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(Control+Click to go to page)
Procedure

The process in a nutshell:

1. Award using DL item types.
   a. The student will accept award on self-service or return award letter.
   b. Refer the student to www.studentloans.gov to sign an MPN and to complete counseling.
2. COD will send files indicating completion of entrance loan counseling; enter these on the loan counseling page.
3. Originate and Validate loans. Work validation errors, then transmit loans to COD.
4. COD will send acknowledgement files indicating borrower has signed MPN/passed PLUS credit check.
5. Work any errors reflected on acknowledgement files.
7. Send Disbursement file to COD.
8. COD will respond with an acknowledgement file; work any errors.
9. School draws down funds from G5.
10. Reconcile monthly.
**Details:**

**Awarding**

**Financial Aid > Awards > Award Processing > Assign Awards to a Student**

Award Direct Loans the same way as you would award FFEL loans. There are provisions in CS9.0 for doing adjustments using up to 20 disbursement IDs (normally called “buckets”), but for simplicity sake, we are not implementing that capability this year.

Beginning in 2013-2014, for an award to be reported to COD (and subsequently to NSLDS) as Additional Unsub:

- The student must be Dependent;
- The Database Matches page on Packaging Status Summary must be marked “PLUS Override”;
- The award must be a loan type marked as Additional Unsub DL.

To award a Direct Loan Unsubsidized Loan for a Dependent Student without a FAFSA, check the “special circumstances” box at Financial Aid > View Packaging Status Summary, Database Matches, and make the award on Financial Aid > Awards > Award Processing > Invoke Professional Judgement.
**Entrance Loan Counseling**

NDU Applications > NDU Financial Aid > Process > NDU Loan Counseling Update

Run this process once a day after COD files have been processed. For each new Stafford, Perkins, Nursing or Grad Plus loan that requires loan counseling, review counseling status at Financial Aid > View Packaging Status Summary, Loan Counseling Link (or available directly at Financial Aid > Loans > View Loan Counseling Data).

There are four options on the run control:

The first, *Imitate Entrance Counseling Checklist* will create a checklist item to appear on the student’s To Do List, informing them they need to complete counseling. Completing the loan counseling on the View Loan Counseling Data page completes the checklist. Be sure to enter a date when you mark counseling as complete; note that there is an option to enter comments on the second tab of the View Loan Counseling Data page.

The second option, *Initiate Entrance Counseling Letters*, creates a _LQ communication (Entrance Loan Counseling Letter).

The third option, *Complete Entrance on NSLDS History*, completes entrance counseling if there is an NSLDS history for this lender for this loan from another school. Note that it will not pick up NSLDS history for the school running the process.

The fourth option processes DL MPNs. It will place a checklist on newly originated loans where the response file does not record an MPN. When the MPN notification is received, the checklist is marked as completed by this process.

See who needs to complete entrance counseling along with their e-mail address by running query **NDU_FA_0001_1, Loan Entrance Counseling**. Use “e-mail” as the address usage type. As students complete their counseling, manually mark counseling as complete on the View Loan Counseling Data page. The conversion process will place a comment on the second tab to indicate whether the student has loans reflected on NSLDS. The comment will have a format like LNEX: Letter Initiated - Auto Complete /LNEX. If you enter comments, you should enter them outside of the LINEX tags.
Entrance Loan Counseling differs little from FFEL, except the data may or may not come from **Mapping Your Future**. We receive and process entrance counseling done at [www.studentloans.gov](http://www.studentloans.gov).

You will need to manually enter any counseling done at Mapping Your Future.

There is a “Counseling Search” page on COD that you may also use to download reports for specific SSNs or by date range.
**Originating**

**Financial Aid > Loans > Process Loans**

Originate the loan the same as with FFEL loans. Review the Log to find loans that are failing to originate.

---

**Financial Aid > Loans > Direct Lending Management > Manage Direct Loan Application**

The *Manage Direct Loan Application* page serves the same function as the *Maintain Loan Origination Page* in FFELP.

PLUS Loan borrower is added here before transmission.

Note the Default Refund indicator can be adjusted on this page. This indicates if a borrower is in default on a student loan or owes a refund to the federal government. The possible values are: No, Overridden, or Yes.

If an MPN as been accepted by COD, the *Loan Orig Ack Pnote Status* would be Accepted (other valid values are Acknowledgement Pending and Rejected).

There would also be entries in the *DL Pnote Unique ID* and *Pnote Expire Date* fields.

You will have separate pages for Subsidized and Unsubsidized loans.

---
Assuming you are using eMPN, if a student requires a paper MPN, effective 10 November 2012, you can no longer request one be sent to the student by COD by changing the Print Option to **Dest Prints (send to Borr)**. You should:

- Direct borrowers to print a pre-populated MPN from the StudentLoans.gov Web site.
- Order blank MPNs (with or without data labels) via the FSAPubs Web site.
- Download a blank MPN from the Direct Loans Web site.

The third tab is where you can override the **Loan Date**, **Loan Period**, **Loan Certification Date** or **Anticipated Disbursement Date**. Check-mark the **Override Loan Dates** box to make the others available.

In order to prevent the federal processor from printing and mailing an MPN, we have to indicate to them on the origination that we’ll print the MPN, so that is how we are set up. However, direct your students to [www.Studentloans.gov](http://www.Studentloans.gov) to sign their MPNs.
The last tab lets you make basic adjustments to the loan. See descriptions at right.

See information below in the Adjusting/Correcting Loans section for information on making other changes to the loan application.

Remove Hold: Allows a loan to transmit that has previously been put in a hold status.

Hold Loan: Stops a loan from transmitting.

Update Origination Button: Causes the above action to take effect.

Activate Change: Click this to pull in changes, particularly those made in Campus Community. Changes made on the Direct Loan Application or Award Entry pages do not require pulling in.

For an individual student, you may also click on the Msg link on this page to see why the loan didn’t validate for transmission.

Clicking on the Document ID link takes you to a page at Financial Aid > File Management > Full COD Participant > View COD Data.
Clicking on the **Comments** link on the last tab allows you to add comments to certain activities so you can recall later what you’ve done to the loan and why.
Validate and Outbound

<table>
<thead>
<tr>
<th>Query Viewed &gt; NDU_FA_0165 &gt; NDU Validation Errors Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Run this query to see if you have students who have failed validation. This can also be run as.</td>
</tr>
<tr>
<td>NDU_FA_0165 - NDU Validation Error Report</td>
</tr>
<tr>
<td>Academic Institution: ❯</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Aid &gt; Loans &gt; Direct Lending Reconciliation &gt; Origination Auth Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Running this with:</td>
</tr>
<tr>
<td>• <strong>Loan Action Code</strong> OC (Orig Change)</td>
</tr>
<tr>
<td>• <strong>Loan Action Status</strong>: F (Failed Rule)</td>
</tr>
<tr>
<td>Will help you find loans that have failed Origination</td>
</tr>
<tr>
<td>Financial Aid Reports</td>
</tr>
<tr>
<td>Run Control ID: Loan_Orig_Auth_Sumry2_dj</td>
</tr>
<tr>
<td>Institution: NDSCS N Dakoda State College Science</td>
</tr>
<tr>
<td>Aid Year: 2014 Federal Aid Year 2013-2014</td>
</tr>
<tr>
<td>Loan Program: Direct</td>
</tr>
<tr>
<td>Loan Action Status: F Failed Rule</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NDU Applications &gt; NDU Financial Aid &gt; Process &gt; NDU Direct Loan AY Override</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sending files to COD, the Med School needs to run this process to adjust the academic year dates so the loan will pass validation.</td>
</tr>
<tr>
<td>The date fields are originally blank; they will populate when you save the run control.</td>
</tr>
<tr>
<td>Loan Origination Academic Year Override</td>
</tr>
<tr>
<td>Run Control ID: NDU_Direct_Loan_AY_OR_dj</td>
</tr>
<tr>
<td>*Institution: NDSCS</td>
</tr>
<tr>
<td>Academic Year Start Date: 07/01/2010</td>
</tr>
<tr>
<td>Academic Year End Date: 05/30/2011</td>
</tr>
</tbody>
</table>
North Dakota University System
Campus Solutions – Financial Aid
Direct Lending Procedures

**NDU Applications > NDU Financial Aid > Process > Loan Citizenship Update**

*If any school is finding that a large number of loans are failing validation because of invalid citizenship status, run this process to bring the citizenship status from the ISIR into the loan. Citizenship data can be updated for individual students at Financial Aid > Loans > Direct Lending Management > Override Loan Application Data.*

*Running this process does not correct the data source in Campus Community; it only updates individual loans that are not yet validated.*

**Financial Aid > File Management > COD Full Participant > Generate Direct Loan Data**

*The Outbound step also does validation; you can check mark Validate Only to “dry run” your loan file. Add rows for additional careers. If you add a row for different careers, give the file name for each career a different extension (e.g., ..xmd for undergrad; .xmdg for Grad, .xmdm for Meds, .xmdp for Professional). Be sure to review the .log file on Process Monitor.*

*For term 1040, use path C:\PSoft\FinAid\Federal\Export\SCHOOL\craa10in.xmd, for undergrads where SCHOOL is your folder (BSC01, LRSC1, NDSCS, etc). For 2011, use craa11in.xmd as the file name for undergrads.*

*For the 2010-2011 aid year, use “craa11in” as the part of file name to the left of the dot.*

**DO NOT** run this process with Origination Changes and Validate Only both checked, as it will create a file for the changes, which will be overwritten if you run the process again the same day without the Validate Only box checked.

**DO NOT** run this process multiple times during the day (except in Validate Only mode) as it will create files that overwrite the files created earlier in the day.
**Adjust/Correct Loans**

To use this page, you will need to have “Override” security authorization. Whenever possible, information should be changed in Campus Community, NOT in the override screen!

The first tab just identifies the borrower and the loan.

The second tab allows you to change the phone number being sent to COD.

The third tab indicates the address types that are being sent to COD. Note there are multiple rows. Addresses MUST BE changed in Campus Community (Campus Community > Personal Information > Biographical > Addresses/Phones > Addresses)

**Warning!** If you override this phone number, future adjustments to Campus Community information will not update this field. If you clear this check box, the system reinserts the telephone number originating from Campus Community.
The fourth tab allows you to modify the e-mail address being sent to COD.

The last tab allows override of SSN, Academic Year Start and End dates, Dependency Status, Borrower Birth Date, Citizenship Status and Alien Registration number.

Valid values for Dependency Status are I – Independent and D – Dependent.

Valid values for Citizenship status are: 1 – Native, 2 – Naturalized, 3 – Alien Permanent.

**Warning!** If you override this e-mail address, future adjustments to Campus Community information will not update this field. If you clear this check box, the system reinserts the e-mail address originating from Campus Community. It is always advisable to correct information in the originating table instead of overriding it here. Citizenship Status can be corrected at **Campus Community > Personal Information > Identification > Citizenship > Citizenship and Passport.** To update the Citizenship/Passport screen you will need security Role **NDUS CC BIO DEMO (AU)**

A Citizenship Status of “N” or “U” is recorded for most students in Campus Community; validation will not accept these values. **NDU Applications > NDU Financial Aid > Process > Loan Citizenship Update** can be run before you outbound the file to do a batch correction on the Citizenship Status. It will update the status from the ISIR information that has already been matched with Home Land Security.
### Financial Aid > Loans > Direct Lending Management > Override Processing Status

**Warning!** Use extreme caution when updating loan records with this page. Future processing and dollar amounts are based on these loan amounts and loan statuses. Some actions you may take with this page are listed below at right.

If the student has both Sub and Unsub loans, be sure to update both when updates are needed.

#### Direct Loan Override

<table>
<thead>
<tr>
<th>Action</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accept Orig (Accept Origination)</td>
<td>Perform this action only if you will not receive an acknowledgment file from COD. Selecting this option accepts the current originated loan amounts. This is the same as receiving a Loan Origination Acknowledgement file. Selecting this option also manually releases a loan from Error status.</td>
</tr>
<tr>
<td>Update DL Disb Status (Update DL Disbursement Status)</td>
<td>Perform this action when you manually override the credit status for a PLUS loan.</td>
</tr>
<tr>
<td>Accept Promissory Note</td>
<td>Allows you to override a promissory note acknowledgement by manually accepting a promissory note. Use this option if you did not or will not receive a promissory note acknowledgement from COD or if the promissory note was rejected and you want to authorize a disbursement and report and transmit the disbursed award to COD. USE with Caution! If COD rejects a promissory note after you have overridden the promissory note acknowledgment, the loan’s status will be unbooked. To get the loan to a booked status and properly disburse the funds, you will have to work with COD.</td>
</tr>
<tr>
<td>Error Loan</td>
<td>Use this option only if you will not receive an acknowledgement file from COD. This changes the Orig Trans Stat to Error and is the same as receiving a COD Acknowledgement that rejects your transmission.</td>
</tr>
<tr>
<td>Remove Hold</td>
<td>Allows a loan to transmit that has previously been put in a hold status.</td>
</tr>
<tr>
<td>Hold Loan</td>
<td>Stops a loan from transmitting.</td>
</tr>
<tr>
<td>Update Origination Button</td>
<td>Causes the above actions to take effect.</td>
</tr>
<tr>
<td>Activate Change</td>
<td>Click this to pull in changes, particularly those made in Campus Community. Changes made on the Direct Loan Application or Award Entry pages do not require pulling in.</td>
</tr>
</tbody>
</table>
**Financial Aid > Loans > Direct Lending Management > Review Promissory Note Actions**

If you know that COD has a valid MPN on file but it is not recorded in your system, you can record it here by checking the Borrower/Student Signature box as appropriate. You make these boxes available by marking **Accept Promissory Note** at Financial Aid > Loans > Direct Lending Management > Override Processing Status (above). See warnings!

### Authorize and Disburse Aid

**Financial Aid > Disbursement > Process Award Authorization**

Authorize disbursement of the loans. To run in “dry run” mode, uncheck the **Update Switch**. You can authorize aid for specific terms and/or for specific item.

If you have multiple rows, you can use the **Active** switch to toggle on or off a particular row.

Aid for a particular student may be authorized at Financial Aid > Disbursement > Disburse Aid or Financial Aid > disbursement > disburse Aid with **Override**. Never disburse aid at these navigations.
### Reporting Tools > Query > Query Manager: NDU_FA_0033

This query will help determine why aid did not authorize for particular students. Correct the errors and attempt to authorize the aid.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>MISUB</td>
<td>1040</td>
</tr>
</tbody>
</table>

View Results

### Financial Aid > Disbursement > Process Disbursements

When this process is run, it creates a Group Post that is then available for Student Financials to disburse to the student account. Pell, ACG/SMART, and presumable Direct Lending disbursements are not reported to COD until the funds are on the student account.
Report Disbursement to COD

Direct Lending shares the problem that prevents grants from being properly processed at COD if the origination and disbursement are in the same file. You may want to outbound disbursements separately from originations so you can run the DL Outbound process before the Disbursement process is run on any given day. If you do this, create a different run control row and name the DL outbound files differently from the origination files: (e.g., extension .xdd for undergrad; .xdg for Grad, .xdm for Meds; .xdpp for Professional).

For term 1040, use path C:\PS\FinAid\Federal\Export\SCHOOL\craa10in.xmd, for undergrads where SCHOOL is your folder (BSC01, LRSC1, NDSCS, etc). For 2011, use craa11in.xmd as the file name for undergrads.

For the 2010-2011 aid year, use” craa11in” as the part of file name to the left of the dot.

DO NOT run this process with Origination Changes and Validate Only both checked, as it will create a file for the changes, which will be overwritten if you run the process again the same day without the Validate Only box checked.

DO NOT run this process multiple times during the day (except in Validate Only mode) as it will create files that overwrite the files created earlier in the day.
View COD Data

If you enter a date in YYYY-MM-DD format, you will get a list of students that were included in a COD batch created on that date. You can click on a particular student’s row to see information about that student.

Alternatively, to look at information about a particular student, you can enter that student’s ID, then select from the list the Document ID you are interested in, as determined by the date embedded in the Document ID.

On the COD Award tab, look for a row with an Award name indicating it is a Direct Loan. Look for information about the award in the Loan Information area at the bottom of the page.

You may have multiple rows if the student has both Sub and Unsub loans, or even a PLUS loan.
Valid MPN Status values are:
- A: Accepted
- N: Not Ready to Print
- R: Rejected or not on file
- X: Pending MPN at COD

**Cash Management**

**Financial Aid > Loans > DL School Account Summary > Manage DL Cash Transactions**

Whoever is doing G5 transactions should enter those transactions here. Be sure to create it with your DL School code (which starts with a “G”).

This screen is also in the SF Superuser Role.

The information entered here is used by the DL Reconciliation Report (Financial Aid > Loans > DL School Account Summary > Generate Reconciliation Report).

**Reconciliation**

**Financial Aid > Loans > DL School Account Summary > DLSAS Import nnnn - nnnn**

The EC Transaction ID will be DSLFnnOP, where nn is the aid year. This navigation creates a page where you can view the DLSAS report prepared by the federal processor.
Financial Aid > Loans > DL School Account Summary > Generate DLSAS Report

The monthly School Account Statement report prints the data in the DLSAS flat file from COD, which is created the first Saturday of each month for the preceding month. The original data that COD provides does not identify students by name, only by Loan ID number. When you run this report, the system matches the Loan IDs in the Loan Detail Records section of the report with the student ID to identify each student by name and produces a csv file that lists Direct Loan information for students for the selected DL Batch ID. The csv file lists:

- BORR name
- EMPLID
- SSN
- DL loan ID
- COMPL Loan ID
- DISB #
- DISB TYPE
- SEQ #
- DISB DATE
- GROSS FEE
- REBATE NET
- NET ADJUST
- TOT GROSS
- TOT FEE
- TOT REBATE
- TOT NET
- Disb book date

Financial Aid > Loans > DL School Account Summary > Generate Reconciliation Report

Generate the DL Reconciliation Report, which compares cash detail, loan detail, and disbursement activity with information in the database.
There are sixteen reports available in this menu area. Although the title uses the word Reconciliation, the reports you want for your monthly reconciliation are at Financial Aid > Loans > DL School Account Summary. The reports in Financial Aid > Loans > Direct Lending Reconciliation help you find validation errors, accepted originations, rejected originations, PLUS Credit Decisions, Disbursement Information, and Booking Status. (Booking Status lets you know whether the loan disbursement has been received and accepted by COD.)

You can request origination and disbursement reports here. Use an Outbound File Path like C:\PSoft\FinAid\Federal\Export\(school code)\ where (school code) is your Institution (BSC01, NDSCS, LRSC1, etc.)
Questions

Below are questions asked on the HEUG web site about Direct Loans and answers provided by the user community.

**Can changes to sub and unsub be made the same day?**

**Answer:** (smartino@indiana.edu): You can send Sub and Unsub changes in the same day, but there is a good chance that depending on what change you are making one of those changes will get rejected.

For example, if you are reducing an Unsub, and giving the student an additional Sub loan to replace what was reduced. The reduction on the Unsub will be accepted, but the increase in the SUB may get rejected because at the time it is being originated, the Unsub change has yet to take place in COD. This is definitely a limitation in COD.

What we do is we allow the staff to make the changes in the system to both loans, we outbound the changes for both loans, and if one comes back rejected we can see it was due to a “timing” issue and we just remove the hold and send the change back to COD. Not necessarily the most efficient, but it keeps the impact to the student to a minimum and nobody has to keep track of additional updates that have to be made on another date. Now we transmit nightly to COD which helps immensely in these situations.

**Can I change a direct loan to one term?**

**Answer** (from HELP): The packaging engine does not allow you to change the disbursement plan for direct lending loans, even if the loan has not been originated. You would need to change disbursement plans if you awarded a direct lending loan for two terms, then found out the student should only be awarded for one term. There are two ways to accomplish this change. The steps are shown below.

**Option 1 – Changing disbursement plans for non-originated direct lending loans.**

1. Cancel the original loan (with the original disbursement plan and split code) on the Student Aid Package page.
2. Insert a row on the Student Aid Package page below the row for the canceled loan in step 1.
3. Using the same financial aid item type as the original loan, award the loan with the new disbursement plan and split code.

**Note.** If you are using professional judgment to override an award amount, you must make sure that your loan disbursements (amounts, fees, and rebates) are split correctly between your item types. Refer to the common origination and disbursement technical data for details.

**Option 2 – Changing disbursement plans for non-originated direct lending loans.**

1. Using the original loan you awarded (with the original disbursement plan), create a custom split so the money is allocated only to the new terms you want to use.
2. Originate the loan.
3. Go to the Application Financial page (Financial Aid, Loans, Direct Lending Management, Manage Direct Loan Application) and select the Override Loan Dates check box. Change the Loan Period Start, Loan Period End, and Antc Date (anticipated disbursement date) to match the new period for which the loan is awarded.

**Can I adjust a Direct Loan to one term after disbursement?**

**Answer:** (smartino@indiana.edu) In a case where a student wants the fall or spring portion of the loan cancelled AFTER disbursement, the way to handle those is to truly do a custom split. Go to the disbursement link, click on Custom Split and split the loan as needed (made sure the Custom Loan Fee box is NOT checked). This will then update the origination record correctly and the disbursements will go in the correct order.
**Direct Lending Procedures**

**Answer** (smartino@indiana.edu) In order to do this you have to do a custom split, but when you do the custom split DO NOT check the Custom Loan Fee box. If you check that box then the fees are not calculated. If this has been done, you can go into the Disbursement link, uncheck the Custom Loan Fee box and then validate the post and the fees will be re-calculated correctly. Once this is done you then remove the HOLD on the loan and when you re-originate the fees will be corrected on the loan, and the loan will show a disbursement only for the fall.

A loan with a disbursement for fall and nothing for spring will only be accepted by COD if the loan was already originated and accepted. If the initial loan origination has not been accepted you then have to cancel that loan and re-award with a new item type with a Disbursement Plan and Split Code that is only for fall term.

**Can I reduce the fall award after disbursement if we receive outside aid that over awards the student?**

**Answer:** (Betsy.Hobson@Williams.edu) Yes. After you reduce the disbursement, disburse it and send the new disbursement record.

**I’m having a problem with the direct lending Loan fee and rebate, they are rounding to the nearest dollar.**

**Answer:** (smartino@indiana.edu): Direct Loan fee and rebates are always truncated, there are never any cents. The origination fee is rounded down to the nearest dollar, and the rebate is rounded up to the nearest dollar. The COD technical manual describes these calculations if you are interested.

**If you are unable to send refund to student or funds are returned to University and then have to reduce Direct Loan funds to return to DOE; since Direct Loans does not allow cents, how are you handling the amount to return.**

**Answer:** ([jshisler@depaul.edu](mailto:jshisler@depaul.edu)) We round the cents, 50 - .99 round up and .49 - .01 round down. If there is an account balance student accounts will handle the situation.

If there is a credit balance (regardless of the amount) the student has two options:

1. Release the credit balance as a refund.
2. Return the credit balance to direct lending.

**What will cause a Direct Loan to fail validation?**

**Answer:** The DL validation edits are hard coded into the program FAPDLOVL. Here is a list of the edits:

- Invalid or missing Student SSN
- Invalid Student Birth date
- Invalid Student Name
- Invalid Student Middle Initial
- Student Address is Incomplete
- Invalid Student Phone Number
- Invalid Email Address
- Student is not eligible (Citizenship Status)
- Invalid Origination Fee Percentage
- Invalid Interest Rebate Percentage
- Invalid Promissory Note Print Code
- Invalid disclosure Statement Print Code
- Loan Period greater than 12 months
- Loan Period End Date before Start Date
- Disb Date < Loan Period Start Date (-10 Days)
Disb Date > Loan Period End Date (+120 Days)
Sum of Disbursements > Loan Approved Amount
Award Amount exceeds limits
Invalid Dependency Status
Invalid Student Default/Overpay Code
Incorrect Disbursement Net Amount
Incorrect Disbursement Rebate Amount
Invalid or missing Borrower SSN
Borrower and Student SSN are the same
Invalid Borrower Birthdate
Invalid Borrower Name
Invalid Borrower Middle Initial
Borrower Address is Incomplete
Invalid Borrower Default/Overpay code
Borrower is not eligible (Citizenship Status)
Preprof cannot be selected when grade level not = 5
Preprof and Health cannot be selected on same loan
Dependency Status set to D and Grade Level >= 6

I can't figure out how to fix these two validation errors: Borrowers Middle Initial Not Blank or Alphanumeric/Student’s Middle Initial Not Blank or Alphanumeric.
Answer: (jhisler@depaul.edu) Take a look at this student’s bio/demo data. If the middle initial is, for example, “M.” that period will cause this error. If you remove the “.”, remove the loan from hold, and click the Update Origination button, the new middle initial will be pulled into the loan record and things should get straightened out when the loan is transmitted. Or, if there has been a space entered (VERY fun, because you can’t see it…) you can delete the space, remove the loan from hold, click the Update Origination button, etc.

I need help figuring out a DL error message. The error messages are: 147 - Identifier inconsty for GPLUS ; 120 - Incomplete Address for PLUS
Answer: (pwoolley@bf.umich.edu) When we see this error it is usually that one (or more) bio demo fields (name, date of birth, etc) is being reported differently in the borrower data section vs. the student data section in the COD file.

How do you override the validation error of "Invalid Student Default/Overpay Code"?
Answer: (jhisler@depaul.edu) There are two places to do this.

1. On the packaging status summary page, behind the Database Matches link, click the override next to NSLDS Match and set that field to Eligible. If this is done before the loan origination record has been created in PeopleSoft, then the Default flag should be set properly from the getgo.

2. If the loan origination records has already been created in PeopleSoft, you’ll also want to set the NSLDS Match field (for any subsequent loans), but you can update that field on the loan records. It’s on the Application Bio/Demo page of the Manage Direct Loan application component.
How do I override a C code for defaulted loans?

**Answer:** ([lschiavone@vccs.edu](mailto:lschiavone@vccs.edu)) To rectify the default/overpay code problem, you would navigate to Financial Aid > Loans > Direct Lending Management > Manage Direct Lending Application and change the Borr Default/Owes Refund value from ‘Yes’ to ‘No.’ From the Application Acknowledgement tab, you would then click the Activate Change pushbutton. *This is assuming you have already verified that any existing default or overpayment has been satisfied by the involved student prior to awarding his or her loan eligibility.*

You then need to repeat the Validation process which will re-validate the problem students so that you can ensure that they no longer appear on this Validation Error report.

The PNote Status on the Manage Direct Loan Application is still showing as “Print”, but there is a DL PNote Unique ID and a DL PNote Expire Date. COD shows MPN as complete.

**Answer** ([smartino@indiana.edu](mailto:smartino@indiana.edu)). Here are my responses:

1. The PNOTE status WAS updated, but the PNOTE status was updated BEFORE the loan origination response was loaded, so when the loan origination acknowledgement came in the PNOTE status was overlaid. This happens when COD takes a little longer to return the loan origination response than normally. When the loan was originated there was not an MPN, but in the meantime the student does sign an MPN and COD sends that update to you, which set the status to “accept” Then when the loan origination record comes in, that changes the “accept” back to “print”.

2. Most likely if the loan has NOT already disbursed, this will prevent disbursement, and prevent the disbursement from being sent to COD. It all depends on what you have set on the Direct Loan Options of the Loan Type.

3. We wrote a little report to find these. When we find these we confirm in COD that the MPN is actually linked to the loan, if so (and they all have been) we go the Override Processing Status page, click on the “Accept PNOTE” and click on the Update Origination button. This will then change the status from “print” to “accept” and everything will be good to go. (Query NDU_FA_0164 is under development).

How do I resend a loan that is “stuck” in transmitted status?

**Answer:** ([pwoolle@b.umich.edu](mailto:pwoolle@b.umich.edu)) Error the loan at Financial Aid > Loans > Direct Lending Management > Override Processing Status by clicking on the button next to “Error Loan” and then clicking on the “Update Origination” button. That will set the status of the origination back to error and the loan will get picked up the next time origination is run. There is no online update for the disbursement status.

**Answer** ([Eunice.oshiro@io-consulting.com](mailto:Eunice.oshiro@io-consulting.com)) If your loan is still in transmitted status, you are missing an acknowledgement/response file. You should check with your team to make sure the corresponding acknowledgement file was not skipped or “not loaded” by accident. If indeed the file was received and not loaded, just have them load the file and that should unlock your record. If you are unsure, check on the COD website to ensure that the original batch file was received and a response file was not created.

I want to caution you about trying to force transactions without investigating why your record is still in transmit status. And understand that it should not take that long to ensure that the record is “unlocked”.

If you would navigate to View Loan Processing Actions for that student, you should be able to determine which process (origination, origination-change or disbursement) is missing the response. If the loan is still in transmitted status and you don’t have a REJECT status on that loan type, click on the Document ID link. This link will navigate you to the View COD Data components. Click on search as the fields are auto populated at this point; just click on search and review the
first tab (the Document ID Tab). If the second field after the Document ID field, labeled Document Response is BLNAD (not = to RS), and the outbound process date is not current (i.e., you sent it over 24 hours ago), you have the ability to regenerate and resend this file. You should also check the COD website that the DOCUMENT ID does not have a corresponding RS file before regenerating/resending the file to COD.

It is more than likely that if you don’t have a response for this student’s record, that you really don’t have a response loaded for everyone included in this same batch, so don’t be surprised to see your student as well as other records in the newly regenerated batch. Usually, the COD processes files quite quickly (if the batch does not contain PLUS loans – credit checks take a bit longer for the COD to process) and responds within 24 hours.

NOTE: if your record is in rejected status, you should fix the rejects, take the loan off of hold and let the subsequent processes resend the loan record.

**What might cause the authorization error “Funds for this disbursement have not been recorded in the system?”**

**Answer:** (smartino@indiana.edu) Since your Grad PLUS has (1) An In Service, Accepted Origination record (2) An acknowledged Prom Note, and (3) You have manually updated the Credit Decision to Approved, go to the Override Processing Status page and click on the Update Disb Status radio button, and then the Update origination button. This will get everything in sync and then you can disburse.

**Answer:** (acipolla@umuc.edu) If the student has completed MPN and Entrance Interview and the origination has been accept by COD, check to see if the origination and pnote statuses have been updated manually on the Override Processing Status page. If you update both these statuses manually, then it’s best to also click on the Update DL Disb Status on the same page and click the Update Origination button. Also, if you are updating the statuses manually, make sure to update the origination status and then the note status second.

**What do these two rejects from COD mean? (Sum of Awd Amts > Loan Limit,Disb Dt in window, Ind=False)**

**Answer:** (pwooley@bf.umich.edu) We normally see the error message “Sum of Awd Amts > Loan Limit” when a loan has been cancelled and a new item type awarded. Until the first loan comes back accepted at the zero amount, usually the new loan is rejected because it exceeds the amount allowed. If that’s the case, and the first loan has come back accepted at the zero amount, then you can just remove the hold from the new loan(s) and let it go through again.

If that’s not the case, is the student near max is not eligible for the full loan amount?

Just a note on the second message, “Disb Dt in window, Ind-False” – this is just an indicator of whether it’s an origination or disbursement file. You really don’t need to worry about this message. The disbursement indicator should always be False on an origination file and always True on a disbursement file, and we’ve never seen where the system didn’t send the correct status for the file.

**What will “flip” the disbursement release indicator to “True”?**

**Answer:** (jisler@depaul.edu) To be honest, I don’t know. I’ve never paid any attention to the disbursement release indicator for Direct Loans. My understanding is that this is used primarily for CommonLine Loans as a way to manage when funds are released from the lender (and when they can start charging interest) and arrive in an EFT Disbursement Roster record to be loaded to PeopleSoft. With Direct Lending, there is no external EFT Disbursement Roster file to load, if all of the “loan record requirements” are met for the loan (orig acknowledged, PNote ack received) then the loan disbursement is “recognized” by the mass authorization process and will then be drawn through your item type disbursement rules to check for Entrance Interview, enrollment, etc. Until those loan record requirements are met, you’ll see the “**funds for this disbursement have not been recorded in the system**” authorization failure message.
How do I resend a DL disbursement that has come back rejected and is currently reflecting an “error” status on the “Loan Disb Trans Stat” field?
Answer: (smarino@indiana.edu) Correcting the error and removing the hold is all you need to do.

Do we have to disburse DL loans before sending the disbursement request to COD?
Answer: (jshisler@depaul.edu) Yes, and when PeopleSoft will generate these files is dependent upon how you have your DL Loan Types set up. On the Direct Loan Options page there are two drop down boxes on the right side of the page. The lower of those two buttons, the DL Disb Transmit Option field, is what governs when your disbursement requests will be generated. Here at DePaul, we have that field set to Orig+PNote. This means that when the Loan’s Origination record has been accepted at COD and when the PNote acknowledgement has been received, that PeopleSoft will create disbursement requests for use when we have the Disbursements box checked on the Generate Direct Loan Data page.

How do we handle summer loans that haven’t disbursed yet by Jul 1st?
Answer: (Pat Marts, University of Michigan) So here’s what we do: for our loan periods that start before July 1, we use specific item types with the prior to July 1 fee/rebate attached. For loan periods that begin after July 1, we use different item types with the after July 1 fee/rebate attached and the loan request date on the disbursement id in the disbursement plan cannot be before July 1. If a loan that was awarded (and or originated) for a term beginning before July 1 does not disburse for any reason by June 30, we cancel it and tell the student to contact us if they want it reinstated. If the student does want the loan, we then put on one of the after July 1 item types which has the correct fee/rebate attached and we use a different disbursement plan because the loan request date needs to be after July1.

Will sending a disbursement request change the loan to “booked” status at COD?
Answer: (jshisler@depaul.edu) Yes, and in addition to the disbursement acknowledgement that comes back, you’ll also receive a booking notification file (message class CRBN##OP). This will come separately and probably the day after the disbursement acknowledgement file.

When will funds be available for draw-down?
Answer: (jshisler@depaul.edu) That may have to do with whether you are an “advanced funding” school or a “just in time” school. As we’re the latter, I’ll tell you what we do....We run authorization/disbursement twice a week on Mondays and Wednesdays. On Wednesdays right after Mass Disbursement has completed, a member of our controller’s Office runs a query to see how much we have disbursed in “new” direct loan funds. She then enters the request to draw down those funds. Keep in mind that this will be BEFORE we have transmitted our disbursement requests. We then have 30 days to “substantiate” that draw down with the disbursement requests we transmit.

We are under the impression that within 7 calendar days of our disbursement date that we could send the disbursement records to COD before actually disbursing the loan funds to the student. However, we are unable to make this happen. We've never tried to do this, we only attempt to send disbursement requests after we've disbursed funds to our students. However! We do disburse our funds shortly before the start of the term.

How do I handle PLUS credit checks?
Answer (adkuzmack@notes.cc.sunysb.edu) When we receive back the acknowledgement that a PLUS credit check is denied, we cancel the award on award entry, run loan origination to create the change transaction, but then place the loan record in a 'hold' status so that it does NOT outbound. In so doing, we do not receive back a rejected record from
COD. If we subsequently receive a credit decision override record, we then remove the hold from the loan record and put back the loan amount on award entry using the original item type. The next time loan origination runs, it then creates the appropriate change transaction and successfully gets acknowledged.

**Answer** (cmongell@boisestate.edu) We were running into the a problem with our PLUS loans so we had to change our processing rules:

What we have done at Boise State is to perform a credit check online at COD before we try to originate the loan. If the credit check comes back "denied", we don't even offer the PLUS loan. We contact the parent/student to see if they are going to seek a co-signer or if the student will be getting the UNSUB replacement. Only if the credit check is accepted will we even try to originate the PLUS loan.

**Answer** : (nystrom@uthscsa.edu) Just to weigh in on this situation – the way I found that works best for us is to simply cancel the award when the denial comes in and place a hold on the loan over-ride screen (“DL Management – Override Processing”) BEFORE origination is run. We then notify the borrower that the loan is presently in denied status (even though I believe COD/DL does this as well) and let them know they can try and obtain a cosigner.

If they should obtain a cosigner we will receive a CRCO file at some point. Every time I receive one I simply view the file and see who it is for, go to that students award screen and re-award the loan, go to the over-ride screen and remove the hold, and then run the CRCO file in through normal processing. The loan will then disburse assuming other conditions (e.g. entrance, enrollment, etc) are still being met.

If they do not obtain a cosigner, at the end of the award year (after ALL processing is done) I run the loans on hold report, remove the holds, process the loans, and manually accept the cancellations (in lieu of transmitting a “known rejecting” file) on the override screen.

This has been the easiest for us since trying to get the unique ID’s to match up was difficult and reinstating a loan was impossible! We are a 9.0 school but this worked with 8.9 too.

**How do I process a Direct Loan Unsubsidized Loan for a Dependent Student without a FAFSA?**

**Answer** : (Updated Oct 2012): Check the “special circumstances “ box at Financial Aid > View Packaging Status Summary, Database Matches, and make the award on Financial Aid > Awards > Award Processing > Invoke Professional Judgement.

**How do I used the canned reports under Financial Aid > Loans > Direct Lending Reconciliation?**

**Answer** (jhisler@depaul.edu). We run the following reports weekly on Mondays:

- Validation Errors Report
- Origination Export Report
- Rejected Originations Report
- Disbursement Errors Report

The first two reports help us make certain we’re transmitting everything possible and that we’re receiving timely responses from COD (infrequently, a batch gets “stuck”).

The other two reports help us make certain anything that causes a loan to be placed on Hold gets resolved, the new information gets drawn in the loan record and the updated data is transmitted.
We run the following report weekly on Tuesdays:
   Loans on Hold Report

This report is a “catch all” for us. Nearly everything that places a loan record on Hold gets resolved when you work the Rejected Originations and Disbursement Error Reports; the few that remain appear on the Loans on Hold Report.

**Answer (Julie.ibanez@sonoma.edu).** Daily we run the Validation Errors report and the Loan on Hold Report. The Validation Errors identifies student that failed to be validated (weren’t picked up to go out to COD at all). The Loans on Hold provides rejected originations and disbursements on one report rather than running two separate reports. I find that one easier.

**Which SAS file is your school currently using with the delivered PS DL reconciliation process? Are you using the DSLF (loan level) or DSDF (disbursement detail) file**

**Answer:** (jshisler@depaul.edu) We get both, I have found that at times an issue will show up on the delivered report from one file that didn’t show up on the report when it was run with the other file.
What federal reports do I use for Reconciliation?

Answer: (petemal@udel.edu) We actually use the DSLF report (loan level detail) (go to your report selection and select Modify SAS Options) see attached. I load that file through FA Inbound and then run the reconciliation report under DL School Account Summary.
What are the rules for Creating Master Promissory Note Paper Manifests?
The following is from the Department of Education Technical Manual:

All promissory notes must be mailed and accepted by COD before the loans are booked. The hard copy promissory notes must be accompanied by a paper manifest that lists the borrower’s name and MPN ID for each promissory note in the shipment. Also, the paper manifest provides a certification to be signed by an official at the school. A sample Direct Subsidized/Unsubsidized Loan MPN Paper Manifest and a sample Direct PLUS Loan MPN Paper Manifest are provided below.

Business Rules:
1) Subsidized/Unsubsidized MPNs and PLUS MPNs must be batched separately and a separate paper manifest created for each batch.
2) Additionally, separate batches and manifests must be created for each DL school code.
3) Each batch may contain up to 100 notes.
4) After processing, the manifest is returned to the school address on the promissory note unless the school indicates another address on the manifest.
5) The Report Date (in MM/DD/YYYY format) and the Report Time (in HH:MM:SS format) indicate when the manifest was produced.
6) A page number starting with 1, incremented by 1 for each subsequent page printed, is included on each page of the manifest.
7) Records are printed in the last name alphabetical order, or numerical borrower ID order. The borrower’s name is printed in last name, first name, and middle initial order. The Loan ID associated with borrower’s name is printed.
8) The number of notes for shipping indicates the number of promissory notes covered by the paper manifest. It is only printed on the final page of the paper manifest.
9) The certification statement, DL school code, school name, signature block, and Financial Aid Administrator (FAA) name are only printed on the last page.
Sample Subsidized/Unsubsidized MPN Paper Manifest

Report Date: MM/DD/YYYY          U.S. DEPARTMENT OF EDUCATION          PAGE: 1
Report Time:   HH:MM:SS          Federal Direct Loan Program
               Sub/Unsub Manifest
               (ALL RECORDS)                     Sort: SSN
THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
******************************************************************************************

PROMISSORY NOTE SHIPPING DOCUMENT ID: YYY-MM-DDTHH:MM:SS.FF00100200

BORROWER'S NAME                      MPN ID
STUDENT'S CURRENT SSN
-------------------------------------
X’XXXXX, XXXX X.                    999999999M99G99999999
999-99-9999

XXXXXXXXXXXXXX, XXXXX
111-11-1111

NUMBER OF NOTES FOR SHIPPING: _____

I hereby certify that each borrower named on the enclosed notes/disclosures is accepted for enrollment on at least a half-time basis and is making satisfactory progress in a program that is eligible for the loan type(s) awarded. I certify that each student is an eligible borrower in accordance with the Act. I further certify that each borrower's eligibility for a Pell Grant has been determined, that each borrower is not incarcerated, and that each borrower has been determined eligible for loan(s) in the amount(s) certified. I further certify that the disbursement schedules comply with the requirements of the Act and hereby authorize the Department of Education to adjust disbursement dates if necessary to ensure compliance with the Act. I further certify that, based on records available and due inquiry, each borrower has met the requirements of the Selective Service Act, that each borrower is not liable for an overpayment of any Federal grant made under the Act, and that the information provided in the Borrower and the School sections of the promissory notes/disclosures (including information supplied in electronic format) is true, complete and accurate to the best of my knowledge and belief.

SCHOOL CODE: G99999  NAME:   XXXXXXXXXXXXXXXXXXXXXXXXXXX

SIGNATURE: _____________________________________

FAA NAME: XXXXXXXXXXXXXXXXXXXXXXX
Sample PLUS MPN Paper Manifest

Report Date: MM/DD/YYYY
Report Time: HH:MM:SS

U.S. DEPARTMENT OF EDUCATION
Federal Direct Loan Program
PLUS Manifest
(ALL RECORDS)

THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT

PROMISSORY NOTE SHIPPING DOCUMENT ID: YYYY-MM-DDTHH:MM:SS.FF99999999

BORROWER'S NAME                      MPN ID
STUDENT'S NAME
STUDENT'S CURRENT SSN

-------------------------------------------------  -----------------------

XXXXXXXXXXXXX, XXXX  999999999N99G99999999
XXXXXXXXXXXX, XXXXX X.  999-99-9999

XXXXXXXXXX, XXXXXX  999999999N99G99999999
XXXXXXXXXX, XXXXXXXX  999-99-9998

NUMBER OF NOTES FOR SHIPPING: _____

I hereby certify that each student named on the enclosed applications/promissory notes is accepted for enrollment on at least a half-time basis and is making satisfactory progress in a program that is eligible for the loan type certified. I certify that each borrower is an eligible borrower in accordance with the Act and has been determined eligible for a loan in the amount certified. I further certify that the disbursement schedules comply with the requirements of the Act and hereby authorize the Department of Education to adjust disbursement dates if necessary to ensure compliance with the Act. I further certify that, based on records available and due inquiry, each student has met the requirements of the Selective Service Act, that each student is not liable for an overpayment of any Federal grant made under the Act, and that the information provided in the Borrower, Student and School sections of the applications/promissory notes (including information supplied in electronic format) is true, complete and accurate to the best of my knowledge and belief.

SCHOOL CODE: G99999 NAME: XXXXXXXXXXXXXXXXXXX

SIGNATURE: _____________________________________

FAA NAME: XXXXXXXXXXXXXXXXXXXXXXXXXXX

6 November 2009