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**August 7, 2008**

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

## *Direct Loan Program*

### COD News

#### **COD Batch Processing Suspension And Web Site Outages August 8-10, 2008 (07/28/08)**

As explained in [a July 25, 2008 Electronic Announcement on the Information for Financial Aid Professionals \(IFAP\) Web site](#), during the period August 8-10, 2008, Federal Student Aid plans to complete the second in a series of activities specifically targeted to increase COD System capacity. Through this work, Federal Student Aid will remove data for closed years from the COD System's production environment. As a general rule, schools no longer need to submit data to the COD System or access data via the [COD Web site](#) for these closed years.

In addition to the data removal for closed years, Federal Student Aid plans to complete work necessary to implement a CommonLine Transformation Engine (CTE) solution. The CTE will support the acceptance, conversion, and processing of CommonLine Version 4 and CommonLine Version 5 flat file records from schools that transition from the Federal Family Education Loan (FFEL) Program into the Direct Loan Program and need to use the CTE solution on a temporary basis.

In order to complete its work—

- Federal Student Aid will suspend COD batch processing beginning at 6:00 A.M. (ET) on Friday, August 8, 2008. Records submitted after this time will be held and processed after 8:00 P.M. (ET) on Sunday, August 10, 2008.

*Note:* All actual disbursements with a disbursement date from August 8, 2008 through August 10, 2008 must be received by the COD System **no later than Noon (ET) on Thursday, August 7, 2008**, and subsequently accepted by the COD System, in order for them to be included in the drawdown prior to the outage. Disbursements submitted by the deadline but not subsequently accepted, disbursements submitted after the deadline, and disbursements with a disbursement date after August 10, 2008 will be processed and funded after the outage.

- The [COD Web site](#) will be unavailable from 6:00 A.M. (ET) on Friday, August 8, 2008 until 8:00 P.M. (ET) on Sunday, August 10, 2008.
- The [Direct Loan Electronic Master Promissory Note \(MPN\) Web site](#) will be unavailable from 6:00 A.M. (ET) on Friday, August 8, 2008 until 8:00 P.M. (ET) on Sunday, August 10, 2008.



An individual starting the process by 5:00 A.M. (ET) on August 8, 2008 will be able to complete his or her MPN before the Web site becomes unavailable. An individual attempting to access the Web site after the cutoff time will see a Web site maintenance message and will not be able to start the process or retrieve an existing MPN.

- The [TEACH Grant Agreement to Serve \(ATS\) Web site](#) will be unavailable from 6:00 A.M. (ET) on Friday, August 8, 2008 until 8:00 P.M. (ET) on Sunday, August 10, 2008.

An individual starting the process by 5:00 A.M. (ET) on August 8, 2008 will be able to complete his or her ATS before the Web site becomes unavailable. An individual attempting to access the Web site after the cutoff time will see a Web site maintenance message and will not be able to start the process or retrieve an existing ATS.

**Note Regarding COD School Relations Center on August 8, 2008:** The COD School Relations Center will be open from 8:00 A.M. until 8:00 P.M. (ET) on Friday, August 8, 2008. However, due to the COD System and Web site outages, customer service representatives will be limited in the assistance they will be able to provide on that day.

Federal Student Aid apologizes for any inconvenience the batch processing and Web site outages may cause and appreciates your understanding and patience while it completes this important activity.

### **2008 Federal Student Aid Conferences (08/04/2008)**

The 2008 Federal Student Aid Conferences will be held October 28, 2008 through October 31, 2008 in Dallas, TX and December 2, 2008 through December 5, 2008 in Las Vegas, NV.

The fall Federal Student Aid Conferences are premiere training and networking opportunities for financial aid professionals. The conference program and session content at each event are essentially the same, and registration for both conferences is now open.

For further information regarding the upcoming 2008 Federal Student Aid Conferences, refer to [Federal Student Aid's Conferences Web site](#).

### **2008-2009 COD Technical Reference July 2008 Updates Now Available (08/01/08)**

The [2008-2009 COD Technical Reference July 2008 Updates](#) are available on the Information for Financial Aid Professionals (IFAP) Web site. The 2008-2009 COD Technical Reference consists of multiple volumes that contain development information for the 2008-2009 Award Year. For a complete list of updates, refer to the "0809 COD Technical Reference July 2008 Change Tracking Log." If you have any questions about this material, contact the COD School Relations Center.

### **Reminder of Origination Fee Reduction for Direct Subsidized Loans and Direct Unsubsidized Loans (07/30/08)**

As explained in [Direct Loan Bulletin 08-05](#), the origination fee for Direct Subsidized Loans and Direct Unsubsidized Loans was reduced for 2008-2009. This bulletin provides operational guidance for schools and third party software providers on implementing the latest reduction in the origination fee.



Last year, many Direct Subsidized Loan and Direct Unsubsidized Loan awards rejected because the correct origination fee was not included with the award and/or was not used to calculate the award and its disbursements. For this reason, we want to remind schools of the previously provided guidance that is critical to successfully implementing the origination fee reduction for Direct Subsidized Loan and Direct Unsubsidized Loan awards.

Schools should refer to [Direct Loan Bulletin 08-05](#) for complete information about the origination fee reduction.

If your school needs assistance with COD System processing, including making changes to origination fees, contact the COD School Relations Center.

### Weekly Reminders



#### **Computer-Based Training Program for COD System Web Site, COD Reports, and Electronic MPN Web site (08/07/08)**

Federal Student Aid takes this opportunity to remind schools of the availability of an updated Computer-Based Training (CBT) for the [COD System Web site](#). The updated COD CBT includes enhancements that have been made to the COD System from March 2004 through April 14, 2007. Additionally, a new Direct Loan Reports CBT, a new Grant Reports CBT, and new simulations of the [Direct Loan Electronic Master Promissory Note \(MPN\) Web site](#) have been developed and are available for download.

The electronic files for the CBTs and simulations, as well as instructions for downloading and using these files, are available on the Information for Financial Aid Professionals (IFAP) Web site. Under the “Tools for Schools” section, click on [COD Computer-Based Training](#).

The CBTs and simulations are as follows:

#### ***COD System Web Site CBT***

The COD System Web site CBT simulates the COD System and functionality available to a school administrator. In the updated COD System Web site CBT, there are eight lessons with text and an open format to guide a user through each area of the COD System Web site simulation. The user can explore basic navigation and functions of the COD Web site and practice locating and creating information in a safe environment with tips for assistance.

#### ***Grant Reports CBT***

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### ***EMPN Online Simulations***

The EMPN Online Simulations serve as a guide for understanding the Direct Loan Electronic MPN Web site. The four simulations are as follows:

- EMPN online Grad PLUS Pnote
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If you have any questions or comments about the CBTs and simulations, contact the COD School Relations Center. If you e-mail your question or comment to [CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com), please include “CBT Question/Comment” in the subject line.

### **Reports and Data Requests**



This section contains important notices regarding reports and/or data requests. While we encourage you to review this section, note that some schools may not be impacted by the information presented below.

- Direct Loan Rebuild File— Schools in need of this file should contact the COD School Relations Center.



## *Grant Programs*

*ACG, National SMART Grant, Pell Grant, and TEACH Grant*

### COD News

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### **Second 2007-2008 Verification Status Code “W” Warning Message (08/06/08)**

On August 5, 2008, Federal Student Aid began processing a text message (PGTX08OP) as well as a Reconciliation Report (PGRC08OP) to schools that have one or more 2007-2008 student records still reported with a verification status code of “W”. The message is a warning that disbursements to all students with a verification status code of “W” will be considered overawards and reduced to a zero dollar amount (\$0.00), even though the disbursements were previously accepted in the COD System. The reduction of the affected disbursements is scheduled to occur on August 19, 2008.

A school that receives the warning message should review the accompanying Reconciliation Report and submit appropriate changes to the verification status codes for affected students before August 19, 2008.

### **Notes:**

- For the conditions under which each verification status code should be used, refer to [the September 28, 2007 Electronic Announcement posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#)
- A school does not need to submit a verification status code and should leave the field blank (nil = “True”) if the student was not selected for verification or if a selected transaction was received by the school after the student was no longer enrolled.

### **Note Regarding Verification Deadline:**

Some of the student records included in the Reconciliation Report may be for students who are still within the allowable timeframe for submitting verification documentation/completing the verification process as will be specified in a forthcoming “Notice of Deadline Dates for Receipt of Applications, Reports, and Other Records for the 2007-2008 Award Year.” This notice was



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published in the Federal Register on June 9, 2008 and subsequently posted on the [Information for Financial Aid Professionals \(IFAP\) Web site](#).

Following the August 19, 2008 reduction, if a school needs additional time to complete verification for an individual student in accordance with the allowable timeframe in the Federal Register notice, the school may resubmit a disbursement record with a value greater than zero (\$0.00) until September 30, 2008. After September 30, 2008, the COD System will no longer accept "W" as a valid verification status code for 2007-2008 Pell Grant awards.

If you have any questions about the warning message or about reporting verification status codes to the COD System, contact the COD School Relations Center.

### **Third And Final Pell Grant Administrative Cost Allowance Payments for 2006-2007 Award Year (08/04/08)**

Federal Student Aid began processing the third and final Administrative Cost Allowance (ACA) payments for the 2006-2007 Award on August 2, 2008. Schools will begin to see these payments deposited directly into their bank accounts over the next few weeks.

For more information about these ACA payments, refer to [the August 4, 2008 Electronic Announcement posted on the Information for Financial Aid Professionals Web site](#).

### **Second Pell Grant Administrative Cost Allowance Payments for 2007-2008 Award Year (08/04/08)**

Federal Student Aid began processing the second Pell Grant Administrative Cost Allowance (ACA) payments for the 2007-2008 Award Year on August 2, 2008. Schools will begin to see these payments deposited directly into their bank accounts over the next few weeks.

For more information about these ACA payments, refer to [the August 4, 2008 Electronic Announcement posted on the Information for Financial Aid Professionals Web site](#).

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### **TEACH Grant Operational Implementation Guidance – COD System Implementation and Guidance Summary (07/01/08)**

The College Cost Reduction and Access Act (the CCRAA), Pub. L. 110-84, authorized the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program for implementation beginning with the 2008-2009 Award Year. The TEACH Grant Program provides up to \$4,000 a year in grant assistance to a student who agrees to serve for at least four years as a full-time teacher in a high-need field in a public or private elementary or secondary school that serves students from low-income families. A TEACH Grant recipient who does not complete the required teaching within a specified timeframe, or fails to meet certain other requirements of the TEACH Grant Program, will be required to repay the TEACH Grant as a Direct Unsubsidized Loan under the William D. Ford Federal Direct Loan Program.

During the period June 27-28, 2008, Federal Student Aid implemented COD System functionality that supports the processing of TEACH Grant awards for the 2008-2009 and subsequent award years. This functionality included implementation of the [TEACH Grant Agreement to Serve \(ATS\) Web site](#).

For TEACH Grant guidance refer to the following postings on the [Information for Financial Aid Professionals \(IFAP\) Web site](#):

- [Final Rule published on June 23, 2008 \(73 FR 35472\)](#) in the [Federal Register](#) provides the final regulations effective July 1, 2008 for the 2008-2009 Award Year.
- [Dear Colleague Letter GEN-08-01](#) provides policy information on all of the provisions of the CCRAA, including the TEACH Grant Program.
- [Dear Colleague Letter GEN-08-07](#) provides information on institutional eligibility for the TEACH Grant Program.
- [June 19, 2008 Electronic Announcement](#) provides information on Federal Student Aid's operational implementation of TEACH Grant Program functionality.
- [June 27, 2008 Electronic Announcement](#) provides information on the student aspects of the TEACH Grant Program that will be operational for July 1, 2008. This communication includes a "TEACH Grant Agreement to Serve (ATS) Web Site User Guide" designed to assist a student in completing his or her first electronic ATS.
- [2008-2009 COD Technical Reference](#) provides technical information related to the processing of TEACH Grant awards.

Federal Student Aid will continue to inform the community of the implementation of additional TEACH Grant functionality scheduled for implementation over the next several months. Please monitor the [IFAP Web site](#) for the forthcoming communications.

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