawn down or may lead to a change in the Current Funding Level (CFL).

Business Rules:

1) Disbursement information is submitted to the COD System with a Disbursement Release Indicator equal to “true” or “false.”

    a. Disbursements with a Disbursement Release Indicator set to “false” do NOT change the CFL. False indicates anticipated disbursement information.

    b. Disbursements with a Disbursement Release Indicator set to “true” may change the CFL. True indicates actual disbursement information.

    c. If the Disbursement Release Indicator is omitted from the Common Record, the COD System sets it to “false.”

2) Depending on the funding method employed by the school, the COD System may accept Disbursement information with Disbursement Release Indicator set to “true” in advance of, on, or after the disbursement date.

    Note: Refer to the section titled Submitting Direct Loan Disbursement Information and Disbursement Release Indicator for more information.

3) If the Disbursement Release Indicator is set to “true,” the disbursement is processed only if the required tags in the Disbursement complex element are complete.

    Note: For information on the required tags in the Disbursement complex element, refer to the topic entitled “Minimum Data Elements Required for Document Processing”.

4) The Disbursement Release Indicator cannot be changed from “true” to “false” within and including seven (7) calendar days before the disbursement date or any time after the disbursement date.

5) Disbursement information with a Disbursement Release Indicator set to “true” will not change the CFL until seven (7) calendar days before the disbursement date.

6) To make an adjustment to an accepted and posted actual disbursement, the Disbursement Release Indicator must be set to “true”.

   Note: Refer to topic entitled “Updating and Adjusting Direct Loan Disbursement Amounts and Dates” for more information.

7) The Disbursement Release Indicator can be updated and disbursements can be generated, updated and adjusted on the COD web site.

Establishing an Initial Direct Loan Award

2004-2005 Modification: Beginning with award year 2004-2005 and forward, disbursement information is required when creating all initial Direct Loan awards (Subsidized, Unsubsidized, and PLUS) on the COD System. Disbursement information is required on initial Direct Loan awards in order to produce accurate Disclosure Statements and to calculate the repayment period for PLUS borrowers.

Business Rules:

1) The COD System requires submission of all disbursement information when establishing an award via the Common Record or the COD web site. Required disbursement information includes:

   a. All anticipated disbursements (Disbursement Release Indicator = “false”)

   OR

   b. All actual disbursements (Disbursement Release Indicator = “true”)

   OR

   c. A combination of actual disbursements (Disbursement Release Indicator = “true”) and anticipated disbursements (Disbursement Release Indicator = “false”)

2) The following disbursement level data elements are required for establishing a Direct Loan award:

   a. Disbursement Date

   b. Disbursement Number

c. Disbursement Sequence Number

d. Disbursement Amount

e. Disbursement Fee Amount

f. Interest Rebate Amount

g. Disbursement Net Amount

h. Disbursement Release Indicator

3) Schools can not submit a single disbursement unless the school is eligible to submit single disbursements in the amount of the award.

4) The COD System will compare the sum of the disbursements (anticipated and/or actual) to the Award Amount.

   a. If the sum of the disbursements does not equal the Award Amount, the award will reject with error code 117.

   Note: When submitting a disbursement record for an established award, edit 067 will be returned if the sum of the disbursements is greater than the Award Amount.

5) The entire award will reject with error code 117 if any disbursements (anticipated or actual) reject, or if all disbursement information is not included in the origination.

6) A person will not be established on the COD System if an award rejects that contains a new student identifier or a change to a student identifier.

7) The award will not be linked to an MPN if the award rejects when establishing an initial Direct Loan award.

   Note: For more information about MPN linking, please refer to the "Linking an MPN to a Direct Loan Subsidized/Unsubsidized award section.

8) Edit 117 will not be performed on Direct Loan maintenance records.

Submitting Direct Loan Anticipated Disbursement Information

A Direct Loan Anticipated Disbursement Record can be submitted to the COD System to originate a loan and to determine the MPN Status. Beginning in 2004-2005, anticipated disbursement information is required when originating all Direct Loan awards. When disbursement information is sent as part of the Anticipated Disbursement Record, disbursement edits are performed, the COD System can generate Disclosure Statements, when appropriate, and anticipated disbursements are reflected on the Pending Disbursement List report.

Note: For more information, please refer to the topic entitled "Generating Disclosure Statements".

Business Rules:

1) An Anticipated Disbursement Record including Disbursement information with a Disbursement Release Indicator set to "false" functions like an Origination Record indicating estimated disbursements.

2) For the 2004-2005 award year and forward, all anticipated disbursements are required when establishing a Direct Loan award. The sum of the anticipated disbursements contained in the Anticipated Disbursement Record must equal the Award Amount.

3) The Response from an Anticipated Disbursement Record for a Subsidized or an Unsubsidized loan provides the MPN Status and MPN Indicator.

4) An Anticipated Disbursement Record is processed by the COD System and serves as an early detection for any edit issues, which may cause the record to reject at the time of disbursement. For example, the student identifier match with the CPS is performed on an Anticipated Disbursement Record as well as edits on disbursements if submitted.

5) Including disbursement information with a Disbursement Release Indicator set to "false" as part of the Anticipated Disbursement Record allows for the timely generation of Disclosure Statements and the calculation of the repayment period for PLUS borrowers.

   Note: If an Anticipated Disbursement Record with disbursement information is not submitted to the COD System, the Pending Disbursement List report will not reflect the estimated disbursements. In this case, the school's system needs the ability to query or identify when a loan award needs an actual disbursement submitted with a Disbursement Release Indicator set to "true."

Generating Disclosure Statements

Disclosure Statements are generated for Subsidized/Unsubsidized loans and PLUS loans.

Business Rules:

1) Disclosure Statements are generated for all loan types (Subsidized, Unsubsidized and PLUS loans) for award year 2003-2004 and forward.

2) Disclosure Statement Print Code is a data element on the Common Record indicating whether the school or COD prints the Disclosure Statement.

3) The valid values for the Disclosure Statement Print Code are:

    a. Y = COD prints and sends to borrower

    b. R = COD reprint

    c. S = School Prints and Sends to Borrower

4) The COD System does NOT print a Disclosure Statement when the Disclosure Statement Print Code on the Common Record has a value of "S" (School prints and sends to borrower).

    Note: Refer to the matrix below labeled *Printing Disclosure Statements based on School Options and Disclosure Print Code.*

5) If an award does not contain the Disclosure Statement Print Code, the COD System defaults to the option on the school profile when processing the award.

6) Disclosure Statements printed by a school must be printed on the approved Disclosure Statement form.

    a. When available, school may contact COD School Relations for the Disclosure Statement form.

    b. When printing the Disclosure Statement, it is recommended to use Courier, 10 point, 12 pitch font.

7) The party (school or COD) who is responsible for printing and mailing the Disclosure Statement is also responsible for printing and mailing the Plain Language Disclosure Statement, when the Disclosure Statement is for a subsequent loan under an MPN.

8) Disclosure Statements must be provided to the Student borrower (for Subsidized/Unsubsidized) or Parent borrower (for PLUS) before or at the time of the first disbursement.

9) The COD System does NOT print a Disclosure Statement for a PLUS award until the award has an approved credit decision.

10) For Subsidized and Unsubsidized loans, the COD System generates a Disclosure Statement 30 calendar days before the first disbursement date whether the Disbursement Release Indicator is "false" or "true."

11) For PLUS loans, the COD System generates a Disclosure Statement 30 calendar days before the first disbursement date whether the Disbursement Release Indicator is "false" or "true," if there is an approved credit decision.

12) If the disbursement information is submitted to the COD System less than 30 calendar days before the first disbursement date, the Disclosure Statement is printed immediately, unless the School indicated that it provided the Disclosure Statement.

13) The COD System prints and mails a Disclosure Statement for a PLUS award upon receipt of an approved credit decision if the 30-day criterion has passed, unless the Disclosure Statement Print Code on the award or the school's print profile indicates that the school provides the Disclosure Statement.

    Note: In order for the COD System to generate a Disclosure Statement, disbursement information must be submitted and accepted by the COD System. If you wait and submit disbursement information seven (7) calendar days prior to the disbursement date, the Disclosure Statement prints seven (7) calendar days prior to the disbursement date.

14) The COD System prints a Disclosure Statement only once for each borrower unless the school requests a reprint.

15) The COD System reprints and resends the Disclosure Statement when the Disclosure Statement Print Code = 'R' (COD reprint).

16) The COD System does NOT automatically reprint Disclosure Statements when changes to the Award Amount, Disbursement Dates, or Disbursement Amounts are received.

17) When a Disclosure Statement is reprinted, the data printed on the statement is the current data in the COD System and may not match the original disclosure statement.

18) When a request is received to reprint the Disclosure Statement for a subsequent award under an MPN, the school or COD System, depending on who has responsibility for printing the Disclosure Statement, reprints the Plain Language Disclosure.

19) The COD System prints and mails the Disclosure Statement upon receipt of an actual disbursement (Disbursement Release Indicator = true), unless the award or the schools print profile indicates that the school provided the Disclosure Statement.

20) For the 2002-2003 and 2003-2004 award years, when a Disclosure Statement for a **Subsidized/Unsubsidized award** does not include all anticipated disbursements (Disbursement Release Indicator = false) and the amounts listed under the Net Disbursement Amount does not equal the Net Loan Amount, the COD System will print a standard statement in Section 9 that reads:

    "Your school will inform you of the remaining disbursement(s) of your loan."

21) For the 2002-2003 and 2003-2004 award years, when a Disclosure Statement for a **PLUS award** does not include all anticipated disbursements (Disbursement Release Indicator = false) and the amounts listed under the Net Disbursement Amount does not equal the Net Loan Amount, the COD System prints a standard statement in Section 12 of the Disclosure Statement that reads:

    "The school will inform you of the remaining disbursement(s) of your loan."

22) For the 2004-2005 award year and forward, the COD system requires Full Participants to provide all disbursement information prior to disbursement.

    Note: For the 2002-2003 and 2003-2004 award years, the COD System does NOT require Full Participants to provide disbursement information prior to submitting an actual disbursement. If a Full Participant sends in an Award without disbursement information and COD does not have an indication that the school has printed/provided or will print/provide the disclosure statement, warning edit (110) is sent on the Award Response to the school. Warning edit 110 is not applicable for award year 2004-2005 and forward. Warning edit 110 reads:

    "School must print/provide the disclosure statement unless it sends disbursement data to COD at least 5 days before the first disbursement date."

23) For the 2002-2003 and 2003-2004 award years, warning edit 110 is returned to the school under the following conditions:

a. A Direct Loan Award is submitted without anticipated disbursement data (DisbursementReleaseIndicator= False) AND

b. The school has sent the Disclosure Statement Print Indicator = Y (COD Prints) OR

c. The Disclosure Statement Print Code is omitted or nil AND the School Profile Option = COD prints

Note: Warning edit 110 is not applicable for award year 2004-2005 and forward.

24) If a Full Participant does not send actual disbursements (Disbursement Release Indicator= True) to COD at least 5 days before the first disbursement date and COD does not have an indication that the school has printed/provided the disclosure statement, a **warning edit (111)** is sent on the Disbursement Response to the school. Warning edit 111 reads:

"First Actual Disbursement was submitted less than 5 days before the first disbursement date without an indication that the school printed/provided a disclosure statement."

25) Warning edit 111 is returned to the school under the following conditions:

a. First Actual Disbursement Indicator = Y and Disbursement Release Indicator = True AND

b. COD does not have anticipated disbursement data (Disbursement Release Indicator =False) on file for this award (2002-2003 and 2003-2004 awards only) and therefore the Disclosure Statement has not been printed AND

c. The disbursement is not sent at least 5 days before the first disbursement date (date associated with disbursement with 1st disbursement Indicator) AND

d. The Disclosure Statement Print Code is set to Y (COD Prints) OR

e. The Disclosure Statement Print Code is set to nil or omitted and the School Profile is set to COD Prints

Example:

Printing Disclosure Statements based on School Options and Disclosure Statement Print Code

School Option set within COD System	Full Participant Disclosure Statement Print Code	COD System Prints
School prints	Null or No tag	NO
School prints	S (School prints)	NO
School prints	Y (COD prints and sends to borrower) R (COD reprint)	YES
COD prints	Null or no tag	YES
COD prints	S (School prints)	NO
COD prints	Y (COD prints and sends to borrower) R (COD reprint)	YES

When COD Prints a Disclosure Statement based on receipt of Disbursement information

Disb. Info Submitted	Date Disb. Info Submitted	Disbursement Release Indicator	Disb. Date	Disclosure Statement Generated by COD
More than 30 calendar days prior to first disbursement	08-01-03	False	09-10-03	**08-12-03**
30 calendar days prior to first disbursement	08-12-03	False	09-10-03	**08-12-03**
7 calendar days prior to first disbursement	09-03-03	True or False	09-10-03	**09-03-03**
On Disb. Date	09-10-03	True or False	09-10-03	**09-10-03**

Performing Annual Loan Limit Edits

The COD System performs annual Loan Limit edits using Academic Year, Student Grade Level and, when appropriate, the Additional Unsubsidized Loan for Health Profession Programs Indicator.

Business Rules:

1) To perform annual loan limit edits, the COD System selects Subsidized and Unsubsidized loans with the following criteria to pool with the incoming loan:

    a. Same borrower as the incoming disbursement AND

    b. Same grade level as the incoming disbursement AND

    c. One of the following:

        i. Same academic year start and end date as the incoming disbursement OR

        ii. Academic year that contains the academic year of the incoming disbursement

        iii. Academic year that is contained wholly within the academic year of the incoming disbursement

2) The COD System does not perform loan limit edits on disbursements for loans that have partially overlapping academic years.

3) For disbursements with overlapping academic years, the COD System transmits a reject error code of 039 (Incorrect Award Amount) to the school as part of the Response Document. This error code indicates that another disbursement with an overlapping academic year exists and that the school is responsible for ensuring the student has not exceeded his / her annual loan limits.

4) The COD System performs loan limit edits on Subsidized and Unsubsidized loans to ensure that a student does not exceed annual maximum loan limits based on Student Grade Level and, if appropriate, Eligibility for Additional Unsubsidized Loan for Health Profession Programs.

5) The Additional Unsubsidized Eligibility for Health Profession Programs tag <HPPAIndicator> should be submitted to the COD System when a school awards an additional unsubsidized loan to a student in a Health Professions Program.

6) The Dependency Status and Additional Unsubsidized Eligibility for a Dependent Student are factors not used when performing the loan limit edits at COD.

   Note: These factors must still be considered by a school when determining a student's loan limit.

Submitting Direct Loan Disbursement Information and Disbursement Release Indicator

The COD System can accept Direct Loan Disbursement information in advance, on or after the Disbursement Date.

Business Rules:

1) The COD System accepts disbursement information in advance, on or after the disbursement date.

2) Disbursement Date is the date the money was credited to the student's account or paid to the student (or borrower, if PLUS loan) directly for a specific disbursement number. Disbursement Date is NOT the date of the adjustment transaction. The Disbursement Date is submitted on a Disbursement transaction as well as on an Adjusted Disbursement Amount transaction.

Note: For 2002-2003 award years and forward, Full Participants must submit the Disbursement Date, NOT the transaction date for adjusted disbursement amounts.

3) Disbursement information is submitted to the COD System with a Disbursement Release Indicator equal to "true" or "false."

   a. A Disbursement Release Indicator = "false" (submit anticipated disbursement information). False indicates anticipated disbursement information and functions like an origination record.

   b. A Disbursement Release Indicator = "true." True indicates actual disbursement information.

c. If the Disbursement Release Indicator is omitted from the Common Record, the COD System sets it to “false.”

4) A Disbursement Release Indicator = “false” can be updated to “true” on a Direct Loan disbursement.

5) A Disbursement Release Indicator = “true” cannot be updated to “false” on a Direct Loan disbursement.

Note: In this case, a school needs to adjust the disbursement to $0. Details on adjusting disbursements to $0 are provided in the Updating and Adjusting Direct Loan Disbursement Amounts and Dates section.

6) Disbursement Release Indicator can be updated and disbursements can be generated, updated and adjusted on the COD web site.

7) The required data elements for an Anticipated Disbursement Direct Loan disbursement are:

a. Disbursement Number, <Disbursement Number= " ">

b. Disbursement Amount (gross), <DisbursementAmount> (gross amount)

c. Disbursement Date, <DisbursementDate>

d. Disbursement Release Indicator set to “false,” <DisbursementReleaseIndicator = “false”>

e. Disbursement Sequence Number, <DisbursementSequenceNumber>

f. Disbursement Net Amount, <DisbursementNetAmount>

g. Disbursement Fee Amount, <DisbursementFeeAmount>

h. Interest Rebate Amount, <InterestRebateAmount>

8) The required data elements for an actual disbursement are:

a. Disbursement Number, <Disbursement Number= " ">

b. Disbursement Amount (gross), <DisbursementAmount> (gross amount)

c. Disbursement Date, <DisbursementDate>

d. Disbursement Release Indicator set to “true,” <DisbursementReleaseIndicator = “true”>

e. Disbursement Sequence Number, <DisbursementSequenceNumber>

f. Disbursement Net Amount, <DisbursementNetAmount>

g. Disbursement Fee Amount, <DisbursementFeeAmount>

h. Interest Rebate Amount, <InterestRebateAmount>

Note: The COD System does not accept Direct Loan PLUS disbursements with a Disbursement Release Indicator = “true” without an approved credit decision on file.

9) The calculation to determine whether or not to increase the CFL is driven by:

a. Disbursement Date,

b. Disbursement Release Indicator set to “true,” and

c. Acceptance of an actual disbursement.

Note: No longer does just the Disbursement Date and an accepted MPN (if COD prints and collects the note) drive the calculation to determine whether or not to increase the CFL.

10) Schools participating in **Advance Pay** can submit a Disbursement Release Indicator = “true” up to seven (7) calendar days prior to the disbursement date.

a. When the current date is seven (7) calendar days or less prior to the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System accepts the actual disbursement whether or not the MPN is accepted. The COD System will not accept a PLUS actual disbursement without an approved credit decision on file.

i. The CFL calculation is performed and uses the actual disbursement to determine if the CFL needs to be increased once the promissory note is on file.

ii. When the actual disbursement is accepted prior to the disbursement date and the promissory note is on file, the actual disbursement is booked on the disbursement date and passed to Servicing.

b. When the current date exceeds seven (7) calendar days prior to the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System rejects the disbursement with error code 051.

11) Schools participating in **Pushed Cash** can submit a Disbursement Release Indicator = "true" up to seven (7) calendar days prior to the disbursement date.

a. When the current date is seven (7) calendar days or less prior to the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System accepts and funds the actual disbursement if the MPN is accepted. If the MPN is rejected, the actual disbursement is rejected. In addition, the COD System does not accept a PLUS actual disbursement without an approved credit decision on file.

i. The CFL calculation is performed and uses the actual disbursement to determine if the CFL needs to be increased.

ii. When the actual disbursement is accepted prior to the disbursement date, the actual disbursement is booked on the disbursement date and passed to Servicing.

b. When the current date exceeds seven (7) calendar days prior to the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System rejects the disbursement with error code 051.

Note: For schools participating in Pushed Cash, the Pending Disbursement List report can assist in identifying estimated disbursements and their disbursement dates.

12) Schools placed in **Cash Monitoring 1 (CM1)** by Case Management can submit a Disbursement Release Indicator = "true" up to seven (7) calendar days prior to the disbursement date.

a. When the current date is seven (7) calendar days or less prior to the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System accepts and funds the actual disbursement if the MPN is accepted. If the MPN is rejected, the actual disbursement is rejected. In addition, the COD System does not accept a PLUS actual disbursement without an approved credit decision on file.

i. The CFL calculation is performed and uses the actual disbursement to determine if the CFL needs to be increased.

ii. The CFL will equal the net accepted actual disbursements. CM1 schools will not have any money available to them until actual disbursements are accepted by the COD System.

iii. When the actual disbursement is accepted prior to the disbursement date, the actual disbursement is booked on the disbursement date and passed to Servicing.

b. When the current date exceeds seven (7) calendar days prior to the Disbursement Date and the Disbursement Release Indicator is set to "true," the COD System rejects the disbursement with error code 051.

Note: For schools participating in CM1, the Pending Disbursement List report can assist in identifying estimated disbursements and their disbursement dates.

13) Schools placed in **Reimbursement** or **Cash Monitoring 2 (CM2)** by Case Management can submit a Disbursement Release Indicator = "true" if the current date is equal to or after the Disbursement Date.

a. If the current date is equal to or after the Disbursement Date and the Disbursement Release Indicator is set to "true" the disbursement is reviewed and may be approved by FSA.

i CFL is increased based on approvals by Case Management. Reimbursement schools receive an initial CFL based on the CFL calculation prior to submission of actual disbursements. Cash Monitoring 2 schools do not receive a CFL until the COD System accepts and post actual disbursements.

ii. Reimbursement Analyst initiates the drawdown through GAPS.

Example for Schools Participating in Advance Pay:

Date Disb Info Submitted	Disbursement Release Indicator	Disb Date	Accepted MPN	RESULTS: CFL Calculation is Performed
08-29-2003	true	09-06-2003	Yes or No	NO
08-30-2003	true	09-06-2003	Yes or No	YES
09-01-2003	true	09-06-2003	Yes or No	YES
09-08-2003	true	09-06-2003	Yes or No	YES

Example for Schools Participating in Pushed Cash or CM1:

Date Disb Info Submitted	Disbursement Release Indicator	Disb Date	Accepted MPN	RESULTS: CFL Calculation is Performed
08-29-2003	true	09-06-2003	Yes or No	NO
08-30-2003	true	09-06-2003	No	NO
08-30-2003	true	09-06-2003	Yes	YES
09-08-2003	true	09-06-2003	No	NO
09-08-2003	true	09-06-2003	Yes	YES

Example for Schools Participating in Reimbursement or CM2:

Date Disb Info Submitted	Disbursement Release Indicator	Disb Date	Accepted MPN	RESULTS: Review by FSA
08-29-2003	true	09-06-2003	Yes or No	NO
08-30-2003	true	09-06-2003	Yes or No	NO
09-06-2003	true	09-06-2003	Yes	YES
09-06-2003	true	09-06-2003	No	NO
09-08-2003	true	09-06-2003	Yes	YES
09-08-2003	true	09-06-2003	No	NO

Reporting Pennies in the Award and Disbursement Amount Data Elements

The Award and Disbursement Amounts on the Common Record may include pennies. In the Direct Loan Program, pennies are not processed or stored by the COD System. All Direct Loan reported amounts that include partial dollar amounts will be truncated.

Business Rules:

1. The data elements for Award and Disbursement Amounts on the Common Record may include two digits to the right of a decimal point.

2. The Direct Loan Program does NOT process or store award and disbursement amounts using pennies. (The method for calculating disbursements has not changed and is included in the next section.)

3. Pennies that are reported in the award and disbursement amount data elements will be truncated by the COD System. The COD System does NOT round to the nearest dollar when truncating reported amounts. For example, a reported amount of $2625.67 will be truncated to $2625.

4. The award and disbursement amount data elements are:

    a. Award Amount, <FinancialAwardAmount>

    b. Award Amount Requested, <FinancialAwardAmountRequested> **(Note**: For the 2003-2004 award year only)

    c. Disbursement Amount (gross), <DisbursementAmount>

    d. Disbursement Fee Amount, <DisbursementFeeAmount>

    e. Interest Rebate Amount, <InterestRebateAmount>

    f. Disbursement Net Amount, <DisbursementNetAmount>

Calculating Direct Loan Disbursements

The current disbursement calculations and rounding logic used to process Direct Loans in 2003-2004 continues to be used for 2004-2005.

The next two sections discuss these calculations and provide examples. This first section discusses ***Disbursement Amount (Gross) Calculations***. The next section discusses ***Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount Calculations*.**

Business Rules:

1) The current method to calculate individual Disbursement Amounts (Gross) and the current rounding logic have not changed since the implementation of COD. The variance is still applied to the last disbursement. See **Disbursement Amount (Gross) Calculations** below for steps and examples.

2) Schools submit the Disbursement Amount (gross), Disbursement Fee Amount, Interest Rebate Amount and Disbursement Net Amount to the COD System for disbursements.

3) The method to calculate the Disbursement Net Amount and Disbursement Fee Amount and Interest Rebate Amount is a six step process. See the next section **Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount Calculations** for the calculations and examples.

Disbursement Amount (Gross) Calculations:

When determining disbursement amounts (gross) for a loan, dollar figures are rounded to the nearest dollar and all disbursements are equal with the exception of the last disbursement, in some cases. This is due to any variance being applied to the last disbursement.

When computing gross disbursement amounts, use the following specifications:

Step 1: *Individual disbursement amount is Award Amount divided by the total number of disbursements.*

If necessary, truncate any positions that exist past 2 decimal places.

Step 2: *Round the individual disbursement amount. Rounding occurs at the 1st and 2nd decimal places to the nearest dollar.*

- If the 1st and 2nd decimal places are 50 or greater, increase the 1st digit to the left of the decimal sign by one.
- If the 1st and 2nd decimal places are less than 50, do not change the 1st digit to the left of the decimal sign.

Step 3*:* *To determine the amount of the last disbursement, multiply the individual disbursement amount by the number of disbursements.*

- If the sum of the disbursements is greater than the Loan Amount Approved, subtract the difference from the last disbursement.
- If the sum of the disbursements is less than the Loan Amount Approved, add the difference to the last disbursement.

The variance is applied to the last disbursement.

Example 1: Determining Gross Disbursement Amounts for Two Disbursements

Award Amount: $2625

Step 1: 2625 divided by 2 = 1312.5000

First truncate any positions that exist past 2 decimals as rounding occurs at the 1st and 2nd decimal places.

Therefore, 1312.5000 truncates to 1312.50

Step 2: Round at the 1st and 2nd decimal places to determine the individual disbursement amount.

- If the 1st and 2nd decimal places are .50 or greater, increase the 1st digit to the left of the decimal sign by 1.
- If the 1st and 2nd decimal places are less than .50, do not change the 1st digit to the left of the decimal sign.

Round 1312.50 to 1313. Therefore, all disbursement amounts are 1313 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

Multiply 1313 by 2 = 2626

Since $2626 is more than $2625, subtract the difference of $1. The last disbursement is equal to $1313–$1 or $1312.

Final Results:

1st Disbursement Amount (gross) = 1313

2nd Gross Disbursement Amount (gross) = 1312

Total Award Amount = $2625

Example 2: Determining Gross Disbursement Amounts for Three Disbursements

Award Amount: $1000

Step 1: 1000 divided by 3 = 333.3333

First truncate any positions that exist past 2 decimals as rounding occurs at the 1st and 2nd decimal places.

Therefore, 333.3333 truncates to 333.33

Step 2: Round at the 1st and 2nd decimal places to determine the individual disbursement amount.

- If the 1st and 2nd decimal places are .50 or greater, increase the 1st digit to the left of the decimal sign by one.
- If the 1st and 2nd decimal places are less than .50, do not change the 1st digit to the left of the decimal sign.

Round 333.33 to 333. Therefore, all disbursement amounts are 333 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

Multiply 333 by 3 = 999

Since $999 is less than $1000 you add the difference of $1. The last disbursement is equal to $333 + $1 or $334.

Final Results:

1st Disbursement Amount (gross) = $333

2nd Disbursement Amount (gross) = $333

3rd Disbursement Amount (gross) = $334

Total Award Amount = $1000

Example 3: Determining Gross Disbursement Amounts for Six Disbursements

Award Amount: $22,167

Step 1: 22167 divided by 6 = 3694.5000

First truncate any positions that exist past 2 decimals as rounding occurs at the 1st and 2nd decimal places.

Therefore, 3694.5000 truncates to 3694.50

Step 2: Round at the 1st and 2nd decimal places to determine the individual disbursement amount.

- If the 1st and 2nd decimal places are .50 or greater, increase the 1st digit to the left of the decimal sign by 1.
- If the 1st and 2nd decimal places are less than .50, do not change the 1st digit to the left of the decimal sign.

Round 3694.50 to 3695. Therefore, all disbursement amounts are 3695 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

Multiply 3695 by 6 = 22170

Since $22170 is more than $22167, subtract the difference of $3. The last disbursement is equal to $3695–$3 or $3692.

Final Results:

1st Disbursement Amount (gross) = $3695

2nd Disbursement Amount (gross) = $3695

3rd Disbursement Amount (gross) = $3695

4th Disbursement Amount (gross) = $3695

5th Disbursement Amount (gross) = $3695

6th Disbursement Amount (gross) = $3692

Total Award Amount = $22,167

Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount Calculations

A 6-step calculation is used to derive the Disbursement Net Amount, Disbursement Fee Amount and Interest Rebate Amount. This process allows a school to start the calculation with either the gross disbursement amount or the net disbursement amount and arrive with the same results.

Business Rules:

1) An up-front interest rebate amount is calculated at the disbursement level by the schools for each Subsidized, Unsubsidized, and PLUS loan.

2) The combined fee/interest is a field used to assist in the calculation of the net disbursement amount. This field is for the calculation only and is NOT a field sent to the COD System.

3) When calculating the Combined Fee/Interest Rebate Amount and the Loan Fee Amount, take all results out three (3) decimal places to ensure consistent results and then truncate.

4) When determining the Combined Fee/Interest Rebate Amount, Disbursement Fee Amount, and the Interest Rebate Amount truncate the result by removing the cents from the whole dollar amount. Do not round to the nearest dollar when truncating.

5) When calculating the individual Disbursement Fee Amount, Interest Rebate Amount, and Disbursement Net Amount, use the following specifications for all disbursements:

To calculate **Net Disbursement Amount**:

Step 1: Combined Fee/Interest Rebate Amount (go out to 3 decimal places) = Disbursement Amount (Gross) x (Origination Fee Percentage – Interest Rebate Percentage)

Step 2: Truncate the Combined Fee/Interest Rebate Amount

Step 3: Disbursement Net Amount = Disbursement Amount (gross) – Combined Fee/Interest Rebate Amount

To calculate **Loan Fee Amount**:

Step 4: Disbursement Fee Amount (go out to 3 decimal places) = Disbursement Amount (gross) x Origination Fee Percentage

Step 5: Truncate the Disbursement Fee Amount

To calculate **Interest Rebate Amount**:

Step 6: Interest Rebate Amount = Disbursement Net Amount – (Disbursement Amount (gross) – Disbursement Fee Amount)

To calculate from **Disbursement Net Amount to Disbursement Amount (gross)** use the following calculation:

Disbursement Net Amount multiplied by 100 divided by 100 minus (Fee% - Rebate%)

OR

For Subsidized and Unsubsidized loans, Disbursement Net Amount divided by .985 = Disbursement Amount (gross) (truncated)

For PLUS loans, Disbursement Net Amount divided by .975 = Disbursement Amount (gross) (truncated)

Then proceed with Step 4.

Example 1: Determining Combined Fee / Interest Rebate Amount, Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount for three Disbursements

		Step 1	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**
Disb. Number	Gross Disb. Amount	Combined Fee/Interest Rebate Amount	Truncated Combined Fee/Interest Rebate Amount	Disb. Net Amount	Disb. Fee Amount	Truncated Disb. Fee Amount	Interest Rebate Amount
1	$1167	1167x(.03-.015)=17.505	17	1167-17=1150	1167x.03=35.01	35	1150-(1167-35)=18
2	$1167	1167x(.03-.015)=17.505	17	1167-17=1150	1167x.03=35.01	35	1150-(1167-35)=18

3	$1166	1166x(.03-.015)=17.49	17	1166-17=1149	1166x.03=34.98	34	1149-(1166-34)=17
Totals	$3500			$3449		104	53

Example 2: Determining Combined Fee / Interest Rebate Amount, Disbursement Net Amount, Loan Fee Amount, and Interest Rebate Amount for twelve disbursements

		Step 1	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**
Disb. Number	Gross Disb. Amount	Combined Fee/Interest Rebate Amount	Truncated Combined Fee/Interest Rebate Amount	Disb. Net Amount	Disb. Fee Amount	Truncated Disb. Fee Amount	Interest Rebate Amount
1	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
2	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
3	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
4	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
5	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
6	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
7	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
8	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
9	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
10	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
11	$219	219x(.03-.015)=3.285	3	219-3=216	219x.03=6.57	6	216-(219-6)=3
12	$216	216x(.03-.015)=3.240	3	216-3=213	216x.03=6.48	6	213-(216-6)=3
Totals	$2625			$2589		72	36

Updating and Adjusting Direct Loan Disbursement Amounts and Dates

While Disbursement Release Indicator is set to "false," the Anticipated Disbursement Amounts and Dates can be updated. Once the Disbursement Release Indicator = "true," the Actual Disbursement Amount and Dates can be adjusted.

Business Rules:

Updating (when Disbursement Release Indicator=false):

1) Disbursement Amount and Disbursement Date can be updated prior to a Disbursement Release Indicator = "true."

2) To update a Disbursement Amount and/or Disbursement Date, the following data elements are required:

    a. Disbursement Release Indicator = "false", <DisbursementReleaseIndicator = "false">

    b. Disbursement Number, <Disbursement Number>

    c. Disbursement Sequence Number of "01", <DisbursementSequenceNumber>

    d. Disbursement Amount (gross), <DisbursementAmount>

    e. Disbursement Net Amount, <DisbNetAmt>

    f. Disbursement Fee Amount, <DisbFeeAmt>

    g. Interest Rebate Amount, <IntRebateAmt>

    h. Disbursement Date, <DisbursementDate>

Adjusting (when Disbursement Release Indicator=true):

1) Once a disbursement transaction with a Disbursement Sequence Number of "01" is accepted with a Disbursement Release Indicator = "true," the Disbursement Amount and Disbursement Date can be adjusted.

2) Disbursement Amount and Disbursement Date **cannot** be adjusted in the same submission.

3) A disbursement transaction to adjust a Disbursement Amount or Date **must** have a unique Disbursement Sequence Number.

4) Disbursement Sequence Numbers for a specific Disbursement Number must be used in incremental, sequential order within the range of 01-65.

5) Disbursement Date is always the date the cash was credited to the student's account (according to Federal regulations) or paid to the student (or parent, if PLUS loan) directly for a specific disbursement number.

6) Disbursement Date is submitted on an Adjusted Disbursement Amount transaction.

   Note: For the 2002-2003 award year and forward, Full Participants must submit the Disbursement Date, NOT the transaction date for adjusted disbursement amounts. See Example below.

7) Direct Loan disbursement amounts can be adjusted to $0.

8) **To adjust a Disbursement Amount**, the following data elements are required:

   a. Disbursement Release Indicator = "true", <DisbursementReleaseIndicator = "true">

   b. Disbursement Number, <Disbursement Number>

   c. New Disbursement Sequence Number, <DisbursementSequenceNumber>

   d. New Disbursement Amount (gross), <DisbursementAmount>

   e. Disbursement Date, <DisbursementDate>

   f. New Disbursement Net Amount, <DisbursementNetAmount>

   g. New Disbursement Fee Amount, <DisbursementFeeAmount>

   h. New Interest Rebate Amount, <InterestRebateAmount>

   Note: When adjusting a disbursement amount, the disbursement date CANNOT also be updated in the same submission. If you submit the disbursement date, it must be the disbursement date already on file on the COD database for this disbursement number.

9) **To adjust a Disbursement Date**, the following data elements are required:

a. DisbursementReleaseIndicator = “true”

b. Disbursement Number, <Disbursement Number “”>

c. New Disbursement Sequence Number, <DisbursementSequenceNumber>

d. New Disbursement Date, <DisbursementDate>

Note: When adjusting a disbursement date, the disbursement amounts CANNOT also be updated in the same submission. If you submit the disbursement amounts, the amounts must be the disbursement amounts already on file on the COD database for this disbursement number.

Example:

When submitting an adjusted disbursement amount for an actual disbursement on the Common Record, the Disbursement Date (i.e. the date the school disburses the funds to the student) is reported. The transaction date (i.e. the date the school processes the adjusted disbursement amount) is not submitted.

A school disburses the first disbursement of a loan to a student for $2000 on 9/10/2003. The school discovers that the disbursement amount needs to be corrected to $1000. On 9/15/2003, the school adjusts the disbursement amount to $1000. The actual disbursement transaction and adjusted disbursement transaction must be submitted on the Common Record as follows:

	Disbursement Release Indicator	Disb #	Disb Sequence #	Disbursement Date	Disb Amt (gross)	Fee Amt	Interest Rebate Amt	Net Disb Amt
Actual Disbursement	True	01	01	09-10-2003	2000	60	30	1970
Adjusted Disbursement	True	01	02	09-10-2003**	1000	30	15	985

** DO NOT submit the transaction date of 09-15-2003 on the Adjusted Disbursement.

Disbursement Requirements for Award Amount Updates

2004-2005 Modification: The anticipated and actual disbursement amounts that exist for the award determine whether a change to the Award Amount will be accepted or rejected by the COD System. Anticipated disbursement information may be recalculated by the COD System when the school submits a change to the Direct Loan Award Amount on an existing award.

Business Rules:

1) The COD System will compare the changed Award Amount to the sum of the actual disbursements (Disbursement Release Indicator = “true”) and the sum of the anticipated disbursements (Disbursement Release Indicator = “false”) to determine if the change to the Award Amount should be rejected or accepted.

2) A change to the Award Amount will be accepted if the new Award Amount is greater than or equal to the sum of the actual disbursements.

3) A change to the Award Amount will be rejected if the new Award Amount is less than the sum of the actual disbursements. The change to the Award Amount will reject with error code 041. (Edit 041 is only returned if the Disbursement Release Indicator = “true” on the change record).

4) If a new Award Amount is less than the sum of the anticipated disbursements, the COD System will recalculate the anticipated disbursements until the sum of the anticipated disbursements is equal to the new Award Amount. Edit 118 will inform the school that the anticipated disbursements have been recalculated.

    a. The COD System recalculates the anticipated disbursements by first reducing the last anticipated disbursement (highest disbursement number) and then reducing each of the previous disbursement amounts as needed. See EXAMPLE #1.

5) If an accepted Award Amount is less than the original Award Amount, but greater than the sum of the anticipated disbursements, the anticipated disbursements will not be recalculated by the COD System. See EXAMPLE #2.

6) When COD recalculates an anticipated disbursement, the Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amounts will also be recalculated.

   Note: Please refer to the "Calculating Direct Loan Disbursements" and the "Disbursement Net Amount, Disbursement Fee Amount, and Interest Rebate Amount Calculations" sections for more information about Direct Loan calculations performed by the COD System.

7) The COD system will return zero in the actual and anticipated disbursement data elements in the Direct Loan Rebuild file for an award with a Disbursement Release Indicator = "true" and the sums of the actual and anticipated disbursements equal zero. These data elements will contain zero in both the origination and disbursement segments of the file for award years 2002-2003 and forward.

Examples:

EXAMPLE #1:
The award amount changes from $6000 to $1500 on award with no actual disbursements on file. The anticipated disbursements are recalculated as follows:

Disbursement Number	Previous Anticipated Disbursement Amount	New Anticipated Disbursement Amount
1	$2000	$1500
2	$2000	$0
3	$2000	$0

The award amount changes from $6000 to $3000 on an award with no actual disbursements on file. The anticipated disbursements are recalculated as follows:

Disbursement Number	Previous Anticipated Disbursement Amount	New Anticipated Disbursement Amount
1	$2000	$2000
2	$2000	$1000
3	$2000	$0

EXAMPLE #2:
The award amount changes from $6000 to $8000 on an award with no actual disbursements on file. The anticipated disbursements are not recalculated since the sum of the anticipated disbursements is less than the new award amount.

Disbursement Number	Previous Anticipated Disbursement Amount	New Anticipated Disbursement Amount
1	$2000	$2000
2	$2000	$2000
3	$2000	$2000

Inactivating a Direct Loan

To inactivate a Direct Loan, update the Award Amount to $0 and reduce actual disbursements to $0.

Business Rules:

1) The Award Amount and actual disbursements must be reduced to $0 to inactivate a loan.

2) All activity can be generated and submitted in the same Common Record.

3) If the Award Amount is reduced to $0 and the sum of the actual disbursements is equal to $0, the COD System will automatically reduce all anticipated disbursements to $0 to allow loan inactivation. Warning edit 119 will be returned in the Response document to inform schools that all anticipated disbursements for the award have been reduced to $0. See EXAMPLE 1.

4) A funded loan can be inactivated if a borrower returns all of the disbursed funds to the school within 120 calendar days of disbursement or if the school returns the money to comply with Federal regulations. Principal, fees, interest and rebate are adjusted accordingly.

5) If a school makes a Payment to Servicing to return funds, the borrower's disbursements will be reduced automatically in COD. The school should NOT also submit a disbursement adjustment to COD.

6) A funded loan cannot be inactivated if a borrower returns the disbursed funds to Servicing after 120 calendar days. A loan will not be activated if the funds are returned to Servicing prior to 120 calendar days.

Examples:

EXAMPLE #1:
The award amount changes from $6000 to $0 on an award with no actual disbursements on file. The COD System reduces all anticipated disbursements to zero and inactivates the loan.

Disbursement Number	Previous Anticipated Disbursement Amount	New Anticipated Disbursement Amount
1	$2000	$0
2	$2000	$0
3	$2000	$0

Generating Direct Loan Booking Notification Responses

The COD System generates a Booking Notification Response when the loan books with a first disbursement. Subsequent Booking Notifications are NOT sent for each subsequent funded disbursement.

Business Rules:

1) When the Document Status is equal to "Accepted" and the Disbursement Release Indicator is "false," the Common Record Response indicates an accepted Award or in the case of Direct Loan accepted loan.

2) When the Document Status is equal to "Accepted" and the Disbursement Release Indicator is "true," the Common Record Response indicates an accepted Disbursement.

3) Two tags on the Common Record assist a school in determining if an MPN is accepted.

    a. The MPN Status Code <MPNStatusCode> indicating a status of "A" (Accepted) OR

    b. The MPN Link Indicator <MPNLinkIndicator> indicating a status of "true," record has been linked to an MPN.

4) When the Credit Decision Status tag <CreditDecisionStatus> indicates a status of "A," it is indicating an accepted credit decision for the PLUS Loan.

5) A loan books when the award is accepted, the MPN is accepted and the first Disbursement is funded. The first Disbursement must be greater than $0 in order for a

loan to book. In the case of a PLUS loan, the loan must have an accepted Credit Decision Status.

6) When a loan books, the COD System generates a Booking Notification Response to the school.

7) A COD system-generated Booking Notification Response contains a Document Type of "BN." The Document Type indicates the type of Response.

8) A Response Document of Document Type "BN" contains a system-generated Document ID.

9) A Booking Notification Response contains the following data elements in the Response Complex Element <Response>:

    i. Booked Loan Amount, <BookedLoanAmount>

    ii. Booked Loan Amount Date, <BookedLoanAmountDate>

    iii. Document Type, <DocumentTypeCode>

    iv. Processing Date, <ProcessDate>

10) Booked Loan Amount is the total net amount of the first disbursement accepted and booked by COD for the award.

11) The Booking Notification allows a school to update their system with the Booked Status of a loan to assist with the Direct Loan reconciliation process.

Example:

Below is a sample **Booking Notification Response**:

```
<CommonRecord>
     <DocumentId>2004-07-0T09:09:09.0012345678</DocumentId>
     <CreatedDateTime>2004-07-10T09:09:09.00</CreatedDateTime>
     <Source>
            <COD EntityID="00000001"/>
     </Source>
     <Destination>
            <School EntityID="12345678"/>
     </Destination>
     <FullResponseCode>F</FullResponseCode>
     <ReportingSchool EntityID="12345678">
            <AttendedSchool EntityID="12345678">
                   <Student SSN="123456789" BirthDate="1972-01-01" LastName="SMITH">
                          <NoteMessage>999999999</NoteMessage>
```

```
                        <DLSubsidized>
                               <FinancialAwardYear>2005</FinancialAwardYear>
                               <NoteMessage>999999999</NoteMessage>
                               <FinancialAwardNumber>001</FinancialAwardNumber>
                               <FinancialAwardID>123456789S03G12345001</FinancialAwardID>
                               <Response>
                                      <ResponseCode>A</ResponseCode>
                                      <BookedLoanAmount>985</BookedLoanAmount>
                                      <BookedLoanAmountDate>2004-07-10</BookedLoanAmountDate>
                               </Response>
                        <Disbursement Number="01">
                                      <NoteMessage>999999999</NoteMessage>
                               <Response>
                                      <ResponseCode>A</ResponseCode>
                               </Response>
                               </Disbursement>
                        </DLSubsidized>
                 <Response>
                        <ResponseCode>A</ResponseCode>
                 </Response>
                 </Student>
          </AttendedSchool>
     </ReportingSchool>
     <Response>
          <DocumentTypeCode>BN</DocumentTypeCode>
          <DocumentStatusCode>A</DocumentStatusCode>
          <ProcessDate>2004-07-10</ProcessDate>
     </Response>
</CommonRecord>
```


Generating Payment to Servicing Responses

When a student or parent makes a payment to Direct Loan Servicing within 120 calendar days of the disbursement date, the COD System generates a Payment to Servicing Response that is sent to a school. This transaction should be considered when determining the borrower's eligibility for a subsequent loan.

Business Rules:

1) A Payment to Servicing is generated by the COD System and sent to a school when a borrower makes a payment to Direct Loan Servicing within 120 calendar days of the disbursement date.

2) A Payment to Servicing transaction should NOT update the disbursed amount for the loan. This transaction is for informational purposes only and should be considered when determining the borrower's eligibility for future loans.

3) In order to process a Payment to Servicing Response accurately, the following data elements are returned in addition to the Response complex element:

a. Award Year, <FinancialAwardYear>

b. Award ID, <FinancialAwardID>

c. Disbursement Number, <Disbursement Number = “”>

d. Disbursement Sequence Number, <DisbursementSequenceNumber>

4) Disbursement Sequence Numbers on a Payment to Servicing Response are in descending, sequential order starting with 99 to 91.

5) The Payment to Servicer Response contains the <PreviousSequenceNumber> tag indicating the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

6) The Payment to Servicing Amount is reported as a dollar value with a negative sign.

   a. If a previous Payment to Servicing Amount or partial amount needs to be reversed a positive dollar value is sent with the next descending sequential disbursement sequence number.

7) A COD system-generated Payment to Servicing Response contains a Document Type of “PS.” The Document Type indicates the type of Response.

8) A Response Document of Document Type “PS” contains a system-generated Document ID.

9) A Payment to Servicing Response contains the following data elements in the Response complex element <Response>:

   a. Payment to Servicer Amount, <PaymentToServicerAmount>

   b. Payment to Servicer Date, <PaymentToServicerDate>

   c. Document Type, <DocumentTypeCode>

   d. Processing Date, <ProcessDate>

   e. Previous Sequence Number, <PreviousSequenceNumber>

   Note: For all data elements refer to the sample on the next page.

Example:

A school receives a Payment to Servicing transaction for $500 on a fully disbursed $2625 loan for a first year student. The school's system should continue to store the borrower's loan as $2625.

However, if the first year student decides to later request an additional loan for $500 for the same academic year, the $500 Payment to Servicing would be taken into consideration by the school when determining the student's eligibility to borrow an additional $500 loan.

If the student is eligible to borrow the additional $500 loan, the school's system should display two loans for this first-year student:

Student Grade Level	Academic Year	Disbursed Loan Amount	Payment to Servicing
1	09/02/2003 to 06/20/2004	$2625	$500
1	09/02/2003 to 06/20/2004	$500	

Annual Loan Limit for 1st Year = $2625
Total Disbursed for Academic Year = $3125
Payment to Servicing = $500

Below is a sample **Payment to Servicing Response**:


```
<CommonRecord>
<DocumentID>2003-07-10T09:09:09.0012345678</DocumentID>
   <CreatedDateTime>2004-07-10T09:09:09.00</CreatedDateTime>
   <Source>
          <COD EntityID="00000001"/>
   </Source>
   <Destination>
          <School EntityID="12345678"/>
   </Destination>
   <FullResponseCode>F</FullResponseCode>
   <ReportingSchool EntityID="12345678">
          <AttendedSchool EntityID="12345678">
                 <Student SSN="123456789" BirthDate="1972-01-01" LastName="SMITH">
                        <NoteMessage>999999999</NoteMessage>
                        <DLSubsidized>
                               <FinancialAwardYear>2005</FinancialAwardYear>
                               <NoteMessage>999999999</NoteMessage>
     <FinancialAwardNumber>001</FinancialAwardNumber>
                               <FinancialAwardID>123456789S03G12345001</FinancialAwardID>
                               <Response>
                                      <ResponseCode>A</ResponseCode>
                                      <PaymentToServicerAmount>-1000.00</PaymentToServicerAmount>
                                      <PaymentToServicerDate>2003-07-10</PaymentToServicerDate>
```

```
                        </Response>
                               <Disbursement Number="01">
                               <NoteMessage>999999999</NoteMessage>
                               <DisbursementSequenceNumber>99</DisbursementSequenceNumber>
                               <PreviousSequenceNumber>03</PreviousSequenceNumber>
                        <Response>
                               <ResponseCode>A</ResponseCode>
                        </Response>
                        </Disbursement>
                    </DLSubsidized>
                <Response>
                    <ResponseCode>A</ResponseCode>
                </Response>
                </Student>
            </AttendedSchool>
    </ReportingSchool>
    <Response>
            <DocumentTypeCode>PS</DocumentTypeCode>
            <DocumentStatusCode>A</DocumentStatusCode>
            <ProcessDate>2004-07-10</ProcessDate>
    </Response>
</CommonRecord>
```


Direct Loan Master Promissory Notes

Master Promissory Notes

For the 2003–2004 award year and forward, the Master Promissory Note (MPN) is the approved promissory note for Direct Subsidized and Unsubsidized Loans and PLUS loans for all schools.

Business Rule for MPNs:

1) The MPN is a legal document requiring a student/borrower to repay the funds borrowed under the Direct Loan Program.

2) No dollar amount is printed on the MPN by the school or COD.

3) The COD System will process paper and electronic MPNs for all loan types for award year 2003-2004 and forward.

4) An MPN must be signed by the borrower before disbursing a Direct Loan (Subsidized, Unsubsidized, or PLUS).

5) An open MPN is valid for up to ten years from the date the MPN is received by the COD System provided that at least one disbursement is made within a year from the date COD received it and that the borrower does not close the MPN.

6) To close an MPN a borrower must provide a request in writing.

Note: Please refer to the topic entitled "Closing an MPN" for more information.

7) When a school receives a closed MPN notification, the school must forward all original documentation to COD.

8) Once an MPN is closed, no new loans can be linked to it. A new MPN must be generated if new loan awards are created. However, all disbursements and booking activities for the loans already linked to the closed MPN continue to be processed by the COD System.

Business Rules Unique to PLUS MPN:

1) The PLUS MPN is to be used for PLUS processing for award year 2003-2004 and forward.

2) The field Award Amount Requested does not appear on the MPN for PLUS.

3) For award year 2003-2004 and forward, Promissory Note Responses for PLUS MPNs (including unsolicited Promissory Note Responses) do NOT contain the 'Award Amount Requested' data element.

4) The PLUS MPN is for one or more PLUS loans that one parent borrows for one student.

5) The parent borrower can have multiple PLUS MPNs on the COD System for the same or for different students for the same or subsequent academic years. See EXAMPLE #1 below.

6) A student can have multiple parents borrow PLUS loans for the same or subsequent academic years. See EXAMPLE #2 below.

7) A parent borrower of a PLUS loan can also be a student borrower of a separate Sub/Unsub award.

8) The student associated on a PLUS loan cannot be the endorser for that same PLUS award.

9) The student associated on a PLUS loan cannot be the same person as the borrower for that same PLUS award.

    a. If the PLUS borrower has the same SSN as the student associated with the PLUS award, the COD System rejects with COD edit 016.

10) Once a PLUS borrower signs a PLUS MPN, the borrower authorizes the COD System to perform an initial credit check and future credit checks for awards made under that MPN,

without requiring subsequent authorization. Thus, multiple credit decisions can be associated with one MPN.

11) The PLUS MPN Status can be viewed on the COD web site.

Examples:

EXAMPLE #1: Parent borrower with multiple MPNs for multiple students:
Parent James Smith has two students (Jack and Jill) attending school during the same award year (2004-2005). Their father, James Smith, signs a PLUS MPN for student Jack Smith for 2004-2005 and signs a separate PLUS MPN for student Jill Smith for 2004-2005.

EXAMPLE #2: Student with multiple MPNs for multiple parent borrowers:
Student Jack is attending school and multiple parents are helping to fund his education. Jack's father, James Smith, borrows a PLUS loan and signs an individual PLUS MPN for Jack Smith. In addition, Jack's stepfather, Robert Jones, borrows a PLUS loan for Jack and signs a separate PLUS MPN. Thus, there are two MPNs on the COD System associated with Jack for the same award year, 2004-2005, for different parent borrowers.

Master Promissory Note Features

All MPNs are processed using the multi-year (MY), single-year (SY), or, in the case of PLUS loans, single-loan (SL) feature. Each feature is discussed in more detail below.

Multi-Year MPN Feature

For award year 2003-2004 and forward, the U.S. Department of Education has expanded the authority for multi-year use of the Master Promissory Note (MPN) in the William D. Ford Federal Direct Loan (Direct Loan) and Federal Family Education Loan (FFEL) programs. Under the expanded authority, unless a school is specifically informed otherwise, all Direct Loan schools may allow their student borrowers (and their parent borrowers under the PLUS MPN) to receive loans for subsequent academic years based upon a previously signed MPN (even if that MPN was signed before the effective date of the expanded authority). For more information regarding eligibility for the MY MPN feature see the Dear Colleague Letter GEN-02-10 (November 2002).

Business Rules:

1) For the 2003-2004 award year and forward, the MY feature applies to all loan types. (Subsidized, Unsubsidized and PLUS).

2) The MY feature has been expanded to include Direct Loan schools that are not four-year colleges or graduate or professional schools.

    a. The expanded authority for multi-year use of the MPN is effective beginning with any Direct Loan for the 2003-2004 year and forward (a loan with an identification number that includes "04") that is processed after the COD System start up for the 2003-2004 award year.

3) Any Direct Loan school that is not a four-year college or graduate or professional school that would like to use the multi-year feature of the MPN must inform COD School Relations Center by phone at 800/848-0978 or by e-mail at CODSupport@acs-inc.com by March 14, 2004.

    a. Any Direct Loan school that is not a four-year college or graduate or professional school that would like to use the multi-year feature of the MPN, must contact COD School Relations. Schools will be identified in the COD System as using the single-year feature of the MPN for the purpose of linking loans for the 2004-2005 award year if they do not inform COD School Relations of their desire to use the multi-year feature of the MPN.

4) New schools to the Direct Loan program that are eligible for the MY feature under the expanded authority for multi-year use of the MPN will be defaulted to use the MY feature in the COD System

5) Multiple loans for a borrower are linked to the same MPN across schools and academic years.

6) A school using the MY feature can use any MPN accepted by the COD System (even if that MPN was signed before the effective date of the expanded authority for multi-year use of the MPN).

7) When processing 2002-2003 loan records and forward, COD is aware of open MPNs processed by the LOC for program years prior to 2002-2003.

8) Schools using the MY feature must have a confirmation process in place.

    Note: For more details regarding a confirmation process, refer to the Direct Loan School Guide, Chapter 6 at http://www.ed.gov/DirectLoan/pubs/profpubs.html.

9) The COD System allows schools eligible for the MY feature to opt between the MY feature and the SY feature.

Schools Opting for Single-Year MPN Feature

The COD System allows schools eligible for the MY feature to opt between the MY feature and the SY feature.

Business Rules:

1) When a school opts to process MPNs using the MY or SY feature, the feature selected applies to all Direct Loans processed by the school (Subsidized, Unsubsidized and PLUS loans).

    a. All loans are processed using the SY feature OR all loans are processed using the MY feature.

2) If an eligible school opts to change the SY/MY feature, the change applies only to MPNs received at COD after the change is processed on the COD System.

3) Awards received after the date the option is changed link to an MPN using the newly selected option.

4) Schools must contact COD School Relations to change their SY/MY feature.

Single-Year MPN Feature

The single-year (SY) MPN feature requires that a new MPN be completed by a borrower for each academic year. All schools NOT eligible to process MPNs using the MY feature, must use the SY feature. Schools eligible for the MY feature may opt to process MPNs using the SY feature as discussed in the previous section.

Business Rules:

1) The SY feature of the MPN is available to all schools.

2) All schools NOT eligible to process MPNs using the MY feature must use the SY feature. Therefore, the COD System does not allow these schools to change this processing feature.

3) Under SY feature a new MPN must be generated each academic year for each student.

4) A SY school must use an MPN generated at or for that school only.

5) A SY school can link multiple loans for the same academic year, for the same borrower, to the same MPN.

6) The academic year start and end dates must be the same on all loan records linked to a specific MPN under the SY feature.

7) When a school eligible for the MY feature opts to use the SY feature, the school must update their option on the COD web site.

Single-Loan MPN Feature (PLUS Only)

The single-loan (SL) MPN is an MPN linked to a PLUS loan that is accepted with an Endorser with an approved credit decision. Once an Endorser is associated with a PLUS loan, the MPN linked to that PLUS loan cannot be linked to any other loans even if the school processes MPNs using the MY feature.

Business Rules:

1) An MPN for a PLUS loan becomes a SL MPN under the following conditions:

   a. An endorser is obtained because the borrower has received an adverse credit decision,

   b. The award receives an approved credit decision for the endorser, AND

   c. The award is linked to the PLUS MPN.

2) When a PLUS Loan with an Endorser is linked to an MPN, the COD System returns an MPN Status of Accepted on the Response. However, this MPN is flagged by the COD System as a Single Loan (SL MPN) so that no further loans can be linked to this note.

3) Once a SL MPN is established, it becomes an inactive MPN and no other awards will be linked to that same MPN.

4) Once a SL MPN is established, all other pending and active PLUS MPNs for the borrower become inactive, including the SL MPN.

5) When a PLUS loan with an endorser is linked to an MPN, the MPN Status displayed on any future ISIRs will be Inactive.

6) If the borrower wants to borrow a subsequent PLUS loan a new MPN must be generated and signed.

Master Promissory Note Printing Process

The Master Promissory Note (MPN) printing process is either the responsibility of the school or the COD System.

Business Rules:

1) Obtaining a signed MPN is either the responsibility of the school or the COD System.

    a. The borrower can complete an e-MPN or a paper MPN.

    b. For the 2003-2004 award year and forward, a PLUS borrower can complete an e-MPN or a paper PLUS MPN for a PLUS Loan.

2) A borrower can decide to complete an electronic MPN on the eMPN web site.

    a. When a borrower completes the e-MPN process, a Promissory Note Response is sent to the appropriate school.

3) When a school is responsible for the MPN printing process, the school or the COD System can print the MPNs.

    a. The school must send all completed MPNs to the following address:

        P.O. Box 5692
        Montgomery, AL 36103-5692

    b. Upon receipt of MPNs, the notes are screened for completeness.

    c. Incomplete MPNs are returned to the school for correction.

    d. Accepted MPNs generate a Promissory Note Response to be sent to the school.

4) When COD is responsible for the MPN printing process, the MPNs are printed by the COD System and mailed to the borrower.

    a. The borrower returns all completed MPNs to COD.

    b. Upon receipt of an MPN, the COD System generates and sends a MPN Response to the school.

Note: For more details on this response process, refer to the topic entitled "Generating an MPN Response".

5) All MPNs printed by the COD System for all award years are printed using the MPN text and format cleared by OMB.

6) The MPN for PLUS awards contains language authorizing COD to perform an initial and subsequent credit checks for the PLUS borrower. Additional authorization is not required for subsequent credit checks.

7) COD or a school prints no dollar amount on the MPN.

8) An MPN ID is generated for each MPN and printed/displayed on the MPN. (See below for details of the Sub/Unsub and PLUS MPN ID).

9) The COD System does not print an MPN if the award is linked to an existing Subsidized/Unsubsidized or PLUS MPN already on file at the COD System.

Business Rules Specific to Printing the Subsidized/Unsubsidized MPN:

1) The Subsidized/Unsubsidized MPN is printed for all Subsidized/Unsubsidized awards for award year 1999-2000 and forward.

2) The Subsidized/Unsubsidized MPN ID is 21-characters. A Subsidized/Unsubsidized MPN ID contains an 'M' in the 10th position. The components for the Subsidized/Unsubsidized MPN ID are:

   a. Student's Social Security Number: 001010001–999999998

   b. MPN Indicator: M

   c. S or U were used for MPN Indicator for 1999-2000, but is no longer valid for printing new MPNs.

   d. Award Year: 03 and forward

   Note: When generating the MPN ID the COD System increments the program year in the MPN ID by one each year. For all MPN IDs created after the 2004-2005 implementation, the program year in the MPN ID is 05.

   e. Direct Loan School Code: X00000–X99999 where X = G or E.

Note: The school code imbedded in the MPN ID continues to be the DL school code (G or E code) and does NOT use the Routing Number (Common School Identifier).

f. Award Number: 001–999

3) The COD System prints an 'M' in the 10th position of the Subsidized/Unsubsidized MPN ID.

4) The MPN ID is used by the COD System to identify which Subsidized/Unsubsidized awards are linked to an MPN.

Business Rules Specific to printing the PLUS MPN:

1) The PLUS MPN prints for all PLUS awards for award year 2003-2004 and forward

2) The PLUS MPN ID is a 21-character ID. A PLUS MPN ID contains an 'N' in the 10th position. The components for the PLUS MPN ID are:

   a. Student's Social Security Number: 001010001–999999998

   b. MPN Indicator: N

   c. Award Year: 04 and forward

   Note: When generating the PLUS MPN ID the COD System increments the program year in the PLUS MPN ID by one each year. For all PLUS MPN IDs created after the 2004-2005 implementation, the program year in the PLUS MPN ID is 05.

   d. Direct Loan School Code: X00000–X99999 where X = G or E.

   Note: The school code imbedded in the MPN ID continues to be the DL school code (G or E code) and does NOT use the Routing Number (Common School Identifier).

   e. Award Number: 001–999

3) The COD System prints an 'N' in the 10th position of the PLUS MPN ID.

4) The MPN ID is used by the COD System to identify which PLUS awards are linked to an MPN.

Submitting a Promissory Note Print Code

The Promissory Note Print Code identifies at the individual loan level who is responsible for the printing the MPN for a specific loan and who can override the school's promissory note print option. This code can also be used to request the COD System to reprint a promissory note. The valid values of the Promissory Note Print Code in the Common Record Layout are "S", "R", "V", "Z", "O", and nil=true.

Business Rules:

1) The school has the option on the COD web site to indicate who is responsible, the school or the COD System, for printing promissory notes for loans originated by that school.

   Note: For more information School Processing Options, refer to Volume VIII, Section 6 – School Processing Options.

2) The Promissory Note Print Code is an optional data element on the Common Record that can be submitted for an individual loan award and overrides the selected school option.

3) The Promissory Note Print Code can also be used to request the COD System to reprint a promissory note.

4) The valid values for the Promissory Note Print Code in the Common Record are:

   a. S = COD Prints and sends to Borrower

   b. R = COD Prints and sends to School

   c. V = COD Reprints and sends to School

   d. Z = COD Reprints and sends to Borrower

   e. O = School Prints On-site and provides to Borrower

5) If an award does not contain the Promissory Note Print Indicator, the COD System defaults to the option on the school profile when processing the award.

6) The COD System prints the MPN for Subsidized/Unsubsidized and PLUS awards according to the matrix below:

School option set within COD System	Full Participant: Promissory Note Print Indicator	COD System Prints
School prints	S, R, V, or Z	Yes

School prints	O	No
School prints	nil=true or No tag	No
COD prints	S, R, V, or Z	Yes
COD prints	O	No
COD prints	nil=true or no tag	Yes

7) Schools printing Promissory Notes can either

   a. Print using the appropriate approved form or

   b. Print all text including data and data labels using the same format and wording as the form provided by the Department of Education.

   Note: Schools printing all text must have the format approved by FSA. For more information on the approval process contact COD School Relations.

8) To obtain approved Master Promissory Note and PLUS Master Promissory Note forms contact COD Customer Service.

9) When printing Promissory Notes, it is recommended to use Courier, 10 point, 12 pitch font.

10) When mailing the MPN, a number 10 business window envelope is recommended.

11) The MPN and PLUS MPN print specifications are provided in Volume VIII to be provided in a future release.

Examples:

EXAMPLE #1:
A school has sets its option on the COD web site for the School to print all its own promissory notes. The printer used by the school malfunctions and cannot be repaired for four weeks.

During this four week period, the school submits all loan records with a print code of 'R' = COD Prints and sends to School.

EXAMPLE #2:
A school has set its option on the COD web site for COD to print all promissory notes.
During the registration period, the school opts to print and have the students complete MPNs on site.

During this registration period, the school submits all loan records with a print code of 'O' = School prints on-site and provides to the borrower.

Linking an MPN to a Direct Loan Subsidized/Unsubsidized or PLUS Award

The COD System links Direct Loan Subsidized/Unsubsidized and PLUS awards to an active MPN for that Borrower.

Business Rules:

1) When linking an award to an MPN, if multiple valid MPNs exist for a student, the award is linked to the MPN with the greatest expiration date.

2) The COD web site will display the MPN expiration date to assist schools in determining if the borrower has an active MPN available on the COD System

3) The MPN Expiration Date displays for all MPNs for Subsidized/Unsubsidized awards and for PLUS awards.

Business Rules Specific to Linking the Sub/Unsub MPN:

1) The COD System links an accepted Subsidized/Unsubsidized award to a valid MPN using the following student data elements:

    a. Current SSN,

    b. Date of Birth AND

    c. First two characters of the first name OR the first two characters of the last name, if the first name is blank.

2) When a Subsidized/Unsubsidized Award is accepted and a valid MPN is already on file, the MPN and award are linked.

    a. The MPN Status, MPN Link Indicator, MPN ID and Electronic MPN Indicator are generated on an **Award Response**.

3) When a Subsidized/Unsubsidized Award is accepted and no valid MPN is on file, the award is not linked.

4) When a Subsidized/Unsubsidized Award is NOT accepted and if there is a valid MPN on file, the Award will not be linked to the MPN. The MPN Link Indicator of false and the appropriate MPN Status Code (X = Pending or R = Rejected) will be returned in the Award Response.

5) When an MPN is received and an accepted Subsidized/Unsubsidized award is already on file and not yet linked to an MPN, the MPN and the award are linked.

    a. The MPN Status, MPN Link Indicator, MPN ID and Electronic MPN Indicator will be generated on a **MPN Response** for the Subsidized/Unsubsidized award.

6) When an MPN is received and no accepted Subsidized/Unsubsidized award is already on file, the MPN is not linked and an unsolicited Promissory Note Response is generated.

Business Rules Specific to Linking the PLUS MPN:

1) The COD System links an accepted PLUS award to a valid MPN using the following borrower (parent) and student data elements:

    a. Current SSN,

    b. Date of Birth AND

    c. First two characters of the first name OR the first two characters of the last name, if the first name is blank.

2) Regardless of whether the award is linked or not linked to an MPN, a PLUS Award Response is not sent to a school until a credit decision status (Accepted, Pending or Denied) is received.

    a. If the credit decision for a PLUS award is pending or denied, the MPN Status on the Award Response equals R – Reject (MPN not on file) even when there is a valid MPN on file at COD.

    b. If the credit decision for a PLUS award is accepted, the MPN Status on the Award Response is either ‘MPN on file’ or ‘MPN not on file’ depending on whether there is a valid MPN on file at COD.

3) When a PLUS Award with a positive credit decision is accepted and a valid PLUS MPN is already on file, the PLUS MPN and PLUS award are linked.

a. The MPN Status, MPN Link Indicator, MPN ID and Electronic MPN Indicator are generated on an Award Response for the PLUS award.

4) When a PLUS Award with a positive credit decision is NOT accepted and a valid PLUS MPN is already on file, the PLUS MPN and PLUS Award are not linked.

   a. The MPN Link Indicator of false and the appropriate MPN Status Code (X = Pending or R = Rejected) will be returned in the Award Response

5) When a positive credit decision is received for an Endorser and an accepted award and accepted MPN (one that is not yet linked to any awards) is already on file, the award is linked to the PLUS MPN and the PLUS MPN becomes a Single-Loan MPN.

   Note: Please refer to the topic entitled "Single-Loan MPN" for more information.

   a. The PLUS MPN Status, MPN Link Indicator, MPN ID, Electronic MPN Indicator and Endorser Amount, if applicable, are sent to the school on a **PLUS Credit Decision Override Response** and an unsolicited MPN Response is NOT generated.

5) When a PLUS MPN is received and an accepted award with a positive credit decision is already on file and not yet linked to an MPN, the PLUS MPN and the PLUS award are linked.

   a. The MPN Status, MPN Link Indicator, MPN ID, and Electronic MPN Indicator are sent to the school on a **MPN Response**.

Multi-Year (MY) Feature Linking Business Rules:

1) The MY feature allows multiple awards for different academic years from the same or different MY schools to link to the same MPN.

2) The COD System applies the MY feature only to schools eligible for the MY feature.

3) When the borrower has more than one MPN on file with the same expiration date, the COD System links incoming awards to the MPN with the latest received date by the COD System (when the receive dates are different).

4) The COD System links the award to the MPN only if the Award Begin Date on the award is prior to or equal to the MPN expiration date.

5) An inactive or closed MPN is no longer eligible for processing. This means no other awards can be linked to the MPN once it is inactive or closed.

    a. The exception to this rule would be if an award is received with an Award Begin Date prior to the MPN expiration date and the award is NOT inactive due to a pending bankruptcy discharge or an unauthorized signature discharge. Then, the award will be linked to the MPN; however, the MPN remains inactive.

Single-Year(SY) Feature Linking Business Rules:

1) The SY feature allows one or more PLUS awards with the same academic year from the same school to link to the same PLUS MPN.

2) PLUS awards from the same school with different academic years may not be linked to the same PLUS MPN.

3) The SY feature allows one or more subsidized and unsubsidized awards with the same academic year from the same school to link to the same MPN.

4) Subsidized/Unsubsidized awards from the same school with different academic years may not be linked to the same MPN.

5) The COD System must match the Direct Loan School Code on the Award ID with the school code in the 21-character MPN ID.

6) For the purpose of linking, the COD System establishes the academic year period used for an MPN to be the academic year start and end dates of the first award linked to the MPN.

7) The COD System links subsequent awards to the MPN if the academic year start and end dates are the same as those of the first award linked to the MPN.

Single-Loan MPN Linking Business Rules (for PLUS only):

1) A PLUS MPN becomes a single-loan MPN under the following conditions:

    a. The PLUS MPN has no other awards linked to it,

    b. An endorser is obtained because the borrower has received an adverse credit decision,

    c. The award receives an approved credit decision for the endorser, and

    d. The award is linked to the PLUS MPN.

2) Once a single-loan MPN is established, no other awards are linked to that same MPN.

3) The expiration date for a single-loan MPN is the date that the COD System assigns the single-loan flag to the MPN.

4) Once a single-loan MPN is established, all other pending and active PLUS MPNs for the borrower become inactive, including the SL MPN. Thus, if the borrower wants to borrow a subsequent PLUS loan a new MPN must be generated and signed.

5) The COD System rejects with error code 113 any disbursements that exceeds the endorser amount on the award linked to a single-loan MPN since the endorser is responsible for no more than the PLUS Loan amount on the Endorser Addendum.

6) On an award linked to a single-loan MPN, the Award Amount can be decreased.

   Note: Once a PLUS award is linked to a single-loan MPN, the COD System must receive a new PLUS MPN and a new award, provided all other linking criteria are satisfied, in order to accept an increase to the amount the parent wants to borrow.

7) The COD System sends to the PLUS borrower with a denied credit decision an Endorser Addendum and a new PLUS MPN unless a pending PLUS MPN is on file. (A pending MPN is one that is not yet linked to an award.)

8) If the borrower elects to have an endorser, a PLUS MPN is needed on file to link the award to once the endorser is approved. When the award is linked, the MPN becomes a single-loan MPN.

9) If the borrower elects to have an endorser, the award can be linked to the pending PLUS MPN once an approved endorser credit decision is received.

Generating an Expiration Date for an MPN

The MPN expiration date calculation performed by the COD System for all MPNs is based on MPN expiration date regulations.

Business Rules:

1) For a pending MPN (one that does not yet have an award linked to it), the expiration date is calculated as the date the MPN is received by COD for processing plus 1 year.

2) For an MPN that has been linked but has no award with an accepted actual disbursement, the expiration date is calculated as the date the MPN is received by COD for processing plus 1 year.

3) For an MPN that has been linked and has at least one award with an accepted actual disbursement, the expiration date is calculated as the date the MPN is received by COD for processing plus 10 years.

4) The COD System accepts a disbursement with a Disbursement Release Indicator = true for any award linked to an MPN even if the MPN has expired only when the following two conditions are met:

    a. The award is already linked to the MPN and

    b. The disbursement successfully passes all other disbursement edits for being accepted by the COD System.

5) The COD System accepts disbursements for any award already linked to an expired MPN provided the disbursement passes all other edits.

    a. If the accepted disbursement is the first actual disbursement under the MPN and the date of that disbursement is on or before the MPN expiration date, the MPN expiration date is recalculated using the date the MPN was received at COD for processing plus 10 years and the MPN is reactivated (Accepted Status).

    b. If the accepted disbursement is the first actual disbursement under the MPN and the date of that disbursement is after the MPN expiration date, the MPN expiration date remains unchanged and the MPN status remains inactive.

    c. If an accepted subsequent disbursement is not the first actual disbursement under the MPN, the MPN expiration date remains unchanged and the MPN status stays the same.

Closing MPNs

To close an MPN (Subsidized/Unsubsidized or PLUS) a borrower must send a written request to the Direct Loan Servicing. The Direct Loan Servicing passes this request to the COD School Relations Center. If a school requests a written request from a borrower, the request should be sent to the COD School Relations Center. The borrower must put their request in writing.

Business Rules:

1) Upon receipt of a written request from the borrower:

    a. COD Customer Service manually closes an MPN via the COD web site.

    b. When an MPN is closed, a confirmation letter is sent to the borrower.

2) No new awards can be linked to a closed MPN.

3) Awards that are already linked to a closed MPN can continue to use that MPN for the disbursement processing.

4) A closed MPN is reopened by the COD System only if the MPN was closed in error by COD.

5) An MPN that is reopened goes back to the MPN Status to which the note was assigned prior to being closed.

Generating a Master Promissory Note Response

A Master Promissory Note Response is generated by COD and sent to a school to provide the status of an MPN for Subsidized/Unsubsidized and PLUS loans.

Business Rules:

1) An MPN Response provides the status of an MPN.

2) Upon receipt of a paper or electronic MPN, COD sends an MPN Response.

    a. If an MPN is received and there is no award on file to link to the MPN (an unsolicited MPN), the COD System sends an unsolicited MPN Response to the school indicated in the MPN ID.

    b. If an MPN is received and an award is on file to link to the MPN, the COD System sends the MPN response to the Attending School on the Award.

3) A COD system-generated MPN Response contains a Document Type of "PN." The Document Type indicates the type of Response.

4) A Response Document of Document Type "PN" contains a system-generated Document ID.

5) An MPN Response contains the following data elements in the Response complex element <Response>:

    a. Document Status, <DocumentStatusCode>

    b. Document Type, <DocumentTypeCode>

    c. Processing Date, <ProcessDate>

6) In addition, the following data elements are in the MPN Response:

    a. Award ID, <AwardID>

    b. MPN Status, <MPNStatusCode>

    c. MPN Link Indicator, <MPNLinkIndicator>

    d. MPN ID, <MPNID>

    e. Electronic MPN Indicator <EMPNIndicator> is part of the Response if an electronic MPN is filed by the borrower.

7) An MPN Response is generated by the COD System when a paper or electronic MPN is linked to an accepted loan award OR for pending notes.

8) A Pending MPN is an accepted MPN, which cannot yet be linked with a loan award record. (No accepted Origination record on file). In some cases, this situation is created by an e-MPN or when an award is rejected.

An e-MPN Indicator= "true" on an MPN Response identifies that the loan has been linked to an e-MPN.

Example:

Below is a sample **MPN Response** where an e-MPN was not filed by the borrower:

```
<CommonRecord>
<DocumentID>2004-07-10T09:09:09.0012345678</DocumentID>
      <CreatedDateTime>2004-07-10T17:20:01.00</CreatedDateTime>
      <Source>
            <COD EntityID="00000001"/>
      </Source>
      <Destination>
            <School EntityID="00000632"/>
```

```
      </Destination>
<FullResponseCode>F</FullResponseCode>
      <ReportingSchool EntityID="00000632">
            <AttendedSchool EntityID="00000632">
                  <Student SSN="123456789" BirthDate="1972-01-01"
LastName="SMITH">
                        <DLUnsubsidized>
                              <FinancialAwardYear>2005</FinancialAwardYear>
                              <LoanKey>01</LoanKey>
                              <NoteMessage>722411</NoteMessage>

      <FinancialAwardID>123456789U03G12345001</FinancialAwardID>
                              <Response>
                                    <ResponseCode>A</ResponseCode>
                                    <EMPNIndicator>False</EMPNIndicator>
                                    <MPNID>123456789M03G12345001</MPNID>
                                    <MPNStatusCode>A</MPNStatusCode>
                                    <MPNLinkIndicator>True</MPNLinkIndicator>
                              </Response>
                        </DLUnsubsidized>
                        <Response>
                              <ResponseCode>A</ResponseCode>
                        </Response>

                  </Student>
            </AttendedSchool>
      </ReportingSchool>
      <Response>
            <DocumentTypeCode>PN</DocumentTypeCode>
            <DocumentStatusCode>A</DocumentStatusCode>
            <ProcessDate>2004-07-15</ProcessDate>
      </Response>
</CommonRecord>
```

Direct Loan PLUS Credit Check

Requesting a PLUS Credit Decision

Schools can request a PLUS Credit Decision on the COD web site.

Business Rules:

1) The COD web site provides the ability for schools to request a credit decision for a PLUS loan borrower.

2) Results of the credit decision request are displayed on the COD web site.

3) If a credit check has been performed on the borrower within 90 days of the current date, the COD web site does not perform a subsequent credit check.

4) PLUS Borrowers can appeal an adverse credit decision.

Credit Decision Appeal Process

Historically, PLUS borrowers have had the ability to appeal an adverse credit decision when applying for a PLUS loan through the Loan Origination Center (LOC). This process continues for the 2003-2004 award year and forward with the exception of the appeals being processed through the Common Origination and Disbursement (COD) System.

Business Rules:

1) The COD School Relations Center manages the credit decision appeal process for the COD System.

2) The credit decision appeal process has not changed from prior years with the exception that all credit decision appeals process documentation should be mailed to:

US Department of Education
COD School Relations Center
Attn: Applicant Services
PO BOX 9002
Niagara Falls, NY 14302

3) The COD System allows a subsequent credit check to be performed for a borrower within 90 days of an adverse credit decision when authorized by a credit decision appeal process.

Generating Credit Decision Override Responses

When a PLUS borrower requests a credit decision override or submits an Endorser Addendum, a Credit Decision Override Response is generated by the COD System and sent to the school. This response provides the credit decision status of the override or endorser.

Business Rules:

1) A Credit Decision Override Response is generated by the COD System and sent to a school to provide the status of a credit override or the credit decision results of an endorser.

2) A COD system-generated Credit Decision Override Response contains a Document Type of "CO." The Document Type indicates the type of Response.

3) A Response Document of Document Type "CO" contains a system-generated Document ID.

4) A Credit Decision Override Response contains the following data elements in the Response complex element <Response>:

    a. PLUS Credit Decision Override Code, <CreditOverrideCode>

    b. PLUS Credit Decision Date, <CreditDecisionDate>

    c. Document Type Code, <DocumentTypeCode>

    d. Process Date, <ProcessDate>

    e. MPN Status Code, <MPNStatusCode>

    f. MPN ID, <MPNID>

    g. MPN Link Indicator, <MPNLinkIndicator>

    h. EMPN Indicator, <EMPNIndicator> (only if eMPN)

    i. Endorser Amount, <EndorserAmount> (only if endorser exists on loan)

5) The Endorser Amount has been added to the PLUS Credit Decision Response to indicate the endorsed amount on the Endorser Addendum.

   a. The Endorser Amount indicates the total amount of PLUS loan for which the endorser has agreed to co-sign.

   b. The sum of the disbursements for a PLUS loan with an endorser cannot be greater than the Endorser Amount.

Example:

Below is a sample Credit Decision Override Response:


```
<CommonRecord>
<DocumentID>2004-07-11T09:09:09.0012345678</DocumentID>
       <CreatedDateTime>2004-07-11T09:09:09.00</CreatedDateTime>
       <Source>
              <COD EntityID="00000001"/>
       </Source>
       <Destination>
              <School EntityID="00000632"/>
       </Destination>
       <FullResponseCode>F</FullResponseCode>
       <ReportingSchool EntityID="00000632">
              <AttendedSchool EntityID="00000632">
                     <Student SSN="123456789" BirthDate="1972-01-01" LastName="SMITH">
                            <DLPLUS>
                               <FinancialAwardYear>2005</FinancialAwardYear>
                               <NoteMessage>722411</NoteMessage>
                               <FinancialAwardNumber>001</FinancialAwardNumber>

<FinancialAwardID>123456789P03G12345001</FinancialAwardID>
                               <Borrower SSN="123456789" BirthDate="1970-01-01" LastName="SMITH"/>
                               <Response>
                                   <ResponseCode>A</ResponseCode>
                                   <CreditDecisionDate>2004-07-11</CreditDecisionDate>
                                   <CreditOverrideCode>C</CreditOverrideCode>
                               </Response>
                            </DLPLUS>
                            <Response>
                                   <ResponseCode>A</ResponseCode>
                            </Response>
                     </Student>
              </AttendedSchool>
       </ReportingSchool>
       <Response>
              <DocumentTypeCode>CO</DocumentTypeCode>
              <DocumentStatusCode>A</DocumentStatusCode>
              <ProcessDate>2004-07-11</ProcessDate>
       </Response>
</CommonRecord>
```

Direct Loan Entrance/Exit Interview

Requesting an Entrance Counseling File/Report

See Volume VIII, Section 8 – COD Reports

Requesting an Exit Counseling File/Report

See Volume VIII, Section 8 – COD Reports

Direct Loan Closeout

The COD System provides the ability for schools to perform end of program year closeout activities for award year 2002-2003 and forward.

Business Rules:

1) The COD System generates a (Zero) Balance Confirmation Letter based on the greatest loan period end date for all Direct Loan awards for that school within a specific award year.

    a. This letter includes the following variables:

        i. Net Loan Detail

        ii. Ending Cash Balance

        iii. Unbooked Loan Amount

        iv. Latest Loan Period End Date reported by the school for the award year.

    b. This letter informs the school that if the school is not finished processing, they need to be aware that they are at least X number of days, or 90 days, past their latest reported loan period end date.

2) The COD System sends via email the (Zero) Balance Confirmation Letter to the schools:

    a. This letter is sent via email to the Financial Aid Administrator of those schools that have a valid email address on file.

b. The COD System records the receipt of the email when it is received by the school as well as when the email has been read by the Financial Aid Administrator.

c. If the email address comes back as undeliverable, a letter is sent to the Financial Aid Administrator.

d. If there is no email address, a letter is sent to the Financial Aid Administrator.

3) When the school indicates a Yes, that they agree with the Balance Confirmation Letter that they have a zero balance, the COD System does the following:

a. Updates a flag indicating that the school has completed processing for the specific award year.

b. Generates and sends a Program Year Closeout letter to the school confirming that the school has agreed that the balances given on the Balance Confirmation Letter are true, the balances have not changed, and the school is now considered to be closed out for the requested program and award year.

i. This is a paper letter addressed to the President of the school with a copy sent to the Financial Aid Director.

c. Discontinues transmission of school level reports for that program and award year.

4) Reduces the school's CFL for that program and award year to the Amount of Total Net Cash.

5) When the school indicates a No, that they disagree with the balances in the Balance Confirmation Letter, the COD System regenerates the (Zero) Balance Confirmation Letter after X number of future days as specified by FSA.

6) Once the school has been closed out for a specific award year, the COD System does not accept award, disbursement, or change records from that school for that award year.

7) Once the school has been closed out for a specific award year, the school is unable to draw down additional funds for that program and award year.

Pell Grant Award and Disbursement Process

Pell Grant Correction Edits can be Treated as Rejects

The COD System provides an option for the processing of Pell Grant data that allows schools to choose if they want to accept corrections to the Pell Grant data they submit to the COD System, or if they would rather have the data rejected.

Business Rules:

1) Schools may select an option to have Pell Grant data that fails edits rejected rather than receive corrections for that data.

2) This option applies to all edits that are marked as an Edit Type C/R in Volume II, Section 4 – Full Participant Edit Comment Codes and Descriptions within this Technical Reference.

3) Both corrections and rejections utilize the same edit number to indicate which edit was set; the Response Indicator differentiates between corrected and rejected.

4) When returning Response Document files, the COD System returns an edit code, the field it pertains to and the value submitted for rejected data

5) When returning Response complex elements, the COD System returns an edit code, the field to which it pertains, and the corrected value.

6) Unless the School contacts the COD School Relations Center to change this option, the COD System will correct their data.

Storing of Reject Records

The COD System does not store records that have rejected at the Document (Batch) and Entity level. The COD System does NOT store rejected records at the Person, Award, or Disbursement level. Records that have rejected at the Person, Award, and/or Disbursement levels can be viewed on the COD web site.

Business Rules:

1) Schools may view their rejected records on the COD web site.

2) Rejected records are not included in the YTD or Reconciliation report.

Reporting Pennies in the Award and Disbursement Amount Data Elements

The Award and Disbursement Amounts on the Common Record may include pennies. In the Pell Grant Program, pennies can be reported as partial dollars or two zeros.

Business Rules:

1) The data elements for Award and Disbursement Amounts on the Common Record may include two digits to the right of a decimal point.

2) When the reported amount does not include a decimal point, the COD System infers a decimal point and two zeros to the right of the last digit reported. For example, if a school reports 1000, the COD System infers a decimal and two zeros and stores as 1000.00.

3) In the Pell Grant Program, schools may report partial dollars **(3500.32)** OR zeros in the last two digits **(3500.00)** for Award Amount and Disbursement Amount

   OR

4) Report the whole dollar amount only **(3500)** and the COD System infers the decimal point and two zeros and stores as **(3500.00)**.

5) The Award and Disbursement Amount data elements are:

   a. Award Amount, <FinancialAwardAmount>

   b. Disbursement Amount, <DisbursementAmount>

6) When performing edits on the Award Amount, COD calculates the Pell Award Amount using the data provided by the school. If the COD calculated Award Amount contains partial dollar amounts, COD rounds up this Award Amount to the next whole dollar amount. This is the COD calculated Award Amount. COD compares the COD calculated Award Amount to the Award Amount <FinancialAwardAmount> reported by the school.

    a. If the school reported Award Amount is less than or equal to the COD calculated Award Amount, COD accepts the Award Amount.

    b. If the school reported Award Amount is greater than the COD calculated Award Amount, COD either:

        (i) Rejects the school reported Award Amount, if the school has selected the option to have its Pell data rejected

        OR

        (ii) Corrects the school reported Award Amount, if the school has selected the option to have its Pell data corrected.

Example:
When reporting a Pell Grant Award Amount of $1250.34:

1) Include the decimal point and two digits to the right: 1250.34
OR
2) Include the decimal point and two zeroes to the right: 1250.00
OR
3) Omit the decimal point and report the whole dollar amount only: 1250

Then, the COD System infers a decimal and two zeros and stores 1250**.**00.

DO NOT ***submit 125000 as the COD System infers a decimal and stores this submission as 125000.00.***

Establishing Pell Grant Award Information

Award information submitted to the COD System for a student from a specific Attended School applies to the entire award year for that student.

Business Rules:

1) The COD System establishes only one set of Pell Grant Award information per Attended School Entity ID per student per award year.

    a. The first submission of Award information that is accepted by the COD System establishes the Pell Grant award for the student for that Attended School Entity ID for that award year.

    b. Subsequent submissions of Award information for that student, Attended School Entity ID, and award year are treated as an update to the original accepted data.

2) Pell Grant Award Amounts that establish the award cannot be zero on first submission.

3) For the 2004-2005 award year and forward, the following data elements are optional for establishing a Pell Grant Award:

    a. Academic Calendar Code

    b. Payment Methodology Code

    c. Weeks Used Calculate

    d. Weeks Program Academic Year

    e. Hours Award Year

    f. Hours Program Academic Year

Note: The COD System will **not** edit on these fields. All data submitted in these fields will be ignored by the COD System.

4) For the 2004-2005 award year and forward, the COD System will calculate the Scheduled Federal Pell Grant for both the Regular and Low Tuition Payment Schedules using the 'Fulltime' Pell Payment Schedule.

5) For the 2002-2003 and 2003-2004 award years, the COD System uses the CPS Transaction Number submitted with the Award information to pull the EFC reported for the student from the CPS and determine the student's Scheduled Federal Pell Grant. The Scheduled Federal Pell Grant and the student's Percentage of Eligibility Used at any other Attended campus(es) is used to determine the student's maximum Award Amount for the entire award year.

6) The CPS Transaction Number reported in the Award information applies to all Pell Grant transactions for that award year.

7) The COD System uses the Scheduled Federal Pell Grant Payment and Disbursement Schedules, including the Low Tuition Payment and Disbursement Schedules, to calculate the Scheduled Award and validate the Award Amounts.

   Note: Refer to Volume VIII, Section 3 - Pell Calculations Table within this Technical Reference for the data elements and calculations that apply according to the Payment Methodology used by the School.

8) If the Award Amount for the entire award year reported for the student exceeds the maximum Award Amount determined by the COD System, COD either corrects or rejects the Award Amount depending on the school's selected option.

   a. If rejected, the School must determine the correct Award Amount and resubmit to the COD System.

   Note: Refer to the Pell Correction Edits to Be Treated as Rejection Edits section for more information.

9) If the Award information for a student changes, the School must submit the change to the COD System within 30 days of the date the School becomes aware of the change, or by the established Pell Grant reporting deadline, whichever comes first.

10) The COD System does not use the Award information to establish or adjust a school's Pell Grant CFL. Only Disbursement information submitted with a Disbursement Release Indicator set to "true" can change a school's Pell Grant CFL.

11) The COD System does not accept new Award information or increases to Award information after the established student award data submission deadline (September 30, 2005) unless the school has been granted extended processing from this deadline, has received relief from this deadline via the Audit process, or is resubmitting a disbursement reduced by COD for a POP situation.

12) The COD System always accepts Award information decreases until the award year shut down (September 30, 2009).

Disbursement Sequence Number Required on all Disbursements

A Disbursement Sequence Number must be reported for all disbursements. This is an indicator of a single transaction associated with a specific disbursement number.

Business Rules:

1) The Disbursement Sequence Number determines the order in which the transaction must be processed for a given Disbursement Number.

2) The Disbursement Sequence Number must be reported in an incremental, ascending order.

3) The Disbursement Sequence Number valid values range from 01-99.

    a. Disbursement Sequence Numbers 01-65 are reported by schools.

    b. Disbursement Sequence Numbers 66-90 are reserved for COD system-generated adjustments to disbursements and disbursement information submitted online via the COD web site.

    c. Disbursement Sequence Numbers 99-91 are reserved for Direct Loan Payment to Servicer transactions (in descending order).

4) The Disbursement Sequence Number must be reported as “01” when the Disbursement Release Indicator is set to “false”.

5) Duplicate Disbursement Sequence Numbers for the same Disbursement Number when the Disbursement Release Indicator is set to “true” are considered duplicate disbursement transactions.

6) When resubmitting a disbursement transaction that was rejected, the resubmission must use the same Disbursement Sequence Number that was rejected.

7) The <DisbursementSequenceNumber> tag is returned in the disbursement response complex element in all Full or Standard Common Record Responses.

8) The tag <PreviousSequenceNumber> is returned in all Common Record disbursement response complex elements, including COD system-generated “ND”, “PS”, and “WB” responses, to indicate the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

Disbursement Release Indicator

The Disbursement Release Indicator, formerly known as the Payment Trigger tag, is used to identify disbursements that are used to substantiate cash that has been drawn down or may lead to a change in the CFL.

Business Rules:

1) Disbursement information is submitted to the COD System with a Disbursement Release Indicator equal to "true" or "false."

2) Disbursements with a Disbursement Release Indicator set to "false" do NOT change the CFL. False indicates anticipated disbursement information.

3) Disbursements with a Disbursement Release Indicator set to "true" may change the CFL. True indicates actual disbursement information.

4) If the Disbursement Release Indicator is omitted from the Common Record, the COD System sets it to "false."

5) Depending on the funding method employed by the school, the COD System may accept Disbursement information with Disbursement Release Indicator set to "true" in advance of, on, or after the disbursement date.

Note: Refer to the topic entitled "Submitting Pell Grant Disbursement Information and Disbursement Release Indicator" for more information.

6) If the Disbursement Release Indicator is set to "true," the disbursement is processed only if the required tags in the Disbursement complex element are complete.

Note: For information on the required tags in the Disbursement complex element, refer to the topic entitled "Minimum Data Elements Required for Document Processing".

7) A Disbursement Release Indicator set to "true" cannot be updated to "false."

8) To make an adjustment to an accepted and posted actual disbursement, the Disbursement Release Indicator must be set to "true".

Note: Refer to topic entitled "Updating and Adjusting Pell Grant Disbursement Amounts and Dates" for more information.

9) The Disbursement Release Indicator can be updated and disbursements can be generated, updated and adjusted on the COD web site.

Submitting Pell Grant Disbursement Information and Disbursement Release Indicator

The COD System can accept Pell Grant Disbursement information in advance of, on, or after the disbursement date.

Business Rules:

1) Disbursement Date is defined as the date cash was credited to the student's account or paid to the student directly.

2) The COD System must accept an Award Amount greater than zero ($0) before it can accept Disbursement information for that student.

Note: Award and Disbursement information can be submitted and accepted in the same transmission.

3) A student can have up to 20 disbursements (Numbers 1-20)

4) Pell Grant Disbursement Amounts cannot be zero on first submission.

5) When reporting a change to the COD System, replacement Disbursement Amounts must be reported rather than an adjustment to the existing Disbursement Amount.

Note: Refer to the topic entitled "Updating and Adjusting Pell Grant Disbursement Amounts and Dates" for more information.

6) Disbursement Date may range from 2004-06-21 (June 21, 2004) to 2009-09-30 (September 30, 2009).

7) The COD System accepts Disbursement information with downward adjustments through 2009-09-30 (September 30, 2009).

    a. The required data elements for a Pell Grant anticipated disbursement are:

        i. Disbursement Number, <Disbursement Number= " ">

        ii. Disbursement Amount, <DisbursementAmount>

iii. Disbursement Date, <DisbursementDate>

iv. Disbursement Release Indicator set to “false”, <DisbursementReleaseIndicator = “false”>

b. The required data elements for an actual Pell Grant disbursement are:

i. Disbursement Number, <Disbursement Number= " ">

ii. Disbursement Amount, <DisbursementAmount>

iii. Disbursement Date, <DisbursementDate>

iv. Disbursement Release Indicator set to “true,” <DisbursementReleaseIndicator = “true”>

v. Disbursement Sequence Number, <DisbursementSequenceNumber>

c. Pell Grant CFL changes, if applicable, are driven by:

i. Disbursement Date, <DisbursementDate>

ii. Disbursement Release Indicator set to “true,” <DisbursementReleaseIndicator = “true”>

d. Depending on the funding method employed by the school, the COD System may accept Disbursement information in advance of, on, or after the disbursement date.

e. Schools designated as Advance Pay may submit a Disbursement Release Indicator set to “true” up to 30 calendar days before the Disbursement Date.

i. If the current date exceeds 30 calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System rejects the disbursement with error code 051.

ii. If the current date is within eight (8) to 30 calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System accepts the disbursement, but does not post the disbursement until seven (7) calendar days before the Disbursement Date.

iii. If the current date is within seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true”, the COD System accepts and posts the disbursement.

f. Schools designated as Pell Pushed Cash or Just-In-Time or Cash Monitoring 1 (CM1) may submit a Disbursement Release Indicator set to “true” up to 7 calendar days before the disbursement date.

i. If the current date exceeds seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System rejects the disbursement with error code 051.

ii. If the current date is within seven (7) calendar days before the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System accepts and posts the disbursement.

g. Schools designated as Reimbursement or Cash Monitoring 2 (CM2) can submit a Disbursement Release Indicator set to “true” if the current date is equal to or after the Disbursement Date.

i. If the current date is before the Disbursement Date and the Disbursement Release Indicator is set to “true”, the COD System rejects the disbursement with error code 051.

ii. If the current date is equal to or after the Disbursement Date and the Disbursement Release Indicator is set to “true,” the COD System accepts and posts the disbursement upon review of documentation by Case Management.

Example for Schools Designated as Advance Pay:

Date Sent	Disbursement Number	Sequence Number	Disbursement Date	Disbursement Amount	Disbursement Release Indicator	Result
08/15/2004	01	01	09/08/2004	$1500.00	true	Posted on 9/1/04 (7 calendar days before disbursement date)
02/01/2005	02	01	02/07/2005	$1500.00	true	Posted on 2/1/2005 (7 calendar days

						before disbursement date)
03/01/2005	03	01	06/01/2005	$500.00	true	Disbursement rejected; School must resubmit Disbursement information within 30 calendar days of Disbursement Date.

Example for Schools Designated as Pell Just-in-Time (JIT) or Cash Monitoring 1 (CM1):

Date Sent	Disbursement Number	Sequence Number	Disbursement Date	Disbursement Amount	Disbursement Release Indicator	Result
08/15/2004	01	01	09/08/2004	$1500.00	true	Disbursement rejected; School must resubmit Disbursement information within 7 calendar days of Disbursement Date.
02/01/2005	02	01	02/07/2005	$1500.00	true	Posted on 2/1/2005 (7 calendar days before disbursement date)

Example for Schools Designated as Reimbursement or Cash Monitoring 2 (CM2):

Date Sent	Disbursement Number	Sequence Number	Disbursement Date	Disbursement Amount	Disbursement Release Indicator	Result
09/06/2004	01	01	09/08/2004	$1500.00	true	Disbursement rejected; School must resubmit Disbursement information on or

						after the Disbursement Date.
02/07/2005	02	01	02/07/2005	$1500.00	true	Posted on 2/7/2005 (On or after disbursement date, upon review of documentation by Case Management)

Updating and Adjusting Pell Grant Disbursement Amounts and Dates

Disbursement Amounts and Dates can be changed using the same disbursement number, rather than reporting a new disbursement number.

Business Rules:

1) To change a Disbursement Amount and/or Disbursement Date, the following data elements are required:

   a. Disbursement Release Indicator, <DisbursementReleaseIndicator = “”>

   b. Disbursement Number, <Disbursement Number “”>

   c. Disbursement Sequence Number, <DisbursementSequenceNumber>

   d. Disbursement Amount, <DisbursementAmount>

   e. Disbursement Date, <DisbursementDate>

2) When changing a disbursement already reported to COD, the same Disbursement Number must be reported.

3) When changing a disbursement with a Disbursement Release Indicator = “false,” the Disbursement Sequence Number must be set to “01.”

4) When changing a disbursement that already has a Disbursement Release Indicator = “true,” the Disbursement Sequence Number must be unique. The next sequential Disbursement Sequence Number must be reported.

5) Disbursement Sequence Numbers for a specific Disbursement Number must be used in sequential order within the range of 01-65.

6) When changing the Disbursement Amount, replacement Disbursement Amounts must be reported, rather than an adjustment to the existing Disbursement Amount.

Note: For 2002-2003 award year and forward, a Full Participant cannot report a negative disbursement amount on a Common Record document. A replacement disbursement amount MUST be reported.

7) Disbursement Date is always the date the cash was credited to the student's account or paid to the student directly for this specific Disbursement Number. Disbursement Date is NOT the transaction date of the adjustment to the disbursement.

8) Pell Grant disbursement amounts can be adjusted to $0.

Example:

The following table illustrates the use of Disbursement Sequence Number and replacement Disbursement Amounts when making a change to an existing disbursement:

Disbursement Number	Sequence Number	Disbursement Date	Disbursement Amount	Accepted YTD Amount
01	01	09/01/2004	$2000.00	$2000.00
02	01	01/02/2005	$2000.00	$4000.00
02	02	01/02/2005	$1500.00	$3500.00

Processing System-Generated Pell Responses

COD system-generated Common Record Response Documents of Document Type "ND" (Negative Disbursement) are generated for several situations, including Verification Status Code W, Negative Pending Records, and Potential Overaward Process reductions.

Business Rules:

1) A Response Document of Document Type "ND" contains a system-generated Document ID.

2) The Response indicates the Disbursement Number to which the downward adjustment applies and a COD system-generated Disbursement Sequence Number between 66 and 90.

3) The Response contains the <PreviousSequenceNumber> indicating the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

   Note: Refer to the Deobligation of Funds Due to Verification Status "W", Negative Pending Records, and Potential Overaward Process sections for more information.

Reporting Verification Status Code

Valid values for the Verification Status Code tag are: "W", "S", or "V" or the Verification Status Code tag may be omitted from the Common Record.

Business Rules:

1) The COD System valid values for the Verification Status Codes are "W" (Without Documentation), "S" (Selected, but Not Verified), "V" (Verified), or the Verification Status Code tag may be omitted from the Common Record.

2) Schools report a Verification Status Code of "V" on students for whom verification has been completed, including all documentation.

3) QA schools and other schools who verify students not selected by the CPS, report a Verification Status Code of "V" for those students whose data they elect to verify.

4) Schools report a Verification Status Code of "S" for students selected for verification, but for whom the school has not yet verified.

Note: "S" is a valid Verification Status Code value for the award year 2003-2004 and forward.

5) QA schools and other schools who verify students not selected by the CPS, do not need to report a Verification Status Code of "S" for those students whose data they do NOT elect to verify.

6) Schools report a Verification Status Code of "W" for students selected for verification, but for whom the schools elects to make interim disbursements prior to completing the verification process.

7) For students with a Verification Status Code of “W,” the COD System will only accept one disbursement with a Disbursement Amount up to 50% of the student’s Scheduled Federal Pell Grant

8) For students reported with a Verification Status Code of “W”, the School must change the Verification Status Code to “V” (Verified) once the data verification is complete.

9) The COD System does not generate a Verification Status Code of “W” based on selection by the CPS.

10) Schools must omit the Verification Status Code tag from the Common Record for students not selected for verification by CPS.

11) QA Schools or Schools exercising 30% tolerance option report a Verification Status Code of “S” for students selected for verification by the CPS that they elected not to verify.

12) Reported verification information will be compared against the highest transaction number and highest verification number on CPS.

13) For the 2004-2005 award year and forward, schools may receive two new tags on the Common Record Response to based upon how the school reported Verification Status Code compares to the information on file with CPS.

    a. CPS Verification Indicator, <CPSVerificationIndicator>, will be returned if the school submits a verification status of blank or “W” and the CPS verification is “Y” on any CPS transaction for that award year.

    b. Highest CPS Transaction Number, < HighestCPSTransactionNumber>, indicates the highest CPS transaction number on file for the student for that award year. The tag will be returned if any transaction number on file with CPS is greater than the school reported transaction number.

    Note: For more information about the CPS Verification Indicator and Highest CPS Transaction Number tags, please refer to Volume II, Section 3 – Common Record Layout of this Technical Reference.

14) The COD System will generate a monthly Pell Verification Status Report that consists of those students with actual disbursements that have been selected for verification but for whom no verification activity has been reported to COD by the school.

    Note: For more information about the Pell Verification Status Report, please refer to Volume VIII, Section 8 – COD Reports of this Technical Reference.

Deobligation of Funds Due to Verification Status "W"

Upon request by FSA, the COD System can send warning messages and generate CFL decreases for schools that have students with Verification Status Codes of "W" (Without Documentation).

Business Rules:

1) Upon request by FSA, the COD System produces and sends a list of students at the School with a Verification Status of "W" and sends a warning to the School that it must take action.

    a. The COD System lists the students with a Verification Status of "W" alphabetically by Last Name, by Attended School in the Reconciliation Report.

        i. The Reconciliation Report is sent to the school's SAIG mailbox using the following message class: PGRC05OP

    b. The text warning message indicates a date on which COD will reduce the students' YTD disbursements to zero ($0.00) if the School has not reported to COD an acceptable Verification Status Code for each student.

        i. This warning message is sent to the school's SAIG mailbox using the following message class: PGTX05OP

2) After the date indicated in the warning message upon request by FSA, the COD System reduces all disbursements for students with a Verification Status of "W" to zero ($0.00) and creates a COD system-generated Common Record Response Document of Document Type "ND" for each student and each disbursement.

    a. The COD system-generated "ND" Common Record Response document contains a Disbursement Sequence Number between 66 – 90

    b. The COD system-generated "ND" Common Record Response document contains the <PreviousSequenceNumber> tag indicating the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

3) The School's CFL is decreased as a result of the COD system-generated "ND" Common Record Response Documents.

c. The COD System sends a text message to the School indicating the CFL decrease.

i. This text message is sent to the school's SAIG mailbox using the following message class: PGTX05OP.

a. The COD System sends a revised Statement of Account report to the school to reflect the CFL decrease.

4) Once COD creates a COD system-generated "ND" Common Record Response due to Verification Status "W", the COD System does not accept any new Disbursement information, or changes to existing Disbursement information, submitted with Verification Status of "W" for that Award.

a. After the disbursements have been reduced to zero as a result of Verification W Status for an award, the COD System rejects any new disbursements or upward disbursement adjustments submitted with Verification Status of W for that award with error code 114.

5) The school must resubmit the disbursement information with the next sequential Disbursement Sequence Number and the Verification Status Code updated.

Negative Pending Records

If an update to Pell Grant Award information produces an Award Amount that is less than the total of all accepted and posted Disbursement Amounts for that award, the COD System creates a Negative Pending Record for that award. The Common Record Response document contains the error code 040 and the Negative Pending Amount tag.

Business Rules:

1) If the total of all accepted and posted Disbursement Amounts (Disbursement Release Indicator = "true") exceed the Award Amount for a Pell Grant Award, the COD System creates a Negative Pending Record for that award.

2) The COD System includes the Negative Pending Amount tag in the Common Record Response document.

a. The Negative Pending Amount tag indicates the difference between the sum of all accepted and posted Disbursement Amounts and the Award Amount.

3) The COD System allows a Negative Pending Record to exist for 30 calendar days.

4) The COD System does not accept Disbursement information with a Disbursement Release Indicator of "true" that would result in an increase to the total accepted disbursements for an award with a Negative Pending Record at COD.

5) Within 30 calendar days of receiving a Negative Pending Amount on the Common Record Response document, the school must either:

    a. Increase the Award Amount by at least the Negative Pending Amount. See EXAMPLE #1

    OR

    b. Decrease the Disbursement Amount by at least the Negative Pending Amount. See EXAMPLE #2

6) If within 30 calendar days the COD System does not receive a change to the Award Amount or Disbursement Amount that meets the conditions above, COD reduces the disbursement by an amount equal to the Negative Pending Amount and sends a system-generated Negative Disbursement Response with Document Type "ND" to the school.

7) The COD system-generated Negative Disbursement Response contains

    a. Disbursement Number

    b. Disbursement Date (equal to the date of the transaction; NOT the original disbursement date)

    c. A COD system-generated Disbursement Sequence Number between 66 and 90

    d. The <PreviousSequenceNumber> tag indicating the previous accepted Disbursement Sequence Number on the COD System for this Disbursement Number.

Examples:

The Pell Award = $1200 and the Initial accepted Disbursement = $1700. Thus, the Negative Pending Amount is $500.

EXAMPLE #1:

If the appropriate response is for the school to increase the Award Amount, the changed Award Amount must be $1700 or greater.

EXAMPLE # 2:

If the appropriate response is for the school to decrease the Disbursement Amount, the adjusted Disbursement Amount must be $1200 or less.

Concurrent Enrollment

A student may not receive a Pell Grant at two or more schools concurrently. When more than one Attended School reports disbursements for a student and the enrollment dates are within 30 calendar days of each other, the COD System identifies a potential concurrent enrollment and sends a warning message to all schools involved.

Business Rules:

1) A student may not receive a Pell Grant at two or more schools concurrently.

2) When the COD System receives disbursement information for a student from more than one Attended School for the same award year, the COD System checks whether the enrollment dates are within 30 calendar days of each other.

3) If a concurrent enrollment situation exists, the COD System sends the school that submitted the disbursement information a warning with error code 069 on their Response document.

4) The COD System sends the school that submitted the disbursement information and all other schools with accepted disbursement information in COD for the student and that award year, a Multiple Reporting Record (MRR).

Pell Potential Overaward Process (POP)

A student may receive disbursements from more than one Attended School during the course of an award year. When more than one Attended School reports disbursements for a student, the COD System checks to make sure that the student has not received more than 100% of their eligibility for a Federal Pell Grant. Section 690.65 of the regulations provides the basis for determining a student's remaining eligibility when another school has disbursed Pell Grant funds to the student:

- Calculate the Eligibility Used at each previous school by dividing the disbursements to the student at the school by the Scheduled Federal Pell Grant at that specific school;

- Calculate the Total Eligibility Used for the award year by adding the Eligibility Used for all schools the student previously attended;

- Calculate the Remaining Eligibility by subtracting the Total Eligibility Used from 100% (1.00000).

- The Remaining Eligibility is the percentage of the Scheduled Federal Pell Grant at the new school to which the student is entitled.

If the COD System receives disbursement information that places the student in a situation where he/she has received more than 100% of their Total Eligibility Used, the student has entered a Potential Overaward (POP) situation. In a POP situation, the COD System accepts the disbursement information and notifies all of the schools involved that the POP situation must be resolved within 30 calendar days. If after 30 calendar days the situation has not been resolved, the COD System generates a negative disbursement for all of the student's Pell disbursements at all schools for that award year. The eligible schools are then required to re-report accurate disbursement records to reinstate the student's disbursements.

Business Rules:

1) A student may not receive more than 100% of their eligibility for a Pell Grant.

2) A school to which a student transfers must determine the student's Total Eligibility Used, considering disbursements made and the Scheduled Federal Pell Grant at each school the student previously attended in the award year.

3) When the COD System receives disbursement information for a student from more than one Attended School for the same award year, the COD System checks whether the student has received more than 100% of their total eligibility for a Pell Grant.

4) If a Potential Overaward (POP) situation exists, the COD System sends the school that submitted the Disbursement Information a warning with error code 068 on their Response document.

5) The COD System sends the school that submitted the Disbursement Information and all other schools with accepted and posted Disbursement Information in COD for that student and that award year a Multiple Reporting Record (MRR).

6) The COD System allows a POP situation to exist for 30 calendar days from the date the student entered the POP situation (defined as the date the MRR for the POP situation is created).

7) During the 30 day period, each school involved in the Potential Overaward must apply the proper eligibility calculation. Only the school that the student is not attending or that

inaccurately reported the disbursement information must report any changed disbursement information to eliminate the POP situation.

8) During that 30 day period, the COD System can accept and post further disbursements that decrease or increase the student's year-to-date disbursement amount.

9) The COD System accepts Disbursement Information that changes the CFL from no more than 3 schools for students in a POP situation.

10) If the student remains in a POP situation after 30 calendar days, the COD System reduces all accepted and posted disbursements to zero ($0.00) for that student and that award year AT ALL SCHOOLS INVOLVED.

11) Each school that correctly paid the student Pell Grant funds must re-report the student's Disbursement Information to COD.

12) During the POP situation, the COD School Relations Center will take a proactive role in contacting the schools in a POP situation.

13) COD does not prevent the same schools from creating another POP situation for the same student

14) COD School Relations will escalate the issue should the same schools create another POP situation involving the same student.

15) COD will send schools a cumulative report of students in a POP situation for whom COD has accepted an actual disbursement. The report will contain: students in a POP situation in the last 30 days, students in POP situation for which COD has generated Negative Disbursements, and students who are no longer in a POP situation.

Note: For more information about the Pell POP Report, please refer to Volume 8, Section 8 – COD Reports section of this Technical Reference.

Pell Administrative Cost Allowance (ACA)

The COD System calculates and pays ACA amounts.

Business Rules:

1) The COD System calculates ACA amounts based on the number of unduplicated recipients at each Reporting campus.

2) The COD System pays ACA for students with at least one accepted and posted disbursement during the course of an award year.

3) The COD System disburses ACA multiple times during the award year.

4) The Administrative Cost Allowance processing option allows schools to indicate whether or not it will receive the Pell Administrative Costs Allowance (ACA) for each award year.

    a. The Administrative Cost Allowance processing option can be viewed on the COD web site

    b. Schools may contact COD School Relations to request that FSA change this option.

5) Unless a school declines ACA, it receives a text message indicating its unduplicated recipient count and the amount of ACA being paid.

6) The COD System pays each ACA amount directly into the School's bank account regardless of the Funding Methods used for CFL.

7) The COD System will process decreases in ACA obligations.

Pell Close-Out Processing

The COD System provides the ability for schools to perform end of program year closeout activities for award year 2002-2003 and forward.

Business Rules:

1) Pell Grant close-out processing for the 2003-2004 award year starts after 10/01/2009.

2) The COD System does not allow processing after the close-out process begins, except for the production of final reports.

3) The COD web site displays selected data after the close-out process begins.

Post-Deadline Processing

The COD System provides Pell Grant post deadline processing for extended processing, audit adjustment, and resolution of POP situations.

Business Rules:

1) The COD System accepts disbursement information received after September 30th of the processing year if any of the following are true:

    a. The school has been granted Extended Processing

    b. The disbursement is the result of an Audit Adjustment

    c. The disbursement is the result of a student that had been blocked (POP) prior to the deadline and subsequently unblocked after the end of the processing cycle

2) If none of the above conditions are true, the COD System rejects disbursement information received after September 30th of the processing year with error code 071.

3) The COD System provides Pell Grant post deadline processing for the 2003-2004 award year starting October 1, 2004 and ending September 30, 2009.

    a. For award year 2002-2003 and forward processing, in order to submit upward adjustment records for any reason other than to correct a POP situation, schools must request and be approved for post-deadline processing prior to sending records.

    b. The COD System accepts downward adjustments to disbursement or award information at any time.

Campus-Based Award and Disbursement Process

Establishing Campus-Based Award Information

2004-2005 Modification: Beginning in 2004-2005, the COD System will accept Campus-Based award information for the 2003-2004 award year and forward.

Business Rules:

1) The COD System supports the submission and creation of Campus-Based data in order to assist schools in maintaining accurate financial records related to the Campus-Based Program.

2) COD System School Funding processes will NOT be applied to the Campus-Based Program.

3) Campus-Based data can be submitted to the COD System via SAIG or online via the COD web site.

    a. For Campus-Based submissions via SAIG, the TG number listed on the FISAP enrollment form defaults to your Campus-Based mailbox. You may also submit Campus-Based data in a valid Direct Loan or Pell TG Number.

4) The COD system will provide Receipts and Responses for batch and online Campus-Based Common Record submissions.

5) The COD System will NOT generate disclosure statements for Campus-Based (Perkins) loans

6) The COD System will NOT process promissory notes for the Campus-Based (Perkins) loans.

7) Current Funding Level (CFL) is NOT applicable to Campus-Based records in the COD System.

8) School Reports will NOT be provided for the Campus-Based program.

9) Campus-Based award information will be matched against CPS data using the CPS Transaction Number. The CPS Transaction Number is required when submitting all Campus-Based awards.

   Note: For more information about CPS matching and the CPS Transaction Number, please refer to "CPS Transaction Number," "Student Identifier and Data Elements Matched against the CPS," and "Data Elements Pulled from CPS" sections.

10) The COD System establishes only one set of Campus-Based Award information per Attended School Entity ID per student per award year.

    a. The first submission of Award information that is accepted by the COD System establishes the Campus-Based award for the student for that Attended School Entity ID for that award year.

    b. Subsequent submissions of Award information for that student, Attended School Entity ID, and award year are treated as an update to the original accepted data.

11) A Campus-Based Award Amount establishing an award cannot be equal to zero on first submission of the award.

12) A school can either submit a single disbursement equal to the award amount or multiple disbursements equal to the award amount. The sum of all disbursements must not exceed award amount.

Disbursement Release Indicator

The Disbursement Release Indicator, formerly known as the Payment Trigger tag, is used to identify actual versus anticipated disbursements.

Business Rules:

1) Disbursement information is submitted to the COD System with a Disbursement Release Indicator equal to "true" or "false."

2) Disbursements with a Disbursement Release Indicator set to "false" indicates anticipated disbursement information. Disbursements with a Disbursement Release Indicator set to "true" indicates actual disbursement information.

3) If the Disbursement Release Indicator is omitted from the Common Record, the COD System defaults it to "true" for Campus-Based awards.

4) If the Disbursement Release Indicator is set to “true,” the disbursement is processed only if the required tags in the Disbursement complex element are complete.

   Note: For information on the required tags in the Disbursement complex element, refer to the topic entitled “Minimum Data Elements Required for Document Processing”.

5) To make an adjustment to an accepted and posted actual disbursement, the Disbursement Release Indicator must be set to “true”.

   Note: Refer to topic entitled “Updating and Adjusting Campus-Based Disbursement Amounts and Dates” for more information.

6) The Disbursement Release Indicator can be updated and disbursements can be generated, updated and adjusted on the COD web site.

Submitting Campus-Based Disbursement Information and Disbursement Release Indicator

The COD System can accept Campus-Based Disbursement information in advance of, on, or after the disbursement date.

Business Rules:

1) Disbursement Date is defined as the date cash was credited to the student’s account or paid to the student directly.

2) For 2003-2004 awards, Disbursement Date may range from 2003-07-01 (July 1, 2003) to 2009-09-30 (September 30, 2009).

3) For 2004-2005 awards, Disbursement Date may range from 2004-07-01 (July 1, 2004) to 2010-09-30 (September 30, 2010).

4) For those schools with a funding status of Cash Monitoring (CM2) or Reimbursement, Campus-Based disbursement information will NOT be subjected to Case Management review.

5) The required data elements for a Campus-Based anticipated disbursement are:

   a. Disbursement Number, <Disbursement Number= " ">

   b. Disbursement Amount, <DisbursementAmount>

c. Disbursement Date, <DisbursementDate>

d. Disbursement Release Indicator set to “false”, <DisbursementReleaseIndicator = “false”>

6) The required data elements for an actual Campus-Based disbursement are:

a. Disbursement Number, <Disbursement Number= " ">

b. Disbursement Amount, <DisbursementAmount>

c. Disbursement Date, <DisbursementDate>

Note: The Disbursement Release Indicator can be reported when submitting an actual Campus-Based disbursement. However, an omitted Disbursement Release Indicator, or a Disbursement Release Indicator of blank, will default to Disbursement Release Indicator = “true” in the COD System.

Reporting Pennies in the Award and Disbursement Amount Data Elements

The Award and Disbursement Amounts on the Common Record may include penniesWhen reporting Campus-Based data, pennies can be reported as partial dollars or two zeros.

Business Rules:

1) The data elements for Award and Disbursement Amounts on the Common Record may include two digits to the right of a decimal point.

2) When the reported amount does not include a decimal point, the COD System infers a decimal point and two zeros to the right of the last digit reported. For example, if a school reports 1000, the COD System infers a decimal and two zeros and stores as 1000.00.

3) For Campus-Based data, schools may report partial dollars **(3500.32)** OR zeros in the last two digits **(3500.00)** for Award Amount and Disbursement Amount

OR

4) Report the whole dollar amount only **(3500)** and the COD System infers the decimal point and two zeros and stores as **(3500.00)**.

5) The Award and Disbursement Amount data elements are:

   a. Award Amount, <FinancialAwardAmount>

   b. Disbursement Amount, <DisbursementAmount>

Example:
When reporting a Campus-Based Award Amount of $1250.34:

1) Include the decimal point and two digits to the right: 1250.34
   OR
2) Include the decimal point and two zeroes to the right: 1250.00
   OR
3) Omit the decimal point and report the whole dollar amount only: 1250

Then, the COD System infers a decimal and two zeros and stores 1250**.**00.

DO NOT submit 125000 as the COD System infers a decimal and stores this submission as 125000.00.

Updating and Adjusting Campus-Based Disbursement Amounts and Dates

Disbursement Amounts and Dates can be changed using the same disbursement number, rather than reporting a new disbursement number.

Business Rules:

1) To change a Disbursement Amount and/or Disbursement Date, the following data elements are required:

   a. Disbursement Release Indicator, <DisbursementReleaseIndicator = “”>

   b. Disbursement Number, <Disbursement Number “”>

   c. Disbursement Amount, <DisbursementAmount>

   d. Disbursement Date, <DisbursementDate>

2) When changing a disbursement already reported to COD, the same Disbursement Number must be reported.

3) Disbursement Date is always the date the cash was credited to the student's account or paid to the student directly for this specific Disbursement Number. Disbursement Date is NOT the transaction date of the adjustment to the disbursement.

4) Campus-Based disbursement amounts can be adjusted to $0.

User Readiness Checklist

The following is a list of required or recommended steps to assist Full Participants (Schools, Third Party Servicers, and Software Providers) with implementing the COD System for the 2004-2005 Direct Loan, Campus-Based and Pell Grant Programs.

1) Contact COD Customer Service to sign-up as a 2004-2005 Full Participant for COD if your school was not a Full Participant for a prior award year.

   Note: If COD is not aware of your intention to process as a Full Participant in award year 2004-2005, the COD System will reject your records.

2) Obtain your Routing Number (formerly Common School Identifier) from COD School Relations or the COD web site.

3) Communicate your Routing Number to your software vendor, third-party servicer, or state agency, as needed.

4) Contact COD Customer Service to verify that your Reporting, Attending, and Funding School Relationships are set in COD accurately.

5) Contact COD Customer Service to verify that the Funding Method for your school is set in COD accurately.

6) Reference Volume II of the COD Technical Reference for information on how to modify school or software provider applications to create Common Record files in XML format

7) Reference Volume VII of the COD Technical Reference for information on COD School Testing.

8) Obtain a COD School Administrator User ID for the COD web site. (Reference the "COD User ID Setup for Website" announcement on IFAP for more information).

9) Establish User IDs within your organization for access to the COD web site (to be completed by the organization's Security Administrator).

10) Establish Rules of Behavior documents related to use of the COD System

11) Access the COD web site to update your School Processing Options, as needed.