

Master Promissory Note Print Specifications

The Master Promissory Note (MPN) will have a unique MPN Identification Number (MPN ID). The loan type code field will be replaced with an “M” instead of “S” or “U.” No dollar amount is printed on the MPN and one note can be used for subsidized and unsubsidized loans.

The following are the specifications for printing the variable data on the MPN.

Note: Fields listed below correspond to numbered data elements on the preprinted paper MPN.

Section A: To Be Completed By The Borrower (Print this label on line 1 in italics.)			
Form Label/Position	Label Line #	Field Name	Print Instructions
1. Driver's License State and Number	2	Student Borrower's Driver's License State and Number	From left to right, print Student Borrower's Driver's License State and Number separating them by a dash on line 3.
2. Social Security No.	2	Student Borrower's SSN	Print the Student Borrower's SSN in 999-99-9999 format on line 4.
3. E-mail address	4	Student Borrower's Current E-mail Address	From left to right, print the Student Borrower's E-mail address on line 5.
4. Name and Address (street, city, state, zip code)	6	Student Borrower's Last Name, First Name, Middle Initial	From left to right, print the Student Borrower's Last Name, First Name, and Middle Initial. Print a comma and space following the Last Name and a space after the First Name. Following the Middle Initial, print the label: <- Last, First, M.I.
4. Name and Address (continued)		Student Borrower's Permanent Address OR Student's Local Address	From left to right, print the Student Borrower's Street Address on line 9.
4. Name and Address (continued)		Student Borrower's Permanent City, State, and Zip Code OR Student Borrower's Local City, State, and Zip Code	From left to right, print the Student Borrower's City, Mailing State, and ZIP Code on line 10. Separate each field with a space and follow city with a comma.

Master Promissory Note Print Specifications (Continued)

Section A, continued			
Form Label/Position	Label Line #	Field Name	Print Instructions
5. Date of Birth	7	Borrower's Date of Birth	Print in MM/DD/YYYY format on line 7.
6. Area Code/Telephone No.	8	Student Borrower's Permanent Telephone Number	Print in (999) 999-9999 format on line 9.

Section B: To Be Completed By The School (Print this label on line 26 in italics.)			
Form Label/Position	Label Line #	Field Name	Print Instructions
9. School Name and Address	27	School Name	From left to right, print the School Name associated with the DL school code on the record on line 28.
9. School Name and Address (continued)		School Address	From left to right, print the School's Street Address associated with the DL school code on line 29.
9. School Name and Address (continued)		School's City, State, and Zip code	From left to right, print the School's City, State, and Zip Code on line 30. Separate each field with a space and follow city with a comma.
10. School Code/Branch	27 28	Direct Loan School Code	Print the Direct Loan School Code on the Loan Record on line 29.
11. Identification No.	27	Master Promissory Note identification number, use 21 character Loan ID of one of the loans associated with this Master Promissory Note with loan type code field of the Loan ID replaced with "M" instead of "S" or "U."	Print in 999999999-M-99-99999-9-99 format on line 30.

Printing the PLUS Loan Application and Promissory Note

The Federal Direct PLUS Loan Application and Promissory Note requests demographic information from the parent borrower, as well as references for the collection cycle. It also includes a request for information from the student and school.

Once a loan origination record is established, a school may either print a Federal Direct PLUS Application and Promissory Note with the pre-supplied information or provide the borrower or student with a blank form. The parent borrower and the student review, complete, and sign the application.

Processing PLUS Loan Applications and Promissory Notes

As you receive completed Direct PLUS Loan Application and Promissory Notes from your students or parents, enter the application data into the Direct Loan System and continue with the process explained above.

The Department provides copies of a standard, approved Federal Direct PLUS Loan Application and Promissory Note to participating schools. A copy can be found in the Appendix. However, the school may create their own form as long as it is identical in format and wording to the one provided by the Department. The form must be approved by the ~~Department's Direct Loan Operations~~ **LOC. A packet for format and wording is available by contacting the LOC at 800/848-0978.**

When printing the Direct PLUS Loan Application and Promissory Note, we recommend the use of Courier, 10 point, 12 pitch. Other settings may cause delays in the processing of the school's notes.

A minimum of two copies must be printed, one as the borrower copy and one as the LOC copy. Additional copies can be printed, if desired, as school copies.

When mailing the PLUS Loan Application and Promissory Note, we recommend the use of a #10 business window envelope.

Use the following specifications to develop your own printing system. The specifications are similar to those used to develop the EDEXpress Direct Loan Software.

Direct PLUS Loan Application and Promissory Note Print Specifications

The following are the specifications for printing the variable data on the PLUS Application/Promissory Note. If specific data is not present, then leave field blank.

Note: Fields listed below correspond to numbered data elements on the paper PLUS Promissory Note.

Section A: To Be Completed By Borrower (Print this label on line 1 in italics.)			
Form Label/Position	Line #	Field Name	Print Instructions
1. Identification No.	2	Loan ID	Print Loan ID of P type Loan record in 999999999-X-99-X99999-9-99 format on line 4.
1. Identification No. (continued)	2	Promissory Note Print Sequence #	Print Promissory Note Sequence # of P type Loan record in 99 format on line 4.
2. Social Security No.	2	Borrower's Current SSN	Print the Borrower's SSN in 999-99-9999 format on line 4.
3. Loan Amt. Requested	2	Loan Amount Requested	Print in \$99999 format on line 4.
4. Date of Birth	6	Borrower's Date of Birth	Print in MM/DD/YYYY format on line 6.
5. U.S. Citizenship Status (Check One) 1 <input type="checkbox"/> U.S. Citizen or national 2 <input type="checkbox"/> Permanent resident / other eligible alien If 2, Alien Registration No.	6 7 8 9	Citizenship Status and Alien Registration Number	If 1, print X on line 7 in the left []. If 2, print X in on line 8 in the [], and print Alien Registration Number on line 9 following the label A999999999 format. If 3, print X on line 7 in the right []. However, in this case a Promissory Note should not be printed.

**Direct PLUS Loan Application and
Promissory Note Print Specifications (Continued)**

Section A, continued			
Form Label/Position	Line #	Field Name	Print Instructions
6. Name and Address (last, first, middle initial) (street), (city, state, zip code)	7 8 9	Borrower's Last Name, First Name, Middle Initial	From left to right, print the Borrower's Last Name, First Name, and Middle Initial on line 10 . Print a comma and space following Last Name, and a space after First Name.
6. Name and Address (continued)		Borrower's Permanent Address OR Student's Local Address	From left to right, print the Borrower's Street Address on line 11 .
6. Name and Address (continued)		Borrower's Permanent City, State, and Zip Code Or Borrower's Local City, State, and Zip Code	From left to right, print the Borrower's City, Mailing State, and ZIP Code on line 12 . Separate each field with a space and follow city with a comma. Left justify within each field.
7. Driver's License (State-No.)	10	Borrower's Driver's License State and Number	Print Borrower's Driver's License State and Number separating them by a dash on line 11 .
8. Area Code/Telephone No.	12	Borrower's Permanent Telephone Number	Print in (999) 999-9999 format on line 13 .
9. Loan Period (MMDDYYYY to MMDDYYYY)	14	Loan Period Start Date and Loan Period End Date	Print Loan Period Start and End Dates separated by two spaces in MM/DD/YYYY format on line 15 .

**Direct PLUS Loan Application and
Promissory Note Print Specifications (Continued)**

Section B: To Be Completed By School (Print this label on line 16 in italics.)			
Form Label/Position	Line#	Field Name	Print Instructions
10. School Name and Address	17	School Name	Print the School Name associated with the DL school code on the record on line 18.
10. School Name and Address (continued)		School's Street Address	From left to right, print the School's Street Address associated with the DL school code on line 19.
10. School Name and Address (continued)		School's City, State, and Zip Code	From left to right, print the School's City, State, and Zip Code on line 20. Separate each field with a space and follow city with a comma.
11. Loan Period	17	Loan Period Start Date and Loan Period End Date	Print Loan Period Start and End Dates separated by two spaces in MM/DD/YYYY format on line 18.
12. School Code/Branch	19	Direct Loan School Code	Print the DL school code on line 19.
13. Certified Loan Amount	20	Loan Amount Approved	Print in \$99999 format on line 20.

**Direct PLUS Loan Application and
Promissory Note Print Specifications (Continued)**

Section B, continued			
Form Label/Position	Line #	Field Name	Print Instructions
14. Anticipated Disbursement Date(s) (MMDDYYYY) 1st	22 23	1 st Anticipated Disbursement Date	Print 1 st Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank on line 23 .
14. Anticipated Disbursement Date(s) (MMDDYYYY) 2nd	22 23	2 nd Anticipated Disbursement Date	Print 2 nd Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank on line 23 .
14. Anticipated Disbursement Date(s) (MMDDYYYY) 3rd	22 23	3 rd Anticipated Disbursement Date	Print 3 rd Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank on line 23 .
14. Anticipated Disbursement Date(s) (MMDDYYYY) 4th	22 23	4 th Anticipated Disbursement Date	Print 4 th Anticipated Disbursement Date in MM/DD/YYYY format if disbursement cancellation code is blank on line 23 .

Section C: To Be Completed By Student (Print this label on line 24 in italics.)			
Form Label/Position	Line #	Field Name	Print Instructions
15. Name (last, first, middle initial)	25	Student's Last Name, First Name, and Middle Initial	From left to right, print the Student's Last Name, First Name, and Middle Initial on line 26 . Print a comma and space following Last Name, and a space after First Name.
16. Social Security No.	25	Student's Current SSN	Print in 999-99-9999 format on line 22 .

Direct PLUS Loan Application and Promissory Note Print Specifications (Continued)

Section C, continued			
Form Label/Position	Line #	Field Name	Print Instructions
17. U.S. Citizenship Status (Check One) 1 <input type="checkbox"/> U.S. Citizen or national 3 <input type="checkbox"/> Neither 1 nor 2 2 <input type="checkbox"/> Permanent resident / other eligible alien If 2, Alien Registration No.	27 28 29 30	Student's Citizenship Status/Alien Registration Number	If 1, print X on line 28 in the left []. If 2, print X in on line 29 in the [], and print Alien Registration Number on line 30 following the label A999999999 format. If 3, print X on line 28 in the right []. However, in this case a Promissory Note should not be printed.
18. Date of Birth	28	Student's Date of Birth	Print in MM/DD/YYYY format on line 29 .

Promissory Note Paper Manifests

Creating Promissory Note Paper Manifests

All promissory notes must be mailed to the LOC and accepted before the loan is “booked.” The hard copy promissory notes must be accompanied by a paper manifest that lists the borrower’s name and Identification number for each promissory note in the shipment. Also the paper manifest provides a certification to be signed by an official at the school.

Master Promissory Notes and PLUS Promissory Notes must be batched separately and a separate paper manifest created for each. Additionally, separate batches (manifests) must be created for each DL school code. The format for the Master Promissory Note paper manifest and the PLUS paper manifest are provided in the Appendix.

Software developers must adhere to these formats. Additionally, the following guidelines must be followed:

- The Report Date (in MM/DD/YYYY format) and the Report Time (in HH:MM:SS format) indicate when the manifest was produced.
- A page number starting with 1, incremented by 1, for each subsequent page printed

Records are printed in last name, alphabetical order, or in ID numerical order. The borrower’s name is printed in last name, first name, and middle initial order. The ID number associated with the borrower’s name is printed.

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.

The certification statement, DL school code, school name, signature block, and FAA name (Financial Aid Administrator) are only printed on the last page.

Receiving Promissory Note Acknowledgments

The electronic manifest has been eliminated. However, the LOC will continue to return an electronic file (DIPA01OP) containing the acknowledgment of all promissory notes. All notes, the Master Promissory Note and the PLUS, are returned with the DIPA01OP message class. Unlike other batch types, batch integrity is not maintained by the LOC for promissory notes. Acknowledgments will not match one to one with paper manifests sent by the school. If the LOC rejects a promissory note, a pending status is returned in the acknowledgment. Notes that are subsequently accepted are returned on a subsequent promissory note acknowledgment.

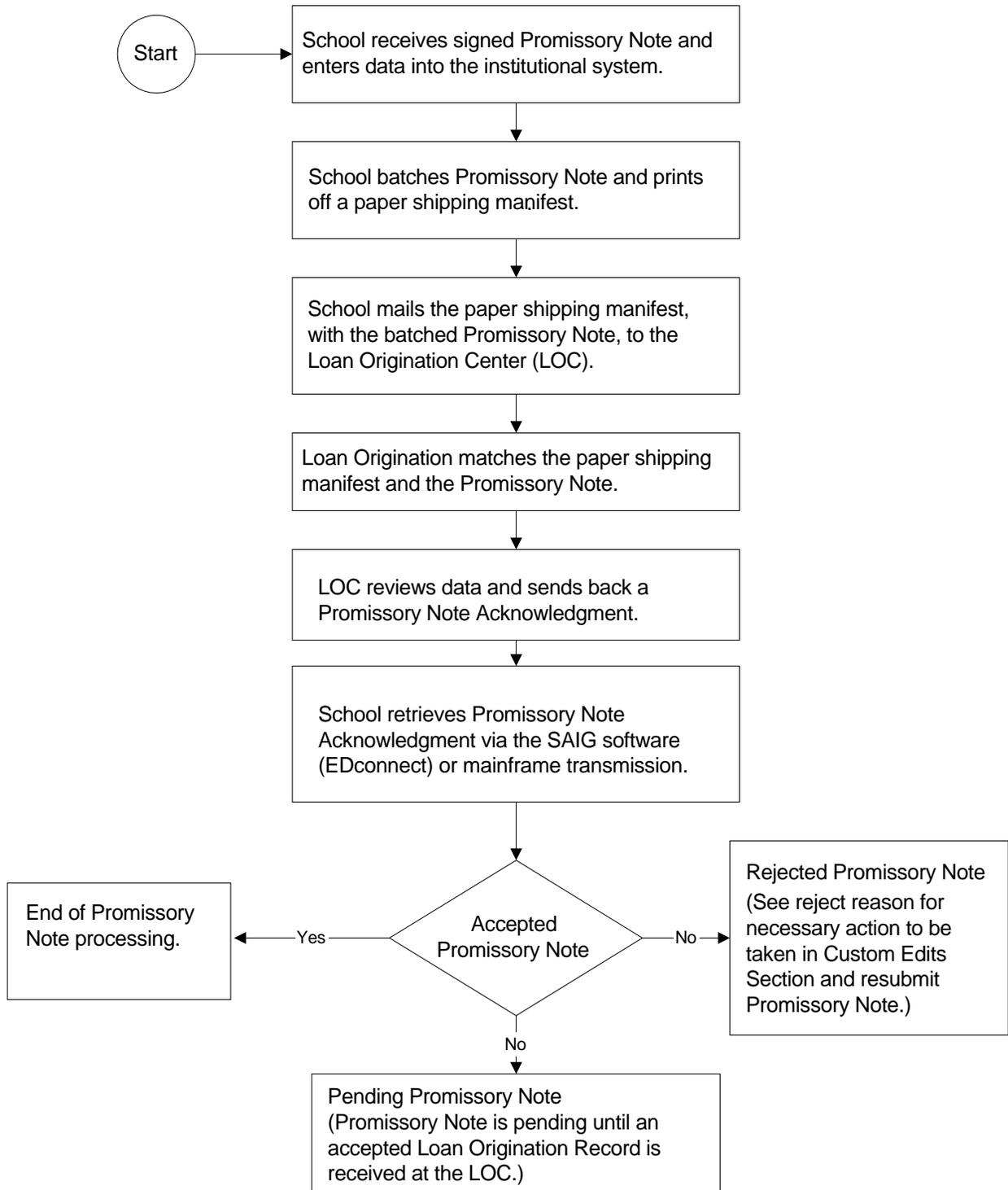
The DIPA01OP file contains a code in field 4 (Promissory Note Status) that returns one of three values: A (Accepted), R (Rejected), or X (Pending). The three categories of reason codes are associated with the actions the school is required to take to resolve the rejected notes.

Promissory Note Rejects

These codes indicate why the promissory note was rejected. A new promissory note must be printed with corrected data. The note must be resubmitted to the LOC and included in a subsequent batch.

Promissory Note Reject codes are mainly handled through a manual process. However, there are two electronic error codes that are received, error code "01" and "S". Once the Promissory Notes are received in the mailroom, they are manually inspected for missing or incorrect information. A generic checklist is used. If it is determined that there are errors or that information is missing, then the checklist will be marked in the appropriate blank for the error and returned to the school or borrower (Standard Option schools). A copy of the Checklist is included in the appendix.

Promissory Note Process



Promissory Note Anticipated Disbursement Values

Promissory note anticipated disbursement values (DIPA01OP, Fields 6–25) are returned to **all** schools. When a borrower adjusts the Loan Amount Requested on the paper promissory note (PLUS) and returns the note to the LOC, the LOC will recalculate the anticipated disbursements. If amounts are unchanged, these fields are returned with the amounts indicated in the Loan Origination Record.

Option 2 and Option 1 schools **may** recalculate and store amounts changed on the promissory note before submitting the note to the LOC.

Funds Drawdown

Tracking Cash and Receipt of Cash

Note: See Custom Overview Section for definitions of school Options 1, 2, and Standard.

Tracking Cash

Schools must maintain an accurate cash balance record by tracking fund drawdowns and return of excess cash transactions. A Receipt of Cash transaction is a result of Direct Loan funds being transferred to the schools' account from the Grants Administration Payment System (GAPS). An Excess Cash transaction is a result of funds being returned to the LOC as directed by cash management regulations. Each transaction should be stored as a unique record. Multiple transactions should not be considered in the aggregate.

Receipt of Cash

As the funds are received, the school needs to track the receipts of cash. The school must create one cash receipt record for each drawdown received from the GAPS and must assign a year indicator. Cash receipts (drawdown) cannot be combined even if received on the same day.

Return of Excess Cash (Return of Undisbursed Drawdown Funds)

A school must return undisbursed drawdown funds to the Department. The school can either return undisbursed funds by check to the LOC or transmit funds by wire through the Federal Reserve Bank. The school must also assign a year indicator. The school must create one return of excess cash record for each check or wire transfer returned. Return of excess cash transactions can be combined if returned on the same day.

Note: For more details on Tracking Cash, Receipt of Cash, and Return of Excess Cash see the Direct Loan School Guide and the appropriate Direct Loan Bulletins.

Disbursement

For Option 2, Level 1 schools, once the school has acknowledgment that a completed and signed promissory note is on file, and the borrower meets eligibility requirements, the school can make a loan disbursement to the student or parent (either by check or by crediting the student's account). However, for Option 1, Level 2 and Standard Options schools there must be an accepted promissory note on file at the LOC.

Schools will submit a file (DESD01IN) containing disbursement activity by Loan ID. Each actual disbursement transaction is considered by the LOC to be a unique transaction and is treated as such for reconciliation purposes. For example, once a disbursement has been submitted to the LOC, any modification to the disbursement amount would require another disbursement record. Schools should store each transaction submitted to the LOC on their databases.

The LOC edits the information against the loan origination record data stored on its system. See the Disbursement Reject Codes table in this guide for a list of LOC edits.

The LOC returns an acknowledgment (DIOD01OP) to the school indicating whether or not each disbursement record has been accepted. This acknowledgment is the same record layout as the disbursement export file. The school may receive a record from the LOC indicating the disbursement record has been rejected. The school needs to resolve the reject and retransmit it to the LOC.

The cancellation process has been replaced by a process of adjusting individual disbursements and/or Loan Amount Approved to zero. This provides the schools more flexibility by simply recording and sending the LOC an upward adjustment if the loan or disbursement is to be re-activated. There is no longer the record type C = Canceled Disbursement (Actual). Instead disbursements will be adjusted to \$0.

In addition, disbursement type “Q”, Adjusted Disbursement Date, is available for making adjustments to the actual disbursement date. The “Q” transaction can only be used after the school has sent an actual disbursement and received the disbursement acknowledgment from the LOC.

Disbursement record types L and M have been added to assist you in determining when a disbursement activity has booked at the LOC. This record type is returned to you in the #B batch.

In addition, record type “P” has been added to indicate refunds (payments received up to 120 days from disbursement) received from the borrower at Servicing. If the borrower makes a payment to Servicing, this is indicated by a negative amount. If there is a reversal of the payment, this is indicated by a positive amount. This record type is returned to you in the SP batch.

Disbursement Record Types

The six kinds of Disbursement Records are:

- Disbursement = record type D (#H)
- Adjusted Disbursement Amount = record type A (#H)
- Adjusted Disbursement Date = record type Q (#H)
- Booking Disbursement = record type L (#B)
- Booking Adjustment = record type M (#B)
- Servicer Refund = record type P (SP)

A Disbursement record contains data for the initial disbursement for a given disbursement number.

An Adjusted Disbursement Amount record is transmitted to the LOC when the amount of a disbursement needs to be increased or decreased. This includes disbursements being adjusted to zero. Refer to the DL School Guide and appropriate DL Bulletins for further information

An Adjusted Disbursement Date record is transmitted to the LOC when the date of an original disbursement needs to be changed.

A Booking Disbursement notification is transmitted to the school when the disbursement books at the LOC.

A Booking Adjustment notification is transmitted to the school when the adjustment amount books at the LOC.

A Servicer Refund Transaction is transmitted to the school when the LOC receives notification from Servicing that a refund has been sent to Servicing by the borrower.

Process Loan and Disbursement Adjustments to \$0 (Making a Loan Inactive)

To adjust an entire loan to \$0 (**making a loan inactive**) you must:

- Adjust any actual disbursements to \$0.
- Send a Loan Origination Change Record adjusting the anticipated disbursements and the Loan Amount Approved to \$0.

All activity can be generated and transmitted on the same day.

Adjustments to \$0 occur for a variety of reasons.

- If the student or parent no longer wants, or is entitled to, the entire loan or a specific loan disbursement.
- If the student is not attending school.
- If the student or parent decides not to borrow after a loan has been originated.
- If the money is returned within 120 days of actual disbursement date.
- If the school needs to change the Loan Origination Fee. (See the Implementation Guide for procedures.)

When an entire loan is adjusted to \$0 and actual disbursement(s) have already been made, all principal and fees are eliminated as if they were never committed. Likewise, when a disbursement is adjusted to \$0, the principal and fees for that disbursement are eliminated. If you adjust an individual disbursement to \$0, that change is sent as a disbursement record.

Adjusting a loan to \$0 to change the Loan Origination Fee (2 step process)

- Adjust any actual disbursement to \$0. Send a Loan Origination Change Record adjusting the anticipated disbursements and the Loan Amount Approved to \$0. (The fee can also be adjusted at this time. Sending the fee in this step is optional if you send it on the second step in the specified order). These records can be processed in the same cycle.
- Send the change record to adjust the fee. Adjust the entire loan back up. (The change for the origination fee must be the 1st change on the change record to process the fee correctly. If you have multiple change records being transmitted, the origination fee change must be the first change on the first change record.)

Timing

For Option 1 and 2 schools, disbursement records are sent after the school has received a signed valid promissory note from the borrower. For Standard schools, disbursement records are sent to the LOC after you have received an accepted promissory note acknowledgement for the borrower. Schools should take care to ensure that the disbursement record cycle is complete at a record level before transmitting change records for adjustments to \$0.

Sequence of Disbursement Records

The LOC sorts and processes disbursement records by Loan ID, Disbursement Number, and Disbursement Sequence Number. Remember, disbursement activity must be submitted to the LOC within 30 days of the transaction date.

Disbursement Confirmation (For Schools in the Confirmation Pilot)

Schools participating in the Confirmation Pilot receive authorization from the borrower for the disbursement of funds under a Direct Subsidized Loan or a Direct Unsubsidized Loan. An Affirmation Flag exists on the Disbursement/Disbursement Acknowledgment. This flag indicates that the borrower at the school has confirmed the disbursement.

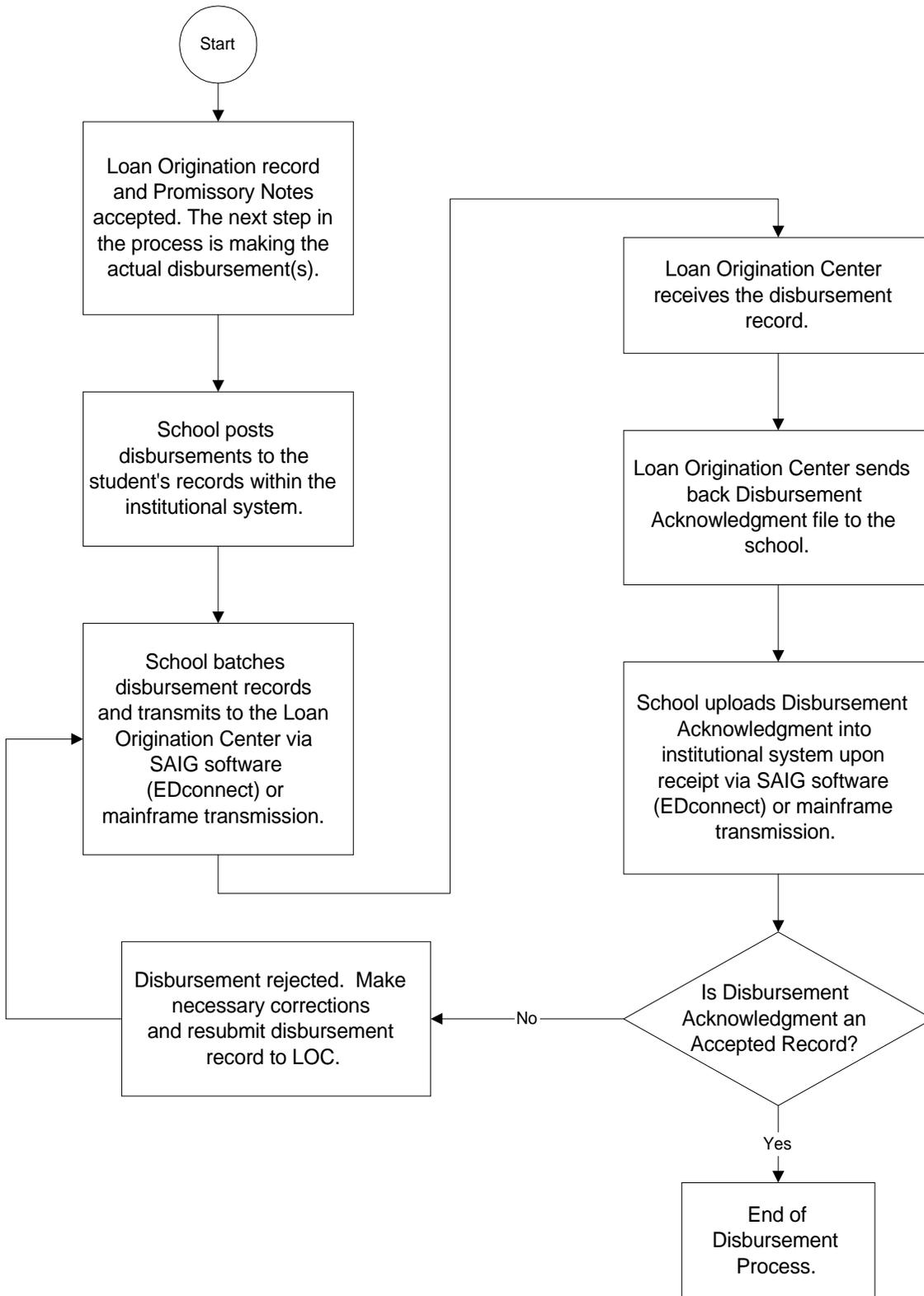
Disbursement Acknowledgments from the LOC

The LOC returns one acknowledgment record for each Disbursement Record submitted by the school. All records in the export file will be acknowledged in the import file. The import file header will contain the batch ID of the export file. The acknowledgment record is in the same format as the Disbursement Record. If the LOC calculates different amounts than reported by the school, these amounts will be returned in the acknowledgment. If there is no change to the amounts, these fields are returned blank, in the DIOD01OP file.

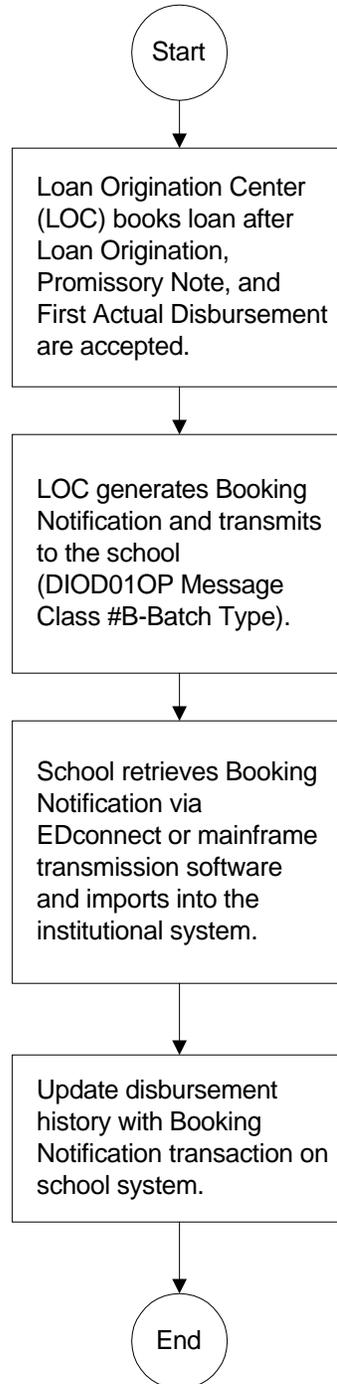
Note: The disbursement acknowledgment date will always be blank on the disbursement record (DESD01IN) going to the LOC. Please do not zero fill.

The disbursement acknowledgment date will be provided by the LOC in the disbursement acknowledgment (DIOD01OP) transmitted from the LOC.

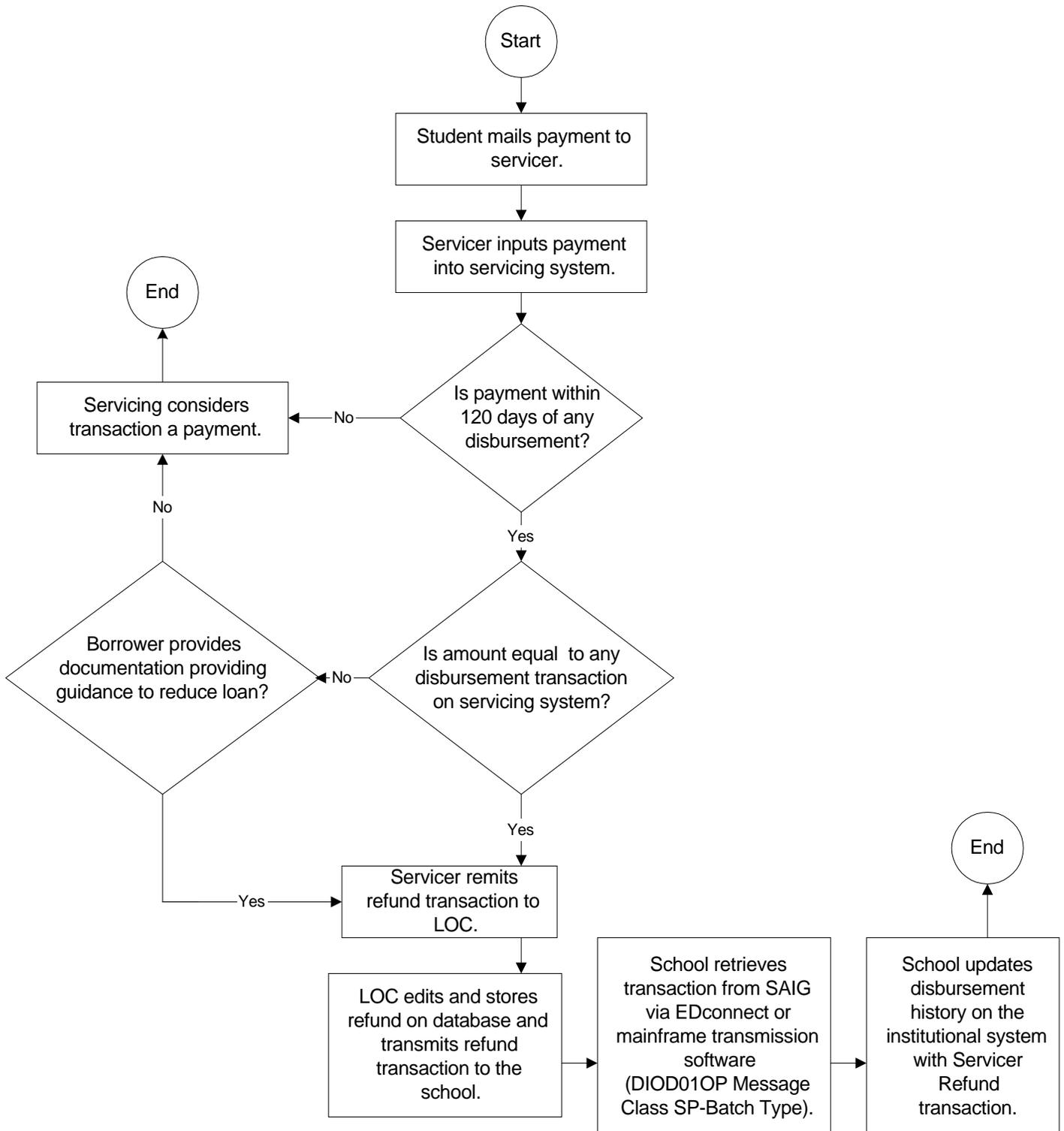
Disbursement Process



Booking Notification Process



Servicer Refund Process



School Reconciliation

Schools must reconcile the school's Direct Loan records on file at the LOC with the school's internal Direct Loan records. This process is School Reconciliation and should be performed by the school on a monthly basis. For more details see the Direct Loan School Guide.

School Reconciliation for 2000–2001 Direct Loan School Account Statement (DLSAS)

LOC initiates the reconciliation process. On a monthly basis, the LOC sends a Direct Loan School Account Statement (DLSAS) to each school (designated by DL school code) in the Direct Loan program. This electronic file may be imported and formatted for printing to look similar to a bank statement. The School Account Statement reports on the LOC data on cash balances, cash details, booked loans, and booked or unbooked disbursement transactions. Three types of reconciliation data are sent to the schools: Cash Summary, Cash Detail, and Loan Detail. Each school will be responsible for reviewing the monthly statement to ensure the accuracy of the data. This data must also be reconciled to the school's internal student account records and bank records.

School Options

A school may elect to receive only the Cash Summary and Cash Detail sections on the monthly School Account Statement, omitting the Loan Detail records. Schools initially receive the full file; contact the LOC if you want to receive the file without the Loan Detail records.

Additionally, a school may elect to send the LOC an electronic file, the Optional Loan Detail Exception File, with Year-to-Date (YTD) unbooked transactions *or* booked transactions for a particular month. The LOC compares the school's data sent in this file with that of the LOC. A preformatted Exception Report is returned to the school if there are discrepancies or exceptions to be resolved. This process assists the schools in resolving discrepancies found while reviewing the monthly DLSAS. A school initiates this process simply by sending the Loan Detail Export file to the LOC.

Resolving Discrepancies

These two processes, the DLSAS and the Optional Loan Detail Exception File, assist the schools with reconciling their data with the data at the LOC. When discrepancies are found, schools should go back and

- Ensure that all origination, promissory note, and disbursement processing has been completed.
- Export all pending data batches for origination records, promissory notes, and disbursements.
- Import all pending data batches to update the accepted status and booked status flags on your school's system.

Custom schools and software vendors may develop reports to resolve discrepancies on the DLSAS. Sample reports and descriptions are provided in Appendix.

Management Files from the LOC

The LOC will routinely return certain reports to your SAIG mailbox. These reports are preformatted in ASCII text and have their own message class names.

The 30-Day Warning Report

The 30-Day Warning Report is a file reporting unbooked loans (DIWR01OP) for which the LOC has not received the three required elements to “book” a loan within 30 days of the first activity. The report lists the Loan ID and the data that is required to book the loan. Loans where the Loan Amount Approved is adjusted to \$0 do not appear on the 30-Day Warning. This file is generated weekly by the LOC.

The Duplicate Student Borrower Report

The Duplicate Student Borrower Report is a file reporting student borrowers at multiple schools with loans for the same or overlapping academic years.

The Inactive Loan Report

The Inactive Loan report is a file reporting loans that have been adjusted to \$0.

The Anticipated Disbursement List

The Anticipated Disbursement List file (DIAA01OP) is transmitted to Option 1 and Standard Option schools only. This file lists all pending anticipated disbursements scheduled 30 to 45 days in the future. The LOC generates this file based on accepted full origination records and accepted promissory notes for your school. Schools should submit full origination records, changes, and promissory notes to the LOC for anticipated disbursements not included on the list but the school intends to make. The report contains at a minimum the following data elements:

- Direct Loan School Code for Borrowers on Report
- LOAN ID
- Borrower’s Name
- Loan Type
- Disbursement Number (01- 20)
- Anticipated Gross Disbursement Amount
- Anticipated Net Disbursement Amount
- Anticipated Loan Fee Amount
- Number of Borrowers on the Listing

The Actual Disbursement Roster

The Actual Disbursement Roster file (DIA001OP) is transmitted to Option 1 and Standard Option schools only. The Actual Disbursement Roster is transmitted to schools 5 business days prior to the anticipated disbursement date. This file lists all the Loan IDs and anticipated disbursement data on which the LOC has requested funds. Funds transferred to the school from GAPS must be disbursed to the borrowers based on the Actual Disbursement Roster. The LOC includes borrowers on this report based on anticipated disbursements on accepted Loan Origination Records submitted to the LOC at least 10 business days prior to the anticipated disbursement date. The report contains at a minimum the following data elements:

- Direct Loan School Code for Borrowers on Report
- LOAN ID
- Borrower's Name
- Loan Type
- Disbursement Number (1-20)
- Anticipated Gross Disbursement Amount
- Anticipated Net Disbursement Amount
- Anticipated Loan Fee Amount
- Number of Borrowers on the Roster
- Total Net Disbursement for the Roster
- Anticipated Disbursement Date

Batch Processing and Batch IDs

All data exchanged between schools and the LOC must be in the required record layout format. Data must be submitted to the LOC in groups of like types. Each data type has a specific record layout, i.e., full origination, disbursements, etc. Therefore each record set is considered a separate batch. Every batch must contain a header and trailer record (see Custom Layouts). The batch header contains a batch identifier that is unique to the export batch.

The Batch Integrity Rule

The LOC returns an acknowledgment record for every record the school submits. If a school submits a full origination batch of 1,000 records, the LOC will return an acknowledgment file responding to only those 1,000 records. The acknowledgment file always contains the Batch ID of the corresponding submission. This rule applies for full origination records, change records, and disbursement records initiated by the school. However, it does not apply to promissory note manifest records and acknowledgments. To expedite school processing, the LOC acknowledges promissory notes as they are accepted, rather than holding the entire batch until all notes are accepted.

Rounding Logic

In 2000-2001, you can have up to 20 anticipated and 20 actual disbursements.

The following fields need to be calculated when **STAFFORD disbursements** are entered or changed:

Field Name	Description
Loan Amount Approved	From loan record
1 st Gross Disbursement Amount	Per Gross Disbursement Calculations
1 st Fee Amount	1 st Gross Amount X Loan Fee Rate (3%)
1 st Net Disbursement Amount	1 st Gross Amount - 1 st Fee Amount
2 nd Gross Disbursement Amount	Per Gross Disbursement Calculations
2 nd Fee Amount	2 nd Gross Amount X Loan Fee Rate (3%)
2 nd Net Disbursement Amount	2 nd Gross Amount - 2nd Fee Amount
Optional:	
3 rd through 20 th Gross Disbursements:	Per Gross Disbursement Calculations
3 rd through 20 th Fee Amount	3 rd through 20 th Gross Amount X Loan Fee Rate (3%)
3 rd through 20 th Net Disbursements	3 rd through 20 th Gross Amount - 3 rd through 20 th Fee Amount
Total Gross Disbursements	Sum of all gross disbursements
Total Fee Amount	Sum of all fee amounts
Total Net Disbursements	Sum of all net disbursements

Rounding Logic (Continued)

The following fields need to be calculated when **PLUS disbursements** are entered or changed:

Field Name	Description
Loan Amount Approved	From loan record
1st Gross Disbursement Amount	Per Gross Disbursement Calculations
1 st Fee Amount	1 st Gross Amount X Loan Fee Rate (4%)
1 st Net Disbursement Amount	1 st Gross Amount - 1 st Fee Amount
2 nd Gross Disbursement Amount	Per Gross Disbursement Calculations
2 nd Fee Amount	2 nd Gross Amount X Loan Fee Rate (4%)
2 nd Net Disbursement Amount	2 nd Gross Amount - 2 nd Fee Amount
Optional:	
3 rd /4 th Gross Disbursements:	Per Gross Disbursement Calculations
3 rd /4 th Fee Amount	3 rd /4 th Gross Amount X Loan Fee Rate (4%)
3 rd /4 th Net Disbursements	3 rd /4 th Gross Amount - 3 rd /4 th Fee Amount
Total Gross Disbursements	Sum of all gross disbursements
Total Fee Amount	Sum of all fee amounts
Total Net Disbursements	Sum of all net disbursements

Gross Disbursement Calculations

With the implementation of the option to disburse up to 20 disbursements, disbursement percentages are removed.

When determining disbursement amounts for a loan, dollar figures are rounded to the nearest dollar and all disbursements are equal except, for in some cases, the last disbursement.

When computing gross disbursement amounts, use the following specifications:

Step 1: Divide the loan amount approved by the total number of disbursements to calculate an individual disbursement amount.

- If necessary, first truncate any positions that exist past two decimal places.

Step 2: Round the individual disbursement amount. Rounding occurs at the first and second decimal places to the nearest dollar.

- If the first and second decimal places are 50 or greater, increment the first digit to the left of the decimal sign by one.
- If the first and second decimal places are less than 50, do not change the first digit to the left of the decimal sign.
- **Note:** The individual disbursement amount equals the amount of all disbursements except for the amount of the last disbursement.

Step 3: To determine the amount of the last disbursement, multiply the individual disbursement amount by the number of disbursements.

- If the sum of the disbursements is greater than the loan amount approved, ~~there is a negative variance~~ **subtract the difference from the last disbursement.**
- If the sum of the disbursements is less than the loan amount approved, ~~there is a positive variance~~ **add the difference to the last disbursement.**
- The variance is applied to the **last** disbursement.
- ~~If there is a positive variance, subtract the variance from the individual disbursement amount to derive the last disbursement amount.~~
- ~~If there is a negative variance, add the variance to the individual disbursement amount to derive the last disbursement amount.~~

Example 1: A calculation for two disbursements

Loan Amount Approved: \$2625

Step 1: 2625 divided by 2 = 1312.5000

First truncate any positions that exist past two decimals as rounding occurs at the first and second decimal places.

Therefore 1312.5000 truncates to 1312.50

Step 2: Round at the first and second decimal places to determine the individual disbursement amount.

- If the first and second decimal places are .50 or greater, increment the first digit to the left of the decimal sign by one.
- If the first and second decimal places are less than .50 do not change the first digit to the left of the decimal sign.
- 1312.50 rounds to 1313. Therefore, all disbursement amounts are 1313 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

1313 multiplied by 2 = 2626

- ~~If the sum of the disbursements is greater than the loan amount approved, there is a negative variance. Add the variance to the individual disbursement amount to calculate the amount of the last disbursement.~~
- ~~If the sum of the disbursements is less than the loan amount approved, there is a positive variance. Subtract the variance from the individual disbursement amount to derive the amount of the last disbursement.~~

~~Therefore, since \$2626 is more than \$2625 there is a positive variance of \$1 you~~ **subtract the difference of \$1.** The last disbursement is equal to \$1313 - \$1 or \$1312.

Final Results: 1st Gross Disbursement Amount = 1313

2nd Gross Disbursement Amount = 1312

Example 2: A calculation for three disbursements

Loan Amount Approved: \$1000

Step 1: 1000 divided by 3 = 333.3333

First truncate any positions that exist past two decimals as rounding occurs at the first and second decimal places.

Therefore 333.3333 truncates to 333.33

Step 2: Round at the first and second decimal places to determine the individual disbursement amount.

- If the first and second decimal places are .50 or greater, increment the first digit to the left of the decimal sign by one.
- If the first and second decimal places are less than .50 do not change the first digit to the left of the decimal sign.
- 333.33 rounds to 333. Therefore, all disbursement amounts are 333 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

333 multiplied by 3 = 999

- ~~If the sum of the disbursements is less than the loan amount approved, there is a negative variance. Add the variance to the individual disbursement amount to calculate the amount of the last disbursement.~~
- ~~If the sum of the disbursements is greater than the loan amount approved, there is a positive variance. Subtract the variance from the individual disbursement amount to derive the amount of the last disbursement.~~

~~Therefore, s~~Since \$999 is less than \$1000 ~~there is a negative variance of \$1.~~ **you add the difference of \$1.** The last disbursement is equal to \$333 + \$1 or \$334.

Final Results: 1st Gross Disbursement Amount = \$333
 2nd Gross Disbursement Amount = \$333
 3rd Gross Disbursement Amount = \$334
 Total Loan Amount = \$1000

Example 3: A calculation for six disbursements

Loan Amount Approved: \$22,167

Step 1: 22167 divided by 6 = 3694.5000

First truncate any positions that exist past two decimals as rounding occurs at the first and second decimal places.

Therefore 3694.5000 truncates to 3694.50

Step 2: Round at the first and second decimal places to determine the individual disbursement amount.

- If the first and second decimal places are .50 or greater, increment the first digit to the left of the decimal sign by one.
- If the first and second decimal places are less than .50, do not change the first digit to the left of the decimal sign.

3694.50 rounds to 3695. Therefore, all disbursement amounts are 3695 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

3695 multiplied by 6 = 22170

- ~~If the sum of the disbursements is less than the loan amount approved, there is a negative variance. Add the variance to the individual disbursement amount to calculate the amount of the last disbursement.~~
- ~~If the sum of the disbursements is greater than the loan amount approved, there is a positive variance. Subtract the variance from the individual disbursement amount to derive the amount of the last disbursement.~~

~~Therefore, s~~Since \$22170 is more than \$22167 ~~there is a positive variance of \$3~~ **you subtract the difference of \$3.** The last disbursement is equal to \$3695 - \$3 or \$3692.

Final Results: 1st Gross Disbursement Amount = \$3695
 2nd Gross Disbursement Amount = \$3695
 3rd Gross Disbursement Amount = \$3695
 4th Gross Disbursement Amount = \$3695
 5th Gross Disbursement Amount = \$3695
 6th Gross Disbursement Amount = \$3692
 Total Loan Amount = \$22,167

Loan Fees and Net Disbursement Calculations

When calculating loan fee amounts and net disbursement amounts, use the following specifications for all numbers of disbursements:

- Loan Fees are truncated.
- Net disbursements are calculated by subtracting the loan fee from the gross disbursement.
- If the sum of the loan fee amounts is less than the calculated Total Loan Fee, do not adjust any loan fee amounts.
- If the sum of the net disbursement amounts is greater than the calculated Total Net Disbursement, do not adjust any net disbursement amounts.

Example : Loan Fee Calculation

Total Gross Disbursement Amount = \$3500

Loan Fee Rate = 3%

Three Gross Disbursement Amounts = \$1167, \$1167 and \$1166

Step 1: 1st Loan Fee Amount: $1167 \times .03 = \$35.01$, truncate to \$35

Step 2: 2nd Loan Fee Amount: $1167 \times .03 = \$35.01$, truncate to \$35

Step 3: 3rd Loan Fee Amount: $1166 \times .03 = \$34.98$, truncate to \$34

Step 4: Total Loan Fee Amount = $35 + 35 + 34 = 104$

Step 5: 1st Net Disbursement Amount = $1167 - 35 = 1132$

Step 6: 2nd Net Disbursement Amount = $1167 - 35 = 1132$

Step 7: 3rd Net Disbursement Amount = $1166 - 34 = 1132$

Step 8: Total Net Disbursement Amount = $1132 + 1132 + 1132 = 3396$

Final Results:

	Disbursement #1	Disbursement #2	Disbursement #3	Totals
Gross Disbursements	1167	1167	1166	3500
Loan Fees	35	35	34	104
Net Disbursements	1132	1132	1132	3396

Leap Year Logic

EDEExpress uses the following date format and leap year logic in the date fields on its databases:

- The date field format is CCYY/MM/DD.
- For (CC), the date field must contain only 19 or 20.
- For (YY), the date field must contain only 00–99.
- For month (MM), the date field must contain only 01–12.
- For day (DD), valid range depends on the month, as follows:

<u>Month</u>	<u>Valid Day Range</u>
01	01–31
02	01–28 (unless year is divisible by 4 when 01–29 is valid)
03	01–31
04	01–30
05	01–31
06	01–30
07	01–31
08	01–31
09	01–30
10	01–31
11	01–30
12	01–31