

Combination Systems Requirements

Rounding Logic

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

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

Gross Disbursement Calculations

Dollar figures are rounded to the nearest dollar. When computing dollar figures (either through multiplication or division), use the following specification for 2 or 4 (or three unequal) disbursements only:

- If necessary, first truncate any positions that exist past two decimal places.
- Rounding occurs at the first and second decimal places.
- 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.
- If the sum of the gross disbursement amounts is different than the loan amount approved, adjust the last disbursement accordingly.

Example 1: Calculate for two disbursements

Loan Amount Approved: \$2625

Step 1: 1st Gross Disbursement Amount = $2625 \times .50 = 1312.5$

Step 2: 1st Gross Disbursement = 1313 (.5 \geq .50 so round up)

Step 3: 2nd Gross Disbursement Amount = $2625 \times .50 = 1312.5$

Step 4: 2nd Gross Disbursement Amount = 1313 (.5 \geq .50 so round up)

Step 5: Sum Gross Disbursements = $1313 + 1313 = 2626$

Step 6: Total amount is more than loan amount approved ($2626 > 2625$)

Step 7: 2nd Gross Disbursement = $1313 - 1 = 1312$

Final Results : 1st Gross Disbursement Amount = 1313

2nd Gross Disbursement Amount = 1312

Example 2: Calculate for four disbursements

Loan Amount Approved: \$2625

Step 1: 1st Gross Disbursement Amount = $2625 \times .25 = 656.25$

Step 2: 1st Gross Disbursement = 656 (.25 < .50 so round down)

Step 3: 2nd, 3rd, & 4th Gross Disbursements = $2625 \times .25 = 656.25$

Step 4: 2nd, 3rd, & 4th Gross Disbursements = 656 (.25 < .50 so round down)

Step 5: Sum Gross Disbursements = $656 + 656 + 656 + 656 = 2624$

Step 6: Total amount is less than loan amount approved ($2624 < 2625$)

Step 7: 4th Gross Disbursement Amount = $656 + 1 = 657$

Final Results : 1st Gross Disbursement Amount = 656

2nd Gross Disbursement Amount = 656

3rd Gross Disbursement Amount = 656

4th Gross Disbursement Amount = 657

When computing dollar figures (either through multiplication or division), use the following specifications for 3 disbursements when the percentages being used are 33%, 33% and 34%. For 3 disbursements with other percentages, refer to rounding above:

- Use .3333, .3333 and .3334 as the percentages to calculate with.
- If necessary, first truncate any positions that exist past two decimals.
- Rounding occurs at the first and second decimal places.
- 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.
- If the sum of the three disbursements is greater than or less than the loan amount approved, adjust the last disbursement accordingly.

Example 3: Calculate for three equal disbursements

Loan Amount Approved = \$2000

Disbursement percentages: (33.33%, 33.33%, 33.34%)

Step 1: 1st Gross Disbursement = $2000 \times .3333 = 666.6000$

Step 2: 1st Gross Disbursement = 666.6000 (truncate past two decimals)

Step 3: 1st Gross Disbursement = 667 (.60 >= .50, so round up)

Step 4: 2nd Gross Disbursement = $2000 \times .3333 = 666.6000$

Step 5: 2nd Gross Disbursement = 666.6000 (truncate past two decimals)

Step 6: 2nd Gross Disbursement = 667 (.60 >= .50, so round up)

Step 7: 3rd Gross Disbursement = $2000 \times .3334 = 666.8000$

Step 8: 3rd Gross Disbursement = 666.8000 (truncate past two decimals)

Step 9: 3rd Gross Disbursement = 667 (.80 >= .50, so round up)

Step 10: Sum of disbursements: $\$667 + \$667 + \$667 = \2001

Step 11: Total amount is greater than loan amount approved ($2001 > 2000$)

Step 12: 3rd Gross Disbursement = $667 - 1 = 666$

Final Results: 1st Gross Disbursement Amount = 667

2nd Gross Disbursement Amount = 667

3rd Gross Disbursement Amount = 666

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 to the nearest dollar.
- 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 (4): Loan Fee Calculation

Total Gross Disbursement Amount = \$3500

Loan Fee Rate = 4%

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

Step 1: 1st Loan Fee Amount: $1167 \times .04 = 46.68$, truncate to 46

Step 2: 2nd Loan Fee Amount: $1167 \times .04 = 46.68$, truncate to 46

Step 3: 3rd Loan Fee Amount: $1166 \times .04 = 46.64$, truncate to 46

Step 4: Total Loan Fee Amount = $46 + 46 + 46 = 138$

Step 5: 1st Net Disbursement Amount = $1167 - 46 = 1121$

Step 6: 2nd Net Disbursement Amount = $1167 - 46 = 1121$

Step 7: 3rd Net Disbursement Amount = $1166 - 46 = 1120$

Step 8: Total Net Disbursement Amount = $1121 + 1121 + 1120 = 3362$

Final Results:

	Disbursement #1	Disbursement #2	Disbursement #3	Totals
Gross Disbursements	1167	1167	1166	3500
Loan Fees	46	46	46	138
Net Disbursements	1121	1121	1120	3362

Leap Year Logic

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

- The date field format is **CCYYMMDD**.
- 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 upon 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

Importing Data into the EExpress Direct Loan Software

Interfacing the school system with EExpress allows the school to take advantage of the built-in edits and PC communication software while reducing the data preparation effort by importing student data from existing school systems into EExpress. After processing Direct Loan records with EExpress, the school can create a customized export file to share the data with other institutional systems.

Certain borrower information is required before an institution can originate a Federal Direct Student Loan. This information includes data about the borrower such as the name, address, date of birth, citizenship, year in college, and program completion date. Also, it includes information specific to the loan such as the loan amount approved and loan period start and end dates. When creating the import file, please refer to the column marked 'required field' in the DIEA file.

EExpress users have the following three options when entering data required to originate a Direct Student Loan:

1. Key enter data from the SAR and other hardcopy documents
2. Import data from EExpress' ISIR and/or packaging system databases
3. Import data from an institutional system (External System)

The following specifications address the third option - importing data from an institutional system. For information regarding the first and second options, please refer to the On-Line Help in the Direct Loan software.

Note: EExpress automatically performs origination for all records containing all of the required origination fields. This step is performed during the import process for all records with a loan origination status of N.

Note: If the institution chooses to fill field #1 with preassigned Loan ID, they may assign any loan sequence number (001-999).

Schools that have developed systems to capture information required to originate a loan are provided two general import capabilities:

1. Importing New Records

This import option allows users to add records to the EExpress Direct Loan database. Users must create a file of borrower records according to a standard file layout. See The Combination Layout Section for layout and file creation specifications. If the record passes reject editing and a Loan ID is not specified in the import file, the loan record is added to the EExpress database and a 21-digit Loan ID is assigned. The Loan ID is important to systems interfacing with EExpress because it is needed when making changes to existing records.

Importing New Records (Continued)

When a loan record is imported, EDEExpress searches for records with an identical Student's SSN, Loan Type, Loan Year, and Direct Loan School Code. If there is no match, EDEExpress assigns 001 as the Loan Sequence Number.

If EDEExpress discovers a match on a student's SSN, Loan Type, Loan Year, and Direct Loan School Code, it determines what the user has selected for add options. If the user requested to be prompted for duplicates and requests EDEExpress to create a new loan record when a duplicate record is found, EDEExpress assigns the next highest Loan Sequence Number.

A user requests to be prompted for duplicates by selecting 'Y.'

- The user can request EDEExpress to create a new loan record when a duplicate record is found by selecting 'C.' When a duplicate is found, EDEExpress assigns the next highest Loan Sequence Number.
- The user can request the system skip the duplicate by selecting "***Check for Duplicate Records.***" The record will be skipped and counted on the Import Add report as a skipped record.

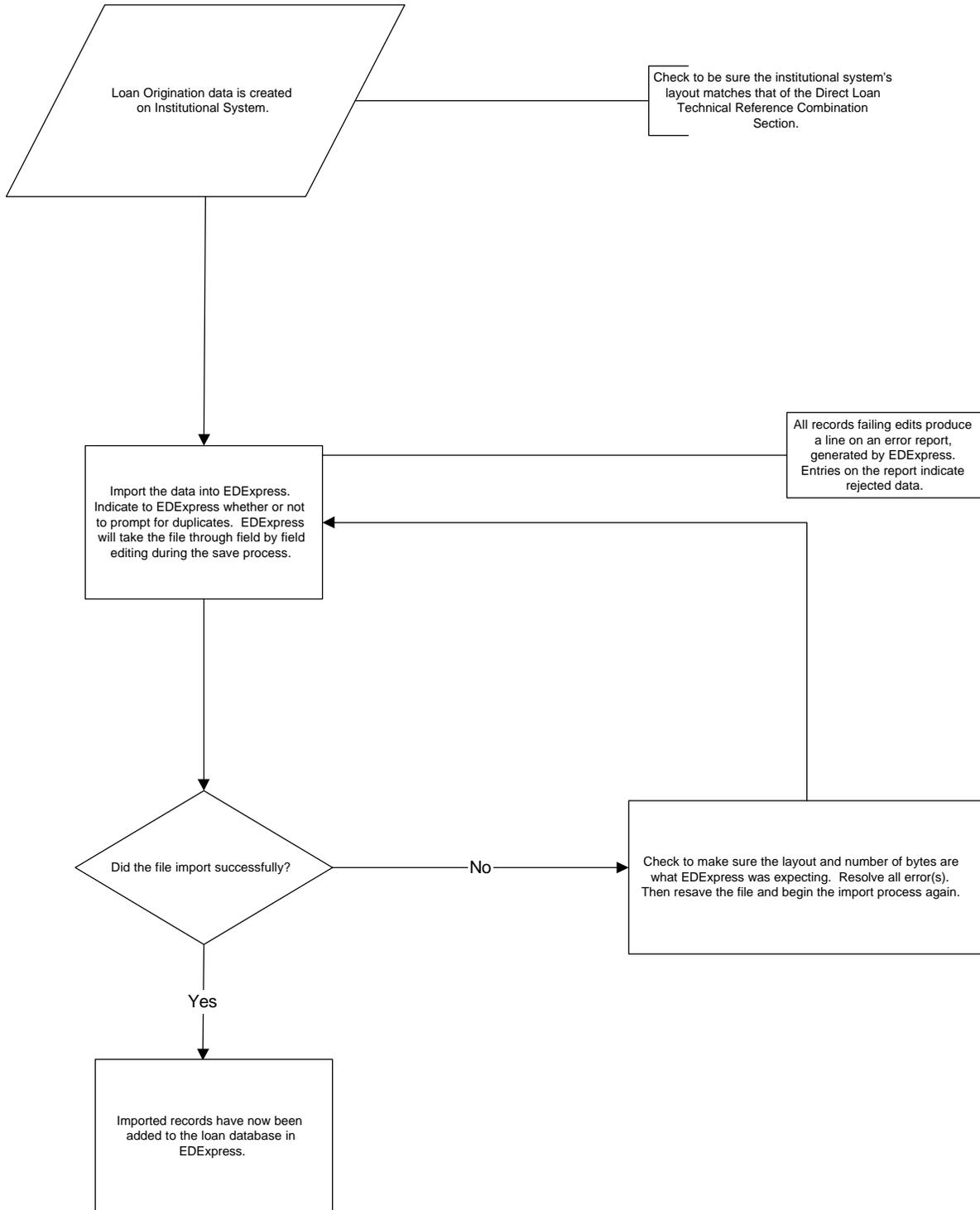
Imported records must adhere to the External Import Add Record layout. EDEExpress prompts the user for a MS-DOS filename. Once a filename is provided, EDEExpress performs a series of edits and calculations on each record of the imported file.

An Add Edit Report is created for each file of imported records. This report identifies rejected records and provides statistics on the number of records added to the database. The format of the Loan Origination Add Edit Report is provided in the Appendix.

Note: The Direct Loan Software maintains separate records for each borrower loan type. For example, if a student borrower is approved for Subsidized Stafford, Unsubsidized Stafford, and PLUS loans, three records are imported to EDEExpress, one for each loan type. For each imported record, a record is established on the Loan Origination database. For each record imported where the Loan Type is P, an additional record is created on the PLUS Loan database.

The Loan Origination database maintains demographic information about the borrower. For Federal Direct Stafford loans, that means the student. For PLUS loans, that means the student's parent borrower. The PLUS Loan database stores demographic information about the student.

External Import Loan Origination Add



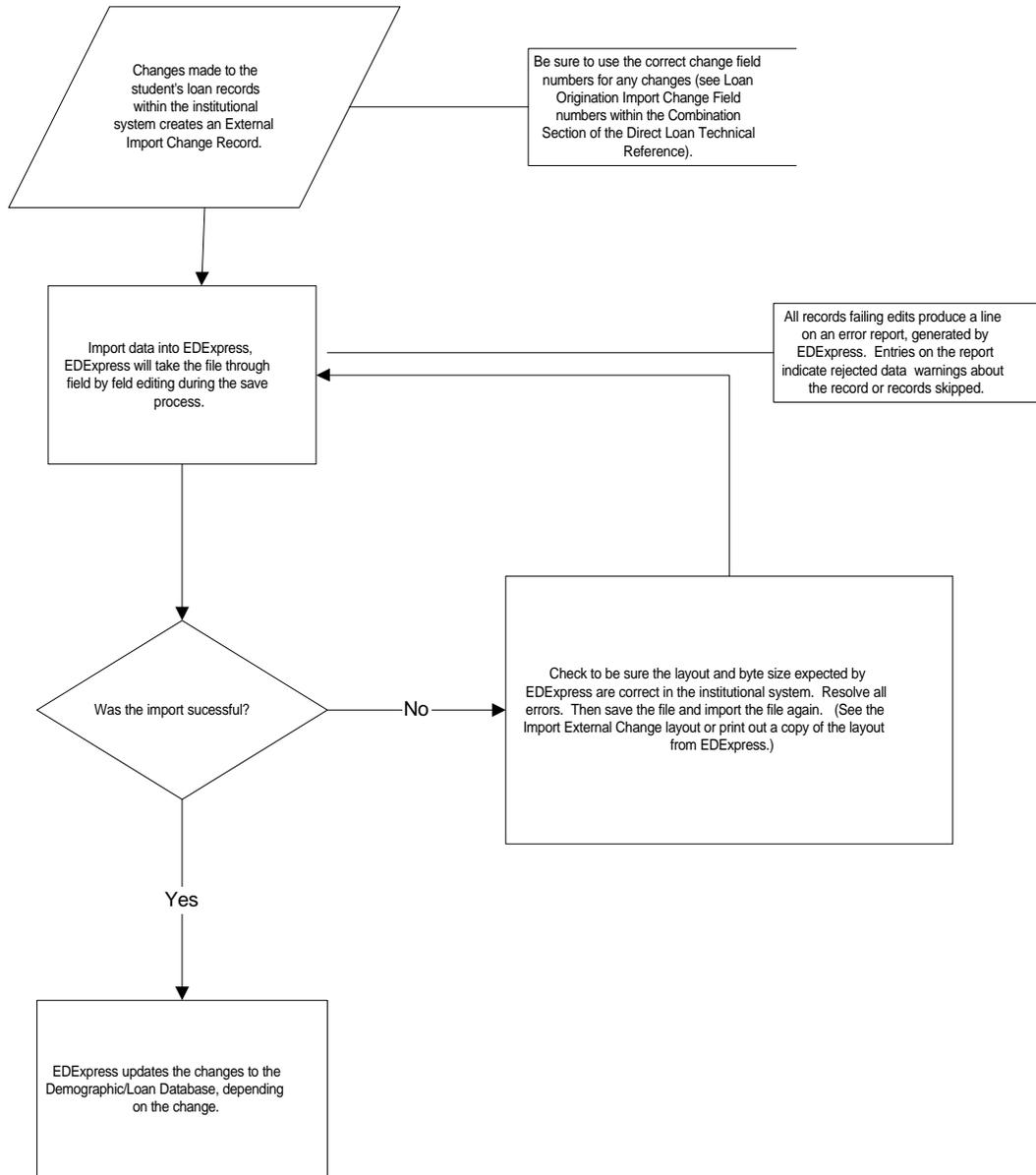
2. Importing Changes to Existing Records

This import option allows users to submit changes to records on the EDEExpress Direct Loan database. Users must create a file of borrower records according to a standard file layout, with each record containing the borrower's loan identification number, field number associated with the field being corrected, and the corrected value.

Use the External Import Change record layout and the table of Loan Origination Import Change Field Numbers to create your change record. These can be found in the *Combination Layouts* section of this technical reference.

To import most efficiently, you should import the records in Social Security Number order, and the fields to be updated within each change record should appear in numerical order. For example, if you are changing fields S013 (Borrower's Telephone Number) and S101 (Borrower's Local Address City), field S013 should appear first in the change record followed by field S101.

External Import Change Record



Exchanging Loan Origination Records with the LOC

The participating institution transmits a loan origination record to the Loan Origination Center for every loan it originates. If the school requests that the LOC print promissory notes, the loan origination record is transmitted at the time of the request. If the school prints promissory notes, the loan origination record can be transmitted before or after the student signs the note. However, the LOC must receive the loan origination record before it can book the loan.

Two types of loan origination records can be exported to the LOC:

- Full Loan Origination Record
- Loan Origination Change Record

Full Loan Origination Record

For each new loan, both Stafford and PLUS, the school must send a Full Loan Origination Record to the LOC. The Full record contains all of the demographic information about the borrower, as well as anticipated loan disbursement data, required to originate the loan. Data on each record must be edited to adhere to the field length, field type, and valid field content specifications. Full Loan Origination Records are transmitted in two types of files. All of the Stafford records are transmitted in a file with a message class of DESF99IN. All PLUS records are transmitted in a file with a message class of DEPF99IN. There are two message classes because of the difference in turnaround time. Stafford acknowledgments are returned within three days of the LOC receiving the records. PLUS acknowledgments are returned within five days of the LOC receiving the records.

Receiving Loan Origination Acknowledgments from the LOC

The LOC returns one acknowledgment record for each Full Loan Origination Record it receives. Batch integrity is maintained; the school receives acknowledgment records for all transmitted records in the batch.

These records are received in message class of DISF99OP for Stafford records and DIPF99OP for PLUS records. These records indicate whether the record has been rejected or accepted. For PLUS records, the Full Loan Origination Acknowledgment Record indicates whether the credit check has been accepted or denied. For PLUS records where the credit decision has been overridden (modified), a separate record is created and transmitted to the school indicating the reason for the credit decision. The PLUS Credit Decision Record is received in message class DIPC99OP. The PLUS Credit Decision records can be transmitted to the institution at any time after the initial decision has been received.

After the Full Loan Origination record has been accepted by the LOC, it should not be sent to the LOC again. If changes need to be sent to update information on the record, a change record described below must be sent to the LOC. When a Full Loan Origination record is rejected by the LOC, it is not kept on file. The record errors need to be corrected and the Full Loan Origination Record transmitted to the LOC with the message class DESF99IN.

Processing Plus Credit Decisions

For any PLUS Full Origination record submitted, the LOC returns a Credit Decision Acknowledgment. The Credit Decision indicates the results of PLUS Loan Credit Checks on the parent borrower. For approved applicants, the institution can proceed in disbursing funds to the student's account. The LOC sends further information and instructions directly to those applicants not approved for a PLUS loan on the basis of credit checks. The LOC has the option to override the credit decision after an initial denial. The PLUS Credit Checks can be updated at any time on the basis of the borrower submitting supporting documentation to the LOC or credit reporting agency. Therefore, schools processing PLUS loans should expect to receive updated credit decisions in this acknowledgment file at any time from the LOC.

Loan Origination Change Record

Once the Full Loan Origination Record has been accepted by the LOC, changes in the borrower's demographic or loan information require a change record be sent to the LOC. Loan Origination Change Records are transmitted in a separate message class DESC99IN.

Each change record contains the borrower's loan identification (necessary to identify the record on the LOC's databases), the number associated with the field being corrected, and the corrected value.

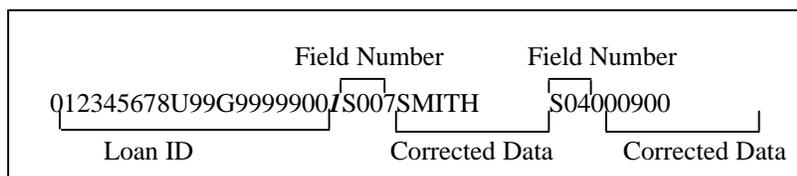
The change field number consists of three positions for the field number and a prefix to indicate whether the field is on the Loan Origination Database (prefix is S), the PLUS Loan Database (prefix is P) or the Disbursement Database (prefix is D). For example, "P004" indicates a change to the student's last name on the PLUS Loan Database; "S007" indicates a change to the borrower's last name on the Loan Origination Database.

Each change record contains space for up to 10 data element changes. Multiple change records can be exported for a Loan ID if more than 10 changes are required.

Corrected values must be left justified within the 28-byte change value field. Numeric fields are left justified and blank filled up to the maximum number of positions for that field. For example, when correcting a 4-byte numeric field to a value of '48,' the correction record would display 0048 with 24 blank spaces.

Example:

Two changes are submitted to a loan record whose ID is 012345678U99G99999001: a change in the borrower's last name to SMITH, and a change in the 1st disbursement anticipated gross amount to \$900. The following would be the contents of the change record excluding the create time, batch number, and User ID fields at the end of the record:



Receiving Loan Origination Change Acknowledgments from the LOC

Acknowledgment records for Loan Origination Change Records are returned in the same record layout as used to transmit the change to the LOC. This record indicates whether the change has been accepted or rejected. Rejection codes are associated with each rejected field.

If the change was accepted, then there are no reject codes associated with that field. If a change was rejected, then it must be corrected and only the fields that were in error need to be resent to the LOC as change records.

Printing the Direct Stafford Loan Promissory Note and Disclosure

A Promissory Note and Disclosure must be completed by the school and signed by the student borrower before a disbursement of a Federal Direct Subsidized Stafford Loan, Federal Direct Unsubsidized Stafford Loan, or *for the* Federal Direct PLUS Loan, *the parent borrower must be signed by the parent or guardian*. The promissory note is a legal document that requires the borrower to repay the funds borrowed under the Direct Loan Program.

Schools have two general options for processing promissory notes:

- Preprint available borrower and school information on the note and provide the document to the borrower for review, completion, and signature
- Send a request to the LOC for printing of the note (STAFFORD ONLY)

The U.S. Department of Education provides copies of a standard, approved promissory note to participating schools. Copies of the Federal Direct Stafford Note and the Federal Direct PLUS Note 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 U.S. Department of Education Direct Loan Task Force.*

Schools can use the specifications in the Custom Systems Requirements section to develop their own printing system. The specifications are similar to those used to develop the EDEXpress Direct Loan Software.

A minimum of two copies must be printed. On one, print BORROWER COPY in the lower right corner; on the other, print SERVICER COPY. Print SCHOOL COPY if additional copies of the promissory note are printed.

Printing the PLUS Loan Application and Promissory Note

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

Once a loan origination record is established, schools may either print a Federal Direct PLUS Loan Application and Promissory Note with the pre-supplied information or hand the student a form which is blank except for the presence of the Loan ID number in the bottom right corner.

The institution provides the Direct Loan PLUS Loan Application and Promissory Notes to its students/parents for review, completion, and signatures.

Processing PLUS Loan Applications and Promissory Notes

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

Creating Promissory Note Manifests

All promissory notes must be mailed to the LOC before the loan is "booked." The hardcopy promissory notes must be accompanied by a shipping manifest that identifies the borrower's name and Loan ID for each promissory note in the shipment. Also, the manifest provides a certification to be signed by an official at the institution. In addition, an electronic manifest must be sent to the LOC.

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

Receiving Promissory Note Manifest Acknowledgments

The LOC returns an electronic file (DIPA99OP) containing the acknowledgment of the promissory notes included on the manifest. All notes, Stafford and PLUS, return in the DIPA99OP message class. Unlike other batch types, batch integrity is not maintained by the LOC for promissory notes. Acknowledgments may not match one-to-one with manifests sent by the institution. If the LOC is unable to accept or reject a promissory note a pending status is returned in the acknowledgment. Notes that are subsequently accepted are returned in subsequent acknowledgment batches.

Promissory Note Reject

The DIPA99OP file contains a code in field #4 (Paper Promissory Note Status) that returns one of three values: A (Accepted), R (Rejected), or X (Pending). If Field #4 contains "R," then Field #5 contains the reject reason code (see Custom Edit Section for Promissory Note Reject Reasons).

The three categories of reason codes are associated with the actions the school is required to take to resolve the rejected notes.

Reprinting and the Promissory Note Sequence Number

Schools must store the print sequence number (DEPM99IN, field #3 and DIPA99OP, field #6) for all promissory notes. Each time a promissory note is reprinted the sequence number should increment accordingly. The sequence number is included on the promissory note manifest. The sequence number on the electronic manifest should match the sequence number on the hard copy note mailed to the LOC. For Standard Origination Schools and schools for whom the LOC prints the promissory note, the sequence number is returned in the acknowledgment.

Promissory Note Anticipated Disbursement Values

Promissory note anticipated disbursement values (DIPA99OP, fields 7-10) are returned only to Standard Origination schools. When a borrower adjusts the anticipated amounts on the paper promissory note and returns the note to the LOC, the LOC will recalculate the anticipated disbursements. Option 2 and Option 1 schools should recalculate and store amounts changed on the promissory note before submitting the note to the LOC. If amounts are unchanged, these fields are returned blank.

Funds Drawdown

Request and Receipt of Cash

Each participating originating school can request fund drawdowns through EDPMS. The drawdowns can be made at any time, but funds requested must be delivered to students according to the immediate need guidelines as established by federal regulations and policy.

If you receive funds through the Automated Clearing House, the request can be made electronically via the Title IV WAN network. Each request consists of a header record followed by a detail record. These records must be included in a message class DEDD99IN for transmission via the network.

Receiving Drawdown Request Acknowledgments

EDPMS returns a Drawdown Request Acknowledgment Record for each electronic request submitted by the school acknowledging the request was received correctly. This record is in the same layout as the request record. An error code is returned on either the header or detail record if the request was rejected. If the request was accepted, the reject code fields are blank and a confirmation code is provided in the detail record; the header record will have an acknowledgment code of '00.'

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 EDPMS. 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. Several 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 institution must create one cash receipt record for each drawdown received from the EDPMS. Cash receipts (drawdown) cannot be combined even if received on the same day.

School Account Statement Data Matching for 1998-99

Background

In 1997-98 and prior years, the Direct Loan system required a process called reconciliation. This was *a* method of verifying a school's transactions with the LOC at a detail level on a monthly basis. In this process a school determined their cash position based on which transactions (cash detail and loan detail) were successfully confirmed. This meant matching cash detail transactions (actual disbursements) with the LOC. When the match was successful the LOC would return a "Reconciled" status flag for each item.

Loan detail transactions would be considered reconciled or matched if the promissory note or disbursement acknowledgment came back from the LOC with an accepted flag. It was not necessary to resend these items in the monthly reconciliation process. If the loan was booked, any accepted disbursement was also considered reconciled.

New for 1998-99

For 1998-99 several enhancements have been made to the process. The most important enhancement is that the LOC will initiate the process. On a monthly basis the LOC will send a Direct Loan School Account Statement (DLSAS) to each institution (designated by 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 will report on the LOC data on cash balances, booked loans, and booked or unbooked transactions. This data is similar to the three types of reconciliation data sent from the schools each month in the 1997-98 cycle year -- Cash Summary, Cash Detail, and Loan Detail. Each institution will be responsible for reviewing and comparing the monthly statement to ensure the accuracy of the data on both the school's system and that of the LOC.

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. This may be a desirable option for schools that have a large volume of loan detail records. At the beginning of the 1998-99 cycle, all schools will be registered to receive the full report. Contact the LOC if you want to receive the abbreviated report without the Loan Detail records.

Additionally, a school may elect to send the LOC an *electronic* file with Year-to-Date (YTD) unbooked transactions OR both transactions for a particular month. The LOC will compare the school's data sent in this file with that of the LOC and return a preformatted report where there are discrepancies or exceptions to be resolved. This process is called 'Loan Detail Matching' and will assist the schools in resolving discrepancies found while reviewing the monthly DLSAS. A school will initiate this process simply by sending the Loan Detail Export file to the LOC (DERC99IN).

Resolving Discrepancies

These two processes, DLSAS and the optional Loan Detail Matching, will help the schools reconcile their data with the data at the LOC. Then discrepancies found can be resolved by going back and correctly processing promissory notes and disbursements. Some things to remember:

- The LOC cash balances only report on 'Booked' data for the month in the DLSAS. Booked status on the school system can only be updated by the promissory note acknowledgment or the disbursement acknowledgment.
- 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.
- EDEExpress and Combination schools will find it helpful to use the Booked Status Measurement Tool Report and the Cash Summary List to resolve discrepancies on the DLSAS.

Implementation Details

- Reconciliation Status and Reconciliation Date fields have been renamed Booked Status and Booked Date.
- The LOC will have the capability of reporting manual adjustments on the DLSAS file. These adjustments will be marked in the Booked Status held as 'M' for booked transactions or loans and 'U' for unbooked transactions or loans.

Schools are no longer required to submit cash detail records to the LOC, but will continue to be responsible for reconciling their cash balances with that on record at the LOC.

Allocation/Reallocation Statement

Institutions who drawdown funds for more than one campus must send a Drawdown Statement to the LOC. The Drawdown Statement tells the LOC how much of the total drawdown amount to attribute to each campus. If you need to redistribute funds among campuses after you have submitted an Allocation/Reallocation Statement to the LOC, you should submit another statement to the LOC identifying the new distribution of funds.

Receiving Allocation/Reallocation Statement Acknowledgments

The LOC returns an acknowledgment for each Allocation-Reallocation received. This record is in the same layout as the original statement. An error code is returned if the record rejects. If the record is accepted, the error code fields will be blank.

Reporting Disbursements

Note: The Actual Disbursement Record cannot be received by the LOC until they have accepted the Loan Origination Record.

Before the LOC can "book" a loan, the LOC needs three essential components:

1. An accepted Loan Origination Record
 - a. Approved Credit Decision (PLUS ONLY)
2. An accepted Promissory Note
3. An accepted Actual Disbursement Record

Once the school has verified a completed and signed promissory note is on file as well as other eligibility verification required by regulations (e.g., student enrolled at least half-time), it can make a loan disbursement to the student or parent (either by check or by crediting the student's account).

Disbursement Record Types

There are three kinds of Disbursement Records:

1. Actual Disbursement = record type D
2. Actual Adjusted Disbursement = record type A
3. Actual Canceled Disbursement = record type C

An Actual Disbursement Record contains data for the initial disbursement for a given disbursement number.

Disbursement Record Types (Continued)

An Actual Adjusted Disbursement Record is transmitted to the LOC when the amount of a disbursement has been increased or decreased.

An Actual Canceled Disbursement Record is transmitted when an actual disbursement has already been transmitted and the school wants to cancel the principal and fees as if they were never committed.

Importing Disbursement Data into EDEExpress

You can create a change record to import actual disbursement data from an external institutional system into EDEExpress. To do this, use the External Change Record format (DIEC99OP) in the Combination School Layouts section. The change record should include the following data elements:

Field	Change Field Number
Loan ID	N/A
Sequence Number	N/A
Disbursement Number	D003
Transaction Date	D004
Action Type	D006
Action Amount	D007

To make the import work most efficiently, you should create the file so that the records are imported in transaction date order. If you have more than one record for a single transaction date, they should be sorted in Social Security Number order.

Timing

Disbursement records should be sent after the school has received a signed valid promissory note from the borrower. Schools should take care to ensure that the disbursement record cycle is complete at a record level before transmitting change records for cancellations. Schools should allow time to receive the outstanding disbursement acknowledgment before canceling the entire loan or individual disbursement. Once a loan or disbursement has been canceled the LOC will reject any subsequent disbursement activity.

Sequence of Disbursement Records

Disbursement records should occur in the file grouped by Loan ID. The records must be sorted within Loan ID by Disbursement Number and Sequence Number. For example for a particular Loan ID with one actual disbursement, two adjustments and a cancellation transaction, record type D should precede record type A, the two adjustments should be in ascending date order and precede the cancellation.

Remember, disbursement activity should be submitted to the LOC within 30 days of the transaction date.

Export Record of Disbursement Information

You will use the Direct Loan software to create a record of disbursement information for transmission to the LOC. The LOC edits the information against the loan origination record data stored on its system. The LOC returns an acknowledgment to the school indicating whether or not each disbursement record has been accepted (DIOD99OP).

Submit Correction Disbursement

The institution may receive a record from the LOC indicating the disbursement information record has been rejected. The institution needs to determine why the record was rejected, then correct the record and retransmit it to the LOC.

Process Disbursement Adjustments

Adjustments occur when the amount on a disbursement has been increased or decreased. This new adjusted disbursement amount needs to be sent to the LOC.

Process Loan and Disbursement Cancellations

Cancellations occur when, for a variety of reasons, the student or parent no longer wants, or is entitled to, the entire loan or a specific loan disbursement. The most common reasons for cancellation are the student not attending school, or the student or parent deciding not to borrow after a loan has been originated.

Note: If you are canceling an entire loan and an actual disbursement has already been made, you must first cancel the actual disbursement and send the actual canceled disbursement record. Once this is acknowledged, the loan origination change record containing the anticipated disbursement cancellation and loan cancellation can be transmitted. If you cancel an individual disbursement, you need to send the actual canceled disbursement record followed by a loan origination change record.

When an entire loan cancellation occurs 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 canceled, the principal and fees for that disbursement are eliminated. If you are canceling an entire loan, you do not need to also cancel the individual disbursements; this occurs automatically. A loan cancellation must be sent to the LOC as a Loan Origination Change record. If actual disbursements have already occurred, a canceled disbursement record is automatically created by EDEXpress and must also be sent to the LOC.

If you cancel an individual disbursement, that change is sent as a disbursement record.

Receiving Disbursement Acknowledgment Records from the LOC

The LOC returns one acknowledgment record for each Disbursement Record submitted by the school. The acknowledgment record is in the same format as the Disbursement Record. They are returned in a message class DIOD99OP.

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.

Technical Tips

The technical tips section is provided to help in understanding the Direct Loan process and functions involved in the system. This section covers:

- Batch IDs
- Ad hoc reports

Batch IDs

All Batch IDs through the Direct Loan System have the same format. Each batch ID is 17 characters long. The first two characters are the batch identifiers which represent the type of batch. The next six characters are the school code. The next six characters are the date the batch was created, followed by the literal value 9, followed by the 2-digit batch sequence number for the day it was created. Listed below are all the batch identifiers.

Batch Identifier	Type of Batch
#1	Export: <i>Dawdown Request</i>
CE	Export: <i>Cash External</i>
#F	Export: <i>Origination External</i>
#PF-PF	Export: <i>Origination LOC Full PLUS</i>
#A	Export: <i>Manifest Stafford/PLUS</i>
#L	Export: <i>Loan Detail</i>
#K	Export: <i>Drawdown Statement</i>
#E	Export: <i>Origination LOC Change</i>
#H	Export: <i>Origination LOC Disbursement</i>
#D	Export: <i>Origination LOC Full Stafford</i>
#R	Import: <i>Anticipated Listing</i>
#Q	Import: <i>Actual Roster</i>
#O	Import: <i>External Add</i>
#P	Import: <i>External Change</i>
#J	Import: <i>Acknowledgment - Drawdown Request</i>
#E	Import: <i>Acknowledgments - Change Origination</i>
#H	Import: <i>Acknowledgments - Disbursement Origination</i>
#A	Import: <i>Acknowledgments - Prom Note Confirmation</i>
#C	Import: <i>PLUS Credit Decision</i>
PF	Import: <i>Full Summary PLUS Origination</i>
#D	Import: <i>Acknowledgments - Full Summary Stafford Origination</i>
#W	Import: <i>30-Day Warning Report</i>
#L	Import: <i>Direct Loan School Account Statement</i>
#K	Import: <i>Acknowledgments - Allocation/Reallocation</i>
SV	Import: <i>Loan Servicer</i>
SC	<i>Loan servicer record layout</i>

Ad Hoc Reports

Receiving the 30-Day Warning Report File

If the LOC does not receive the three required elements to "book" a loan within 30 days of the first disbursement date, it transmits to the school file listing the Loan IDs of the borrowers it was unable to book. The preformatted print file is received in message class DIWR99OP and will contain at a minimum:

- Loan ID
- Borrower's Name
- Data Received by LOC
- Date Data Received by LOC
- Missing Data Needed to Book Loan: Prom Note; Loan Origination Record; or Actual Disbursement Information
- Total Number of Records on Report.

Receiving the Anticipated Disbursement Listing

Option 1 or Standard Origination schools receive file listing anticipated disbursements for each Loan ID. This listing indicates the loans which have disbursements during the next 30 to 45 days. The preformatted print file, received in message class DIAA99OP, 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, 2, 3, or 4)
- Anticipated Gross Disbursement Amount
- Anticipated Net Disbursement Amount
- Anticipated Loan Fee Amount
- Number of Borrowers
- Total Net Disbursements
- Anticipated Disbursement Date

Receiving the Actual Disbursement Roster

Actual Disbursement Roster

Option 1 or Standard Origination schools receive *a* file listing actual disbursements for each loan ID. This listing indicates which disbursements can be made and the amount to be disbursed. The listing is transmitted to the school 3 to 5 days before the actual disbursements are to be posted. The preformatted print file, received in message class DIAO99OP, 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, 2, 3, or 4)
- Actual Gross Disbursement Amount
- Actual Net Disbursement Amount
- Actual Loan Fee Amount
- Number of Borrowers
- Total Net Disbursements
- Actual Disbursement Date