

# COD Processing Update

October 20, 2017

NEWS/UPDATES

- **Impact on COD Processing October 21-22, 2017 (10/18/17)**

Federal Student Aid is planning several system maintenance activities on October 21-22, 2017. In addition, the Student Aid Internet Gateway (SAIG) will be unavailable from 3:00 A.M. until 11:00 A.M. (ET) due to its regular Sunday morning maintenance. These activities will result in outages of certain COD System functionality for a period of time.

An explanation of how these activities will impact COD System availability and processing follows below. Please review this information to determine if processing at your school will be affected.

## **Extended COD System Maintenance**

From 10:00 P.M. (ET) on Saturday, October 21, 2017 until 3:00 P.M. (ET) on Sunday, October 22, 2017—

- Users will not be able to submit or retrieve data via the [COD Web Site](#).
- Users will not be able to access the COD Reports area of the [COD Web Site](#).
- An individual will not be able to complete any actions or view loan correspondence via the [StudentLoans.gov website](#). This includes, but is not limited to, signing master promissory notes, completing counseling, completing any TEACH Grant processing flows, or submitting Loan Consolidation applications or Income-Driven Repayment Plan requests.
- Batches submitted by schools via the SAIG will be held or schools will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.

## **Contact Information**

Federal Student Aid appreciates your patience and understanding as it completes this important activity. If you have any questions about the COD System or the StudentLoans.gov website, contact the COD School Relations Center. If you have any questions about the SAIG, contact the CPS/SAIG Technical Support and the TFA Support Center at 800/330-5947 or by email at [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov).

- **Third 2016-2017 Pell Grant Deobligation Due To Verification Status “W” (10/20/17)**

On October 19, 2017, Federal Student Aid deobligated 2016-2017 Award Year Federal Pell Grant (Pell Grant) disbursements that did not have a verification status updated from “W” to a valid status of “V” or “S”. As noted in the warning message that Federal Student Aid sent to affected schools on October 12, 2017, these disbursements were considered overawards and reduced to a zero dollar amount (\$0.00), even though the disbursements were previously accepted in the COD System. This deobligation affected Pell Grant disbursements at approximately 113 schools.

**Contact Information:** If you have questions, contact the COD School Relations Center at 800/474-7268 for Grants or 800/848-0978 for Direct Loans. You may also email [CODSupport@ed.gov](mailto:CODSupport@ed.gov).

A school affected by the deobligation will receive or see the following information:

- Receive a PGTX (PGTX17OP message class) file in the school's Student Aid Internet Gateway (SAIG) mailbox indicating the number of students and total amount of the decrease
- Receive a system-generated negative disbursement file (CRND17OP message class/ND document type)
- Receive a new Electronic Statement of Account (ESOA) that reflects the decrease unless there are other offsetting increase adjustments
- See a change in the school's Current Funding Level (CFL) that reflects the reduced disbursements

**Note:** This deobligation process will not affect a school that did not have students with a verification status of "W" just prior to October 19, 2017.

A school affected by the deobligation should carefully review the following information:

#### ***Verification Completed or Not Required***

If verification has been completed as required or is not required and a school believes a student's 2016-2017 disbursement should not have been reduced to zero, the school must complete the following steps in this order:

- 1) The school must ask for administrative relief according to the instructions in [the September 8, 2017 Electronic Announcement and attachment posted on the Information for Financial Aid Professionals \(IFAP\) website](#).
- 2) The school must send an update to the verification status of the award, and the COD System must accept the update.
- 3) Once the verification status is updated to "V" or "S", the school may submit the actual disbursement (Disbursement Release Indicator or DRI equals "True") for the correct amount to the COD System for processing.

#### **Notes:**

- For the conditions under which each verification status code should be used, refer "Application and Verification Guide" of the [2016-2017 Federal Student Aid Handbook](#).
- In the following two cases, it is acceptable for the verification status code field to be blank:
  - 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 and the school has reported the verification status code as "W", the school should change the "W" to 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 and the school has reported no

verification status code to date, the school does not need to submit a verification status code and should leave the field blank (nil = “True”).

- The school can perform steps 2 and 3 above in the same submission to the COD System if reported in the same student record.

For more information on how to request Administrative Relief or Extended Processing for the Iraq and Afghanistan Service Grant or Pell Grant Program schools should refer to [the September 8, 2017 Electronic Announcement and attachment posted on the IFAP website](#).

If you have any questions regarding the 2016-2017 Pell Grant deobligation of disbursements due to verification status “W,” contact the COD School Relations Center.

- **COD System Changes to School Reports Implemented [(8/11/17) Updated 10/19/17]**

During the period October 13-15, 2017, Federal Student Aid implemented COD System changes specific to school reports. Federal Student Aid encourages schools to review the summary of changes and work with their technology support teams or software vendor to determine the impact to their systems. For more information about the report changes, refer to the [July 25, 2017 Electronic Announcement](#) posted on the IFAP website.

- **Credit Check Processing for Borrowers who have requested a “Credit Freeze” (10/13/17)**

As a result of recent data breach events and heightened security concerns, many consumers are understandably taking steps to protect their personally identifiable information (PII). One of those steps may be placing a “credit freeze” on their credit profile at one or more of the credit bureaus, which prevents further credit activity from occurring without additional consent.

Because a credit check is part of the process when a borrower or endorser completes a Direct PLUS Loan Request or an Endorser Addendum on the StudentLoans.gov website, borrowers or endorsers with an active credit freeze may not be able to fully complete either process and may receive an error message when the credit check is run. The borrower or endorser must remove the credit freeze first; this action cannot be done by the school or Federal Student Aid. **Note:** Federal Student Aid can process an inquiry at two of the three main credit bureaus (currently Equifax and TransUnion). If a borrower or endorser places a credit freeze at only one credit bureau, Federal Student Aid could still receive a credit determination based on information provided by the secondary credit bureau.

Federal Student Aid is working to include additional messaging on the StudentLoans.gov website to inform borrowers and endorsers that those who have a credit freeze on their credit profile will need to remove it before completing a Direct PLUS Loan Request or the Endorser Addendum. Federal Student Aid encourages schools working with borrowers and endorsers who may receive an error during the credit check process to ask about a credit freeze as a possible cause for the error.

Schools using the “Quick Credit Check” on the COD Web Site could experience an error or “timeout” response as a result of a borrower’s credit freeze. In some cases, Federal Student Aid will not be able to return a credit check response with the origination record and will reject the record with COD Reject Edit 996 (Invalid Value). Again, when troubleshooting a credit issue with a borrower or endorser, schools may want to see if the credit freeze situation may apply.

If you have additional questions about credit check processing, contact the COD School Relations Center.

- **REMINDER - Direct Loan Origination Fees Change October 1, 2017 (9/12/17)**

As a reminder, the origination fees for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans (for both parent and graduate student borrowers) change as of October 1, 2017. Additional operational guidance is provided in a [June 19, 2017 Electronic Announcement](#).

Schools should review these communications and review their systems and Direct Loan records to ensure the correct origination fee is being used.

## CURRENT ISSUES

### DIRECT LOANS

There are no Direct Loans-related issues at this time.

### GRANTS

There are no Grants-related issues at this time.

## WEEKLY REMINDERS

### Keep School Contact Information Current in the COD System (10/20/17)

We remind schools and third party servicers that contact information in the COD System must be kept current. Contact information is extremely important for us to be able to reach the right people at the school, particularly about program-specific issues. The e-mail addresses for the President, Financial Aid Administrator, Pell Grant Financial Aid Officer, and Direct Loan Financial Aid Officer are used to deliver time-sensitive materials and critical COD processing information to the school.

Having current contact information for the Pell Grant Financial Aid Officer and Direct Loan Financial Aid Officer is most critical for a school that is an additional location to a main campus. The information allows us to contact those officers directly at the additional location rather than needing to contact the main campus.

For more information on updating School Contact Information, please refer to [the December 20, 2012 Electronic Announcement posted on the Information for Financial Aid Professionals \(IFAP\) Web site.](#)

### How to Access Information from the COD Web Site File Share (10/20/17)

As a reminder, Federal Student Aid shares student-specific information through uploaded files via the COD Web Site. We upload these files to the File Share section of the "File Share & Messages" page of the COD Web Site. Authorized school users are able to view and download the customized documents from the COD Web Site. Schools can access the "File Share & Messages" page by completing the following steps:

- 1) Log in to the COD Web Site.
- 2) Click on the "School" tab.
- 3) Enter the required school identifiers and click on "Search." This will open the "School Summary Information" page.
- 4) Click on the "File Share/Messages" link on the left-hand side of the page to open the "File Share & Messages" page.

**Contact Information:** If you have questions, contact the COD School Relations Center at 800/474-7268 for Grants or 800/848-0978 for Direct Loans. You may also email [CODSupport@ed.gov](mailto:CODSupport@ed.gov).



From the File Share section of the page, an authorized COD Web Site user will see a list of uploaded files. A user will click on the “Download” icon to download the File Share document to his or her computer. **Note:** Authorized school users are able to view and download the customized documents from the COD Web Site for a limited period of time.

The COD Web Site will only display File Share documents associated with the school’s Entity ID. If there are no files uploaded for a school, the File Share list will be blank. Schools will be notified via email (or in some cases via a phone call) when a File Share document is available.