



HERA and Hurricane Updates Technical Update GA-2006-03

June 23, 2006

This information is intended for the person in your organization who is responsible for working with NSLDS. If that person is not you, please forward this update to the appropriate person.

The purpose of this Technical Update is to inform Guaranty Agencies (GAs) of National Student Loan Data System (NSLDS) new reporting requirements for compliance with the Higher Education Reconciliation Act of 2005 (HERA). Information regarding the NSLDS reporting of Title IV aid disbursed by Gulf hurricane-affected institutions is also included.

NSLDS will be implementing the HERA requirements in a phased approach: Phase I changes will be implemented by July 1, 2006, with Phase II completion by December 31, 2006. Another Technical Update will be released later this year with complete Phase II details.

HERA Updates — Phase I

Federal PLUS Loans for Graduate or Professional Students

NSLDS has designated “GB” as the new code for Type of Loan (Field Code 024), in accordance with the new eligibility requirements for the Federal Family Education Loan (FFEL) PLUS Loan for Graduate or Professional Students. NSLDS will accept this new loan type for all eligible loans certified by the school on or after July 1, 2006. Additionally, NSLDS has designated “D3” as the code for Type of Loan for the William D. Ford Federal Direct Loan Program (FDLP) for graduate PLUS recipients.

NSLDS is aware that some data providers may not be ready to report this new loan type by July 1, 2006. To accommodate these data providers while they enhance their systems to report the “GB” loan type, NSLDS will accept the FFEL PLUS Loan “PL” loan type with matching student and PLUS borrower identifiers (name, Social Security number, and date of birth) and a reported graduate academic level (A, B, C, D or G). Loans reported in this manner will be stored and displayed on the NSLDS Financial Aid Professionals (nslsdfap.ed.gov) and the NSLDS Student Access (nsls.ed.gov) Web sites as a “GB” loan type without any PLUS borrower identifiers. All GAs must report the “GB” loan type on the NSLDS extract/submittal file by May 31, 2007.

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NSLDS will send the “GB” and “D3” loan types as follows:

1. For Enrollment Reporting, NSLDS will add borrowers with “GB” or “D3” loan types, reported by the Guaranty Agency or by the FDLP service provider, to the reported school’s Enrollment Roster for enrollment certification by the school.
2. For 2006–2007 Prescreening and Postscreening, NSLDS will send PLUS Loans for Graduate or Professional Students to the Central Processing System as traditional PLUS Loans. This means that these new loan types will appear on the Student Aid Report (SAR) and the Institutional Student Information Record (ISIR) as traditional PLUS Loan types with a reported graduate academic level (A, B, C, D or G).
3. For schools’ Transfer Student Monitoring alerts, Financial Aid History requests, and GA Financial Aid Transcript (GA FAT) requests, “GB” and “D3” loan types will be reported as “PL” and “D4,” respectively, until December 31, 2006.
4. NSLDS will send “GB” loan types to the Financial Partners Data Mart.
5. NSLDS will report the “GB” loan type in the Annual Reasonability, Monthly Reasonability, Account Maintenance Fee (AMF), and Loan Processing and Issuance Fee (LPIF) back-up detail.
6. NSLDS will report “GB” and “D3” loan types in the Cohort Default Rate (CDR) Loan Record and Detail Report (LRDR).
7. NSLDS will report the “GB” loan type on the GA Benchmarks.
8. NSLDS will report the “GB” loan type in FFEL Reconciliation Files.

The current NSLDS GA DataPrep software will support the new loan type. However, changes to the GA Threshold, Error Code, and Field Code File (TEF) are necessary. GAs can expect the updated TEF file to be available from fsadownload.ed.gov the week of June 26, 2006. NSLDS will provide this updated TEF prior to the scheduled release date to allow a brief window for GA internal testing.

Active-Duty Military Deferment Code

NSLDS has designated “MO” for Type of Deferment (Field Code 091) on loans meeting the eligibility requirements for Active-Duty Military Deferment as provided for under HERA. NSLDS will accept the “MO” code on July 1, 2006, for all eligible loans first disbursed on or after July 1, 2001. To manage this disbursement date criteria, NSLDS will implement a load-level edit requiring that any loan placed into “MO” deferment status must have been guaranteed on or after July 1, 1999.

HERA Updates to the GA DPI

NSLDS has updated the GA Data Provider Instructions (DPI) to reflect the reporting requirements for the new “GB” loan type and the new “MO” deferment code. The DPI updates also include a change in the definition of loan rehabilitation from the current 12 months of consecutive payments to the new HERA requirement of 9 consecutive payments made in 10 months.

While the GA DPI appendices include new edits associated with fields specifically being changed, there are many references throughout the GA DPI appendices that will not be issued as change-pages. These minor changes will be made with the next release of the GA DPI.

Attached are updated DPI pages to reflect these changes. Please insert these pages into your existing GA DPI.

Overpayments

To remain compliant with HERA, beginning July 1, 2006, NSLDS will accept online updates from schools for overpayments associated with the Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent (SMART) Grant. While the awards themselves will not be displayed on either the NSLDSFAP or the NSLDS Student Access Web sites until Phase II has been completed, any associated ACG or SMART overpayment reported by a school will be displayed.

Hurricane Updates

Beginning July 1, 2006, NSLDS will provide special considerations for students and institutions that were directly impacted by hurricanes in the fall of 2005. These considerations will be extended to those hurricane-affected students/loans that can be identified by the following:

1. The school code is one of the 33 identified hurricane-affected schools, and
2. The loan period was in the fall of 2005 (loan period overlaps or is within the dates of 08/27/2005 and 12/31/2005).

To accommodate the disposition of any Title IV aid disbursed by Gulf hurricane-affected institutions for an academic period that was delayed, cancelled, or interrupted due to hurricanes Katrina and Rita, NSLDS will adjust data edits and aggregate outstanding principal balance (OPB) calculations.

Loans eligible for these special considerations will have the following record-level edits relaxed and/or aggregate OPB calculated differently to allow for additional Title IV aid:

- Total Amount of Disbursements (Field Code 067, Error No. 0101) for FFELs will allow for up to two times the Amount of Guaranty.
- Total Amount of Cancellation (Field Code 065, Error No. 0287) for FFELs will allow for up to two times the Amount of Guaranty.
- Total Amount of Refund (Field Code 103, Error No. 0716) for FFELs will allow for up to two times the Amount of Guaranty.
- Aggregate OPB will be adjusted to reflect the guaranty amount when cancellations and/or refunds have been reported for a loan.

The complete list of the 33 identified schools, as well as guidance and reporting instructions for hurricane-affected loans, can be found on the Financial Partners Web site at fp.ed.gov.

In order to finalize reporting on student aid programs for the 2005-2006 year, we would like to ask that guaranty agencies and lenders submit and/or report all Gulf Hurricane-related discharges and cancellations by September 30, 2006. This deadline will provide guaranty agencies and lenders sufficient time to validate and report these discharges, as well as, complete the cancellation/refund process.

*Attachments: Appendix A: Data Dictionary updates
Appendix B: GA Coding Tables updates*

*If you have any questions, please contact the NSLDS Customer Service Center at
(800) 999-8219 or e-mail NSLDS@pearson.com.*