



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 loan providers they use.

ELM National Disbursement Network (NDN) is a central disbursing agent for education loan funding and funds return. It can be used with or without ELMNet. ELM NDN provides control over disbursement dates, cancellations and refunds, and reports, while streamlining the delivery of student 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. ELM NDN sends an Immediate Response File to the lender. This confirms that the file was received, and indicates the number of records received and the total dollar amount for the file. This file is available to the lender within minutes of the NDN receiving the file.
2. At 4:00 p.m. Pacific Time, ELM NDN begins to process disbursements. Files received after 4:00 p.m. Pacific Time are processed the next business day.


 It is important that the lender submits disbursement files to ELM NDN before 4:00 pm Pacific Time, in order to make the disbursement run for the day. This allows ELM NDN enough time to move the money from the lender to the school bank accounts. Files received after 4:00 p.m. Pacific Time are processed the next business day.

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 disbursement information that is formatted for printing, 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 current file from the lender. The courtesy file changes the status of a

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disbursement to *Disbursed*, and adds a comment to the disbursement's loan history on ELMWeb.

5. All lenders are set up on auto-debit, and the debits are initiated at night as a part of the daily disbursement process, but not completed until the next business day. When the banks open the next business day, the funds have been debited from the lender and are available to the school.

 ELM NDN will comply with any day-specific requirements set by the school. If a school only wants to receive disbursements on Tuesdays and Thursdays, ELM NDN will meet those requirements.

The day-specific requirements may force ELM NDN to disburse funds on a date later than the scheduled date. If the lender or servicer schedules a disbursement to occur on a Monday, and the school has requested that disbursements occur on Tuesdays and Thursdays, then ELM NDN will wait until Tuesday to disburse the funds. The actual disbursement date (Tuesday) will be included on the Disbursement Confirmation record.

What documents are sent to lenders by ELM NDN?

ELM NDN sends these documents to lenders and servicers:

1. **Immediate Response File** – This file is sent to the lender or servicer when ELM NDN receives a disbursement file.

<p>Immediate Response File</p> <p>C07121113000712111325EDUCARE ELM NDN Y00000010000000120928</p>

Sample Immediate Response File


The sample Immediate Response File contains these fields:

- *C071211* – The date the lender created the file
- *1300* – The time the lender created the file
- *071211* – The date the file was received in the mailbox
- *1325* – The time the file was received in the mailbox
- *EDUCARE* – The lender or servicer name
- *ELM NDN* – The destination of the file
- *Y* – File acceptance code: *Y* = yes, *N* = no
- *0000001* – The number of records in the file
- *000000120928* – The net dollar amount of the file in dollars and cents

This file is sent whenever a disbursement file is received.

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2. **CommonLine Change Transaction Send File** – This CommonLine format file provides the lender or servicer with detailed information on the funds being returned or reissued by the school. This file can be transmitted to the lender by FTP, SMTP or POP3 with the funds transmitted by ACH (Automated Clearing House), or ELM NDN can send a fax with the returned funds sent by ACH. This file is sent daily, or as refund and reissue activity occurs.

 **FTP, SMTP and POP3** are file transmission protocols. See the Glossary in the Appendix for a definition of each protocol.

3. **Disbursement Confirmation/Reject File** – This file notifies the lender or servicer of all successfully disbursed loans and any loans that reject during the disbursement process. This file is in CommonLine format.

Disbursement confirmation/reject files are created and made available in the evening, after the processing cycle is complete. Rejected loans appear on the reject file the day they are rejected. Disbursed loans appear on the file the day of the disbursement.

ELM NDN notifies the lender or servicer of any records that they are unable to disburse. The lender or servicer can correct the problem and resubmit the disbursement to ELM NDN.

For a list of ELM NDN reject codes, see Appendix B..

4. **ELM Student Refund Report** – This report provides the lender with detailed information on funds being returned by the school. The report can be faxed to the lender or servicer and the funds transmitted by ACH (Automated Clearing House) or ELM NDN can send a CommonLine Change Transaction Send file with the funds sent by ACH. The lender can also receive both report formats.

ELM STUDENT REFUND REPORT					FUNDS RETURNED TO XYZ BANK				
03-15-2009					LENDER ID - 000001-00				
BORROWER NAME	SSN	SCHID	LN TYPE	DISB DT	DISB #	METHOD/REF#	TYPE	REFUND AMOUNT	
BORROWER SANDRA L	000-45-6789	009079-00	U	03/06/2009	2	0CHK7	67796 ACH	\$325.74	
REASON - REFUND			WITHDRAW DT - 03/06/2009						
BORROWER SANDRA L	STUDENT, LAURA	000-67-8901	009079-00	U	03/01/2009	3	0CHK7	67975 ACH	\$384.00
REASON - REFUND			WITHDRAW DT - 03/06/2009						
BORROWER KRISTINA	TOTAL LENDER ACH REFUND AMOUNT:						\$5,123.29		
	TOTAL LENDER CHECK REFUND AMOUNT:						\$0.00		
	TOTAL LENDER XFER REFUND AMOUNT:						\$0.00		
BORROWER KRISTINA							\$5,123.29		
	TOTAL RECIPIENT ACH REFUND AMOUNT:						\$0.00		
	TOTAL RECIPIENT CHECK REFUND AMOUNT:						\$0.00		
BORROWER LAURA	TOTAL RECIPIENT XFER REFUND AMOUNT:								

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The report contains these fields

- **Lender ID** – The lender’s Office of Education code.
 - **Borrower Name** – The borrower’s last name, first name, and middle initial.
 - **SSN** – The borrower’s Social Security number.
 - **Sch ID** – The school’s Office of Education code.
 - **Ln Type** – The type of loan: G – Stafford subsidized, U – Stafford unsubsidized, B – Graduate PLUS, P- PLUS, or A - Alternative.
 - **Disb Dt** – The date that the disbursement which is being returned occurred.
 - **Disb #** – The number for the disbursement.
 - **Method/Ref#** – The method used to return the funds to ELM NDN, followed by the reference number. This can be ACH, wire, school check or original uncashed ELM NDN check.
 - **Type** – The method ELM NDN will use to return funds to the lender. This can be ACH or check.
 - **Refund Amount** – The amount of money to be refunded for a loan.
5. **Pending Report:** This is a faxed report, detailing pending borrower records that did not disburse or reject, but cannot be disbursed because of a school disbursement schedule. For example, if the school only accepts disbursements on Tuesdays and Thursdays and the file was sent in on a Friday, the disbursement will wait until Tuesday.
 6. **Snooze Report** – This is a daily faxed report that provides lenders with a list of schools who have placed their scheduled disbursements on hold. Schools may place their disbursements on hold over the holidays, for system upgrades, or for scheduled breaks.
 7. **Lender Notifications** – ELM NDN Notifications are prepared by ELM Resources staff detailing snooze requests and special disbursement date requests. This information is formatted as an MS Excel spreadsheet and sent out by e-mail. Depending on the time of year, these notifications can be updated and e-mailed as often as daily. In addition, on a regular basis, the ELM NDN School Matrix is updated to reflect all ELM NDN schools and their disbursement profiles. This is formatted as an MS Excel spreadsheet and sent out by e-mail. ELM NDN Notifications and the School Matrix are also uploaded to ELMWeb for easy reference.

What documents are sent to schools by ELM NDN?

ELM NDN sends these documents to the schools:

1. **Disbursement Register** – This file notifies schools of successfully disbursed loans for all lenders, for the date the report is generated. This file (also known as a disbursement roster) is sent to the school daily, or as activity occurs, via their ELM mailbox or another secured delivery process.

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ELM NDN can provide disbursement registers to the schools in a variety of formats. The files can be electronic or paper, or both. The electronic version of the files can be data files, print files, or both. Electronic print files are in ELM proprietary format. Both CommonLine data files and print files can include loans disbursed by EFT or checks. ELM NDN supports versions 4 and 5 CommonLine data files. Paper disbursement registers can also be faxed to the school.

ELM401DET		ELM UNIVERSITY		DISBURSEMENT REGISTER				PAGE: 1	
SCHOOL: 00000300				DISB. DATE: 2008-02-28				DATE: 02/27/08	
FUNDING TYPE: EFT								GROUP ID: ELM CDA	
SOC SEC/DISB	GUARANTEE	BORROWER NAME	LN TYPE	STUDENT NAME	STUDENT SSN	DISB AMT	GNTE FEE	ORIG FEE	NET AMT
A/A FORM	GNTR/AMT	SCHOOL ID	LN BEG	LN END	LENDER NAME				
000-11-1165/1	G01	DOE, JOHN	STAF			2,250.00	22.50	33.75	2,250.00
	TX /4500			08/20/07	05/14/08			ELM LENDER1	
000-11-1165/2	G01	DOE, JOHN	STAF			2,250.00	22.50	33.75	2,250.00
	TX /4500			08/20/07	05/14/08			ELM LENDER1	
000-11-1117/1		DOE, CHARLIE	ALTE			10,000.00	0.00	0.00	10,000.00
	HC /10000			01/14/08	05/14/08			ELM LENDER 2	
000-11-1190/2		DOE, JANE T	UNSU			2,750.00	0.00	41.25	2,750.00
	TX /5500			08/20/07	05/14/08			ELM LENDER 3	
ITEMS:	4	BY:	EFT	TOTAL AMOUNTS					
				SUBSIDIZED:					4,500.00
				UNSUBSIDIZED:					2,750.00
				PLUS:					.00
				ALTERNATIVE:					10,000.00
				GRAD PLUS:					.00
				NET AMOUNT:					17,250.00
				GUARANTOR FEE:					45.00
				ORIGINATION FEE:					108.75
				GRAND DISBURSEMENTS:					17,250.00
ITEMS:	4	BY SCHOOL:	ELM UNIVERSITY	TOTAL AMOUNTS					
				SUBSIDIZED:					4,500.00
				UNSUBSIDIZED:					2,750.00
				PLUS:					.00
				ALTERNATIVE:					10,000.00
				GRAD PLUS:					.00
				NET AMOUNT:					17,250.00
				GUARANTOR FEE:					45.00
				ORIGINATION FEE:					108.75
				GRAND DISBURSEMENTS:					17,250.00
ITEMS:	4	BY GRAND TOTAL		TOTAL AMOUNTS					
				SUBSIDIZED:					4,500.00
				UNSUBSIDIZED:					2,750.00
				PLUS:					.00
				ALTERNATIVE:					10,000.00
				GRAD PLUS:					.00
				NET AMOUNT:					17,250.00
				GUARANTOR FEE:					45.00
				ORIGINATION FEE:					108.75
				GRAND DISBURSEMENTS:					17,250.00

** REPORT COMPLETE **

The disbursement register can contain these fields:

- **School** – The school's Office of Education code and name.
- **Funding Type** – The method by which ELM NDN disburses funds to the school. This can be EFT (electronic funds transfer), individual borrower check, or master check.
- **Soc Sec** – The borrower's Social Security number.
- **Disb** – The disbursement number.
- **Guarantee** – The ID number assigned to the loan by the guarantor.
- **Borrower Name** – The borrower's last name, first name and middle initial.
- **Ln Type** – The loan type. This code will be 4 - 9 characters, depending on the width of the column. The loan type can be STAFFORD, SUBSIDIZED, UNSUBSIDIZED, GRAD PLUS, PLUS, or ALTERNATIVE, or a shortened version of the code.

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- a. In accordance with the Health Care and Education Reconciliation Act of 2010 (HCERA), effective 7/1/10, ELM NDN will no longer issue first disbursements for the Federal Family Education Loan (FFEL) Program (Stafford, Grad PLUS or PLUS loans).
 - b. For loans with FFEL first disbursements prior to 7/1/10, ELM NDN will continue to disburse subsequent FFEL disbursements as long as those lenders continue to send their subsequent disbursements to ELM NDN for processing. (Schools should confirm with each of their lenders as to what their final FFEL disbursement date will be for subsequent disbursements.)
 - c. ELM NDN will continue to disburse all Alternative loan disbursements.
- **Student Name** – If this is a parent PLUS loan, the student’s name will appear here. If not, this field will remain blank, as the student is the borrower and the relevant information is shown in the borrower name field.
 - **Student SSN** – If this is a parent PLUS loan, the student’s Social Security number will appear here. If not, this field will remain blank, as the student is the borrower and the relevant information is shown in the **Soc Sec** field.
 - **Disb Amt** – The amount of the disbursement.
 - **Gnte Fee** – The fee associated with the guarantee of the loan.
 - **Orig Fee** – The fee associated with the origination of the loan, which is paid to the Office of Education.
 - **Net Amount** – The amount of the disbursements, less any fees, for a particular disbursement date.
 - **Lender** – The name of the lender disbursing the loan.

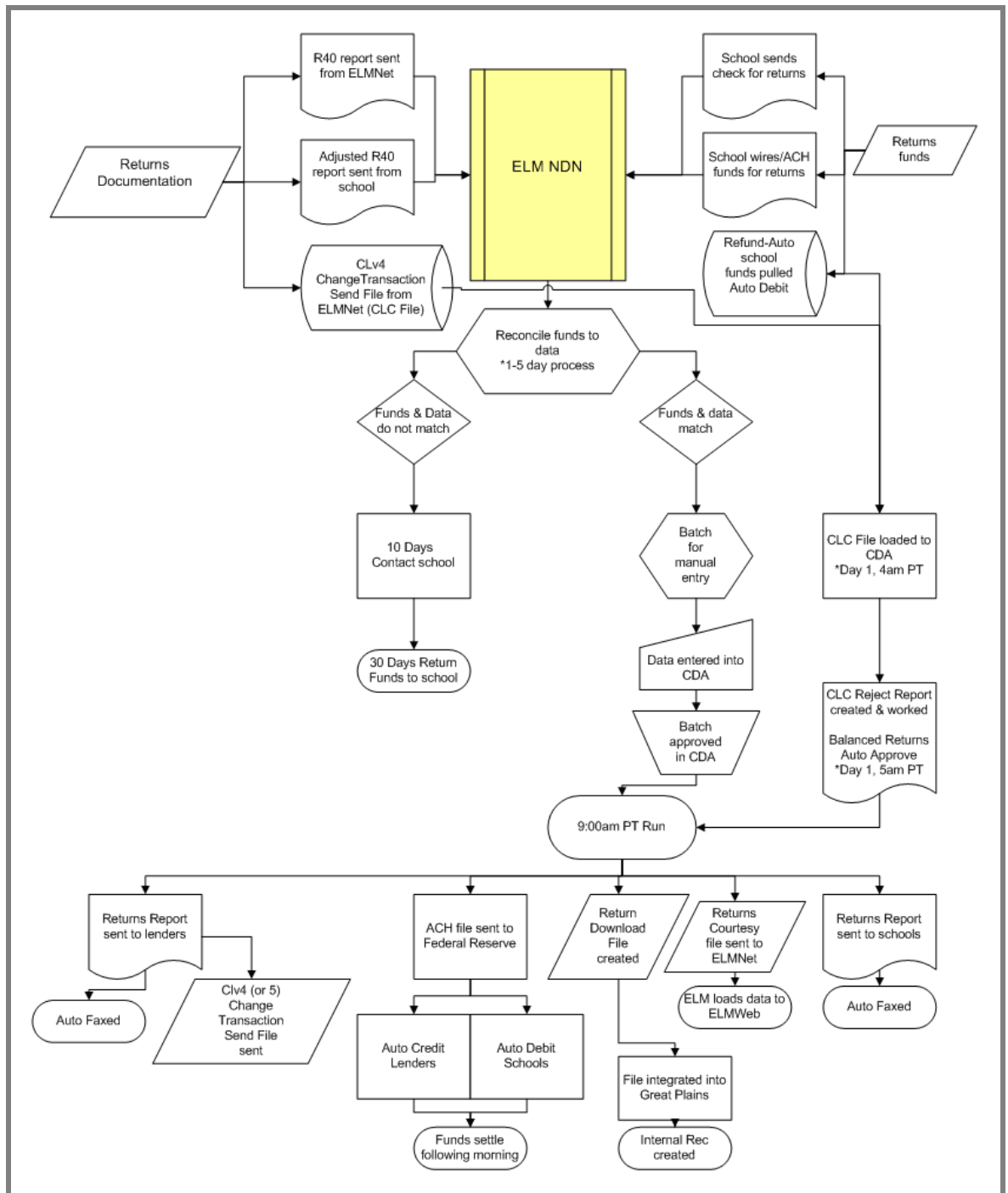
Returning Funds

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

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

- ✍ All uncashed original checks disbursed on ELM NDN check stock must be returned to ELM NDN for processing.

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Refunds are processed in this way:

1. The school returns documentation is delivered to ELM NDN.
2. The school returns the funds by check, wire or ACH. Auto-debit schools have funds pulled by ELM NDN.

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3. ELM NDN reconciles funds to data. This could take one to five days. Auto-debit schools are completed in one day. Schools returning funds by check will take the longest amount of time, because of possible mail delays. The reconciliation process cannot be started until the check is received.
 - If the funds from the school do not match the data, ELM NDN will try for ten days to contact the school.
4. At 9:00 am Pacific Time, the process runs for the funds that have matched the data. During this run, the following happens:
 - The Returns Report is sent to the lender.
 - ACH file is sent to the Federal Reserve.
 - A Returns Courtesy File is created for schools and sent to ELMNet.
 - ELM NDN creates the Returns Report that is auto-faxed or sent to school's ELM mailbox (RP4), if they are set up to receive this report.

Auto-debit is the most accurate and timely process. Some school accounting offices are concerned about reconciling the funds coming in and out of an account. The school can have the auto-debits pulled from a separate account if that is a concern.

If schools are unable to submit returns via a CommonLine Change Transaction Send File, they should post returns on ELMWeb. They would only need to send a copy of the R40 (ELM Cash Transactions) report if the funds being returned do not match the total return amount reflected on the report. The report should be submitted with the revisions noted. For schools that return funds by check, they can attach the check to the adjusted R40 (ELM Cash Transactions) report. For schools that return funds by wire, they should email a password protected copy of the adjusted R40 (ELM Cash Transactions) report to ELM NDN using the following email address: ndnreturns@elmresources.com.

When a school uses ELMWeb to return funds, the data is delivered to ELM NDN as a file that is loaded into the ELM NDN system.

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ELM Cash Transactions					
ELM UNIVERSITY			School Code: 001781 - 00		
Report ID: 083104R0.R40					
Report Date: 08/31/04					
Loan Period: 08/25/04 - 05/05/05					
Lender Code: [999000 - 00] BANK ABC					
SSN 000-56-8666	Last Name DOE	First Name ANGELA	MI E	Loan Type SUB	School Identification Number
Change Date 08/30/04	Change Field Name Disbursement 1 Transaction Code		New Value 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 000-44-5555	Last Name STUEBET	First Name MARSHALL	MI PLUS	Loan Type	School Identification Number
Change Date 08/30/04	Change Field Name Disbursement 1 Transaction Code		New Value 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

What files and reports are created by ELM NDN for returns processing?

These files are sent to the lender by ELM NDN for returns processing:

1. **Returns Processed by School** – These are daily reports that provide borrower detail for returns processed. The **Returns Processed by School** report is accompanied by a credit to the lender's account. Lenders should process these returns on their system and update ELMNet.
2. **Change Transaction Send File** – This is a daily file providing borrower return details in CommonLine format, for returns processed. Lenders should process these returns on their system and update ELMNet.

Working with the ELM NDN Hotline

The ELM NDN toll-free Hotline number is 866-524-8198, extension 1758. ELM representatives are available to assist you from Monday through Friday:

- **9am to 6pm Eastern Time**
- **8am to 5pm Central Time**
- **7am to 4pm Mountain Time**
- **6am to 3pm Pacific Time**

You may leave voicemail messages after hours and the ELM NDN Hotline staff will return your call the next business day. You can also contact the ELM National Service Center at the same toll free number, 866-524-8198, extension 1760 to request assistance.

You may also contact the ELM NDN via email. Due to privacy laws it is strongly recommended all borrower detail be sent in a password protected attachment; sending the password in a separate email; or any other form of secured emails.

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For research related items, email NDNResearch@elmresources.com

The ELM NDN Hotline handles questions having to do with the movement and reporting of funds through the ELM NDN system. The staff answers questions about the delivery of funds and assistance with returns. The ELM NDN staff also provides assistance with receiving disbursement rosters, or changing the way these rosters are received.

When a school needs ELM NDN to hold funds during a school closure, they can request that ELM NDN put the school on snooze. This snooze process temporarily stops a school's disbursement process for a specified period of time. This can be useful during holidays or during a system upgrade. In addition, if a holiday falls on a school's normal disbursement day, the school can request a special disbursement day (i.e. the preceding day, following business day, or any other day during that week), according to the school's processing requirements.

ELM NDN will notify lenders of snoozes and special disbursement days through the e-mailed ELM NDN Notification. ELM NDN will strive to provide lenders a minimum of five days notice, but this is dependent upon when the school submits the information to ELM.

If a school makes changes to their ELM NDN school disbursement profile, (changing their disbursement schedule, changing their method of disbursement, removing loan types, etc.), an ELM Technical Update will be sent out to lenders to announce disbursement profile changes. The ELM Technical Update is used to publish both ELMNet and ELM NDN profile changes.

What to Expect if a Lender or School Needs to Change a Bank Account Number

If a lender needs to make a change to their bank account numbers, they should send an email to MemberServices@elmresources.com. If a school needs to make a change to their bank account numbers, please ask them to contact an ELM representative for the appropriate form to complete. Please keep in mind that the disbursement and the refund file information are created from data stored in the ELM NDN system in lender and school profile tables. This data is set up by ELM per the school's profiled information. Each time a profile is created or updated, a corresponding profile is created in the ELM NDN bank system. New and updated bank account profiles must have a pre-note performed to ensure the account is accurate and that ELM NDN has access to debit and/or credit these accounts.

The turnaround time for pre-notes is one week. The most common errors include the following:

- No Account or Invalid ABA: These can be attributed to typos or incorrect data.
- No Corp Authorization: This happens when a school has not setup the ELM NDN Tax ID at their bank to allow debits or credits. If you need the ID, please contact an ELM representative.

Please allow at least one week's notice for any bank account changes to allow time for the setup and the pre-note to complete without error.