June 8, 2007

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 System Maintenance Planned For Sunday, June 10, 2007 (06/08/07)
The COD System will undergo routine maintenance on Sunday, June 10, 2007 from 5:00 A.M. until 1:00 P.M. (ET). 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. The impact of these overlapping outages is as follows:

* Users will not be able to submit or retrieve data via the COD Web site between 5:00 A.M. and 1:00 P.M. (ET).

* Schools attempting to transmit batches via the SAIG between 3:00 A.M. and 11:00 A.M. (ET) will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.

* Batches submitted by schools via the SAIG between 11:00 A.M. and 1:00 P.M. (ET) will also be held and not acknowledged back to schools until after COD comes back up at 1:00 P.M. (ET).

Federal Student Aid apologizes for any inconvenience these outages may cause. If you have any questions about the COD System, contact the COD School Relations Center. If you have any questions about the SAIG, contact CPS/SAIG Technical Support at 800/330-5947 or by e-mail at CPSSAIG@ed.gov.

Extended Direct Loan Electronic MPN Web Site Outage For Sunday, June 10, 2007 (06/08/07)
As a reminder, the Direct Loan Electronic Master Promissory Note (MPN) Web site is unavailable every Sunday morning from 5:00 A.M. until 11:00 A.M. (ET) while routine maintenance is performed. During this period, individuals are not able to complete new MPNs electronically or retrieve existing MPNs that were completed electronically.

Due to the need for additional maintenance on Sunday, June 10, 2007, the Direct Loan Electronic MPN Web site will be unavailable for an extended period of time from 5:00 A.M. until 1:00 P.M. (ET). Individuals starting the process by 4:00 A.M. (ET) on Sunday, June 10, 2007 will be able to complete their MPNs before the Web site becomes unavailable. Individuals 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.

Federal Student Aid apologizes for any inconvenience this outage may cause. If you have any questions, contact the COD School Relations Center.

Direct Loan Bulletin 07-10 Released (06/01/07)
Direct Loan Bulletin 07-10 was released to schools from the COD School Relations Center on May 31, 2007 and is posted on the Information for Financial Aid Professionals (IFAP) Web site. This bulletin reminds schools that the closeout deadline for the 2005-2006 Direct Loan Program Year is Tuesday, July 31, 2007.

If you would like to be added to or removed from the Direct Loan Bulletin distribution list, please submit an e-mail to CODSupport@acs-inc.com with the subject line of "DLB Distribution".

Unlocking and Resetting COD Web Site Passwords (07/08/07)
COD would like to remind COD Web site users that Security Administrators (COD Web site User Level 5) are able to unlock and reset passwords for the users (User Level 1-4) they established at their school or organization. However, if the Security Administrator needs his or her password unlocked or reset, the Security Administrator must contact the COD School Relations Center.

In order to unlock users, a Security Administrator should log in to the COD Web site and complete the following steps:

Step 1: From the Welcome to Common Origination & Disbursement Web Site screen, click on the User tab on the blue bar at the top of the screen. The User Search screen displays.

Step 2: Enter the search criteria for the user and click on the submit button at the bottom of the User Search screen. The Search Results screen displays and lists users that match the search criteria.

Step 3: On the Search Results screen, select the name of the user that needs to be unlocked. The User Information screen displays.

Step 4: Click on the Modify button at the bottom of the User Information screen. The Update User Profile screen displays.

Step 5: The Locked Out box on the Update User Profile screen contains a checkmark. Click on the Locked Out box to remove the checkmark.

Step 6: If a new temporary password is not needed, skip this item and go to Step 7. If a new temporary password is needed, enter the new temporary password in the New Password field. Then re-enter the new password in the Re-enter New Password field to confirm. The user will need to change this password to one of his or her choosing.

Step 7: Click on the submit button at the bottom of the Update User Profile screen. The Update Your Profile screen displays.

Step 8: On the Update Your Profile screen, click on the Submit button to confirm the updates made to the user's profile.
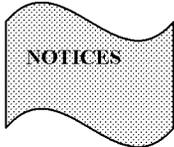
This information is also posted on the COD Web site in a document entitled "Unlocking And Resetting COD Web Site Passwords." To access the document *before* you log in to the Web site, click on the "Click here if you are looking for more information on Common

Origination and Disbursement" Link. To access the document *after* you log in to the Web site, click on the "Today's Update" link at the bottom of the page.

Schools can refer to the Electronic Announcement on the IFAP Web site, http://www.ifap.ed.gov/eannouncements/0201UpdatedCODWebsiteSchools.html, for information regarding COD Web site access. Third party servicers can refer to the Electronic Announcement on the IFAP Web site at http://www.ifap.ed.gov/eannouncements/UpdatedCODWebsiteThirdPartyServ.html.

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.

• 2006-2007 & 2007-2008 Pending Disbursement Lists—	On May 27, 2007, Federal Student Aid incorrectly sent reports containing no data to some schools' Student Aid Internet Gateway (SAIG) mailboxes and posted these reports on the COD Web site. Because there was no data to report, these schools should not have received reports, and the blank reports can be disregarded. Federal Student Aid apologizes for any inconvenience this may have caused schools. (06/04/07)
• 2006-2007 & 2007-2008 Pending Disbursement Lists—	On May 27, 2007, Federal Student Aid sent duplicate Pending Disbursement Lists to some schools' Student Aid Internet Gateway (SAIG) mailboxes. Federal Student Aid apologizes for any inconvenience this may cause schools. (05/29/07)
• Direct Loan Rebuild File—	Schools in need of this file should contact the COD School Relations Center.

Current Issues

COD Web Site School Funding Information Screen Incorrect (06/07/07)
Federal Student Aid has discovered that the School Funding Information screen, the School Summary Information screen, and the funding information portion of the School General Information screen are displaying incorrect information for some schools for the 2006-2007 and 2007-2008 award years. A number of fields on these screens are populated with an incorrect value of $0.

Federal Student Aid is researching the issue and will provide updates as more information becomes available. In the meantime, affected schools seeking financial information may refer to the School Summary Financial Information and Cash Activity screens for accurate information.

ACG, National SMART Grant, and Pell Grant Programs

COD News

COD System Maintenance Planned For Sunday, June 10, 2007 (06/08/07)

NEW!

The COD System will undergo routine maintenance on Sunday, June 10, 2007 from 5:00 A.M. until 1:00 P.M. (ET). 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. The impact of these overlapping outages is as follows:

- Users will not be able to submit or retrieve data via the COD Web site between 5:00 A.M. and 1:00 P.M. (ET).

- Schools attempting to transmit batches via the SAIG between 3:00 A.M. and 11:00 A.M. (ET) will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.

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Federal Student Aid apologizes for any inconvenience these outages may cause. If you have any questions about the COD System, contact the COD School Relations Center. If you have any questions about the SAIG, contact CPS/SAIG Technical Support at 800/330-5947 or by e-mail at CPSSAIG@ed.gov.

2006-2007 Pell Grant Deobligation Due To Verification Status "W" (06/07/07)
Effective June 7, 2007, Federal Student Aid has deobligated 2006-2007 Award Year Federal Pell Grant (Pell Grant) disbursements that did not have a verification status updated from "W" to a valid status of "V", "S", or "Blank (nil = "true")". As noted in the warning message that Federal Student Aid sent to affected schools on May 18, 2007, 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 300 schools.

A school affected by the deobligation will:

- Receive a PGTX (PGTX07OP 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 (CRND07OP message class/ND document type);

- Receive a new Electronic Statement of Account (ESOA) that reflects the decrease unless there are other offsetting increase adjustments; and

- 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 June 7, 2007.

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 2006-2007 disbursement should not have been reduced to zero, the school must complete the following steps in this order:

1) The school must send an update to the verification status of the award, and the COD System must accept the update.

2) Once the verification status is updated to "V", "S", or "Blank (nil = "true")", the school may submit the actual disbursement (DRI = true) for the correct amount to the COD System for processing.

    Note: The school can perform steps 1 and 2 in the same submission to the COD System if reported in the same student record.

Verification Status Continues to be "W"

If the verification status for a student's award continues to be "W", a school should not resubmit the disbursement to the COD System. If the disbursement is resubmitted, the COD System will reject it.

Deobligated Disbursement for Student Within Allowable Verification Timeframe

If a disbursement reduced to zero was for a student who is still within the allowable timeframe for submitting verification documentation/completing the verification process as specified in the "Notice of Deadline Dates for Receipt of Applications, Reports, and Other Records for the 2006-2007 Award Year" published in the Federal Register on May 4, 2007 (72 FR 25276), a school may inform Federal Student Aid of the total amount of such disbursements. In this case, Federal Student Aid will increase the school's CFL accordingly.

The process for informing Federal Student Aid of the total amount to be reinstated is as follows:

1) Send an e-mail to CODSupport@acs-inc.com and include "Pell Grant Reinstatement Request" at the beginning of the subject line.

2) Include in the body of the e-mail the—

- Name and telephone number of the person to contact if Federal Student Aid has questions; and

- Total amount of deobligated disbursements for students who are still within the allowable timeframe for submitting verification documentation/completing the verification process.

Upon receipt, Federal Student Aid staff will review and process a school's request. Federal Student Aid will notify the contact person by telephone or e-mail if there are questions or if additional information is needed. After Federal Student Aid processes the request and increases the CFL, the school will receive a new ESOA that reflects the increase.

If you have any questions regarding the 2006-2007 Pell Grant deobligation of disbursements due to verification status "W," contact the COD School Relations Center.

2006-2007 ACG CFL Reduction To NAPD On May 29, 2007 (05/30/07)
On May 29, 2007, Federal Student Aid reduced the Academic Competitiveness Grant (ACG) 2006-2007 Award Year Current Funding Level (CFL) to the Net Accepted and Posted Disbursements (NAPD) for schools that had a CFL greater than their NAPD. As noted in the warning message that Federal Student Aid sent to affected schools on May 9, 2007, this action was taken because the majority of disbursements for the 2006-2007 Award Year should have already been submitted to the COD System for processing. This reduction affected approximately 2000 schools.

A school affected by the May 29, 2007 ACG CFL reduction to NAPD will—

- Receive a text message (AGTX07OP Message Class) in the school's Student Aid Internet Gateway (SAIG) mailbox notifying the school of the reduction;

- Receive a new Electronic Statement of Account (ESOA) that reflects the reduction; and

- See a change in the school's ACG CFL that reflects the reduction.

If an affected school has additional 2006-2007 disbursements to submit to the COD System, it should do so as soon as possible. As a reminder, a school must set the Disbursement Release Indicator (DRI) tag to "true" in order to fund an actual ACG disbursement; this does not happen automatically. Upon acceptance of the disbursements, the school's 2006-2007 ACG CFL will be increased.

Note: An affected school that has drawn down funds in the Grant Administration and Payment System (GAPS) but that has not submitted the applicable disbursements to the COD System may be in an excess cash situation and must rectify the situation as soon as possible.

If you have any questions regarding the 2006-2007 ACG CFL reduction to NAPD, contact the COD School Relations Center.

2006-2007 National SMART Grant CFL Reduction To NAPD On May 25, 2007 (05/29/07)
On May 25, 2007, Federal Student Aid reduced the National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) 2006-2007 Award Year Current Funding Level (CFL) to the Net Accepted and Posted Disbursements (NAPD) for schools that had a CFL greater than their NAPD. As noted in the warning message that Federal Student Aid sent to affected

schools on May 10, 2007, this action was taken because the majority of disbursements for the 2006-2007 Award Year should have already been submitted to the COD System for processing. This reduction affected approximately 1100 schools.

A school affected by the May 25, 2007 National SMART Grant CFL reduction to NAPD will—

- Receive a text message (SGTX07OP Message Class) in the school's Student Aid Internet Gateway (SAIG) mailbox notifying the school of the reduction;

- Receive a new Electronic Statement of Account (ESOA) that reflects the reduction; and

- See a change in the school's National SMART Grant CFL that reflects the reduction.

If an affected school has additional 2006-2007 disbursements to submit to the COD System, it should do so as soon as possible. As a reminder, a school must set the Disbursement Release Indicator (DRI) tag to "true" in order to fund an actual National SMART Grant disbursement; this does not happen automatically. Upon acceptance of the disbursements, the school's 2006-2007 National SMART Grant CFL will be increased.

Note: An affected school that has drawn down funds in the Grant Administration and Payment System (GAPS) but that has not submitted the applicable disbursements to the COD System may be in an excess cash situation and must rectify the situation as soon as possible.

If you have any questions regarding the 2006-2007 National SMART Grant CFL reduction to NAPD, contact the COD School Relations Center.

2007-2008 Federal Pell Grant Payment And Disbursement Schedules [02/22/07 (Updated 05/21/07)]
As explained previously in a number of Electronic Announcements posted on the IFAP Web site, the Revised Continuing Appropriations Resolution, 2007, (P.L. 110-5) established the minimum and maximum Pell Grant amounts for the 2007-2008 Award Year. During the period May 11-12, 2007, Federal Student Aid updated the 2007-2008 COD System with the Pell Grant payment and disbursement schedules. As explained in an Electronic Announcement posted on May 1, 2007, this additional COD System functionality supports the processing of Pell Grant awards for the 2007-2008 Award Year.

Although schools were temporarily delayed in the submission of 2007-2008 Pell Grant origination and anticipated disbursement records to the COD System, the COD System is now accepting and processing these records. When a school submits a 2007-2008 Pell Grant origination or anticipated disbursement record to the COD System, the record must include a Central Processing System (CPS) transaction number for a transaction that has been designated as "Pell Grant Eligible." If the record does not include a CPS transaction number for a transaction that has been designated as "Pell Grant Eligible," the COD System will reject the record.

Note for EDExpress Users: As explained in an Electronic Announcement posted on May 21, 2007, Federal Student Aid has posted EDExpress 2007-2008, Release 3.0, an upgrade version that incorporates the 2007-2008 Pell Grant changes into EDExpress Global, Packaging, and Pell functionality, on the Federal Student Aid Download (FSAdownload) Web site. A

school must upgrade to Release 3.0 *before creating and submitting Pell Grant origination (and corresponding anticipated disbursement) records in EDExpress 2007-2008.* For complete information about EDExpress 2007-2008, Release 3.0, refer to the May 21st announcement

At this time, Federal Student Aid wants to remind schools of the following disbursement-related information:

- A school may submit common records that contain anticipated disbursement information for 2007-2008 Pell Grant awards. As explained below, until June 21, 2007, the DRI value in these records must be equal to "False" in order to be accepted by the COD System.

- The COD System will accept actual disbursement records for 2007-2008 Pell Grant awards *beginning June 21, 2007.*

  o Prior to June 21st, the COD System will reject all actual disbursements (DRI value equal to "True").

  o Beginning June 21st, Advanced Funded schools may submit actual disbursements for 2007-2008 Pell Grant awards. As a reminder, actual disbursements can be submitted up to 30 days before the disbursement date.

  o A school will be able to view and draw down 2007-2008 Pell Grant funds in the GAPS *on Monday, July 2, 2007.*

ACG and National SMART Grant Resources (07/08/07)
As a reminder, the Department of Education (the Department) has posted a number of Dear Colleague Letters and Electronic Announcements that communicate regulatory, policy, and operational information related to the implementation of the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs. In addition, COD has updated the 2006-2007 COD Technical Reference and the 2007-2008 COD Technical Reference. A school should refer to the communications posted on the Information for Financial Aid Professionals (IFAP) Web site and to the 2006-2007 and 2007-2008 COD technical references for complete information about the ACG and National SMART Grant programs.

More specifically, the 2006-2007 and 2007-2008 COD technical references cover all aspects of the operational implementation of the ACG and National SMART Grant programs. This includes information on the following key aspects of ACG and National SMART Grant processing:

o Financial Award ID and Financial Award Number (Award Sequence Number)
  Volume II, Section 1 "Implementation Guide"

o Citizenship and Student Level Code
  Volume II, Section 1 "Implementation Guide"

o Message Classes
  Volume II, Section 2 "Message Classes"

o   Common Record Layout
    Volume II, Section 3 "Common Record Layout"

o   Reports Generated by COD System
    Volume VI, Section 8 "COD Reports"

o   Eligibility/Payment Reason and Rigorous High School Program Code for ACG
    Volume VI, Section 9 "Rigorous Secondary School Programs of Study, and Eligible Majors"

o   Major/Classification of Instructional Program (CIP) Code for National SMART Grant
    Volume VI, Section 9 "Rigorous Secondary School Programs of Study, and Eligible Majors"

If your school needs help locating information related to the operational implementation of the
ACG and National SMART Grant programs, contact the COD School Relations Center.

Note for EDExpress Users: Volume III of the 2006-2007 and 2007-2008 COD technical
references provides additional guidance for schools that use EDExpress in combination with
another system. If your school needs help locating information related to EDExpress, contact
CPS/SAIG Technical Support at 880/330-5947 or by e-mail at CPSSAIG@ed.gov.

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Relations Center.

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complete the following steps:

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         the Locked Out box to remove the checkmark.
Step 6: If a new temporary password is not needed, skip this item and go to Step 7. If a new
         temporary password is needed, enter the new temporary password in the New Password
         field. Then re-enter the new password in the Re-enter New Password field to confirm.
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