Mission College/West Valley College Financial Aid 2013-2014 Policies and Procedure Manual

Job: **Direct Lending Loan Processing** Prepared by: René Dwyer, Katy Fitzgerald and Daniel Baldwin	Created: December 2, 2010 Revised: August 1, 2012

Policy:

The Mission & West Valley Colleges adhere to all principles and procedures that support assisting students with debt management. In conjunction with this, our federal Direct Loan policies attempt to maintain or lessen our cohort default rates (CDR), both for the colleges continued eligibility under Title IV and for the student's ultimate benefit to maximize grant, scholarship, and work study funding sources before adding potentially unnecessary debt burden at our low-cost, publicly-subsidized California community colleges.

Note: Students taking on-line courses must come to the Financial Aid Office for a face-to-face meeting prior to having their loan request processed.

Direct Loan Applicants must:

- Meet all federal student eligibility requirements
- File must be complete (all documents received, reviewed, packaged)
- Enrolled in no less than 6 units
- Cannot have defaulted on a prior federal student loan at any time
- Mission College students must have completed at least 12 college-level, degree applicable units. If units have been completed at another college, students must submit an unofficial transcript from the other school(s).
- Have a positive Satisfactory Academic Progress standing
- Mission College students with combined student loan indebtedness of $14,000.00, may not be automatically approved, but will be referred to a committee review. The loan may be reduced or denied.
    - The loan committee will look at such things as, but not limited to:
        - Overall student loan indebtedness
        - SAP history
        - Budget submitted
        - Prior loan history (e.g. student loan default, etc.)
        - Length of time needed to complete the student's intended educational goals at Mission College and beyond
    - Committee decisions may be appealed to the Assistant Director

- Students must be taking classes that are applicable to their declared program of study. Students not taking degree-applicable classes may have their loan request denied.

- Loan application deadlines will be printed on the Student Procedure List and posted on the web site.

- Students must have a positive Satisfactory Academic Progress standing
    - Students with a "Probation" status must submit a "Work in Progress" (WIP) form completed by all instructors prior to receiving the second disbursement for the term. Due dates will appear on the Student Procedure List.

- Complete the Financial Awareness Counseling on the federal student loan web site.

- West Valley students with combined student loan indebtedness of $20,000, will be required to meet with the Director of Financial Aid before the loan request is processed.
- Each time a student submits a loan request, the request will be reviewed for any and all status changes (i.e. dependency, eligibility, loan limits, etc.)

Application documents required from student:

Mission College

- Loan request form http://financialaid.missioncollege.org
- Student budget from http://www2.ed.gov/offices/OSFAP/DirectLoan/calc.html
- Entrance Interview - on line at www.studentloans.gov
- Require students to submit a copy of their student loan indebtedness from www.nslds.ed.gov
- Have the students submit a copy of their calculated monthly payments to pay off their federal student loans using the Standard Repayment Plan. (This will give them more personalized repayment figures to think about prior to submitting their loan request http://www2.ed.gov/offices/OSFAP/DirectLoan/RepayCalc/dlentry1.html
- If applicable, unofficial transcripts from other schools to document prior units earned.
- Written statement addressing the need for a student loan.

West Valley College

- West Valley students must complete an in-person entrance loan counseling session to receive all loan request forms.
- Student budget from http://www2.ed.gov/offices/OSFAP/DirectLoan/calc.html
- Require students to submit a copy of their student loan indebtedness from www.nslds.ed.gov

- Students submit a copy of their calculated monthly payments to pay off their federal student loans using the Standard Repayment Plan. http://www2.ed.gov/offices/OSFAP/DirectLoan/RepayCalc/dlentry1.html
- If applicable, unofficial transcripts from other schools to document prior units earned.

Loan Processing Procedural Checklist

1. Review student loan request documentation for completeness and follow up.
2. FASI - Check file complete status and all docs received.
3. Check NSLDS for loan history. Note – if the student is not enrolled, enroll the student in transfer monitoring. Import (DOEI) the enrollment in TM the next day
4. TRAN - Run transcripts.
5. FASI - Check SAP status.
6. AIDE -Print AIDE screen = West Valley College.
7. TMSS - Verify Transfer Monitoring status should = NO
    a. Note – If the student was enrolled in TM for the first time in #3 above, the TMSS screens will not be populated. If the student is not enrolled and was not enrolled in #3 above, the student needs to be enrolled at this point using TMXP. Results will return the next day via DOEI.
    b. If the TM results come back anything other than "No", the TM issue must be resolved before any Title IV aid can be disbursed. See Transfer Monitoring policy.
8. SAPV - Check SAPV for eligible program of study.
9. LEEI - Enter / Check Entrance interview on LEEI. Note: Enter AIDE year 20XX.
10. Calculate Loan eligibility and amount per Budget worksheet.
11. AIDE - Enter Loan amount on AIDE (Sub / Unsub) Action status must be "A"
12. DLAN - Verify disbursement dates and grade level in DLAN; adjust as needed.
13. CRI - Update loan application status in CRI: FAC10LAP = Received
    a. Status options: Pending, Approved, Denied
    b. For West Valley College: FAC10LEN & FAC10LEX.
14. CODP - Check CODP for Entity ID
    a. Mission College = 71308925
    b. West Valley College = 46427733
15. CODE - Transmit Loan origination via CODE.
16. Notify students of Loan origination, adjustments and signing of electronic Master Promissory Note (eMPN) or Denial of Loan.

Note: The DOEI process needs to be run daily to keep current on each step of the loan processing, booking of loan and disbursement of loan.

Note: Allow 7 to 10 working days between origination and disbursement to

accommodate Federal processing requirements.

- The day after origination, check COD Batch for the following:
  - **a.** Receipt
  - **b.** Acceptance
  - **c.** Rejection
    - **a.** Investigate and correct issues. Some issues can be updated on COD, but most issues must be resolved within Datatel or the issue may continue to crop up again and again. Once issue has been corrected in Datatel, the CODP and CODE must be run again.
    - **b.** Check COD next day for acceptance and progress.
    - **c.** Repeat steps as required.
- See report table for appropriate reports to run for discrepancies.
- **Prior to disbursement**, run FATR to identify any discrepancies, correct as needed.
  - Rerun FATR until report is clean and ready for disbursement.
- Coordinate final FATR run with District Finance.
  - Keep FATR Pre-Transmittal Report for reconciliation.
- Coordinate with District Finance (Virginia) to run FATP.
- District Finance will generate the following reports which will be sent to the appropriate FAO:
  - Final Posting
  - Check register
- Check CODP for correct entity ID Mission = 71308925 WVC = 46427733
- Run CODE to report disbursements to COD.

17. Reconciliation

- After the disbursement is has been funded, the amounts from the FATP report are entered on the FAO DL spreadsheet.
- FMGT is run, printed and amounts are compared to FAO DL spreadsheet
  - Mission College:
    S:\2013-2014 Mission College Financial Aid\Direct Loan Documentation\Reports\Recon
  - West Valley College:
- At least once a month the Finance Office will send their recon spreadsheet for comparison, which has balanced to the General Ledger.

- SAS reconciliation report is run the first Saturday of every month for the prior month's activity. Run DSRR the week after the first Saturday of the month to get the SAS report.
  - Review the SAS report, investigate and resolve any loans that are not booked.

Datatel Reports, Function and Frequency:

DCRR – DL COD Reject Report	Finds loan-level rejected and warning responses	Daily
DLUD – DL Upcoming Disbursements	View a list of Direct Loan disbursements that are scheduled	Week prior to major disbursements
DLBS – DL Booking Status Report	View a list of Direct Loan awards and their booking status	Monthly as part of the recon process
MPNS – COD DL MPN Status Report	View a list of MPN statuses received from COD	Prior to bi-weekly disbursements
DLVR – DL Variance Report	Reports the difference between Datatel information and COD	Twice a month the day after disbursements
CARR – COD Acceptance Report	View a list of awards with accepted, corrected or duplicate COD Responses	Optional report to the COD Batch report. Run after transmittal.
DCOD – DL COD Inquiry	COD Response by Student – Lists all transmissions between Datatel and COD	Once a term or as needed
DSRR – DL SAS Reconciliation Report	Compare year-to-date amounts from COD SAS report and Datatel Note: Use DL ID Number MC: G21191 WV: G01138	Monthly – COD SAS report is generated on the Saturday of the first full weekend of the month
CODC – COD Comparison Report	Locates any differences between award amounts recorded for a Direct Loan award	Optional – other reports provide the same info
CDMR – COD Missing Response Report	Find records that have no responses from COD	Optional – other reports provide the same info
TFAR – Transmitted Financial Aid Report	Reports financial aid information that had been posted to Accounts Receivable (AR)	Monthly with SAS for recon

Note: DOEI needs to run every morning to bring in DL Loan information.

COD Reports

COD has six (6) canned reports located under the Services tab → COD Reports

COD Report	Function	Frequency
30-Day Warning (CSV)	To contact students that are 30-days in arrears of their loan payments	Monthly
Inactive Loans (CSV)	To view student who have submitted loan data through www.studentloans.gov that have not yet been processed	Monthly
Pending Disbursement (CSV)	Loans with disbursements pending (processed or not)	Monthly
Expired MPN Report	To view expired MPNs	As Needed
MPNs Due to Expire Report	To view MPNs due to expire	As Needed
SSN-NAME-DOB Change (CSV)	To view changes in SSN-Name-DOB	As Needed

Default

Periodically reports are received from loan servicers requesting current contact information, default aversion assistance, address updates, etc.

- Current address requests – respond to the requesting agency within 48 hours. Review agency reporting contact info with any contact info, including email address(es) within the school's computer system. If school's info is more correct, fax this info to the requesting agency. If our data is more outdated than the agency's information, inform the agency that we do not have any current information than they have.

- Record any new contact info from the agency in the comment section of the FASI screen. Noting address, phone, email updates and the date received.

- Default aversion requests should be handled within two weeks of receipt.

    - Look up student in school's computer system: note student ID, full SSN and gender (for proper addressing in letters). Always use the most current contact information.
    - For students that are between 60 and 74 days delinquent send the 68+ Day Delinquent letter. Send Exit Counseling booklet with letter.
    - For students that are more than 75 days delinquent send the 75+ Day Delinquent letter. Send Exit Counseling booklet with letter

- For the Default Averted – Send the Default Averted Thank You letter.

Scan reports and letters to Laserfiche.