



Differences: Direct Loans vs. FFELP

- Don't have to deal with multiple lenders, guarantors, servicers, disbursing agents
- COD DL reporting like Pell/ACG/SMART
- Loan processing controlled by FAO, not the guarantor
- Return of loan funds accomplished through COD reporting process, similar as grants
- Ineligible funds for one student may be used to pay another student
- One MPN for the student, even if enrolled in different DL schools over the years
- Requires monthly and year end reconciliation

Advantages of Direct Loans

- Financial Aid Office controls the process
- Schools choose when to disburse loans
 - Require acknowledgement of PN? Of origination?
- No need to send hold and release request to guarantor
- No need to import EFT roster
- Minimal involvement for Bursar Office
- Response files from COD are received in a matter of hours

Becoming a Direct Loan Participant

- Submit the Electronic Application for Participation to be approved
- Send e-mail request to actively participate and receive final approval
- Complete or update SAIG mailbox enrollment
- Set School up to receive DL funds via G5
- Contact COD school relations for assistance in:
 - Updating DL contact information
 - Sign up to receive DL Bulletins
 - Select DL Report options
 - Establish promissory note process
 - Request Entrance Counseling files

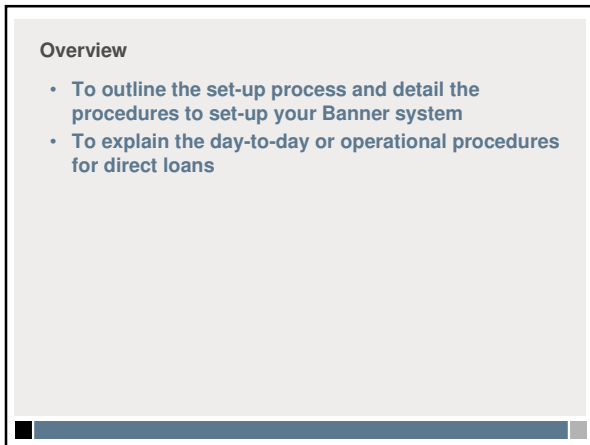
Decisions to be made

- Will the school use the electronic MPN?
- Will acknowledgement of MPN be required for disbursement?
- Will acknowledgement of origination record be required for disbursement?
- How to communicate with students on changes – Remember! All new DL borrowers must complete a new MPN.
 - Some schools also require a new Entrance Counseling from each student, although this is optional

School Resources

- <https://www.fsawebenroll.ed.gov/PMEnroll/index.jsp>
 - To update SAIG mailbox enrollment
- <https://www.g5.gov>
 - To set up school to receive funds via GAPS
- <http://www.ed.gov/offices/OSFAP/DirectLoan/participating.html>
 - For full directions on becoming a DL participant
- <http://www.ifap.ed.gov/eannouncements/1007CODUpdatedCBTDoc.html>
 - For COD Computer Based Training







Direct Loan Setup

- **RESOURCES TO REVIEW:**
 - SGHE Publication “2009-2010 COD Handbook”
 - Loan Processing chapter, in the Banner Financial Aid User Guide
 - Annual Spring Banner Financial Aid Release contains updates for federal loan processing

Direct Loan Setup

- **OTHER HELPFUL RESOURCES:**
 - Direct Loan listserv
 - National Direct Student Loan Coalition www.DirectStudentLoanCoalition.org
 - Direct Loan Reference Material available at www.fsadownload.ed.gov
 - Direct Loan Simulations and CBT's <http://www.nasfaa.org/publications/2008/eacodcbt102308.html>

TSADETC – Detail Code Control Form

This form is owned by AR and is used to create the detail codes that are associated with FA funds on RFRBASE. Ask Student Accounts personnel to establish loan fund detail codes for Direct Loans.

TSADETC – Detail Code Control Form (Student: TSADETC 9.0 (1/2006))

Detail Code	Type	Category	Grant Type	Priority	Refund Code	Pay Type	Tax Type	Defaults
F00	Federal Direct Parent Loan	FA	Direct Deposit	000	Receipt	W	W	Amount: Term: Effective Date:
F00	Federal Direct Student Loan	FA	Direct Deposit	000	Receipt	W	W	Amount: Term: Effective Date:
F00	Federal Direct Stafford Loan	FA	Direct Deposit	000	Receipt	W	W	Amount: Term: Effective Date:

Names as shown above will appear on billing statement.

RORCODI (COD Entity ID Rules)

U.S. Specific Institution Financial Aid Options - RORCODI 8.1 (CBSD)

Aid Year: 0910 - Aid Year 2009-2010

Attending ID	Reporting ID	Source ID	Federal Pell ID	Direct Loan School Code	OPEID	OPEID Branch	Institutional Default
12345678	12345678	12345678	123456	012345	123456	00	<input checked="" type="checkbox"/>

Enter School's Reporting ID, Source ID, Federal ID and DL School Code
- Indicate which record is your Institutional Default

The DL School Code will then display on ROAUSIO (Banner 8) or ROAINST (Banner 7).

ROAUSIO (US Specific Institutional Options Form)

U.S. Specific Institution Financial Aid Options - ROAUSIO

Aid Year: 0911 - 2010 - 2011 Award Year

Institutional Defaults | Grant and EDE Options | **Loan Options** | Campus Defaults

Electronic and Direct

Loan Process Type: Direct Electronic

Health Profession Program Amount (HPPA) Limits
 Apply First-Year, First-Time Borrower Rule

Use Multi-Award Year Perkins NPY

Electronic

Electronic School Code: 001000
 Electronic Branch ID: 001
 Process Electronic Change Transaction

Number of Days for Electronic Changes:

Direct

Direct Loan School Code: 001100
 Multi-Year Note Eligibility

Stafford Entrance Interview Requirement Code: Interview
 Satisfied Status: S F

Stafford Exit Interview Requirement Code: Exit
 Satisfied Status: S F

Loan Options Tab
 •Select Loan Type of Both (or Direct)
 •Indicate Multi-Year Note Eligibility
 •Enter Entrance and Exit Requirements

ROAUSIO (US Specific Institutional Options Form)

U.S. Specific Institution Financial Aid Options - ROAUSIO 8.4 (CBSD)

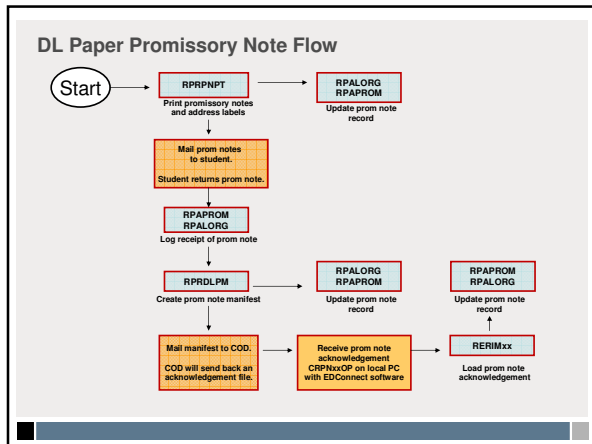
Aid Year: 0910 - Aid Year 2009-2010

Institutional Defaults | Grant and EDE Options | **Loan Options** | Campus Defaults

Main Campus Entity ID: 11234567890A
 Attending ID: 12345678
 Reporting ID: 12345678
 Source ID: 12345678

Pell ID: 123456
 Pell Fund Code: PELL
 Federal School Code: 123456
 OPEID: 123456
 OPEID Branch: 00
 Title IV Destination Number: 53091
 Service Agent Code:

View School's unique Routing Numbers (Common School ID)
These are set up on RORCODI



RPAPROM (Promissory Note Form)

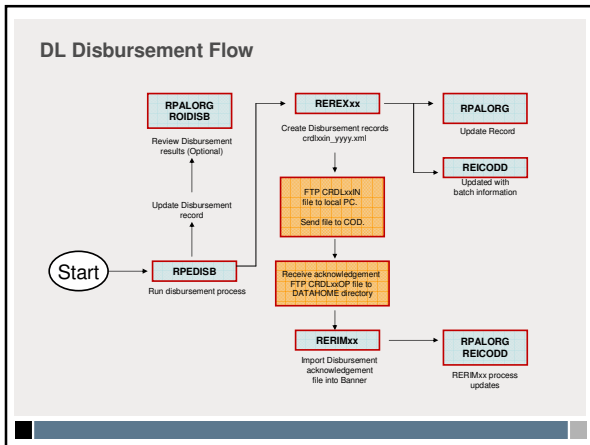
Fund Code	Fund Description	Term Code	Direct Loan Sequence	Direct Loan Status	Satisfied Indicator	Satisfied Date	Effective Date	Info Access
DIRECT	Federal Direct Stafford Loan		5	A	<input checked="" type="checkbox"/>	21-JUL-2009	21-JUL-2009	<input checked="" type="checkbox"/>
DLUNSB	Federal Direct Unsub. Stafford		5	A	<input type="checkbox"/>		27-JUL-2009	<input type="checkbox"/>

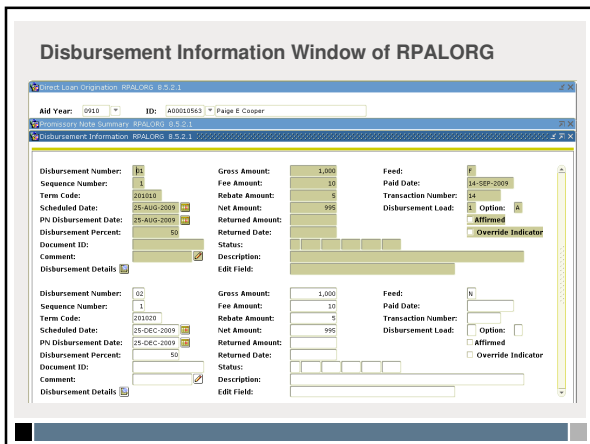
Promissory Note Summary Window of RPALORG

School PN Status:
 Print Date: 21-JUL-2009
 Satisfied Date: 21-JUL-2009
 Print Sequence Number: 21-JUL-2009
 Promissory Note Shipped: 21-JUL-2009
 Batch ID: 2009-07-21T16:42:25.00007123
 Acknowledgment Date:
 Promissory Note Status:
 Reject Reason 1:
 Reject Reason 2:
 Reject Reason 3:
 Reject Reason 4:
 Reject Reason 5:
 Disclosure Reprinting Requested

MPN Reprinting Requested:
 MPN Status:
 MPN ID:
 MPN Expiration Date:
 MPN Expiration Code:
 MPN Expiration Description:
 MPN Batch ID:
 MPN Doc ID:
 Cross Reference Loan ID:



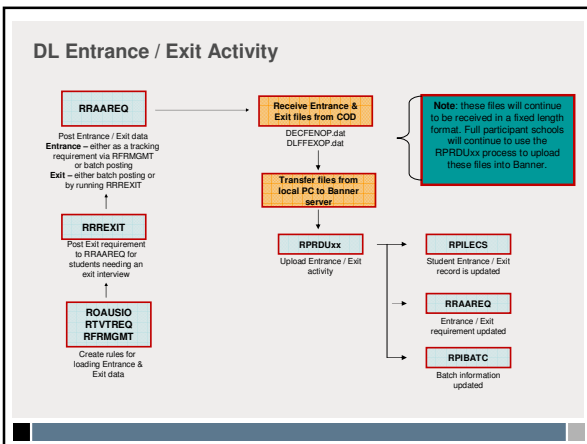




What constitutes a Change?

- If an Origination was NEVER accepted, updates to RPALORG are not *changes*, they are updates to Originate. COD does not have any record on their system if an Origination was not accepted. Therefore you will want to make any necessary changes on RPALORG and put the loan in 'Ready to Send' status and REREXxx will extract the Origination again to see if it can be accepted.
- Once an Origination has been accepted by COD it will be visible on COD and everything from this point forward becomes a *CHANGE*. It is recommended to wait to make changes in Banner until the Origination is Accepted (some will not even be allowed until that point on RPALORG).





RPILECS (Entrance Counseling Form)

Electronic Counseling Status: RPILECS 8.4.2

ID: 99800004 | Dominic D Hegle

Entrance or Exit Interview Data

Counseling Type: Exit	SSN: 99800004
Entrance Type:	Last Name: HEGLE
Associated Aid Year: 0910	First Name: DOMINIC
Data Source: D	Middle Initial: D
Date Completed: 13-JUL-2009	Birth Date: 18-JUL-1964
Sequence Number:	Document ID:

Rights and Responsibilities Acknowledged by Borrower

Exit Interview Only Data

Current | Permanent | Reference 1 | Reference 2 | Next of Kin | Employer

Address Line 1: 113 2nd Street

Address Line 2:

City: Great Falls

State or Province: MT

Zip or Postal Code: 59405

Home Telephone Number: 406-111-2222

Type: F

Driver License Number: 979702403

Driver's License State: MT



DIRECT LOAN RECONCILIATION

- **What constitutes Reconciliation?**
 - Ending Cash Balance of -0-
 - School's cash drawdowns should equal booked disbursements, less cash returned
 - If not equal, school should be able to identify and justify any differences
- This should be done regularly on a monthly basis to avoid issues at the end of the year

RPIDLAS (Account Summary Form)

Displays account summary detail directly from the SAS

Cash Summary Type	Statement End Code	Amount	Balance
Beginning Cash Balance	24-NOV-2004	40,000	40,000
Total Cash Receipts		5,000	45,000
Total Cash Disbursements		50,000	0
Ending Cash Balance		70,000	70,000
Prior Month Unbanked		0	0
Current Month Unbanked		0	0
Total Unbanked Disbursements - Actual		50,000	50,000
Total Unbanked Disbursements - Adjusted		50,000	50,000
Not Unbanked		2,000	2,000
Adjusted Ending Balance		8,000	8,000

Direct Loan Reconciliation

DL Reconciliation Process in Banner

- Compare FA totals in Banner to COD Totals – identify differences
- RERCDxx
 - Report of detailed data for originations and/or disbursements by Document ID
 - Report of unsent origination records

Direct Loan Reconciliation

DL Reconciliation Process in Banner

Compare FA totals to Finance Totals – Identify differences

- Forms
 - ROAMGMT – Funds Management
 - RFIBUDG – Fund Budget Inquiry
 - RPACASH – Direct Loan Cash Drawdown
 - FGITBAL – General Ledger Trial Balance
 - FGIBDST – Organization Budget Status
- Reports
 - RFRABAL – Account Balance
 - RFRBUDG – Fund Budget
 - FGRTBAL – Trial Balance
 - FGRGLTA – General Ledger Detail Transaction

Direct Loan Compare Reconciliation Process (RPRCPxx)

- The Direct Loan Compare for the Reconciliation process can be used to extract required data used with the 'Compare reports for the SAS files' using the Direct Loan Tools for Windows software.
 - Files that are exported include:
 - DLEXCASH — Provides data about the cash summary
 - DLEXLOAN — Provides a summary of loan disbursements
 - DLEXDISB — Provides data related to individual disbursement transactions
 - Note: The Direct Loan Tools for Windows software is available via the FSA download Web Site. Instructions for installing, using, and support of the software are available there. This software is not supported by SunGard Higher Education.
 - <https://www.fsadownload.ed.gov>

Direct Loan Compare Reconciliation Process (RPRCPxx)

- Run Banner Direct Loan Compare Extract (RPRCPxx) using the end date of the 732 LOS reports as the Matching End Date parameter
- This produces the Cash Summary shown below, and the DLEXLOAN.DAT, DLEXCASH.DAT and DLEXDISB.DAT files to be used per the instructions on using the LOC Compare Application
 - Refer to the Banner FA User Guide and COD Handbook for more information on this process

Direct Loan Compare Extract Report Sample	
12-FEB-2002 09:37:30 AM	SCT Development
Aid Year: 0802	2001-2002 Direct Loan Compare Extract
	RPRCP02
Banner Cash Summary	

Process Date	30-JUN-2001
Beginning Balance	0.00
Total Cash Receipts	5400.00
Total Return of Excess Cash	2500.00
Cash On Hand	2500.00
Total Actual Disbursements	0.00
Total Adjusted Disbursements	0.00
Net Loan Default	0.00
Closing Cash Balance	2500.00
Net Unbooked	243.00
Adjusted Ending Cash Balance	2257.00

Direct Loan Reconciliation

DL Reconciliation Tips

- Timing Issues – possible to not be in balance at any given time due to the timing of drawdowns, submission of disbursement records and adjustments
- Key is to identify reconciling records
- Closeout letter
 - Compares GAPS Cash Balance to COD Booked Disbursements
 - Received from the Department of Ed once year is complete
 - Successful Closeout declared if equal





