

## Understanding ELM NDN

*In this chapter we will look at how ELM NDN provides the ability for schools to receive disbursements from a single source, no matter how many lenders and guarantors they use.*

**E**LM NDN (National Disbursement Network) is a central disbursing agent for education loan funding and funds return. It can be used with or without ELMNet. ELM NDN gives you control over disbursement dates, cancellations and refunds, and reports, while streamlining the delivery of FFELP and Alternative loan funds.

### Working with ELM NDN

ELM NDN processes funds on this schedule:

1. ELM NDN receives files from lenders and servicers throughout the day.
2. At 4:00 p.m. Pacific Time, ELM NDN begins to process disbursements.
3. Disbursement rosters (*DSB* and *RPN*) are created, by consolidating all lender files into the school-requested rosters, and then sent to the school mailbox. *DSB* rosters are CommonLine files that can be used to load information into a school's information system. *RPN* files are Microsoft Word documents that contain the same information as the *DSB* rosters, and are more easily readable.
4. ELM NDN sends ELMNet a file of all of the disbursements that have been made on a daily basis. This courtesy file provides current disbursement information to ELMNet, but will never overwrite a more

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current file from the lender. The courtesy file changes the status of a disbursement to **Disbursed**.

- All lenders are set up on auto-debit, and their accounts are debited at night. When the school's bank opens the next business day, the funds are available.

## Returning Funds

Although only funds that were originally disbursed through ELM NDN can be returned to ELM NDN for processing, you can still use ELMNet to request returns. ELMNet will only forward the disbursements to ELM NDN that have NDN as the disbursing agent.

ELM NDN can auto-debit the school's bank account, or funds can be returned by check, wire or ACH (Automated Clearing House) transaction.

### To return funds, if you are using ELMWeb:

- From the **Function Selection** menu, select **Loan Retrieval**. Enter the student's Social Security number or name, and select the loan.

Borrower Name		SSN	Address	Telephone	Driver's License	DOB
SMITH, CHRIS		666-66-6603	750 N DIAMOND BAR BLVD #204 DIAMOND BAR, CA 91765-0000	000-000-0000		01/14/1970

Loan Information <a href="#">More Details</a>		Disbursement Information																
Student SSN	Student Name	School Code/Name	Loan Period	Loan Type	Application Type	MPN Type	Gross Loan Amount	Loan Status	Guarantor Code/Name	Disb #	Disb Date	Gross Amount	Net Amount	Disb Agent	Disbursement Status	Status Date	HR	Disb. Method
006-06-0603	SMITH, CHRIS	002222 <a href="#">CommonLine98</a> <a href="#">Test School 2</a>	08/23/2004 - 05/12/2005	Stafford-Unsub-C	MPN	Serial	\$4,000.00	Disbursement Scheduled	717 <a href="#">Illinois Student Assist.</a> <a href="#">Commission</a>	1	08/16/2004	\$2,000.00	\$1,840.00		Awaiting Disbursement	05/13/2003	H	
										2	01/03/2005	\$2,000.00	\$1,840.00		Awaiting Disbursement	05/13/2003	R	

- Select the disbursement.

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ELM RESOURCES  
**ELMNet**

Function Menu | Next Student | Request Reports | View Reports | E

## Disbursement Transaction

Borrower Name	SSN	Address	Telephone	Driver's License	D
SMITH, CHRIS	666-66-6603	750 N DIAMOND BAR BLVD #204 DIAMOND BAR, CA 91765-0000	000-000-0000		01/14

Disbursement	Disb Date	Gross Disbursement Amount	Net Disbursement Amount	Gross Cancellation Amount	Net Return Amount	Fees Percentage	H/F		
1	Current Value	Awaiting Disbursement	08/16/2004	\$ 1313.00	\$ 1273.61	-	-	3%	Ho
	Changes	No Changes	08/16/2004	\$ 1313.00	\$ 1273.61	\$ 0.00	\$ 0.00	3%	
2	Current Value	No Changes	01/03/2005	\$ 1312.00	\$ 1272.64	-	-	3%	Rela
	Changes	Reschedule - Non Cash Hold/Release - Non Cash Cancellation - Non Cash	01/03/2005	\$ 1312.00	\$ 1272.64	\$ 0.00	\$ 0.00	3%	

Anticipated Gra	Cancellation - Cash	Loan Period Begin Date	08/23/2004	Loan Period End Date	05/12/20
Effective Date	Reissue - Cash	Allow Current Value Overrides	<input type="checkbox"/>		

- From the drop-down list, select **Cancellation – Cash**. Enter the amount of the return in either the **Net Return Amount** or the **Gross Cancellation Amount** field, depending on the circumstances for the return.

ELM Cash Transactions					
Report ID:	083104R0.R40	ELM University UNIVERSITY	School Code:	000003 - 00	
Report Date:	08/31/04				
Loan Period:	08/25/04 - 05/05/05				
Lender Code:	[ 999000 - 00 ] BANK ABC				
SSN	Last Name	First Name	MI	Loan Type	School Identification Number
000-55-6666	STUDENT	ANGELA	E	SUB	
Change Date	Change Field Name	New Value			
08/30/04	Disbursement 1 Transaction Code	Reissue/Full			
08/30/04	Disbursement 1 Effective Date				
08/30/04	Disbursement 1 Reduce By	0.00			
08/30/04	Disbursement 1 Gross Amount	4220.00			
08/30/04	Disbursement 1 Date	09/13/2004			
08/30/04	Disbursement 1 Refund Amount	4122.50			
Loan Total		4122.50			
Loan Period Total		4122.50			
Loan Period:	08/25/04 - 05/05/05				
Lender Code:	[ 999002 - 00 ] BANK XYZ				
SSN	Last Name	First Name	MI	Loan Type	School Identification Number
000-55-7777	TEST	MARSHALL	PLUS		
Change Date	Change Field Name	New Value			
08/30/04	Disbursement 1 Transaction Code	Reissue/Full			
08/30/04	Disbursement 1 Effective Date				
08/30/04	Disbursement 1 Reduce By	0.00			
08/30/04	Disbursement 1 Gross Amount	5720.00			
08/30/04	Disbursement 1 Date	09/10/2004			
08/30/04	Disbursement 1 Refund Amount	5548.40			
Loan Total		5548.40			
Loan Period Total		5548.40			
Lender Total		9670.90			
Grand Total		9670.90			

Sample R40 Report

- For changes made on ELMWeb, the ELMNet system will create an R40 (ELM Cash Transactions) report, and place this report in your school mailbox on a daily basis.

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5. Send the returns amount by auto-debit, wire, ACH transaction, or check. ELM NDN will send you the RP4 (Returns Processed by School) report, if you are set up to receive it.
  - If you return the funds by auto-debit, then the funds will be debited from the school's bank account the next business day.
  - If you return the funds by wire or ACH transaction, then send the funds to Wells Fargo Bank NA. The ABA and account number will be provided to you by an ELM representative.
  - If you return the funds by check, then make the check payable to ELM NDN, and send the check to *ELM National Disbursement Network lockbox*:

**First-class mail:**

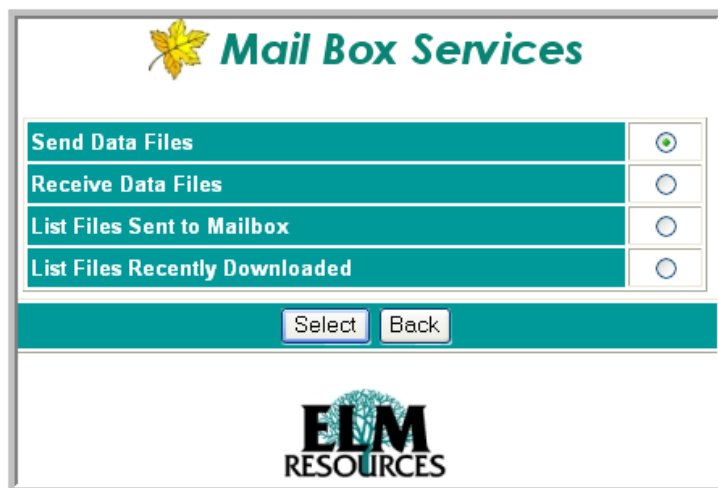
ELM Resources  
Dept. 2104  
Denver, Colorado 80291

**Courier packages:**

Wells Fargo Lockbox Operations  
1700 Lincoln St. – Lower Level 3  
MAC C7300 – L35  
Denver, Colorado 80274  
Reference: Dept. 2104 ELM Resources

**To return funds, if you are sending batch files from your school information system through ELMNet:**

1. Log into ELMWeb and choose **Mailbox Services** from the **Function Selection** menu.



2. Select **Send Data Files** and click **Select**.
3. When the **Send Data Files** page appears, choose **Browse** and select the file you would like to send.
4. Click **Send File**.
5. Send the returns amount by auto-debit, wire, ACH transaction, or check. ELM NDN will send you the RP4 (Returns Processed by School) report.
  - If you return the funds by auto-debit, then the funds will be debited from the school's bank account the next business day.
  - If you return the funds by wire or ACH transaction, then send the funds to Wells Fargo Bank NA. The ABA and account number will be provided to you by an ELM representative.
  - If you return the funds by check, then make the check payable to ELM NDN, and send the check to *ELM National Disbursement Network lockbox*:

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Denver, Colorado 80291

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- If you return the funds by check, then make the check payable to ELM NDN, and send the check to *ELM National Disbursement Network lockbox*:

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### **How does ELM NDN process the return?**

When ELM NDN receives the returns documentation and funds:

1. ELM NDN reconciles funds to data. Refund Automation and auto-debit school returns are completed in one day. Other types of returns may require one to five days to reconcile.

☞ 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 and then 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.

2. If the funds do not match the data, then ELM NDN staff will contact the school.
3. At 9:00 a.m. Pacific Time, the return run begins for funds that have matched the data. During this run:
  - The Returns Report is sent to the lender.
  - ACH is sent to the Federal Reserve.

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- A Returns Courtesy file is sent to ELMNet.
- ELM NDN creates the Returns Report that is auto-faxed or sent to the school's ELM mailbox (RP4), if they are set up to receive this report.

## Exercise 9

### **Understanding ELM NDN**

1. If a school needs to receive a disbursement by Wednesday, May 15, and the school only receives disbursements on Mondays and Thursdays, what is the deadline for the lender to send the disbursement?