



**HERA Updates  
Technical Update PK-2007-01**

**February 15, 2007**

*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 Perkins Data Providers of National Student Loan Data System (NSLDS) enhancements for compliance with the Higher Education Reconciliation Act of 2005 (HERA).

NSLDS began implementing the HERA requirements in a phased approach: Phase I changes were implemented on July 1, 2006, and Phase II was completed on January 12, 2007.

## **HERA Update — Phase II**

### **Fraud Loan Status**

NSLDS has designated a new Loan Status code for loans obtained by borrowers convicted of fraud in obtaining Title IV aid. Loan Status code "FR" will be used by all data providers for all loan types.

NSLDS has also enhanced the Overpayment reporting function for schools and CSB Collections to report fraudulent grants.

In addition to displaying the reported fraud status associated with each loan or grant, NSLDS is also displaying a new Fraud flag on the FAP web site for each borrower/student with a loan or grant in a fraudulent status.

***Attachments: Appendix B: Federal Perkins Loan Code Tables***

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

830 First St. N.E., Washington, DC 20202  
[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)  
1-800-4-FED-AID