

2010 Loan Processing Solutions

Transition from FFELP to Direct Lending

SLGFA Contact:

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- Important Processing Timeline Information

SLGFA will continue to accept and process certification records received for guarantee through Wednesday (June 30th). All records received for processing after June 30th, will suspend and we will immediately notify the school. To ensure that your loans can be processed for guarantee by the deadline of Wednesday, June 30, 2010, as established by the Health Care and Education Reconciliation Act of 2010, SLGFA strongly encourages you to have all your loans sent for guarantee by **close of business on Monday, June 21, 2010.**

- New Guarantee Edits

In addition to loan records suspending from guarantee after June 30th, a new edit has been created and put in place to suspend any loan records that attempt to guarantee with an anticipated first disbursement date scheduled on or after July 1st. SLGFA will immediately notify the school that the guarantee cannot occur. This edit will be executed prior to guarantee and for any post-guarantee transaction that causes the first disbursement date to fall on or after July 1st.

New and Serial MPN Loan Processing

New MPN guarantee processing – Records that guarantee as ‘New’ require the borrower to complete an MPN before funding can occur. Beginning the week of May 3rd, SLGFA will identify those borrowers that still haven’t completed an MPN and will begin a diligent follow up effort with the borrower to secure a completed MPN in order for the first disbursement to occur by June 30th.

Serial MPN guarantee processing – Records that guarantee as ‘Serial’ do not require the borrower to complete a new MPN as long as the lender or disbursing agent has a valid MPN. Funding can occur on the scheduled date as long as the first disbursement is set to release and disburse by June 30th.

Hold/Release processing – Schools that place holds on disbursements will need to submit release records to the lender or disbursing agent as soon as possible in order to meet the June 30th cutoff date.

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<p>SLGFA Lender Funds Disbursement Processing</p> <p>SLGFA Contact:</p> <p>Lisa Griffin, Department Manager</p> <p>(501) 688-7612 (800) 622-3446 ext. 612 lgriffin@slgfa.org</p>	<p><i>Hold/Release processing</i> – To ensure that a first disbursement can be made by the deadline of Wednesday, June 30, 2010, as established by the Health Care and Education Reconciliation Act of 2010, SLGFA strongly encourages you to have all your release records submitted by Tuesday (June 29th).</p> <p>Since a first disbursement cannot be made on or after Thursday (July 1st), SLGFA will delete any outstanding disbursements in the Hold file that have not had a first disbursement occur prior to July 1st. These disbursements will also be canceled and the appropriate party associated to the records will be notified.</p>
<p>Aggregate Limit Research for Schools</p> <p>SLGFA Contact:</p> <p>Pam Brown, Coordinator/Trainer</p> <p>(501) 688-7647 (800) 622-3446 ext. 647 pbrown@slgfa.org</p>	<p>If you are planning to process FFELP Summer loans through SLGFA and need our assistance in this area, we encourage you to submit your requests by Monday (June 21st) to allow sufficient time to conduct the research and forward the results to you so you may determine if loan certification can occur.</p>
<p>Change Transaction Processing</p>	<p>Change transactions will continue to be processed by SLGFA on existing FFELP loans as done today. Examples of change transactions include cancellations (full or partial), reductions, reallocations, release records (only on subsequent disbursements and when a first disbursement has already been made prior to July 1st), borrower demographic changes and loan level changes.</p>

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<p>Disbursement File Processing</p>	<p>SLGFA will continue to generate and provide electronic files and paper rosters until all loans are fully disbursed, based upon individual lender requests.</p>
<p>Working with Suspended Loan Records after Submitting to SLGFA for Guarantee</p> <p>SLGFA Contact for Pending Loan Request Issues:</p> <p>Vivian Sapp, Senior Specialist (501) 688-7674 (800) 622-3446 ext. 674 vsapp@slgfa.org</p>	<p>- Deactivated or Non-Participating Lender Code</p> <p>The Loan Maintenance Department (LMD) at SLGFA will work with the school and borrower to obtain the borrower's new choice of lender.</p> <p>Continued guarantee processing of the suspended loan record is based upon the school's processing requirements:</p> <p><i>Withdraw the electronic record on guarantor system</i> – This is performed for schools that must create a new certification record on their system and resubmit for guarantee due to their system requirements.</p> <p><i>Update the lender code on the suspended loan record</i> – This is performed when a school is able to process the updated information on their system or electronic response records are not uploaded to their system.</p> <p>- Driver's License Number Blank or Invalid</p> <p>A primary result in a suspended loan request occurs when the State Code is provided without a Driver's License (DL) Number in the subsequent field, even if the (DL) field was sent as NA, N/A or NONE. The loan request must reflect either the <u>State and Number</u> or "NA, N/A or NONE" (only) in the Number field with the State field left blank. Any other combination of information will result in the loan request being suspended, creating a delay in processing.</p> <p>In most cases, this suspension has been when a school's system has been pre-set to always send a value in the State Code field, even if an actual number isn't being provided.</p>

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Electronic File Processing (School Certification)

Verify school system default settings are current:

- Processing Method Code:

GP – Guarantee & Print

PG – Print & Guarantee

GO – Guarantee Only

- Serial Loan Indicator:

N – instructs SLGFA to process as a NEW MPN, which will require the borrower to complete an MPN.

S – instructs SLGFA to process as a SERIAL MPN and determine if there is an existing, valid MPN that can allow serialization to occur.

- Prom Note Delivery Code:

W – Web indicator instructs SLGFA to post an online MPN to the Web to be completed by the borrower if a New MPN is required. This code is used to promote an Electronic Signature flow.

P – Paper indicator instructs SLGFA to generate a paper MPN and deliver to the borrower for completion if a New MPN is required.

- File Identifier Code:

This field indicates the type of data in the file and the CommonLine version of the file layout.

Production files must contain the constant:

A004P for CommonLine 4 Production files

A005P for CommonLine 5 Production files

- Loan Period Begin and End Dates

Verify that the correct loan period date fields have been updated and applied to the appropriate @1 Detail Records within the file created and sent for processing.

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<p>Electronic File Processing -Continued-</p>	<p>- Borrower Lender ID Verify that lender code tables are current.</p> <p>-Recommended Disbursement Dates Verify that the date(s) are current and applied to the appropriate @1 Detail Records within the file created and sent for processing.</p>
<p>Loan Data Integrity</p>	<p>- Valid SSN The Borrower and Student SSN/Name fields should be reviewed prior to submission to ensure accuracy. We have found various errors associated to these fields. One of the primary errors is when a Student's SSN is provided in the "Borrower SSN" field and the Parent's name is received in the "Borrower Name" field. Please note: Most PLUS loans received for guarantee processing at SLGFA will require a credit check. When this scenario plays out, credit hits are being applied to the student instead of the parent, which will suspend the process due to conflicting data received by the credit bureau. Research is conducted and many system corrections have to be made before processing can continue.</p> <p>- Date of Birth The Date of Birth field should be reviewed prior to submission to ensure accuracy. In cases where the Date of Birth field is blank, contains an invalid date or the student's Date of Birth is less than or equal to the borrower's Date of Birth (PLUS loan), the loan request will suspend, creating a delay in processing.</p> <p>- Borrower Permanent Home Address When certifying a loan, especially a "NEW" loan request that requires the completion of an MPN, the borrower's demographic information (address) provided in the loan request should match the information that is required on the MPN. This means the address should be comprised of the borrower's <i>permanent</i> home street address, apartment number, city, state and zip code. NOTE: While a loan request containing a Post Office Box address may guarantee, the absence of the permanent home [physical] address may result in a delay of further processing (i.e. disbursing) until a physical address can be obtained. (The "Instructions for Completing Promissory Note" state that "... If you have a Post Office Box and a street address, list both. A temporary school address is not acceptable. ...".)</p> <p>- Driver's License Number (State Code and Number Fields)</p> <p>- Borrower Email Address Verify borrower email addresses are current and valid. Valid borrower email addresses submitted to SLGFA allow automation in notifying and instructing borrowers to complete an online MPN when serialization cannot occur.</p>