ED Records Schedule

SCHEDULE LOCATOR NO.: 075

APPROVED DATE: 1/5/2011

TITLE: FSA Loan Servicing, Consolidation, and Collections Records

PRINCIPAL OFFICE: Federal Student Aid (FSA)

NARA DISPOSITION AUTHORITY: N1-441-09-16

DESCRIPTION:

These records document business operations that support the servicing, consolidation, and collection of Title IV federal student aid obligations. These records relate to the post-enrollment period of student aid, including servicing of direct loans, consolidation of direct loans, managing and recovering defaulted debts assigned to the Department from Federal Family Education Loan (FFEL) and other lenders, rehabilitated loans, and any other type of Title IV student aid obligation.

This schedule provides a common disposition for records that comprise a variety of material and media, including but not limited to demographic and financial data on individual borrowers; institutional data on schools, guarantors, lenders, private collection agencies; records of financial transactions, payments, collections, account balancing and reconciliation, and reporting; records pertaining to customer interactions; and related correspondence and documents.

DISPOSITION INSTRUCTIONS:

a. FSA Loan Servicing, Consolidation, and Collections Records

1. Direct Loan Servicing System (DLSS) master data files

   DLSS is a system that manages the Direct Loan repayment process. DLSS is used to set up loan servicing accounts and manage loan repayment. DLSS bills the borrower (or sends coupons) and the borrower submits monthly payments to the servicer who enters payment information into DLSS.

2. Direct Loan Consolidation System (DLCS) master data files

   DLCS is used by students, lenders and schools to assist in consolidation process. Borrowers are able to apply, check eligibility, calculate, and sign/download promissory notes for direct loan consolidation. Lenders and servicers can access electronic verification certification and Loan Holder Services online.

3. <u>Conditional Disability Discharge Tracking System (CDDTS) master data files</u>

   The CDDTS is used to apply loan disability discharge to those who meet the requirements set forth by Title IV of the Higher Education Act of 1965, as amended. The system holds student borrower loan data, limited payment history data, demographic data, disability certification data, and income verification. The system generates a discharge roster for borrowers qualified for final discharge and reinstatement roster for borrowers not meeting the discharge requirements.

4. <u>The Federal Family Educational Loan System (FFEL), Debt Management and Collection System (DMCS) master data files</u>

   The DMCS collects defaulted federal student aid obligations including National Federal Direct Loans. The system contains software tools that enable defaulted student borrowers to enter into repayment agreements with the Department. These tools include Administrative Wage Garnishment, The Federal Defaulter Program, the Treasury Offset Program, the National Directory of New Hires, and the use of private collection agencies.

5. <u>Credit Management Data Mart (CMDM) master data files</u>

   The CMDM provides various reports and data extracts that the auditors have requested on the Direct Loan Program. Extensive data mining of the Direct Loan portfolio is conducted on CMDM, a critical tool used for delinquency/default management.

6. <u>Title IV Additional Servicers System (TIVAS) master data files</u>

   This system contains records on federal student borrowers who have applied for and received loans under the William D. Ford Federal Direct Loan Program, the Federal Family Education Loan (FFEL) Program, and the Federal Perkins Loan Program.

TEMPORARY

Cut off annually upon payment or discharge of loan. Destroy/delete 15 years after cut off.

b. <u>Duplicate Copies Regardless of Medium Maintained for Reference Purposes and That Do Not Serve as the Record Copy</u>

   TEMPORARY

   Destroy/delete when no longer needed for reference.

IMPLEMENTATION GUIDANCE:

Related schedule: ED 083 Personal Identification Number (PIN) Registration System.

Follow the disposition instructions in ED 086 for system software; input/source records; output and reports; and system documentation.

ARRANGEMENT / ANNUAL ACCUMULATION:

PREVIOUS DISPOSITION AUTHORITY:

SPECIFIC LEGAL REQUIREMENTS:

Title IV of the Higher Education Act (HEA) of 1965, as amended

SPECIFIC RESTRICTIONS:

Privacy Act 18-11-05 Title IV Program Files
Privacy Act 18-11-08 Student Account Manager System

BUSINESS LINE: Loans