



Software Developers Conference

Software Developers Webinar #1

Date: March 9, 2012

Time: 9:30 a.m. – 12:00 p.m. EST

This year, the Federal Student Aid (FSA) Technology Office will be sponsoring the Software Developers Conferences in a series format. With quarterly updates, the first three events will be virtual meetings conducted in a webinar format. The fourth meeting will be an in person, “face-to-face” meeting. This face-to-face meeting will take place in conjunction with the Annual FSA Fall Conference.

The webinar is designed for software developers, their customers, and institutions that develop software for the purpose of Title IV financial aid processing. The objective is to provide information on recent legislative changes and enhancements to FSA systems such as COD, NSLDS and CPS. The first webinar will be presented on Friday, March 09, 2012, from 9:30 a.m. to 12:00 p.m.

Topics for the first webinar will include the impact of recent legislative changes, enhancements and updates to FSA systems such as COD, NSLDS and CPS. There will also be discussion on New Pell Limits, changes to student loans, gainful employment rates and file layouts. Lastly, in an effort to continuously improve the overall security posture of institutions of higher education who administer Title IV financial aid, the protection of Personal Identifiable Information (PII) and an update on Two-Factor Authentication will also be covered.

2012 Software Development Conference Webinar Session I Agenda

Friday, March 9, 2012 9:30am - 12:00pm

COD, NSLDS, and CPS systems and processing updates, as a result of new legislative requirements, and/or other system enhancements impacting Software Vendor Products and School Systems.

Topic	Presenter(s)	Presentation
Welcome	Steven Burke	Available
Legislative Updates	Jeff Baker	Available
NSLDS Update	Eric Hardy	Available
COD System Update	Dan Sullivan & Wendy Jerreld	Available
CPS Update	Marilyn LeBlanc	Available
PII & TFA Security Update	Cheng Tang & Steven Burke	Available
Closing Remarks	Steven Burke	No Presentation



Hello, My Name Steven Burke
and Welcome to the

**2012 Software Developers Conference
Webinar Series**





We heard you loud and clear!

This year, the Federal Student Aid (FSA) Technology Office will be sponsoring the Software Developers Conferences in a series format.

With quarterly updates, the first three events will be virtual meetings conducted in a webinar format.

The fourth meeting will be an in person, “face-to-face” meeting. This face-to-face meeting will take place in conjunction with the Annual FSA Fall Conference.





Software Developers Conference

Objective :

The webinar is designed for software developers, their customers, and institutions that develop software for the purpose of Title IV financial aid processing.

The objective is to provide information on recent legislative changes and enhancements to FSA systems such as COD, NSLDS and CPS.





Agenda SDC Webinar 1

Discussion Topic	Presenters
The impact of recent legislative changes	Jeff Baker
Enhancements/Updates to FSA systems NSLDS, COD, and CPS New Pell Limits and changes to student loans and Gainful Employment rates and file layouts	Eric Hardy, Dan Sullivan, Wendy Jerreld and Marilyn Leblanc
Two-Factor Authentication initiative deployment schedule	Steven Burke
Protection of Personal Identifiable Information (PII)	Cheng Tang

There will be a Questions and Answers period after each topic presented





Federal Student Aid Legislative Update

Jeff Baker





Today's Topics

- Special Direct Consolidation Loan Program
- “Pay-As-You Earn” Loan Repayment Programs
- Budget Act of 2011
- Consolidated Appropriations Act – 2012
- Other Legislative
- President's 2013 Budget





Special Direct Consolidation Loans





Regular Direct Consolidation Loan

- Borrowers with any federal student loan
 - FFEL, Direct Loan, Perkins, HHS
- Direct Consolidation Loan
 - Underlying loans paid off
 - New Repayment Period
 - Interest Rate – Fixed
 - Weighted average rounded up to the next 1.8 percent





Special Direct Consolidation Loan

- January 17 through June 30, 2012.
- **Only for “Split Borrowers”**
 - Loans held by ED and FFEL lender
 - ED Held Loans –Direct Loans and ‘PUT’ FFEL Loans
- **Only the commercial FFEL to be consolidated**
- Underlying loans paid off
- **Underlying loans maintain identity**
 - **Same terms, conditions, dates**





Special Direct Consolidation Loan

- Benefits –
 - Single holder/servicer/bill/payment
 - Loans maintain terms and conditions
 - Reduction in interest rate of 0.25%
 - Additional 0.25% reduction for EFT
 - Loans eligible for Public Service Loan Forgiveness





“Pay As You Earn” Income Driven Repayment Plans





Income Based Repayment (IBR) Plan

- Statutory - FFEL and Direct Loan
- Current Law –
 - Maximum annual payment amount is 15% of discretionary income.
 - Remaining balance forgiven after 25 years.
- New Law (SAFRA) – Effective 2014
 - Maximum annual payment amount is 10% of discretionary income
 - Remaining balance forgiven after 20 years.





Income Contingent Repayment Plan

- Regulatory - Direct Loan Only
- Current Regulation -
 - Regulatory defined formula
 - Complex
 - Loan amount and income
 - Remaining balance forgiven after 25 years.
 - Limited “take-up” rate





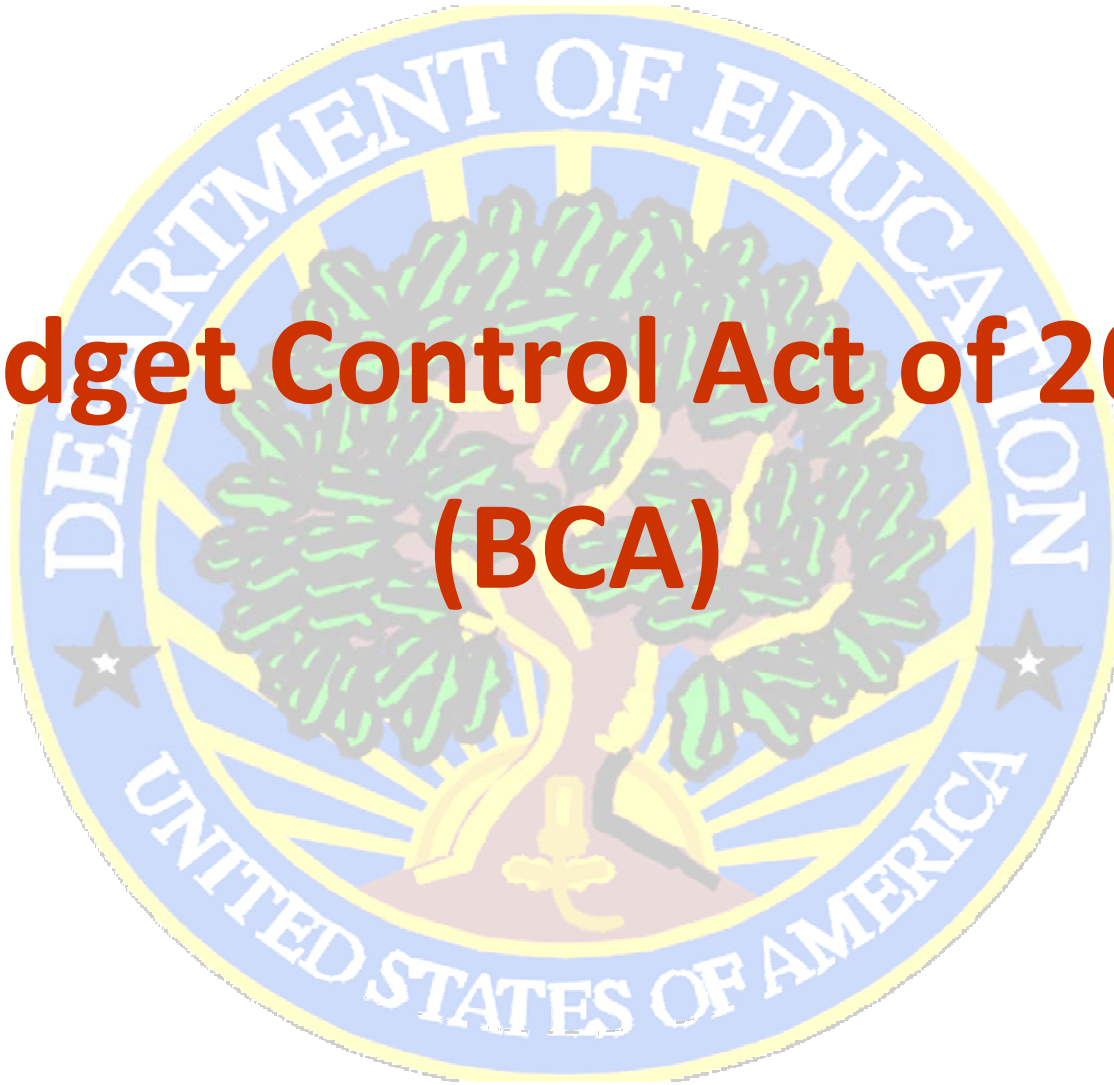
Revised Repayment Plan

- Amend ICR regulations to –
 - Negotiated rulemaking required
 - Began in January 2012
 - Expected effective date – Fall 2012
- Accelerate 2014 IBR changes
 - Reduce from 15% of discretionary income to 10%
 - Reduce forgiveness time from 25 years to 20 years





Budget Control Act of 2011 (BCA)





- Elimination of Subsidized Loans for Graduate Students
 - Effective for loans made for loan periods beginning on or after July 1, 2012.
 - Subsidized Loans for loan periods beginning before July 1, 2012 remain unchanged.
 - COD will edit for compliance.





BCA - Repayment Incentives

- Elimination of Direct Loan Incentives
 - Terminates repayment incentives to encourage on-time repayment of loans.
 - Effective for loans **first disbursed** on or after July 1, 2012.
 - COD will edit for compliance.
 - Allows interest rate reduction to borrowers who repay electronically.





Consolidated Appropriations Act – 2012

See DCL GEN-12-01





2012-2013 Pell Grant Amounts

- 2012-2013 Pell maximum award - \$5,550
- 2012-2013 Pell minimum award - \$550.
- Maximum Pell eligible EFC is \$4,995
- Eliminates eligibility of a student who was eligible for between five and ten percent of maximum award.
- 2012-2013 Payment schedules posted IFAP on January 12, 2012.





Auto-Zero EFC Income Threshold

- Reduces the income threshold for an automatic zero expected family contribution (EFC) from \$30,000 to \$23,000.
- For the 2012-2013 award year was scheduled to be \$32,000.
- *FAFSA on the Web* and CPS have been updated, and both began 2012-2013 FAFSA processing using \$23,000 as the auto-zero EFC threshold.





Ability-to -Benefit (ATB)

- Eliminates Title IV eligibility for students without a high school diploma (or equivalent).
 - Exceptions for
 - Home schooled students
 - Students who were enrolled in a Title IV eligible program of study prior to July 1, 2012.





Ability-to -Benefit (ATB)

- Students who are or were, enrolled in a Title IV eligible program anytime prior to July 1, 2012, may continue to qualify under one of the ATB alternatives –
 - Passing an independently administered, approved ATB test.
 - Successfully completing at least six credit hours or 225 clock hours.





Pell Grant Duration of Eligibility

- Reduces the duration of a student's eligibility to receive Pell Grant from 18 semesters (or its equivalent) to 12 semesters (or its equivalent).
- Applies to all students effective with the 2012-13 award year.
- Calculation includes all earlier years of the student's receipt of Pell.





Pell Grant Duration of Eligibility

- Calculate the equivalency by adding together each of the annual percentages of a student's scheduled award that was actually disbursed to the student.
 - LEU – Lifetime Eligibility Used
 - Once LEU reaches 600%, student no longer eligible.
 - If LEU more than 500% but less than 600%, partial eligibility for next award year.





Pell Grant Duration of Eligibility

- Example –
 - Student's Scheduled Award was \$5,550, but only received \$2,775 because only enrolled for one semester, will have used 50% of that award year's scheduled award.
 - Student who was enrolled three-quarter time for the entire award year would have used 75% of his scheduled award.
 - This student's LEU is 125% of the total 600%.





Pell Grant Duration of Eligibility

- Electronic Announcement posted on February 17
- Beginning mid April, COD will begin sending –
 - Weekly reports to schools of their 2012-2013 applicants who have LEUs of more than 450%
 - Emails to students who have LEUs of more than 450%





Pell Grant Duration of Eligibility

- Electronic Announcement posted on February 17 beginning in July –
 - COD will return LEU in the common record response
 - COD will display LEU on the COD website
 - COD will edit and return warning edits when LEU is near or exceeds 600%.





Pell Grant Duration of Eligibility

- Electronic Announcement posted on February 17 beginning in July –
 - NSLDS will display student's LEU
 - CPS will use comment codes to flag students whose LEU is close to or exceeds 600%.





Grace Period Interest Subsidy

- Temporarily eliminates the interest subsidy on Direct Subsidized Loans during the six month grace period.
- Applies to new Direct Stafford Loans for which the first disbursement is made on or after July 1, 2012, and before July 1, 2014.





FFEL Lender SAP Payments

- Allows FFEL lender to choose the base on which special allowance payments (SAP) are calculated, from Commercial Paper (CP) to the London Inter Bank Offered Rate (LIBOR).
- Effective for loans first disbursed on or after January 1, 2000.
- By April 1, 2012, lender must inform ED of choice.
- No impact on students, borrowers or schools.





Other Legislative Loan Changes





Interest Rates

- CCRAA reduced the interest rate on subsidized loans made to undergrads in stages from 6.8 % to the current 3.4 %.
- The reduced rates end on July 1, 2012.
- Interest rate on subsidized loans first disbursed on or after July 1, 2012 to undergraduate students will be 6.8 percent.
- Same rate as on subsidized loans made to graduate students and to all unsubsidized loans.





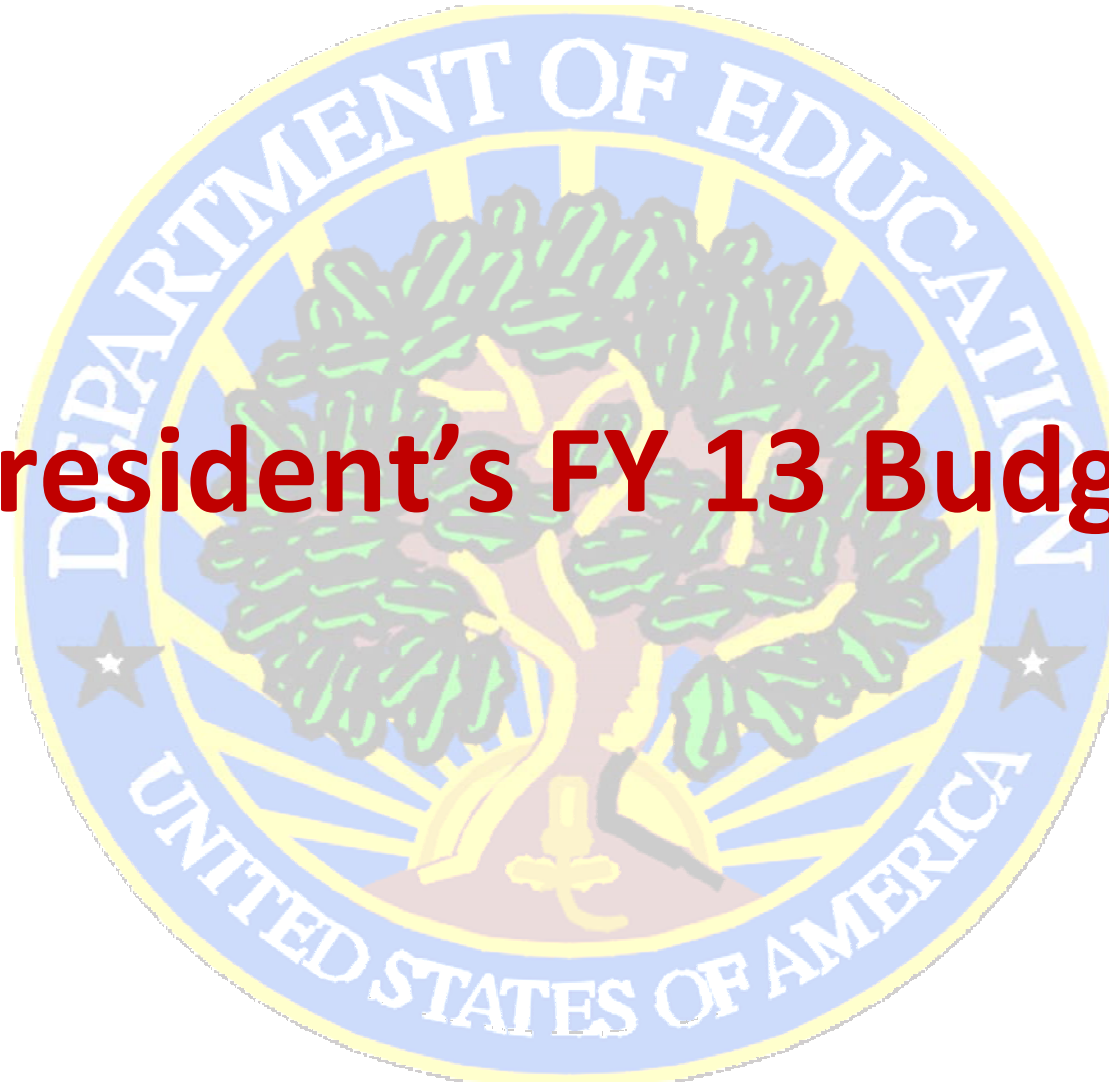
Loan Limits

- \$2,000 additional Direct Unsubsidized Loan funds for dependent students under the ECASLA remains available.
 - Some confusion because of the June 30, 2011 termination of the temporary special 90/10 treatment of these additional unsubsidized loan amounts.





President's FY 13 Budget





FY 13 Budget

- \$5,635 maximum Pell Grant award for 2013-2014
- Maintain the subsidized loan interest rate for undergraduate students at 3.4 percent for undergraduates until July 1, 2013
- Limit the duration of the Stafford Loan in-school interest subsidy to 150 percent of the normal time required to complete the borrowers' educational program.





FY 13 Budget

- Reduce FFEL guaranty agencies' retention of funds collected through loan rehabilitation.
- Overhaul and replace TEACH Grants with a new Presidential Teaching Fellows (PTF) program.





FY 13 Budget

- Expand and improve the Perkins Loan program to provide \$8.5 billion in loans annually.
- Provide \$150 million in new funds for the Work-Study Program.
- Reform and expand Federal allocations in the campus-based programs





NSLDS UPDATE

Software Developers Conference

Eric Hardy



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Agenda

- Gainful Employment (GE)
- New Direct Loan (DL) PLUS Master Promissory Note Status
- New Not-For-Profit (NFP) Loan Servicers
- Exit Counseling Report Enhancements
- Enrollment Reporting Future Enhancements



GAINFUL EMPLOYMENT



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Gainful Employment

- NSLDS will calculate and display GE rates based on data provided by schools in 2011:
 - Debt Measures
 - Loan Medians
- Schools will receive notification of their GE rates and the back-up data to support the rates in May 2012

GE Notification Package

- What is included in the notification packages?
 - Rate letters for Debt Measures and Loan Median Rates
 - Detailed back-up data

How to Receive the Data

- SAIG Enrollment Web site
 - After March 12, 2012, schools may sign-up to receive the GE Rate notification letters and back-up data via SAIG to the TG Mailbox designated by the school
 - The Main campus (OPE-ID ending in '00') must sign-up for this service prior to the rate release date to receive the full GE notification package. Your PDPA should be able to coordinate the process.



GE Notification Package

- Schools who do not sign-up before the release date:
 - Will not receive any pushed GE rate letters and back-up data
 - Can only request back-up data from the NSLDS Professional Access Web site on an ad hoc basis
 - GE rate letters will not be made available



How to Request the Data

- NSLDS Professional Access Web site
 - Under the Report Tab, schools may request the back-up data by program or calculation year
 - The report will be sent to the SAIG TG Mailbox for the school code associated with the NSLDS User ID which requested the information (TG Mailbox number displays at the top of web page)



GE Resources

- Newsletter and GE Rate File Layouts
 - Will be released in April
- New Gainful Employment Operations Manual
 - Will be released on IFAP soon
 - Provides detailed information on Debt Measures and calculations, including backup data
- NSLDS GE User Guide 2012
 - Will be updated as enhancements to the GE Process

occur



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NEW DIRECT LOAN PLUS MPN STATUS



New Direct Loan PLUS MPN Status

- Currently, DL PLUS loans with an endorser have the status of “I” (inactive)
- Beginning with the 2012-2013 year, DL PLUS loans with an endorser will have the MPN status of “E” (inactive/endorsed)

New Direct Loan PLUS MPN Status

Why the Change?

- DL PLUS loans with an “I” share this status with other inactive MPNs. The change in coding allows the school and borrower to clearly understand why the MPN is inactive.



New Direct Loan PLUS MPN Status

Important Reminder

- A DL PLUS loan MPN with an endorser is only valid for the approved disbursements and specific loan period that were requested on the loan application. Therefore, once the approved disbursements have been made, the MPN becomes inactive.

NOT-FOR-PROFIT FEDERAL LOAN SERVICERS



New Not-For-Profit (NFP) Servicers

- Three new not-for-profit federal loan servicers added to the Department of Education
 - MOHELA
 - Edfinancial
 - CornerStone



New Not-For-Profit (NFP) Servicers

Servicer Name	Name on NSLDS	ED Servicer Code	Lender Servicer Code
NFP ED Servicer: MOHELA	DEPT OF ED/MOHELA	500	700500
NFP ED Servicer: ESA - Edfinancial	DEPT OF ED/ESA – EDFINANCIAL	501	700501
NFP ED Servicer: UHEAA - CornerStone	DEPT OF ED/UHEAA – CORNERSTONE	502	700502



New Not-For-Profit (NFP) Servicers

- The new NFP servicers are receiving loans currently in repayment from the ACS portfolio.
- For now, the new NFPs are not receiving new loan originations.



New Not-For-Profit (NFP) Servicers

- Future NFPs (scheduled)
 - April through May
 - Aspire (Iowa Student Loan)
 - Granite State (New Hampshire)
 - EdManage (South Carolina)
 - July
 - OSLA (Oklahoma)
 - Amicus

New codes will be communicated via Electronic Announcement

EXIT COUNSELING REPORT ENHANCEMENTS



Exit Counseling Report Enhancements

- New Loan Exit Counseling Summary scheduled report
 - Sign-up for scheduled report on the NSLDS Professional Access Web site School Profile page on the Org Tab
 - Comma delimited or fixed-width file, or pre-formatted report
 - Daily, weekly, monthly, or quarterly



Exit Counseling Report Enhancements

- Three new loan exit counseling web reports
 - Loan Exit Counseling Summary By Date (**EXTCD1**)
 - Loan Exit Counseling Summary By SSN (**EXTCS1**)
 - Loan Exit Counseling Completion (**EXTC01**)
- Available on the Web Report List under Report Tab



Exit Counseling Report Enhancements

- EXTCD1 and EXTCS1 may be received in three different output methods:
 - Portable Document Format (pdf)
 - Excel spreadsheet (xls)
 - SAIG Mailbox
- EXTC01 available in two output methods:
 - Excel spreadsheet (xls)
 - SAIG Mailbox



ID: [EXTCD1](#) Type: --Select-
Name: LOAN EXIT COUNSEL. SUMMARY BY DATE

Report Parameters

- Select--
- Select--
- PDF
- PDF&SAIG
- SAIG
- XLS
- XLS&SAIG



SCHOOL ID: 002217

SCHOOL BRANCH ID: * 99

FEDERAL LOAN SERVICER ID: *

COMPLETED IN PAST: USE BEG/END DT

BEGINNING DATE: 01/01/0001 MM/DD/CCYY

ENDING DATE: 12/31/2998 MM/DD/CCYY

EXTRACT TYPE: COMMA DELIMITED

Sort By: --Select--

Output Medium: --Select--



ENROLLMENT REPORTING FUTURE ENHANCEMENTS



Enrollment Reporting

- New Student Populations
- New Data and Enhanced Fields
- New File Formats
- Notification File Enhancements
- Enhancements to the Student Access site, www.nslds.ed.gov
- DCL to be published

Enrollment Reporting

- New Student Populations
 - Pell Grant Only Recipients
 - Perkins Loan Recipients
- New Data
 - Term Dates
 - Student Permanent Address
 - Credential Level for students that complete their program



Enrollment Reporting

- Enhanced Fields
 - First and middle name to 35 bytes
 - Anticipated Completion Date required for “Less than Half-time”

Enrollment Reporting

- New File Formats

- New XML Enrollment Reporting schema approved by PESC for batch file submittal
- New Comma Separate Value (CSV) file format for SAIG batch file submittal
- Enhanced the existing fixed-width file for SAIG batch file submittal
- New Excel file template for NSLDS Professional Access Web site online upload



Enrollment Reporting

- New File Formats

- File Layouts will be available on IFAP
- Transition to one of the new layouts must occur no later than March 31, 2013



Enrollment Reporting

- Enrollment Notification File
 - Federal loan servicers
 - Guaranty Agencies
 - Lenders and Lender Servicers (new)
 - School that report Perkins Loans (new)

NSLDS sends certified enrollment data to organizations that need the data to properly service loans.



Enrollment Reporting

- Enhancements to the Student Access Web site, www.nslds.ed.gov
 - Enter or update current mailing address
 - Indicate the school they are currently attending and NSLDS will add to that school's roster



QUESTIONS





Common Origination and Disbursement (COD) System Update

Dan Sullivan

Wendy Jerreld



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Agenda

Grants COD Update

- COD Release 11.0 Grant Update
- Consolidated Appropriations Act Update

Direct Loans COD Update

- COD Release 11.0 Direct Loan Update
- COD Release 11.1 Direct Loan Update

COD Technical Reference Updates





COD Release 11.0 Grant Update

With Release 11.0, the COD System will implement the following functionality on March 9th, 2012:

- New award year setup for 2012-2013
- Addition of an Enrollment School Code tag





COD Release 11.0 Grant Update

Enrollment School Code Tag

Starting with the 2012-2013 Award Year, COD will begin to collect an <EnrollmentSchoolCode> tag for all award programs.

- Provides the physical location of the student for Enrollment Reporting and Delinquency Monitoring purposes
- Collected at the disbursement level
- Will be returned in the Common Record response (including Web and DLOT responses)
- Required value will be 8 digit, valid OPEID





Consolidated Appropriations Act Update

On December 23, 2011, President Obama signed into law the Consolidated Appropriations Act, 2012*.

- To reduce the duration of a student's eligibility to receive a Federal Pell Grant from 18 semesters (or its equivalent – 900%) to 12 semesters (or its equivalent – 600%)
- Applies to **ALL** Federal Pell Grant eligible students effective with the 2012-2013 award year
- Announced on IFAP Publications: Dear Colleague Letter GEN-12-01 and February 17, 2012 Electronic Announcement
 - Additional Pell LEU % information will be provided in future Electronic Announcements on IFAP

*Federal Pell Grant Duration of Eligibility - Public Law 112-74 amended HEA section 401(c)(5)





Consolidated Appropriations Act Update

The duration of a student's eligibility calculation will include ALL years of the student's receipt of Federal Pell Grant funding.

- COD gathers and stores all Pell Grant Student Recipient Historical Archive Data at USED Virtual Data Center (VDC).
 - Data for Award Years 1973-1974 through 1998-1999 are stored at VDC
 - COD stores the 1999-2000 Award Year to the current 2011-2012 Award Year Pell data
- COD includes the current 2011-2012 award year when calculating each Pell Grant Recipient's Lifetime Eligibility Used (LEU) %
 - LEU % will also include any 2012-13 actual Pell disbursements (DRI = true) accepted by COD after April 16, 2012.





Consolidated Appropriations Act Update

New Pell LEU % Report

An interim Pell LEU % Report identifying 2012-2013 Pell Eligible CPS applicants greater than 450% LEU will be available mid-April 2012.

- Each school's report will include only those students who listed that school on their 2012-2013 FAFSA
- CSV format and refreshed weekly in school's Pell newsbox on COD Reporting Website
- Once COD Release 11.1 is implemented on July 6, 2012, the interim Pell LEU % weekly reports will be discontinued





Consolidated Appropriations Act Update

FAFSA Applicant Outreach

In mid-April 2012, COD will begin performing outreach to the impacted 2012-2013 FAFSA applicants.

- COD will send e-mail messages to all 2012-2013 FAFSA applicants who appear to be Pell Grant eligible and who have a Pell LEU % greater than 450%
- Outreach will be repeated weekly until July 2012 for new FAFSA filers and for filers making corrections to their FAFSA information





Consolidated Appropriations Act Update

Pell Lifetime Eligibility Used

In July 2012, schools will be able to access the National Student Loan Data System (NSLDS) to determine a student's Pell Grant Lifetime Eligibility Used (LEU).

- COD will send NSLDS a one time load/file of all Pell Grant Student Recipients LEU % by early July 2012
- Using the LEU from the COD System, the NSLDS will provide LEU information to the CPS
 - Via the pre-screening process and the post-screening process
- Once COD Release 11.1 is implemented (July 6, 2012), COD will begin to include the Pell Grant LEU % on all Pell Grant records sent to the NSLDS





Consolidated Appropriations Act Update

Pell Grant LEU - CPS

In July 2012, the Central Processing System (CPS) will begin reporting Pell Grant LEU information on 2012-2013 ISIRs and Student Aid Reports (SARs).

- To alert schools and applicants who are close to or have exceeded 600% LEU
- To avoid making mid-cycle changes to the ISIR record layout, this information will be reported using comment codes
 - Similar to other past mid-cycle changes





Consolidated Appropriations Act Update

COD Release 11.1 LEU Modifications

With Release 11.1, the COD System will modify the following LEU functionality on July 6th, 2012:

- Current award warning edits 177 and 178 will trigger when a student's LEU % is near or exceeds 600%
 - Warning Edit 177: LEU % is within 450 % to 600 % (% range TBD)
 - Warning Edit 178: LEU % is 600% or greater
- A new COD Pell Web page will be added to the COD Web site
 - To allow a school to view historical Pell Grant student data to determine how the LEU % was calculated





Consolidated Appropriations Act Update

COD Release 11.1 LEU Modifications

COD currently sends back the LEU % in the response block associated to the award on the Common Record Response for 2010-2011 award year and forward.

- No new changes to schema

COD currently provides the LEU % on the following Pell Grant SAIG preformatted reports for 2010-2011 and forward:

- Multiple Reporting Record (MRR) includes POP and concurrent enrollments
- Pell Reconciliation Report
- Pell Year to Date Report





COD Release 11.0 Direct Loan Update

With Release 11.0, the COD System will implement the following functionality on March 9th, 2012:

- New award year setup for 2012-2013
- Addition of an Enrollment School Code tag
- New MPN status code of “E”
- Declined/pending PLUS award maintenance





COD Release 11.0 Direct Loan Update

New MPN Status Code of “E”

When a PLUS Award has linked to an MPN and an Endorser, a new value of “E” will be displayed in the <MPNStatusCode> tag.

- New value of “E” will be included in the COD 3.0e schema
- DL Rebuild will include the status code of “E:”
- COD will return in the Common Record responses
- Starting with the 2012-2013 Award Year and forward
 - Value of ‘I’ will continue to be returned for Award Years 2011-2012 and prior





COD Release 11.0 Direct Loan Update Maintenance to Declined/Pended PLUS Awards

Starting with Release 11.0, the COD System will allow maintenance to Declined/Pended Direct Loan PLUS Awards.

- Maintenance can be performed on COD Web or via batch
- Users can update award, disbursement, and person fields
- The COD System will continue to reject Actual Disbursements for PLUS Awards with decline/pended status
- New credit check will be performed when a maintenance record is submitted for a declined/pended Parent or Grad PLUS award
 - Credit Check will use the borrower person identifier change field values (SSN, DOB, Last Name)





COD April Release Direct Loan Update

Based on the Budget Control Act of 2011, borrowers will no longer be eligible for Upfront Interest Rebates on all Direct Subsidized, Unsubsidized, and PLUS Loans.

- Change will go into effect for Direct Loan awards with the Earliest Disbursement Date (EDD) on or after 7/1/2012
- Disbursements after 7/1/2012 will have zero rebate
 - Schools will be required to send “zero” percent
- COD will be modifying the system to allow the zero rebate to be processed starting the weekend of 04/14/2011.





COD April Release Continued

4/14/2012 COD Processing Changes

- Subsidized and Unsubsidized Awards
 - COD will begin accepting the zero rebate.
 - COD will begin editing for invalid awards.
- PLUS Awards
 - COD will begin accepting the zero rebate
 - Edits to prevent invalid PLUS awards will not be implemented until October 2012
 - COD will be monitoring school submissions for invalid awards and outreach will be completed to have the schools send corrections.





COD Release 11.1 Direct Loan Update

With Release 11.1, the COD System will implement the following functionality on July 6th, 2012:

- In-School Counseling provided on StudentLoans.gov
- End Graduate and Professional Students' Eligibility for Direct Subsidized Loans





COD Release 11.1 Direct Loan Update

In-School Counseling* will be a new piece of functionality provided on StudentLoans.gov.

- New Counseling to be added to StudentLoans.gov
- New value will be sent in the <CounselingType> tag for the completion of In-School Counseling on StudentLoans.gov
 - In-School Counseling value = “Student Loan Counseling”
 - Value will be sent beginning July 8, 2012
- Schools will be defaulted to receive student completed responses On-Demand
 - School will be required to change their preferences in order to receive responses

**The final name to be displayed on StudentLoans.gov for In-School Counseling is still to be determined.*





COD Release 11.1 Direct Loan Update

Based on the Budget Control Act of 2011, Subsidized Loans for Graduate and Professional Students will be discontinued.

- Borrowers will no longer be able to receive Direct Loan Subsidized awards with an Award Begin Date on or after 7/1/2012
 - Applies to all Award Years
- Graduate and Professional students will still be allowed to receive Direct Loan Subsidized awards if the award is still in the valid date range
 - Prior to 7/1/2012
- COD will accept Subsidized Graduate Loans prior to Release 11.1 implementation changes on 7/6/2012
 - Schools will be required to cancel the invalid Subsidized Graduate Loans loans submitted prior to 7/6/2012





COD Technical Reference Updates

Date	Technical Reference Updates
Spring 2012	COD System will begin accepting the new 3.0e schema and post a revised Technical Reference
Summer 2012	Revised Technical Reference will be posted based on Summer and Fall 2012 system modifications
Fall 2012	Technical Reference to be posted including the 3.0f schema





Contact Information

We appreciate your feedback and comments. We can be reached at:

Grants: Dan Sullivan

Phone: (202) 377- 3114

Email: daniel.sullivan@ed.gov

Direct Loans: Wendy Jerreld

Phone: (202) 377- 4135

Email: wendy.jerreld@ed.gov





Contact Information

COD School Relations Center

URL: <http://www.cod.ed.gov>

Email: CODSupport@acs-inc.com

Phone - Grants: (800)474-7268

Phone - Direct Loans: (800)848-0978







Central Processing System (CPS) Update

Marilyn LeBlanc

Director, Application Processing



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Agenda

Consolidated Appropriations Act Update for New Pell Lifetime Eligibility Used (LEU)

- Pre-screening process
- Post-screening process
- Tentative plans for 2013-14

Reject 21 Update

- Reject 21 edit
- Upcoming changes to edit logic





Pell Lifetime Eligibility Used





Consolidated Appropriations Act Update How CPS Will Handle New Pell LEU

- Still a work in progress
- On July 1, when NSLDS has Pell LEU data from COD
 - As part of CPS/NSLDS pre-screening, for all new FAFSA's received, NSLDS will pass a new Pell LEU flag to CPS
 - Pell LEU flag will not be a new ISIR field in 2012-13
 - Will use NSLDS Pell LEU Flag to generate new SAR comments/comment codes if applicant is approaching the Pell LEU maximum





Consolidated Appropriations Act Update How CPS Will Handle New Pell LEU

- SAR comments will be generated for the following conditions –
 - Applicant's Pell LEU equals or exceeds maximum (i.e., the LEU is equal to or greater than 600%)
 - Applicant's Pell LEU limits Pell eligibility for 2012-13 (i.e., the LEU is greater than 500%, but less than 600%)
 - Applicant's Pell LEU is high (i.e., the LEU is greater than 450%, but less than or equal to 500%)





Consolidated Appropriations Act Update How CPS Will Handle New Pell LEU

- Comment codes will be included on ISIRs
- Comments will be generated on SARs
- Certain Pell LEU's will likely result in SAR 'C' Code being set on ISIR and SAR





Consolidated Appropriations Act Update How CPS Will Handle New Pell LEU

- Post-screening will be conducted on applications received before July 1
- Three new Post-screening Reason Codes will be added to the NSLDS post-screening process (for same conditions as those used in pre-screening)
- The new Post-screening Reason Codes will be on the ISIR; values still TBD





Consolidated Appropriations Act Update How CPS Will Handle New Pell LEU

- Process will work similarly to pre-screening
 - CPS will use the new post-screening codes to system generate transactions with new comment codes
 - Comment codes will be included on ISIRs
 - Comments will be generated on SARs
 - Certain Pell LEU's will likely result in SAR 'C' Code being set on ISIR and SAR





Consolidated Appropriations Act Update

How CPS Will Handle New Pell LEU

- Currently reviewing changes for 2013-14 application processing year, which will likely include –
 - A new field on the ISIR that provides the amount of Pell LEU, at that particular point in time
 - Comment codes/text for applicants, much like we are using in 2012-13
 - SAR 'C' Code for applicants with LEU's above a certain percentage





Reject 21 Update





2012-13 CPS Processing: Reject 21 Update

- Regulation change allows a financial aid administrator the discretion to require an applicant to update his/her marital status after a FAFSA has been filed
 - If it results in a change in the applicant's dependency status
 - If the institution determines the update is necessary to address an inequity, or
 - To reflect more accurately the applicant's ability to pay





2012-13 CPS Processing: Reject 21 Update

- Starting in 2012-13, applicants can use *FAFSA on the Web* to update their marital status after submission of the FAFSA
 - An EFC will not be calculated
 - Reject 21 will be set, which the applicant cannot override
 - Only an FAA can override the reject





2012-13 CPS Processing: Reject 21 Update

- Current logic does not properly reject students who –
 - Correct marital status date to a month and year that is the same month as when the correction is being made, or
 - Is the same month as the month the application was initially filed.
- In process of updating Edit 4039 for Reject 21





2012-13 CPS Processing: Reject 21 Update

- In March 2012 –
 - We will begin setting Reject Reason 21 if applicant's marital status date is corrected to date that is greater **or equal to** the application receipt date and less than **or equal to** the transaction receipt date
- We will update the Software Developer Specs, the CPS Test System, and Demo data files





Contact Information

We appreciate your feedback and comments. I can be reached at:

Marilyn LeBlanc

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Email: marilyn.leblanc@ed.gov







Two Factor Authentication & PII Security Updates

March 9, 2012

Steven Burke & Cheng Tang



START HERE
GO FURTHER
FEDERAL STUDENT AID



Two-Factor Authentication – Overview

To comply with the White House through the United States Office of Management and Budget (OMB) mandate, Memorandum M07-16 attachment 1, and as part of our ongoing efforts to ensure the security of Federal Student Aid data systems, the U.S. Department of Education, is required to implement a security protocol through which all authorized users will enter two forms of “authentication” to access Federal Student Aid systems via the Internet.

This process is referred to as Two Factor Authentication (TFA).





Two-Factor Authentication – Overview

Scope:

- Provide safe and secure access to FSA network services
- Primary systems impacted across the enterprise.
 - NLSDS, CPS, COD, AIMS, PM, FMS, SAIG and CLAARP
- This project encompasses approximately 96K users
 - FSA employees, Dept. of ED employees
 - Partners
 - Postsecondary Schools Destination Point Administrators (DPA)
 - Guaranty Agencies
 - Servicers/PCA's/NFPs
 - Call Centers
 - Developers/Contractors and Sub-Contractors
- TFA project is focused on privileged users
 - A privileged user is anyone who can see more than just their own personal data





What is Two-Factor Authentication?

Something that you know is the First Factor:

User ID and Password

Something that you have is the Second Factor:

Token with a One Time Password

- The One Time Password (OTP) will be generated by a small electronic device, known as the TFA Token, that is in the physical possession of the user
- To generate the OTP, a user will press the “power” button on the front of the token
- A different OTP will be generated each time the button is pressed
- *Alternative Methods of obtaining OTP without TFA Token:*
 - A) Answer 3 Challenge Questions online
 - B) Have the OTP sent to your Smart Phone





Two-Factor Authentication – Overview

Key Deliverables:

- Phase 1 To ensure the successful deployment of two-factor tokens for FSA – Citrix users 1,300 completed 5/1/2011

- Phase 2 To ensure the successful deployment of two-factor tokens for Dept. of ED Staff, approximately 5,200 users. As of 7/1/2011, FSA Contractors have been added for TFA. In production as of 10/28/2011

- Phase 3 International users, Foreign Schools (FS) and Domestic Schools, when logging into FSA systems across 35 countries completed 12/31/2011

Domestic users, to ensure the successful deployment of two-factor tokens for users when logging into FSA systems: 88,600 users by 9/30/2012

- Phase 4 Guaranty Agencies, TIVAS, Third Party Servicers, Not-for-Profit, Payment Collection Agencies, and VPN users connecting through VDC



Systems Enabled

- CPS FAA Web Access 4/2011
- NSLDS 12/18/2011
- COD TFA enabled on 1/28/12
 - All users who visit the COD Web site see information and links about token registration and token maintenance on both the COD home page and the COD log-in page
- Ombudsman (OCTS) AIMS and TFA integration completed on schedule 2/12/12
- PM release on 2/12/12 included AIMS web service and enrollment module for DPAs to enroll local users; 460 new EDconnect users enrolled since release
- EDconnect/SAIG
 - EDconnect v8.0 software available to download on 3/5/12; enables TFA when software is installed; removes local user access

TFA Token Distribution Enabled

Phase 3 – Postsecondary Schools

- **Foreign Schools**
 - Total population: 372 schools in 35 countries
 - Attested: 345 schools with 624 confirmed users
 - Tokens distributed, TFA enabled as of March 3, 2012
- **Domestic Schools**
 - Working through Primary DPAs and COD Security Administrators for attestation and token distribution
 - Tokens distributed in 9 groups by state
 - Attestation and distribution occurs from February – November 2012

Phase 4 – Financial Partners and VDC VPN Users

- Extends TFA to financial organizations accessing FSA systems: Guaranty Agencies, Third Party Servicers, Title IV Additional Servicers, Not for Profits and Payment Collection Agencies
- Extend TFA to VPN users connecting to FSA systems through the Virtual Data Center (VDC)
- Tokens distributed through FSA contracting officers and financial partner points of contact



TFA Deployment Schedule by State

Group	State	Primary DPA	Total	Estimated Completion Date	Group	State	Primary DPA	Total	Estimated Completion Date	Group	State	Primary DPA	Total	Estimated Completion Date
1	DC	25	157	2/27/2012	5	AK	12	63	6/29/2012	8	AL	78	659	10/12/2012
	DE	17	108			ID	25	153			AS	2	6	
	MD	83	627			MN	106	1,033			FC	1	1	
	VA	128	1,431			ND	28	100			FM	1	10	
	WV	70	299			OK	100	578			GU	2	11	
2	NC	151	1,062	3/16/2012		OR	64	489			HI	23	113	
	NJ	118	820			SD	29	343			MA	157	1,063	
	NY	397	2,636			TX	279	2,981			ME	37	146	
	SC	76	636			AR	69	370	8/3/2012		MH	1	3	
3	KY	79	604	4/20/2012		6	CO	85	1,280			MP	1	1
	MI	140	1,085		GA		152	3,007		MS	59	400		
	NE	44	398		KS		70	457		TN	140	949		
	NH	37	213		MO		145	1,008		MT	31	173	11/16/2012	
	OH	234	1,520		7	AZ	74	1,685	9/7/2012	NM	33	298		
	PA	286	2,512			CT	76	424		NV	20	241		
	RI	18	144			IA	77	1,073		PR	117	737		
	VT	28	139			IL	225	2,291		PW	1	1		
4	CA	526	4,794	5/25/2012	IN	91	1,083		UT	50	512			
	FL	254	3,361		LA	88	602		WA	103	750			
										9	WI	89	678	
											WY	11	80	



Communication Plan/Customer Touch Points

	September 2011	October 2011	November 2011	December 2011	January 2012	Feb. 2012 – Dec. 2012
New System Enabled	CPS/FAA 4/20/11			NSLDS 12/18/11	COD 1/28/12	Ombudsman 2/12/12
						EDconnect/SAIG 3/4/12
Communication Vehicles	IFAP Posting (7) Targeted Emails (CPS FAA ACCESS)	IFAP Posting (7) Targeted Emails (CPS FAA ACCESS)	IFAP Posting (7) Targeted Emails (CPS FAA ACCESS)	IFAP Posting (6) Targeted Emails (CPS/NSLDS)	IFAP Posting (5) Targeted Emails (CPS/NSLDS/COD)	IFAP Posting (5) Targeted Emails (All Systems)
	Attestation Email	Attestation Email	Attestation Email	Attestation Email	Attestation Email	Attestation Email
	Registration Email	Registration Email	Registration Email	Registration Email	Registration Email	Registration Email
	Follow up Email for Attestation	Follow up Email for Attestation	Follow up Email for Attestation	Follow up Email for Attestation	Follow up Email for Attestation	Follow up Email for Attestation
	Update Email (NSLDS) 12/20/2011	Update Email (NSLDS) 12/20/2011	Update Email (NSLDS) 12/20/2011	Update Email (COD) 1/28/12	Update Email (Ombudsman / SAIG enrollment) 02/12/2012	Update Email (Ombudsman / SAIG enrollment) 02/12/2012
	Update Email (COD) 1/28/12	Update Email (COD) 1/28/12	Update Email (COD) 1/28/12	Update Email (Ombudsman / SAIG enrollment) 02/12/2012	Update Email (EDconnect/SAIG) 3/4/2012	Update Email (EDconnect/SAIG) 3/4/2012
	Update Email (Ombudsman / SAIG enrollment) 2/12/2012	Update Email (Ombudsman / SAIG enrollment) 2/12/2012	Update Email (Ombudsman / SAIG enrollment) 2/12/2012	Update Email (EDconnect/SAIG) 3/4/2012		
	Update Email (EDconnect/SAIG) 3/4/2012	Update Email (EDconnect/SAIG) 3/4/2012	Update Email (EDconnect/SAIG) 3/4/2012			
Tokens Distributed	By Group	1,529 Group (0) *				2,622 Group (1) 5,154 Group (2)
	Cumulative	1,529	1,529	1,529	1,529	9,305**

* Revised from initial estimate of 1,892

** Tokens completed by 3/16/2012





Support Contacts for External Customers (Postsecondary Schools and Financial Partners)

Central Processing System – Financial Aid Administrators (CPS-FAA)

Student Aid Internet Gateway (SAIG)

Phone: 1-800-330-5947 / TTY 1-800-511-5806

Email: CPSSAIG@ed.gov

Website: FAA Access CPS Online

(<https://faaaccess.ed.gov/FOTWebApp/faa/faa.jsp>)

National Student Loan Data System (NSLDS)

Phone: 1-800-999-8219

Email: nslds@ed.gov

Website:

Common Origination and Disbursement (COD)

Phone: COD School Relations Center 1-800-474-7268
(for Grants)

Phone: COD Direct Loans 1-800-848-0978

Email: CODSupport@acs-inc.com

Employee Enterprise Business Collaboration (EEBC)

Support Hours: Monday-Friday, 8 AM – 5 PM

Phone: 1-866-441-6633

Email: eebcservicerequest@ed.gov

eCampus-Based (eCB)

Support Hours: Monday-Friday, 8 AM – 8 PM

Phone: 1-877-801-7168

Email: cbfob@ed.gov

Email: secarch@ed.gov

Website: The eCampus-Based System

(<https://cbfisap.ed.gov/ecb/CBSWebApp/welcome.jsp>)

electronic Cohort Default Rate Appeals (eCDR Appeals)

Mainly from the email request from FSA SSO Donna Bellflower
(Donna.Bellflower@ed.gov)

Email: secarch@ed.gov

Website: eCDR Appeals System

(<https://ecdrappeals.ed.gov/ecdra/index.html>)

TFA Questions : For general questions about TFA

Email: TFA_Communications@ed.gov





Scope:

- Ensure secure access to PII and respond to breaches**
- Primary systems impacted across the enterprise.
 - NLSDS, CPS, COD, AIMS, PM, FMS, SAIG and CLAARP
 - PIN & PIN enabled systems**
- Population protection: TFA's 96K users + 13 million borrowers
 - FSA employees, Dept. of ED employees
 - Partners
 - Postsecondary Schools Destination Point Administrators (DPA)
 - Guaranty Agencies
 - Servicers/PCA's/NFPs
 - Call Centers
 - Developers/Contractors and Sub-Contractors
 - Borrowers**
- TFA project is focused on **ALL** users





What is PII?

OMB M-07-16: Safeguarding Against and Responding to Breach of PII:

Information which can be used to distinguish or trace an individual's identity, such as their name, social security number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.





Keylogger Security Program & Status

- UP AND RUNNING with 100% compromises covered in 2011
- Program Process Highlights:
 - Identify Compromise
 - Secure system(s) + Notify end user
 - Work to clean system and re-establish end user





Keylogger Procedures

- ❑ Compromised accounts are grouped by information system and the Security Officer (SOS) for each system is identified
- ❑ SOS are emailed directly with a list of the compromised accounts. This email includes detailed instructions that the SOS must follow.
- ❑ SO immediately requests deactivation of the user account
- ❑ Deactivation is required to take place within **1 business day**
- ❑ The SO notifies the end-user and provides instructions for reinstatement
- ❑ Run both antimalware and antivirus scans
- ❑ Providing evidence that these scans have been completed
- ❑ The SO will review user activity audit logs for suspicious activity.
- ❑ The audit logs shall be reviewed for:
 1. Unusual or multiple logon IP addresses
 2. Unusual logon times or dates
 3. Unusual account activity



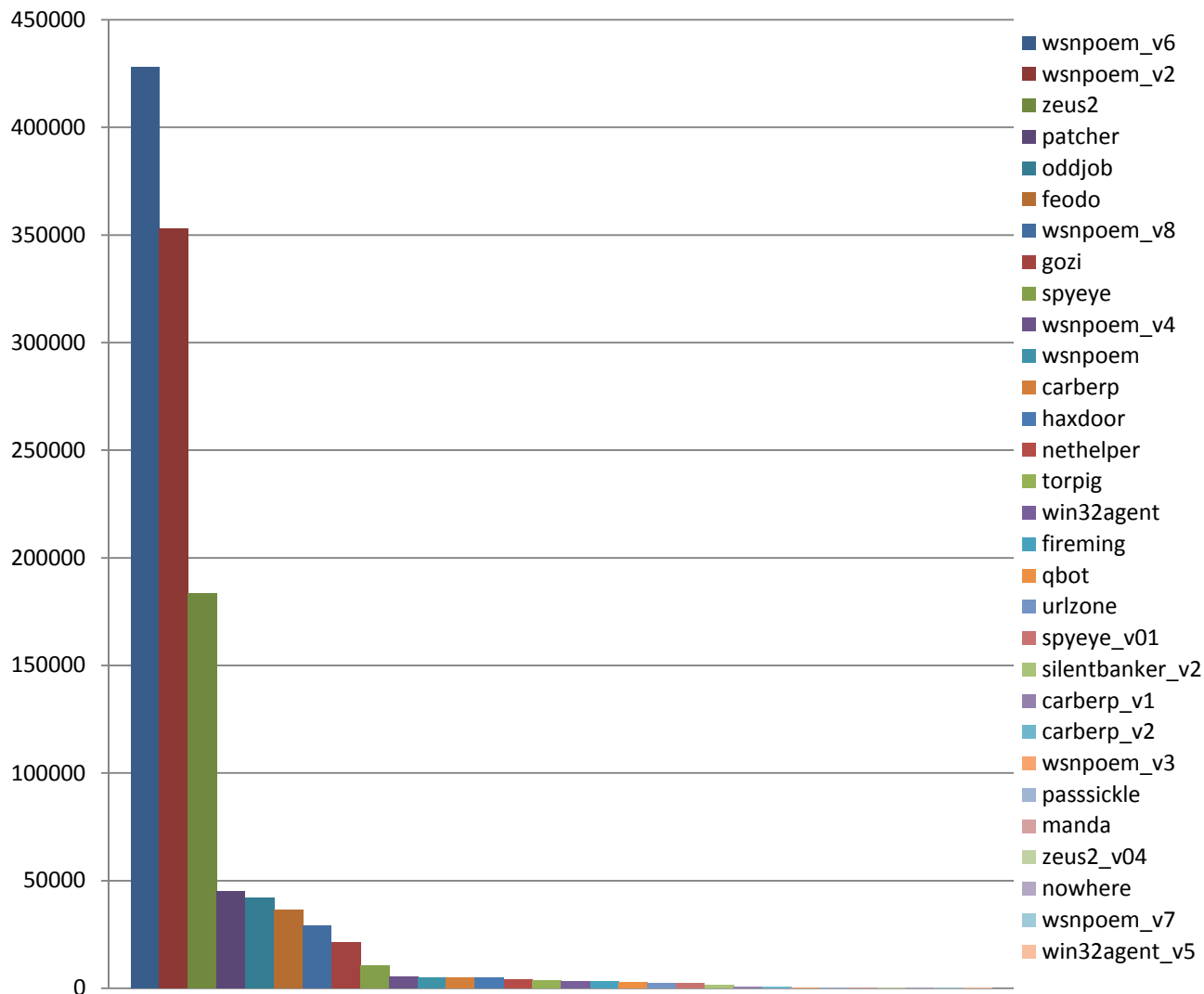


Keylogger Security

Number of Compromises by Variant Type Since 2008

*This chart shows all instances of spyware identified by FSA from 9/2008-1/2012.

*Duplicate user IDs or SSNs are not removed from this count.





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