



## Additional Student Eligibility Changes for Award Year 2003–2004

### Notice

The U.S. Department of Education has enhanced the Award Year 2003–2004 Student Eligibility changes. As a result, the following enhancement descriptions are integrated with the previous NSLDS Newsletter dated January 2003. For your quick and easy reference, the changes are highlighted.

- Definition for Underlying Loan
- Aggregate Loan Information Table on the Loan History web page
- Allocation Formulas for FFEL Consolidation Loans
- Allocation Formulas for other loans
- Special rules to consider

### Aggregate Changes for Award Year 2003–2004

Aggregate calculations for the Award Year (AY) 2003–2004 have changed to more accurately determine a student's eligibility for Title IV loans. The changes include new definitions, new calculations, a breakdown of FFEL Consolidation Loans (CL), and a new warning icon.

You can now view these changes on the following:

- Loan History page of the NSLDSFAP Web site
- NSLDS History page of the ISIR
- Transfer Student Monitoring Alert
- Financial Aid History batch reports and extracts

## *New Definitions*

**Recent Loan**—Loan Period End Date plus 90 days and in an in-school loan status. (Previously, it was defined as DL or FFEL in an in-school status and approved/guaranteed within the last calendar year.) This change gives a more accurate aggregate calculation by looking at the loan periods instead of the calendar year and allows a more accurate account of Pending Disbursement calculations.

**Net Loan Amount**—Approved/Guaranteed Amount minus cancellations, minus refunds. (Previously, refunds were not included in the formula.)

**Underlying Loan**—A loan associated with a consolidated loan with a PC, PN, or DN Loan Status Code, and the Loan Status Date of the underlying loan is within 210 days (before or after) of the consolidated loan date.

## *New Calculations*

For Recent Loans using the new definition:

- a. If both Outstanding Principal Balance (OPB) and Disbursed Amount are greater than zero  
Or
- b. Either Outstanding Principal Balance or Disbursed Amount is greater than zero  
Then
- c. Use the greater of the Outstanding Principal Balance or Disbursed Amount, but not to exceed Net Loan Amount. If both Outstanding Principal Balance and Disbursed Amount equal zero, use zero. In this case, the loan is guaranteed/approved, but not disbursed.

For all other loans (also applies to FFEL Consolidation Loan (CL) Aggregate Outstanding Principal Balance):

The aggregate is determined by using the lesser of the Net Loan Amount, Disbursed Amount, or Outstanding Principal Balance if all three are greater than zero. If any of the three values are zero, NSLDS does not use zero in the formula.

This is a minor change to the formula from previous years. NSLDS has excluded improperly reported zero dollar amounts in the Disbursed Amount or Outstanding Principal Balance fields that were previously allowed to misrepresent the Aggregate Outstanding Balance.

### *Breakdown of FFEL Consolidation Loans (CL)*

To relieve the burden on financial aid administrators, another change this year includes the breakdown of FFEL Consolidation Loan (CL) into Aggregate Subsidized, Aggregate Unsubsidized, Aggregate Combined, and Unallocated Combined.

NSLDS will use a percentage of underlying loans making up the consolidation total. Financial aid administrators are able to see the dollar amounts included in the aggregate totals at the loan detail level on the FFEL Consolidation Loan (CL) on the following:

- The NSLDSFAP Web site
- Transfer Student Monitoring Alert
- Financial Aid History batch reports and extracts

This breakdown is **not** displayed on the NSLDS History page of the ISIR for 2003–2004.

### *Changes to Aggregate Loan Information Table on the Loan History web page:*

A new row will be inserted to include FFEL Consolidation Loan Unallocated amount(s). This will display as FFEL Consolidation, Unallocated.

The aggregate Combined Loans Outstanding Principal Balance will include any Subsidized Loans, Unsubsidized Loans, and FFEL Consolidation-Unallocated amounts.

Aggregate Loan Information Table

Loan Type	Outstanding Principal Balance	Pending Disbursements	Total
Subsidized Loans	\$1,693	N/A	\$1,693
Unsubsidized Loans	\$13,304	N/A	\$13,304
FFEL Consolidation, Unallocated	\$1,972		\$1,972
Combined Loans	\$16,969	N/A	\$16,969
FFEL Consolidation	\$16,969		\$16,969
Perkins	N/A		N/A

The following allocation formulas are for the FFEL Consolidation Loan (CL) Aggregate Outstanding Principal Balances (OPB) and are displayed with the FFEL Consolidation Loan details:

**Calculated Subsidized Aggregate OPB =**

[(Sum of the Amount Disbursed of all Underlying SF, D1, D6 loans) divided by (Amount Disbursed from CL)] multiplied by (CL Aggregate OPB)

**Calculated Unsubsidized Aggregate OPB =**

[(Sum of the Amount Disbursed of all Underlying SU, D2, D5, FI, RF, SL, SN loans) divided by (Amount Disbursed from CL)] multiplied by (CL Aggregate OPB)

**Calculated FFEL Consolidation, Unallocated Aggregate OPB =**

(CL Aggregate OPB)  
minus (Perkins share of CL)  
minus (Calculated Subsidized Aggregate OPB)  
minus (Calculated Unsubsidized Aggregate OPB)

**Calculated Combined Aggregate OPB =**

(Calculated Subsidized Aggregate OPB)  
plus (Calculated Unsubsidized Aggregate OPB)  
plus (Calculated FFEL Consolidation, Unallocated Aggregate OPB)

*Allocation Formulas for other Aggregate Outstanding Principal Balances (OPB):*

**Perkins Share of CL Aggregate OPB =**

[(Sum of the Amount Disbursed on all Underlying PU, EU, DU, NU, IC loans) divided by (Amount Disbursed from CL)] multiplied by (CL Aggregate OPB)

**D6 Subsidized Aggregate OPB =**

(D6 Aggregate OPB)  
minus [(Sum of the Amount Disbursed on all Underlying PU, EU, DU, NU, IC loans) divided by (Amount Disbursed from D6 loans)] multiplied by (D6 Aggregate OPB)

***Special rules that may apply when considering FFEL Consolidation Loans (CL):***

- If a person has a FFEL Consolidation Loan (CL), but there are no underlying loans, treat the entire CL Aggregate OPB as Calculated Subsidized Aggregate OPB.
- If a person has two or more open FFEL Consolidation Loans (CL) with the same date, the CL Net Loan Amount, Amount Disbursed, and OPB from each loan will be summed and used in the formulas above.
- If a person has two or more open FFEL Consolidation Loans (CL) with different loan dates, each underlying loan will be associated with only one FFEL Consolidation Loan (CL). As a general rule, the underlying loan will be associated with the FFEL Consolidation Loan (CL) that has the closest dates.

***New Warning Icon***

The final aggregate change is a warning icon that appears on the Loan History page of the NSLDSFAP Web site for students who are exceeding their aggregate totals. There is one icon for exceeding subsidized limits and one for exceeding combined limits.

**Prescreening Changes for Award Year 2003–2004**

***New Direct Loan PLUS Master Promissory Note Flag***

A new Prescreening Direct Loan PLUS Master Promissory Note (DL PLUS MPN) flag will display on the following:

- Loan History page of the NSLDSFAP Web site
- NSLDS History page of the ISIR
- Transfer Student Monitoring Alert
- Financial Aid History batch reports and extracts

***New Discharged Loan Flag Values***

Discharged loans will no longer be indicated by a Y (yes) or N (no) flag. Instead, Discharged loans will now display a flag that indicates the specific type of discharge. The new Discharged loan flags include the following:

**Postscreening Changes  
for Award Year 2003–2004**

- D = Death
- R = Reaffirm
- C = Conditional discharge
- P = Permanent discharge
- M = Multiple codes exist
- N = None

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- Loan History page of the NSLDSFAP Web site
- NSLDS History page of the ISIR
- Transfer Student Monitoring Alert
- Financial Aid History batch reports and extracts

Postscreening changes began in mid-January 2003 and continue weekly. (Previously, it was twice a month.)

The Postscreening changes for AY 2003–2004 are:

- Multiple Postscreening codes will be displayed on the NSLDS History page of the ISIR. This page can now display up to three Postscreening codes.
- NSLDS will generate multiple aggregate alerts when a borrower goes from above aggregate limits to below and vice versa.
- NSLDS will generate a Postscreening ISIR for discharge code changes when it starts receiving this information.

Three new Reason Codes are included for this year. They are:

- 11 = No longer exceeds Subsidized aggregate limit
- 12 = No longer exceeds Combined aggregate limit
- 13 = Change in disability status between Conditional and Permanent