

PeopleSoft Enterprise 8.9 MP1
Financial Aid
HERA Updates to Loan Processing
2006-2007

August 2006

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HERA Updates to Loan Processing 2006-2007

Note. This document is an update to the *PeopleSoft Enterprise Financial Aid 8.9 PeopleBook*. It describes the Product Update Issue #613411 posted to Customer Connection in August 2006. Use this document in conjunction with your PeopleBook to maintain a complete set of documentation.

PeopleSoft Financial Aid 8.9 MP1 Bundle 6 includes the following essential updates and added features for your 8.9 system:

- Changes to Loan Processing Setup.
- Modifications to CommonLine Loan Processing.
- Updates to Direct Lending.
- Updates to the Perkins Promissory Note.

Changes to Loan Processing Setup

A new Graduate PLUS loan type drives the Graduate PLUS processing logic. This section discusses how to:

- Set up a Grad PLUS loan type.
- Link a Grad PLUS loan type to NSLDS.

Pages Used to Set Up Loan Types

Page Name	Object Name	Navigation	Usage
Loan Type Table	LOAN_TYPE_TABLE	Set Up SACR, Product Related, Financial Aid, Loans, Create Loan Types, Loan Type Table	Define the types of loans your institution uses in loan origination processes.
CommonLine/NSLDS Xref	LOAN_TYPE_TABLE2	Set Up SACR, Product Related, Financial Aid, Loans, Create Loan Types, CommonLine/NSLDS Xref	Link loan types defined for CommonLine processing with the borrower's loans reported by the NSLDS.

Setting Up a Grad PLUS Loan Type

Access the Loan Type Table page.

Loan Type Table page

When the loan category is set to *PLUS*, the **Graduate PLUS indicator** check box is displayed. Select this check box for Grad PLUS loans.

Linking a Grad PLUS Loan Type to NSLDS

Access the CommonLine/NSLDS Xref page.

CommonLine/NSLDS Xref page

For Direct Loans, the **Loan Category** is *PLUS* and a new **NSLDS Loan Type** for Graduate PLUS loans is *GB*.

Modifications to CommonLine Loan Processing

Modifications to the CommonLine 4 process support changes in functionality related to recent HERA regulations. This includes implementation of Graduate PLUS loan functionality and support for direct disbursement to students enrolled at foreign institutions.

This section discusses changes to the:

- CommonLine 4 Setup.
- CommonLine PLUS Promissory Note Entry.
- Loan Origination process.
- CommonLine loan outbound process.
- CommonLine inbound load program.

CommonLine 4 Setup Changes

The EDI maps used by the CommonLine 4 processes have been updated. Please be sure to run the EC Prep process to generate the ECOUTMAP.SQC file for your codeline.

A new Loan Disbursement Action code was added to support direct disbursements to the student by the lender.

PSDL Direct Disbursement by Lender

The Loan Validation Edit *FAEDPLUSMPN – PLUS Serial loan check* was modified to function for the Grad PLUS.

CommonLine PLUS Promissory Note Entry

This section discusses how to enter data for a Graduate PLUS promissory note.

Page Used to Enter CommonLine Promissory Note Data

Page Name	Object Name	Navigation	Usage
Promissory Note Plus	SFA_CRC_PNOTE_PLUS	Financial Aid, Loans, CommonLine Management, Enter PLUS Prom Notes	Enter promissory note data for PLUS loans.

Entering Data for a Grad PLUS Promissory Note

Access the Promissory Note Plus page.

Promissory Note Plus		Loan Relation (Ref/Cosign)	
Tabitha Raison		ID:	FA0839
Aid Year:	2006	Financial Aid Year 2005-2006	Institution:
		PSUNV	
Find View All First 1 of 1 Last			
*Loan Type Code:	GPLF	FFEL GRAD PLUS	Application Number: 1
Lender OPEID:	889002	PeopleSoft CU - Encino	Lender Branch ID: 0001
Guarantor OPEID:	705	Student Loan Guarantee Found	Borrower Data
References Complete:	Yes		Student Data
			PNote Status
	<input checked="" type="checkbox"/> Borrower Signature	Signature Date:	07/26/2006

Promissory Note Plus page

When entering a Grad PLUS promissory note, the page hides the Borrower ID field on the page. The Borrower ID is set to the EmplID internally to avoid defining a student-to-student borrower relationship using the Relationship component.

Loan Origination Process

The origination process was modified to recognize the Graduate PLUS loan type and will originate the loan with the required information for the new loan. After a Graduate PLUS loan is originated, review the loan in the Originate Loan component.

This section discusses how to:

- Review Grad PLUS loan processing options.
- Disburse directly to the student.
- Manage Grad PLUS loan origination.

Pages Used to Originate Grad PLUS Loans

Page Name	Object Name	Navigation	Usage
Loan Origination 1	SFA_CRC_LOAN_ORIG	Financial Aid, Loans, CommonLine Management, Maintain Originated Loans, Loan Origination 1	Review and update student and borrower information, CommonLine version, and loan destination processing options.
Loan Origination 2	SFA_CRC_LN_ORIG_FN	Financial Aid, Loans, CommonLine Management, Maintain Originated Loans, Loan Origination 2	Review and adjust loan start, end, certification, and scheduled disbursement dates.

Page Name	Object Name	Navigation	Usage
Loan Origination 3	SFA_CRC_LN_ORIG_CL	Financial Aid, Loans, CommonLine Management, Maintain Originated Loans, Loan Origination 3	Review and update CommonLine processing options.

Reviewing Grad PLUS Loan Processing Options

Access the Loan Origination 1 page.

Loan Origination 1	Loan Origination 2	Loan Origination 3	Loan Validation	
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ID: FA0735	Makepeace, Jean A	Institution: PSUNV			
Career: GRAD	Graduate	Aid Year: 2006			
Loan Type: GPLF	FFEL GRAD PLUS	Appl Seq: 1	Loan Status Summary		

Borrower Information	
Borrower ID:	<input type="text" value="FA0735"/> Jean Makepeace
Borrower SSN:	121-38-7951 Loan Demographic
Borrower Date of Birth:	10/04/1953 Borr Bio/Demo Data
Driver's License #:	M262385067765 State: MN Select Ref/Csgn
Borrower Requested Amt:	\$5,000.00

Parent/Alternative Loan	
Loan Refund Indicator:	<input type="text" value="Borrower"/> Stdnt Bio/Demo Data Related IDs

Process	
Loan Destination Nbr:	<input type="text" value="6"/> PNC Bank CommonLine Loan Version: <input type="text" value="CL4"/>
Processing Level:	<input type="text" value="GP"/> Guarantee and Print Appl
Servicer OPEID:	US Lender Services 525252 0000
Lender OPEID:	PNC Bank 809921 0000
Guarantor OPEID:	California Student Aid Commiss 706

Loan Origination 1 page

When a Graduate PLUS loan is originated, the Borrower ID is assigned the student EmplID. The Borrower ID cannot be edited on this page.

Disbursing Directly to the Student

Access the Loan Origination 2 page.

Loan Origination 1		Loan Origination 2		Loan Origination 3		Loan Validation		Loan Orig Status	
ID:	FA0735	Makepeace, Jean A	Institution:	PSUNV					
Career:	GRAD	Graduate	Aid Year:	2006	Loan Status Summary				
Loan Type:	GPLF	FFEL GRAD PLUS	Appl Seq:	1					
Loan Application Data									
Origination Total:	\$5,000.00	Loan Period Start:	08/20/2005	<input type="checkbox"/> Override Loan Dates					
		Loan Period End:	06/30/2006	Loan Certification Date:	07/13/2006				
Origination Detail Find View All First 1 of 1 Last									
Borrower Requested Amt:	\$5,000.00	Item Type:	900000000398 FFEL GRAD PLUS						
Loan Certified Amount:	\$5,000.00	Loan Application ID:	0013150000AEZ200B Update ID						
Loan Approved Amount:	\$0.00	Anticipated Net Amount:	\$5,000.00	Anticipated Loan Fees:	\$0.00				
Customize Find View All First 1-2 of 2 Last									
Disbursements		Hold/Release		Direct Disbursement		FFEL			
Disbursement ID		Disb Direct to Borrower							
01		<input checked="" type="checkbox"/>							
02		<input type="checkbox"/>							

Loan Origination 2 page

In the **Direct Disbursement** tab, the **Disb Direct to Borrower** (Disburse Direct to Borrower) check boxes are available for each disbursement. This optional CommonLine process allows the school to request that a disbursement be made directly to the student by the lender. This value is transmitted in the application send file (the field is not supported in the change transaction send file). This optional process is valid for all CommonLine loan types as long as the lender participates.

Managing Grad PLUS Loan Origination

Access the Loan Origination 3 page.

Loan Origination 1	Loan Origination 2	Loan Origination 3	Loan Validation	Loan Orig Status
ID: FA0735	Makepeace, Jean A	Institution: PSUNV		
Career: GRAD	Graduate	Aid Year: 2006		
Loan Type: GPLF	FFEL GRAD PLUS	Appl Seq: 1	Loan Status Summary	
Loan Options				
EFT Authorization:	<input type="text"/>	<input type="checkbox"/> Lender of Last Resort		
Capitalize Interest:	<input type="text"/>	<input checked="" type="checkbox"/> Manual Origination Ind		
Request Deferment:	<input type="text"/>			
Promissory Note Information				
Fed App Type:	Grad PLUS	MPN Confirmation:		
Serial Loan Code:	N <input type="text"/> Use new MPN	Borrower Confirmation:		
Pnote Amt Req:		E-Sign Type:		
Servicer Information Find First 1 of 1 Last				
Item Type:	900000000398 FFEL GRAD PLUS	Service Type Cd:		
Ln Int Attr:	Unsub	Reduction Code:		
Loan Sequence Nbr:	0	Revised NOG Ind:		

Loan Origination 3 page

There are two changes in the **Promissory Note Information** group box.

Fed App Type The new value *Grad PLUS* is assigned during origination.

E-Sign Type This is the reported holder of the student’s electronic signature source for the loan promissory note. Although a school is not required to hold or report this information, if received from a loan servicer, the code is loaded to the application.

CommonLine Loan Outbound Process

The CommonLine Loan Out process was modified to:

- Post Graduate PLUS loans into the outbound staging table in the correct format.
- Support the reporting of the direct disbursement by the lender indicator for all CommonLine loans.

CommonLine Inbound Load Program

The CommonLine Loan Inbound process was modified to support changes to the CommonLine 4 record layouts. Changes to the application response file layout do not change functionality. Changes in functionality however, have been made when processing EFT records.

If an EFT records is marked as a direct disbursement to the student by the lender, a new loan disbursement action code of PSDL – Direct Disbursement by Lender is posted. Because the

money is not being sent to the school, any disbursement with this setting will not be allowed to disburse to the student's account.

This section discusses how to maintain CommonLine disbursements.

Page Used to Maintain CommonLine Disbursements

Page Name	Object Name	Navigation	Usage
CommonLine Disbursement Maintenance	LOAN_FUND_MAINT	Financial Aid, Loans, CommonLine Management, Maintain CL Disbursements, CommonLine Disbursement Maintenance	Adjust disbursements for all CommonLine loans and document the disbursement and return of funds. Suspend or release disbursements.

Maintaining CommonLine Disbursements

Access the CommonLine Disbursement Maintenance page.

CommonLine Disbursement Maintenance

ID: FA0735 Makepeace, Jean A

Institution: PSUNV PeopleSoft University **Aid Year:** 2006

Loan Type: GPLF FFEL Grad PLUS **Career:** GRAD

Item Type: 900000000398 FFEL Graduate PLUS Loan **Appl Seq:** 1 Fund Maint.

Loan Disbursement Info			Loan Award Information (Interfaced to Authorization)			
Disb ID	Ln Dsb Amt	Net Disb	Net Disb	Dsb Actl	ActDisb Dt	Suspend Disb
01	2500.00	2372.00	0.00	0.00		Y

Sequence	*Action Code	Description	Actn Net	Action Dttm	Check Nbr
1	N	Anticipated Disbursement	2372.00	06/26/2006 2:44:28PM	
2	PSA	Approved for disbursement	2372.00	07/03/2006 4:59:03PM	
3	PSDL	Direct Disbursement by Lender	2372.00	07/03/2006 5:09:31PM	LN CHECK1

CommonLine Disbursement Maintenance page

When the PSDL action code is posted, the Net Disbursement amount used by the disbursement authorization process is not populated and the Suspend Disbursement flag is set.

Note: Loans disbursed directly to the student display as approved, but undelivered, loan funds. The loans might be flagged as unreconciled in some loan reports.

Updates to Direct Lending

Changes to the Direct Lending module support the origination of Graduate PLUS Direct Loans.

Direct Loan to Support Grad PLUS

Modifications to the Direct Loan Application component support Direct Loan Graduate PLUS loan processing. The Direct Loan outbound validation process has been modified to allow a graduate student as a PLUS loan borrower. Graduate PLUS records can be generated in the correct format for transmission.

This section discusses how to view Direct Loan origination information.

Page Used to View Direct Loan Origination Information

Page Name	Object Name	Navigation	Usage
Application Bio/Demo	LOAN_ORIG_DMO_DL01	Financial Aid, Loans, Process Loans, Direct Lending Management, Manage Direct Loan Application, Application Bio/Demo	Review and correct borrower information, student information, and parent information for PLUS loans.

Viewing the Borrower Information for a Grad PLUS Loan

Access the Application Bio/Demo page.

Application Bio/Demo
Application Misc Data
Application Financial
▶

ID:	FA0821	Bain,Ousmane	Institution:	PSUNV	
Career:	GRAD	Graduate	Aid Year:	2006	
Loan Type:	GPDL	Grad PLUS for DL	Appl Seq:	1	Loan Status Summary

Borrower Information

Borrower ID:	FA0821	Ousmane Bain	Related ID	Loan Refund Indicator:
SSN:	184-84-9999	DOB:	01/25/1963	Borrower ▼
Citizenship:	Alien Perm	Visa/Alien Permit:		Borr Default / Owes Refund:
Telephone:	303/331-0812	<input type="checkbox"/> Override Phone #		No ▼

Student Information

SSN:	184-84-9999	Birthdate:	01/25/1963	Default / Refund:
Status:	Alien Perm	Visa/Alien Permit:		No ▼

Application Bio/Demo page

When a Direct Grad PLUS is originated, the Borrower ID is set to match the student EmplID. The Borrower ID cannot be modified.

Updates to the Perkins Promissory Note

On June 22, 2006, the Office of Management and Budget (OMB) approved the revised Federal Perkins Loan Program Master Promissory Note (Perkins MPN) and authorized its use through June 30, 2009. The only change made to the revised Perkins MPN is the addition of the new Military Deferment established by the Higher Education Reconciliation Act of 2005.

A new Perkins MPN form, maintained in the Forms Engine utility, has been added to reflect the revised Perkins MPN with an expiration date of June 30, 2009. No additional setup is required to begin generating with the revised Perkins MPN. After the bundle has been installed to your environment, any new paper Perkin MPNs created will reflect the revised OMB approved Perkins MPN. Any new Perkins MPNs generated through self-service will also reflect the revised OMB approved. Any previously created notes will reprint on the form they were originally printed on.