

OGSLP Online News

September 5, 2002

OGSLP Online News is sponsored and operated by the Oklahoma Guaranteed Student Loan Program, a division of the Oklahoma State Regents for Higher Education. This electronic newsletter provides information to schools and lenders participating in the Federal Family Education Loan Program.

(405) 234-4329 or (800) 247-0420.

Smart Start moves to OGSLP: OGSLP is pleased to announce that the Smart Start program, a community service program which is part of the Oklahoma State Regents' Brain Gain 2010 initiative and also supported by AmeriCorps, joined the OGSLP family recently.

New Lender Reporting System (LaRS) replaces ED Form 799: The Department of Education (ED) is ready to implement the new online Lender Reporting system (LaRS) which replaces the existing ED Form 799 process. The new process allows lenders and servicers to electronically report origination and lender loan fees, interest and special allowance earned, and the composition of their loan portfolios to ED. They are also hopeful that turnaround times for billings will be quicker with the new process. Lenders will be required to use the new system for the billing period for the July - September 2002 quarter.

Common Manual Update: The August version of the Integrated Common Manual (ICM) is now available for downloading to your desktop. This version contains the most recent policy changes approved by the Governing Board.

Cohort Default Rate Update: The Department of Education (ED) is implementing a new initiative called the Electronic Cohort Default Rate (eCDR) Notification. This initiative will allow for instant delivery of the draft and official cohort default rate packages to schools instead of the current paper process.

Mapping Your Future Chat Event & OGSLP Default Prevention Update: Mapping Your Future, a public service web site providing college, career, and financial aid information and services, will offer a "Deferments, Forbearances & Default Prevention" Chat on September 12, 2002, from 2 to 3 p.m. (central time).

Smart Start moves to OGSLP!

OGSLP is pleased to announce that the Smart Start program, a community service program which is part of the Oklahoma State Regents' Brain Gain 2010 initiative and also supported by AmeriCorps, joined the OGSLP family recently. OGSLP will assist in providing resources for the continued success of the Smart Start program, guided by its enthusiastic coordinator, Ms. Jamie Lindsey. With a direct link to loan repayment options and to default prevention efforts, the Smart Start program offers a unique opportunity for participants to earn AmeriCorps Education Awards that can be applied to qualified Stafford or Perkins loans - or to current or future college costs! More importantly, Smart Start members receive the priceless opportunity of helping another person learn by serving as a mentor or tutor and thereby engaging in meaningful community service. Participants have reported that they experience personal fulfillment and satisfaction while they build networking relationships, develop resumes, gain important work experience and enhance both the current and future quality of life in the community in which they volunteer.

OGSLP's Client Relations Department will be working closely with Jamie. We will be teaming up on some school visits and she will be joining us at several of the college fair events.

You may contact Jamie Lindsey for more information about how this community service program can be put into use or expanded on your campus. She can be reached at 405-234-4495, 405-225-9195, or jlindsey@osrhe.edu.

New Lender Reporting System (LaRS) replaces ED Form 799

The Department of Education (ED) is ready to implement the new online Lender Reporting system (LaRS) which replaces the existing ED Form 799 process. The new process allows lenders and servicers to electronically report origination and lender loan fees, interest and special allowance earned, and the composition of their loan portfolios to ED. ED is also hopeful that turnaround times for billings will be quicker with the new process. **Lenders will be required to use the new system for the billing period for the July - September 2002 quarter.**

The new lender reporting system will support both an electronic and a paper process. Lenders opting for electronic data submission will have two options: PC data entry or File Transfer. Lenders choosing to use the paper process will not use the current ED Form 799 but will instead use a new form yet to be released. Regardless of submission type, both the electronic and paper form will use new loan type codes designed to match those used in the NSLDS process. Also, the section numbers of the form have changed due to the elimination of Section 1.




In order for lenders to be able to submit their first LaRS form, the following events must occur:

- **LAP application must be completed.** All lenders and servicers must complete the Lender Application Process (LAP) for each of their ID's by **September 6, 2002.** (OGSLP earlier reported the deadline for completing the LAP by September 13, 2002. We recently learned that ED pushed up the date to allow enough time to convert lenders to the new system). The LAP application also allows lenders and servicers to verify and update their demographic information. If a lender or servicer does not complete a LAP, it will not be able to bill for interest benefits and special allowance for the July - September, 2002 quarter. The LAP application is available online www.fp.ed.gov/PORTALSWebApp/fp/fms.jsp. In addition, we have included the link for the LAP user guide.
- **Sign an OPA.** Lenders are also required to complete and sign an Organizational Participation Agreement (OPA). The purpose of this agreement is to eliminate the need for an actual signature when submitting data electronically. Completion of this agreement is not required if the lender chooses to submit a paper-based LaRS. The OPA is also available at www.fp.ed.gov/fp/docs/larsopafinal01.doc.
- **Complete the FMS Security Form.** Lenders will need to complete a Financial Management System (FMS) Security Form for those personnel responsible for completing quarterly LaRS reports. Only those individuals with authorized and valid user IDs will be allowed access to LaRS. The FMS Security Form can also be obtained at www.fp.ed.gov/fp/docs/SecurityForm.doc.

OGSLP has been working with ED on this reporting system conversion to ensure that all Oklahoma lenders are ready for LaRS. OGSLP requested a list from ED indicating the Oklahoma lenders who have not yet completed the LAP and OGSLP is in the process of contacting those few lenders to make sure everyone is ready prior to the first billing cycle on the new system.

In addition, ED plans to have online training tutorials available for LaRS in early-to-mid September. Once finalized, this training will be accessed through ED's Federal Student Aid (FSA) University Training site at: <http://www.ed.gov/offices/OSFAP/sfau/>

For additional information and an overview of the entire new process, please refer to the following links:

-  • Announcement from ED reminding lenders to submit the LAP, OPA & FMS Security Form .
-  • Memo from ED dated June, 2002, providing requirements for this new process.
 - Financial Partners Portal which includes an overview of LaRS process:
<http://www.fp.ed.gov/PORTALSWebApp/fp/fms.jsp>
 - NCHELP's web site has a designated section about LaRS:
<http://www.nchelp.org/Iniatives/Road%20Map/Road%20Map.htm> 


If you have questions regarding this new process, you may call Kim Elston, OGSLP at (405) 225-9487 or Melissa Johnson, OGSLP at (405) 225-9341. Also, if you are unable to access any of the above forms online, you may e-mail ED at FSA_LR@ed.gov or call at (202) 377-3322, x3324 or x3326.

Common Manual Update

The August version of the Integrated Common Manual (ICM) is now available for downloading to your desktop. This version contains the most recent policy changes approved by the Governing Board. Attached is a link to the Common Manual section of our website, where you may download the newest version. Simply click on "OnLine Integrated Common Manual" to initiate the download process. ([ICM](#))

OGSLP will continue to advise clients each time the ICM is updated with new approved language. Updates typically occur on a monthly basis. Saving the downloaded file to your desktop will save you time, especially if you are using the search features.


Policy Modification

The Common Manual Governing Board recently approved changes that modified policies contained in the July 2002 version of the Common Manual. These changes are identified in OGSLP s Common Manual Update (CM-67). 

Cohort Default Rate Update

The Department of Education (ED) is implementing a new initiative called the Electronic Cohort Default Rate (eCDR) Notification. This initiative will allow for instant delivery of the draft and official cohort default rate packages to schools instead of the current paper process.

Beginning with the fiscal year FY 2001 draft cohort default rates, tentatively scheduled for distribution in February, 2003, the Department will electronically transmit cohort default rate notification packages to domestic schools via the Student Aid Internet Gateway (SAIG). After February 2003, ED will continue to distribute eCDR packages in February of each year, with the official eCDR packages to follow each September. This electronic process will replace the paper notification process for all Title IV schools located within the United States.

Starting in October 2002, all domestic schools will need to sign-up to participate in eCDR via the SAIG enrollment form. ED has advised that more information about eCDR will be forthcoming. OGSLP will advise clients when more information is available. For additional information about the benefits of eCDR, you may view the attached flyer from ED. 

Mapping Your Future Chat Event & OGSLP Default Prevention Update

Mapping Your Future Chat to Discuss Deferments, Forbearances & Default Prevention

Mapping Your Future, a public service web site providing college, career, and financial aid information and services, will offer a "Deferments, Forbearances & Default Prevention" Chat on September 12, 2002, from 2 to 3 p.m. (central time). The chat is designed to help students and their parents, who are interested in managing their student loan through tough economic times.

During this "Deferments, Forbearances & Default Prevention" chat event, students and their families will learn more about:

- Information on the deferment and forbearance programs
- How to determine if a deferment or a forbearance is a good option
- Eligibility requirements
- Steps to apply for deferment or forbearance
- Other resources of information

Anyone with Internet access can join in the chat event by visiting mapping-your-future.org on the World Wide Web. On the evening of the chat event visitors will go to mapping-your-future.org and select the Chat session. Simple instructions will guide them on how to join the chat. OGSLP along with other guaranty agencies are sponsors of Mapping Your Future.

OGSLP Default Prevention Update

OGSLP recognizes the importance of getting the right types of default prevention information to students, especially in these economic times. Our renewed focus on default prevention is evident in our partnerships and product offerings. This fall, Wayne Sparks, Manager of Default Prevention is collaborating with Oklahoma Lender Advisory Council (OLAC) lenders and other OGSLP staff to produce a new series of default prevention posters aimed at grabbing students attention by using a more current portrayal of their culture and lifestyle. The new posters are scheduled to debut this fall.

The group is also working on providing timely credit management information for schools to use with select groups of students or in their campus newspapers and web sites. "These types of collaborative efforts are just the beginning in our renewed focus on getting our message of default prevention out to students. We appreciate the assistance and expertise provided by our lending partners. Working together we can deliver the right types of information at just the right time," said Sparks.