

Glossary

@IT – A CommonLine termination record which is sent in a *Response* file. An *@IT* record is created when a school rejects a certification request, and sent to the lender, if the lender is profiled to receive it.

Alternative loans - Alternative (or private) loans are credit-based loans that are not funded by the federal government, and are approved based on the good credit history of the student or a co-signer.

ACH – Automated Clearing House. The automated clearing house (ACH) is a nationwide mechanism that processes electronically originated batches of credit and debit transfers. This is an EFT (electronic funds transfer) method in which funds are available in an account one business day after disbursement.

CDA – Central Disbursing Agent. An entity that receives the proceeds of FFELP or Alternative loans, from one or more eligible lenders, for the purpose of transmitting those proceeds, and the associated rosters and reports, to the school.

Certification – The act of attesting that something is true or meets a certain standard. When a school completes the certification section of a borrower's loan application they are confirming the borrower's eligibility for the loan.

.CLC – A CommonLine Change Transaction Send file, created by a school and sent to ELMNet. The file is sent using the ELM file-naming convention of *MMDDYY##.CLC*.

CommonLine – CommonLine is a standardized format and delivery process for the exchange of loan data and disbursement and change transaction data between schools and their federal and alternative student loan service providers. It was developed and is maintained by the Electronic Standards Committee of the National Council of Higher Education Loan Programs (NCHELP).

Destination tables – Tables used by the ELMNet system to determine the routing of document flow. Based on the entries in these destination tables, documents may follow lender flow, guarantor flow, or certification request flow. See *the flowcharts in the Appendix for examples of these flows*.

Disbursement – The transfer of loan proceeds by individual borrower check, master check, or electronic funds transfer from a lender for the borrower, to the school.

APPENDIX

.DSB – A disbursement roster file generated by ELM NDN for schools. The file may be in CommonLine format and the files use the ELM file-naming convention of *MMDDYY##.DSB*.

EAM – ELM Automated Mailbox. This program manages the sending and receiving of multiple files at the same time. The EAM allows schools to securely send and receive multiple files to and from ELMNet from their Windows desktop. This is a Windows-based software program that supports file exchange using Secure File Transfer Protocol (SFTP).

Electronic Funds Transfer (EFT) – Transfer of funds initiated through electronic means, such as data transmission by computer rather than a paper-based transaction, such as a check.

ELM NDN (National Disbursement Network) – A central disbursement agent that supports multiple loan products, including FFELP and alternative loans. ELM NDN works with ELMNet, and also with school-based systems. ELM NDN, which is available to all lenders, servicers and schools, provides the ability for colleges and universities to receive disbursements from a single source, no matter where they are located or how many lenders and guarantors they use.

ELMNet – ELM Resources' data exchange network, which supports file exchange in multiple formats, and also gives schools that do not have a workable module with their student information system the use of a web-based system for loan processing.

ELMWeb – ELM Resources' web-based portal for the ELMNet data exchange system.

.ERF – ELM reject file.

FAFSA – Free Application for Federal Student Aid – The FAFSA is a form that a student must complete to apply for federal Title IV financial assistance, including FFELP loans. The student must include financial information about the household so the Expected Family Contribution (EFC) can be calculated.

FFELP - Federal Family Education Loan Program – FFELP included the Federal Stafford and Federal PLUS loan programs which offered loans that were funded by private lenders, guaranteed by guarantors, and reinsured by the federal government. The FFELP was a public-private partnership created by Congress in 1965 to deliver and administer guaranteed education loans for students and their parents. Following the passage of the Health Care and Education Reconciliation Act of 2010, FFELP was eliminated, and no subsequent loans will be permitted to be made under the program after June 30, 2010.

APPENDIX

FTP – File transfer protocol. FTP is a standard internet protocol that allows the transmission of data files.

Grad PLUS – One of the provisions of *The Budget Deficit Reduction Act of 2005* was the expansion of the PLUS loan program to graduate and professional students. Prior to this new law, federal PLUS loan eligibility was only open to parents of undergraduate dependent students. For the Grad PLUS loan the borrower is the student and not a parent. The federal PLUS loan for a graduate or professional student is available to students with an academic grade level code of **A, B, C** or **D**. Under the Federal Graduate/Professional PLUS loan program the student is both the borrower and the student. CommonLine 4 and 5 adopted the loan type of **G** to support the Federal Graduate/Professional PLUS loan program. **GB** stands for graduate borrower.

.GRF – Guarantor reject file.

Guarantor – A state or private not-for-profit organization that has an agreement with the U.S. Secretary of Education to administer a loan guarantee program under the Higher Education Act. Guarantee agencies insure student loans against default. The 1% guarantee fee that is collected from each disbursement is paid to the designated guarantee agency to cover the costs of insuring the loan. Some guarantee agencies have enough of a reserve that they are able to waive or reduce the guarantee fee. If the borrower defaults, dies, or becomes totally and permanently disabled, the guarantee agency will reimburse the lender a percentage of the balance remaining on the loan.

Hammer – An ELMNet program that collects files from outboxes in order to send them out. The process runs every 15 minutes.

.IGR – Inbound Guarantor Response file. This file is sent by guarantors or lenders with an approval, rejection or denial of a loan record.

.IRF – Immediate Response File. When a lender file is received, ELM NDN provides an IRF to the lender which confirms the number of records and dollar amount in the incoming lender file. The IRF doesn't determine if the individual disbursements submitted will process. It simply confirms that the file has been successfully received.

ISIR – Institutional Student Information Record. An ISIR file is a formatted electronic record of federal student aid application data (from the FAFSA), forwarded by the Department of Education to the schools that the student selected to receive the data.

APPENDIX

Lender – A financial institution that provides funds to a borrower.

Master Check – A single check issued from a lender or disbursing agent to a school that contains disbursements for two or more borrowers.

MPN – The Master Promissory Note (MPN) replaced the Common Federal Stafford Application and Promissory Note for Federal Stafford Loans. In the past, when a student applied for a Federal Stafford Loan, a promissory note for each loan was required. With the MPN, it is like opening a line of credit for education expenses during the student's academic career. The multi-year or serial loan feature of the MPN allows the student to receive future federal Stafford loans without completing and signing additional promissory notes, as long as the student remains eligible for Federal Stafford loans, stays with the same lender, and attends a school that participates in the serial loan process.

NCHHELP – National Council of Higher Education Loan Programs. NCHHELP represents a nationwide network of guaranty agencies, secondary markets, lenders, loan servicers, collection agencies, schools, and other organizations involved in the administration of the Federal Family Education Loan Program (FFELP).

NDN – National Disbursement Network. See *ELM NDN*.

PLUS Loans – Parent Loan for Undergraduate Students. Parents can borrow up to the total cost of their dependent children's undergraduate education, less financial aid from other sources.

Refund Automation – Refund Automation is a process where your school can use ELMWeb or your internal financial aid software to transmit returns as a CommonLine Change Transaction Send File to ELM NDN. These data files and the funds associated with them will pass through ELM NDN directly to lenders with a minimum amount of manual intervention.

.RPN – A print disbursement roster generated by ELM NDN for schools. This report is viewed in Microsoft Word.

.RP4 – A returns processed report generated by ELM NDN for schools. This report identifies the processed returns and the total dollar amount of those returns that have been received from the school.

Servicer – The organization that originates and services a student loan. Servicing activities include repayment billing, forbearance processing, deferment processing, and collecting on delinquent loans. Some lenders and holders service their own loans. Many others hire companies to do the servicing for them. These companies are called loan servicers. If a lender or holder of a

APPENDIX

loan uses a servicer, the borrower should send repayment checks, deferment forms, and forbearance requests, along with other correspondence to the loan servicer.

.SIS – An original application data file sent from a school to ELMNet. The data may be in CommonLine format or a proprietary layout (including ISIR files). The files are sent using the ELM file-naming convention of *MMDDYY##.SIS*.

.SPC – A proprietary change transaction file sent by a school to ELMNet. This extension is also used for CommonLine Change Transaction Send files that require mapping in order to process properly. The files are sent using the ELM file-naming convention of *MMDDYY##.SPC*.

SPODE – Single point of data exchange. The ELMNet system is a single point of data exchange that manages data between schools and loan providers.

Stafford Loans – Stafford loans are available to students who demonstrate financial need. The federal government pays the interest on these loans while the student is in school, during a six-month grace period after the student leaves school, and during authorized periods of loan deferment. Unsubsidized Stafford loans are available to students regardless of their financial need; however, the student is responsible for all interest that accrues on the loan.

.SUP – A CommonLine student update response file created by ELMNet for schools. ELMNet generates the files using the ELM file-naming convention of *MMDDYY##.SUP*.

STATUS CODES

Status Codes

Status codes are three-digit numbers which are used to indicate the status of a loan and its disbursements. These statuses are displayed on student loan records in ELMWeb.

Code	Field	Description
Certification Request Statuses		
005	Credit approved	The credit check is complete, and the credit approved.
015	Credit denied	The credit check is complete, and the credit is denied.
025	Credit appeal/approved	The loan was originally denied, an appeal was requested, and the credit was approved.
030	Credit appeal/denied	The loan was originally denied, an appeal was requested, and the credit was denied.
035	Certification requested	The lender received a borrower-initiated loan application, and requests that the school certify the loan.
040	Certification request partially saved	The certification request has been partially completed and saved.
045	Certification request locked	This certification request has been locked by the ELMNet system.
055	Certification request ready to purge	The certification request is ready for deletion.
060	Certification request deleted	The certification request has been deleted.
065	Certification request completed	The certification request is complete.
070	Certification request rejected	The certification request has been rejected.
Loan Statuses		
290	Loan application awaiting borrower completion	The loan application needs to be completed by the borrower.

STATUS CODES

300	Loan application received from school	The loan data required to process the loan (printing and guarantee) has been received from the school, and is being forwarded to the lender, servicer or guarantor for processing.
301	MPN application/warehoused	The loan data has been received from the school for processing by the lender, servicer or guarantor.
320	Loan application to lender	The loan data required to process the loan (printing and guarantee) has been forwarded to the lender or servicer.
325	Guarantor rejected: resent to lender	The loan application was rejected by ELMNet and returned to the lender.
330	Loan application to guarantor	The loan data required to process the loan (printing and guarantee) has been forwarded to the guarantor.
335	Guarantor rejected: resent to guarantor	The loan application was rejected by ELMNet and returned to the guarantor.
395	Guarantor rejected: resent non-ELM	The loan data required to process the loan (printing and guarantee) has been forwarded to the guarantor, lender or servicer.
400	Need application/prom note	The loan record has been loaded to the lender or servicer's database, and they are awaiting the promissory note. This could be a promissory note they printed and mailed, or one the school has collected and is mailing to the lender or servicer.
410	Need lender information	Additional information is needed from the lender or servicer to process the loan.
420	Need guarantor information	Additional information is needed from the guarantor to process the loan.
430	Need borrower information	Additional information is needed from the borrower to process the loan.
440	Need school information	Additional information is needed from the school to process the loan.
450	Need additional information	Additional information is needed from the lender, servicer, guarantor, or school to process the loan.
460	Processing hold	The application is on hold due to an error condition on the loan.

STATUS CODES

470	Exception processing	An error condition exists on the loan and the loan is being handled as an exception. No changes can be made to a loan in this status.
500	Awaiting guarantee	The guarantor is processing the loan for guarantee, but has not yet approved the loan.
510	Received application/prom note	The application/prom note is received, but loan has not been submitted for guarantee, or is not ready to be scheduled for disbursement.
520	Processing for guarantor submission	The loan is being reviewed for submission to guarantor, but has not yet been sent.
550	Approved by guarantor	The loan has been approved for guarantee, and the approval has been transmitted to the disbursement processor.
560	Pending guarantee by guarantor	The loan has been submitted for guarantee, but the guarantee has not yet occurred. Some guarantors use this code if errors exist when a guarantee request is processed.
590	Rejected by guarantor	The loan was sent back to the school, lender or servicer by the guarantor due to data problems or eligibility issues.
600	Denied by guarantor	The loan was denied by the guarantor, due to bad credit, prior defaults or extreme delinquency in repayment.
610	Denied by lender	The loan was denied by the lender, due to bad credit, prior defaults or extreme delinquency in repayment.
620	Rejected for processing problems	An error condition exists on the loan. No further action will be performed without a re-submitted application or correction record. Some lenders and guarantors do not require a new record to be submitted.
700	Disbursement scheduled	The loan has been scheduled to be funded.
710	Partially disbursed	At least one disbursement of the loan has been funded.
720	Fully disbursed	All of the disbursements of the loan have been funded.
800	Loan cancelled	The loan has been cancelled, and the school has returned any disbursed funds to the lender or servicer.
850	Loan withdrawn	The loan has been withdrawn, and the school has returned any disbursed funds to the lender or servicer.

STATUS CODES

XXX	Deleted loan application	The loan application was deleted.
Disbursement Statuses		
900	Awaiting disbursement	The lender has not released the funds to the school.
905	On hold	The lender has placed this disbursement on hold.
910	Disbursed	The lender has released the funds to the school.
915	Partially cancelled/ disbursed	The lender has cancelled part of this disbursement.
920	Disbursement reissued	The lender has released the funds to the school on the reissue date.
930	Disbursement cancel/ return	The lender received a cancellation/return of funds from the school.
932	Disbursement cancel/ borrower	The lender received a cancellation request from the borrower.
934	Disbursement cancel/ guarantor	The lender received a cancellation request from the guarantor.
936	Disbursement cancel/ lender	The lender cancelled the disbursement.
938	Disbursement cancel/ school	The lender received the cancellation request from the school.
940	Disbursement refund	The lender has processed the return of funds from the school.

PROCESS FLOWS

Process Flows

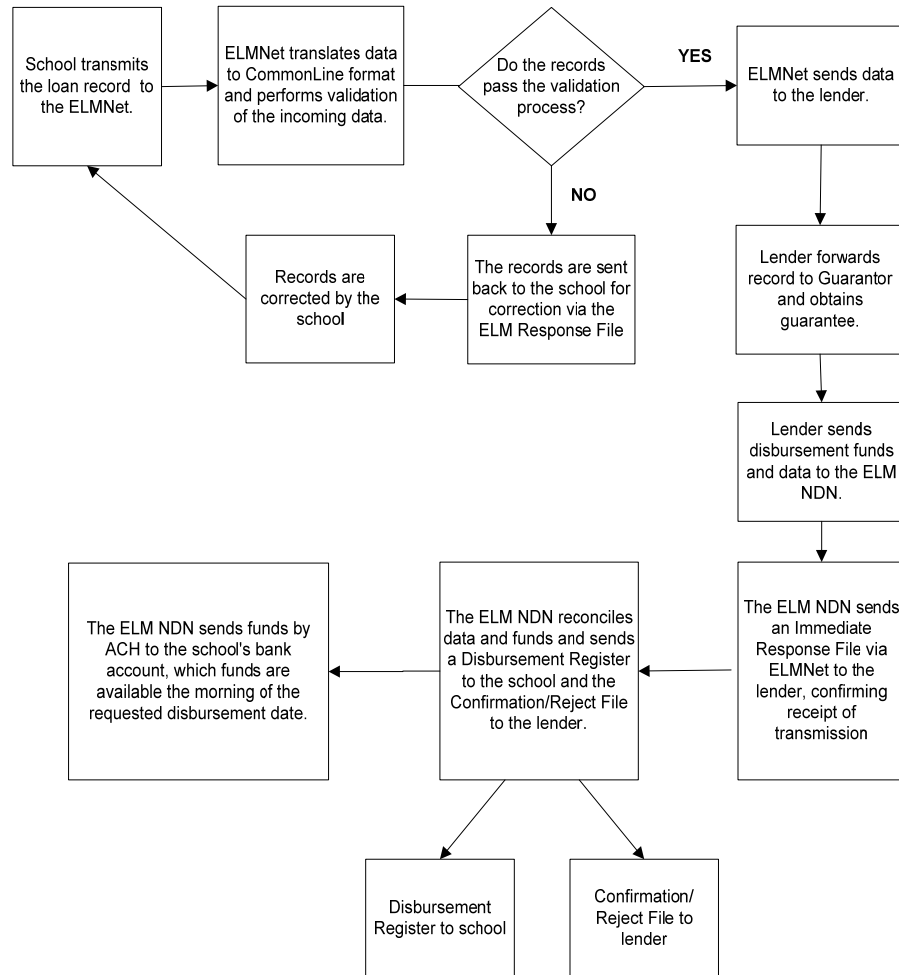
There are three main flows for student loan processing:

- Lender Flow
- Guarantor Flow
- Certification Requested Flow

These charts show how data flows through the ELMNet system.

Lender Flow

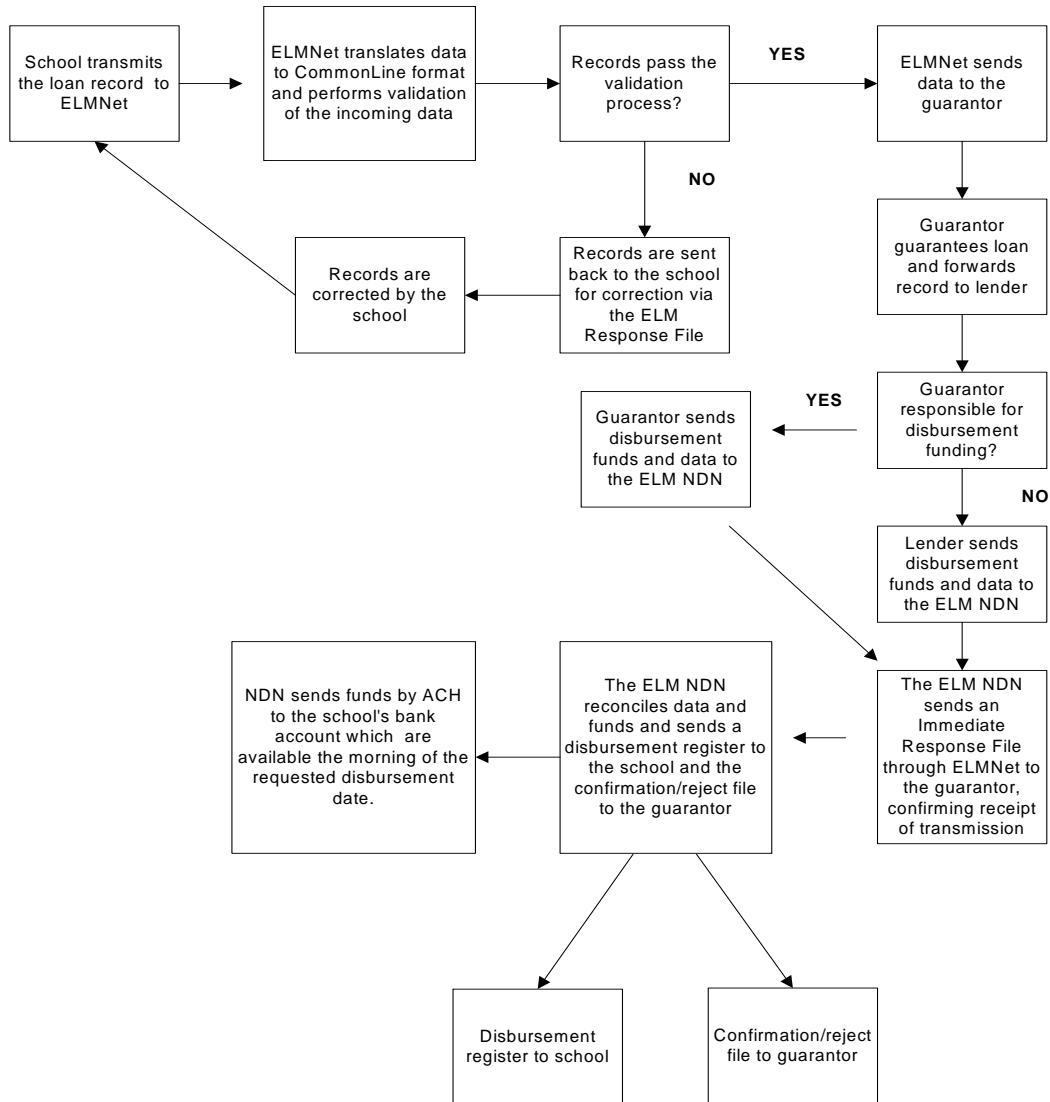
Lender Flow indicates that the loan certification data will flow from the school to the lender. The lender will then pass it to the guarantor.



PROCESS FLOWS

Guarantor Flow

Guarantor flow means that the data will flow from the school to the guarantor, who then passes it to the lender.

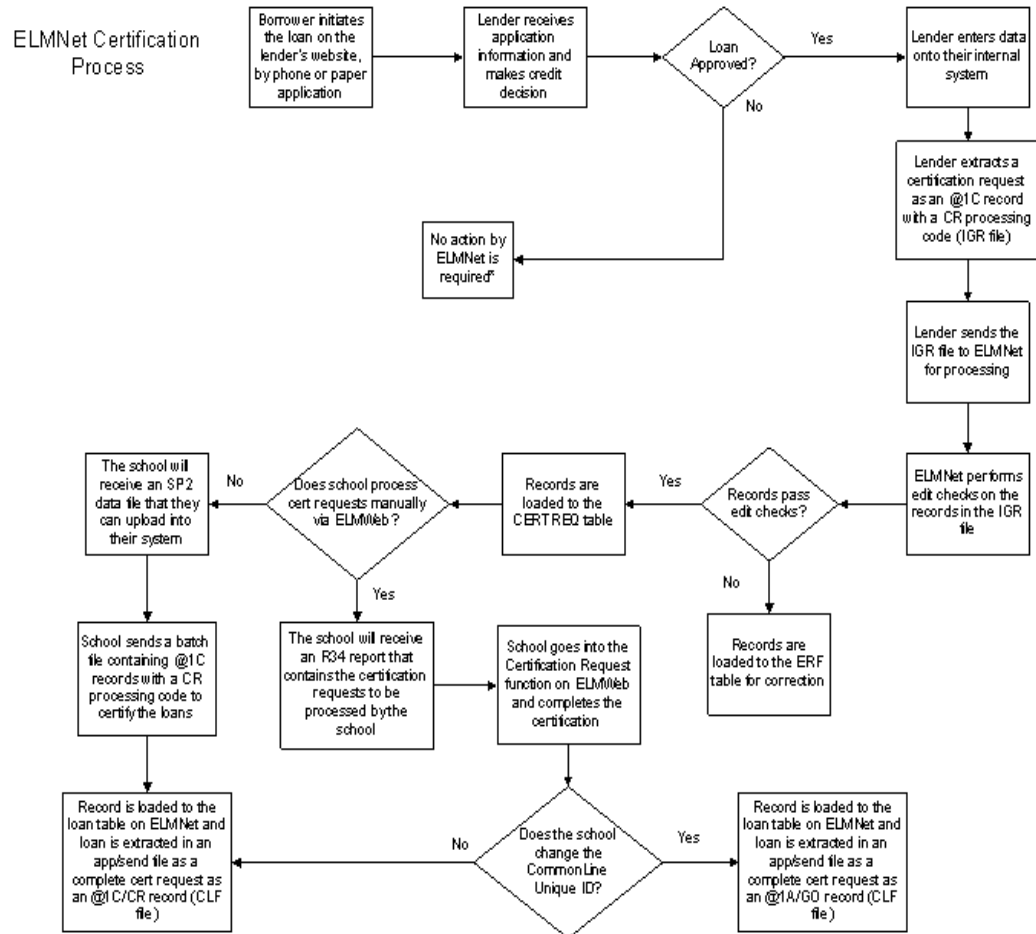


PROCESS FLOWS

Certification Request Flow

In the Certification Request Flow process:

Unlike the first two flows, this process begins with the borrower, and is sometimes called Borrower-Initiated Flow.



Some schools want to know when a PLUS, Grad PLUS or Alternative loan has been denied. The lender can provide this information through ELMNet on the Credit Preapproval page for the PLUS or Grad PLUS loans by entering a new record using the status code of 005. For Alternative loans the lender must submit a CommonLine file. The school can be set up to receive these denials in an R34 report.

1. The borrower initiates the loan on the lender's website by phone or paper.

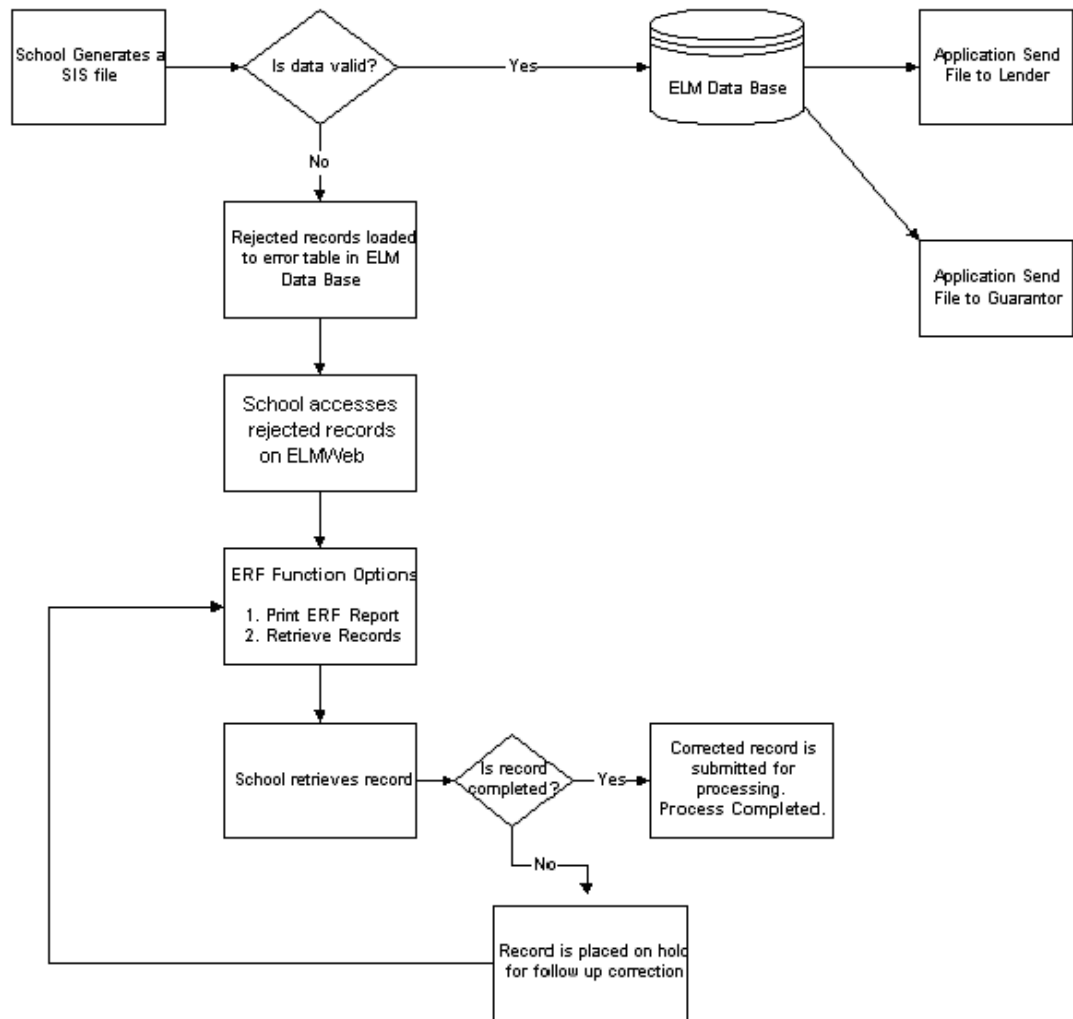
PROCESS FLOWS

2. The lender receives application information and makes a credit decision.
3. If the loan is approved, the lender enters data on their internal system, and extracts the request as a CommonLine @1C record with a CR (certification request) processing code (.IGR file).
4. The certification request is sent to ELMNet.
5. ELMNet performs edit checks on the records. These checks include lender codes, loan types and combinations.
6. ELMNet evaluates what school process is used to determine if the school needs an .SP2 file or an .R34 report, or neither. An .SP2 file is a CommonLine version 4 file which is imported into the school's student information system. An .R34 report is a Microsoft Word document which notifies the school of loans for certification.
7. The school transmits the loans through ELMWeb, or through a batch process on ELMNet.
8. After this, the flow follows the normal Lender Flow process.

PROCESS FLOWS

ELM Reject File (ERF) Processing Flow

This chart shows the process for an ELM reject file (ERF).



PROCESS FLOWS

Guarantor Reject File (GRF) Processing Flow

This chart shows the process for a guarantor reject file (GRF).

