



DEPARTMENT OF EDUCATION

[Docket ID ED-2026-FSA-0760]

Privacy Act of 1974; System of Records

AGENCY: Federal Student Aid, U.S. Department of Education.

ACTION: Notice of a Modified System of Records.

SUMMARY: In accordance with the Privacy Act of 1974, as amended, the U.S. Department of Education (Department) publishes this notice of a modified system of records entitled "Common Origination and Disbursement (COD) System" (18-11-02). The information contained in this system is maintained for various purposes relating to aid applicants and recipients including determining their eligibility for Federal student financial assistance under the programs authorized by title IV of the Higher Education Act of 1965, as amended (HEA); institutions of higher education participating in and administering title IV, HEA programs; and the Department's oversight of title IV, HEA programs.

DATES: Submit your comments on this modified system of records notice on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

This modified system of records notice will become applicable upon publication in the *Federal Register* on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The Department will publish any changes to the modified system.

ADDRESSES: Comments must be submitted via the Federal

eRulemaking Portal at [regulations.gov](http://www.regulations.gov). However, if you require an accommodation or cannot otherwise submit your comments via [regulations.gov](http://www.regulations.gov), please contact one of the program contact persons listed under FOR FURTHER INFORMATION CONTACT. The Department will not accept comments submitted by fax or by email, or comments submitted after the comment period closes. To ensure that the Department does not receive duplicate copies, please submit your comments only once. In addition, please include the Docket ID at the top of your comments.

- *Federal eRulemaking Portal:* Go to www.regulations.gov to submit your comments electronically. Information on using [Regulations.gov](http://www.regulations.gov), including instructions for accessing agency documents, submitting comments, and viewing the docket, is available on the site under "FAQ".

Privacy Note: The Department's policy is generally to make comments received from members of the public available for public viewing in their entirety on the Federal eRulemaking Portal at www.regulations.gov. Therefore, commenters should be careful to include in their comments only information that they wish to make publicly available.

Assistance to Individuals with Disabilities in Reviewing the Rulemaking Record: On request, the Department will provide an appropriate accommodation or auxiliary aid to an individual with a disability who needs assistance to review

the comments or other documents in the public rulemaking record for this notice. If you want to schedule an appointment for this type of accommodation or aid, please contact one of the program contact persons listed under FOR FURTHER INFORMATION CONTACT.

FOR FURTHER INFORMATION CONTACT: Shannon Mahan, Acting Director, Program Delivery Services Group, Federal Student Aid, U.S. Department of Education, 400 Maryland Ave. SW, Washington, DC 20202-0001. Telephone: 202-377-3019. Email: Shannon.Mahan@ed.gov.

If you are deaf, hard of hearing, or have a speech disability and wish to access telecommunications relay services, please dial 7-1-1.

SUPPLEMENTARY INFORMATION:

In accordance with the Privacy Act of 1974, as amended (Privacy Act) (5 U.S.C. 552a), the Department proposes to modify the system of records notice entitled "Common Origination and Disbursement (COD) System" (18-11-02), which was last published in full in the *Federal Register* on June 28, 2023 (88 FR 41942).

The Department is modifying the section entitled "PURPOSE(S) OF THE SYSTEM" relating to aid applicants and recipients under title IV of the HEA as follows:

(i) Purpose (11) has been updated to identify, verify, and maintain records for "legacy" borrowers, defined as those who are enrolled in a program of study at an

institution as of June 30, 2026 and have borrowed (or parent of a dependent undergraduate student has borrowed) a Direct Loan for such program of study prior to July 1, 2026 during the expected time to credential. This process ensures continued eligibility under pre-2026 provisions for the lesser of a transitional period not to exceed three academic years or the difference between the published program length minus the period the student has already completed in the program of study. The legacy provision no longer applies if the student completes the program of study, ceases enrollment in such program of study unless the student has taken an approved leave of absence, or ceases enrollment at the institution the student was enrolled at as of June 30, 2026. A change in an undergraduate student's major does not affect this legacy provision.

(ii) New purpose (16) is added to track and enforce revised aggregate loan limits, including tiered unsubsidized caps for graduate and professional students, aggregate loan limit for Parent PLUS borrowers per dependent, and non-PLUS lifetime maximum aggregate loan limit.

The Department is modifying the section entitled "PURPOSE(S) OF THE SYSTEM" relating to institutions of higher education participating in and administering title IV, HEA programs by adding new purpose (8) to support the

implementation of provisions authorizing financial aid administrators to maintain records and set lower annual loan limits for students or parent borrowers. This modification allows the system to record and apply these reduced limits, ensuring they are maintained and applied consistently to all students within a specific program of study. Specifically, to track and enforce revised aggregate loan limits, including tiered unsubsidized caps for graduate and professional students, aggregate loan limit for Parent PLUS borrowers per dependent, and non-PLUS lifetime maximum aggregate loan limit.

The Department is modifying the section entitled "CATEGORIES OF RECORDS IN THE SYSTEM" as follows:

(i) Category (9) is modified to include the process to identify, verify, and maintain records for "legacy" borrowers -defined as those who are enrolled in a program of study at an institution as of June 30, 2026 and have borrowed (or parent of a dependent undergraduate student has borrowed) a Direct Loan for such program of study prior to July 1, 2026 during the expected time to credential. This process ensures continued eligibility under pre-2026 provisions for the lesser of a transitional period not to exceed three academic years or the difference between the published program length minus the period the student has already completed in the program of study. The legacy provision no longer applies if the student completes the

program of study, ceases enrollment in such program of study unless the student has taken an approved leave of absence, or ceases enrollment at the institution the student was enrolled at as of June 30, 2026. A change in an undergraduate student's major does not affect this legacy provision.

The Department is modifying the section "RECORD SOURCE CATEGORIES" as follows:

(i) This section is modified to remove the Student Aid Internet Gateway (SAIG) (covered by the Department's Privacy Act system of records notice entitled "Student Aid Internet Gateway (SAIG), Participation Management System" (18-11-10)) and replace it with the Federal Student Aid Partner Connect (FSA Partner Connect) (covered by the Department's Privacy Act system of records notice entitled "Federal Student Aid Partner Connect" (18-11-24), which rescinded the two systems of records notices entitled "Student Aid Internet Gateway, Participant Management System" (18-11-10) and "Postsecondary Education Participants System (PEPS)" (18-11-09).

Accessible Format: On request to the program contact person listed under FOR FURTHER INFORMATION CONTACT, individuals with disabilities can obtain this document in an accessible format. The Department will provide the requestor with an accessible format that may include Rich Text Format (RTF) or text format (txt), a thumb drive, an

MP3 file, braille, large print, audiotape, or compact disc, or other accessible format.

Electronic Access to This Document: The official version of this document is the document published in the *Federal Register*. You may access the official edition of the *Federal Register* and the Code of Federal Regulations at www.govinfo.gov. At this site you can view this document, as well as all other documents of this Department published in the *Federal Register*, in text or Portable Document Format (PDF). To use PDF you must have Adobe Acrobat Reader, which is available free at the site.

You may also access documents of the Department published in the *Federal Register* by using the article search feature at www.federalregister.gov. Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

Richard Lucas,
*Acting Chief Operating Officer,
Federal Student Aid.*

For the reasons discussed in the preamble, the Acting Chief Operating Officer, Federal Student Aid (FSA) of the U.S. Department of Education (Department) publishes a modified system of records notice to read as follows:

SYSTEM NAME AND NUMBER:

Common Origination and Disbursement (COD) System (18-11-02).

SECURITY CLASSIFICATION:

Unclassified.

SYSTEM LOCATION:

Program Management Services, Federal Student Aid (FSA), U.S. Department of Education, 400 Maryland Ave. SW, Washington, DC 20202-0001.

Amazon Web Services (AWS) Government Cloud, 1200 12th Ave., Suite 1200, Seattle, WA 98114. (This is the Hosting Center for the COD application, where all electronic COD information is processed and maintained.)

Accenture, 22451 Shaw Rd., Sterling, VA 20166-4319. (The COD Sterling Cloud-based operations is located here.)

Accenture DC, 820 First St., NE, Washington, DC 20202-4227. (This is the COD operations center.)

Accenture Federal Services, 10931 Laureate Dr., San Antonio, TX 78249. (This is the COD support center.)

Atlanta Federal Records Center, National Archives and Records Administration (NARA), 4712 Southpark Blvd., Ellenwood, GA 30294. (This is where Direct Loan paper

promissory notes (also referred to as master promissory notes or MPNs)), Endorser Addenda, and Power of Attorney documents are maintained.)

NTT Global Data Centers Americas (Raging Wire), 44664 Guilford Dr., Ashburn, VA 20147. (This is a datacenter for contact center technical infrastructure.)

NTT Global Data Centers Americas (Raging Wire), 2008 Lookout Dr., Garland, TX 75044. (This is a datacenter for contact center technical infrastructure.)

The following three listings are the locations of the COD Customer Service Centers:

ASM Research, 4050 Legato Road, #1100, Fairfax, VA 22033. (This center images and maintains all the Direct Loan paper MPNs and Endorser Addenda);

Senture, LLC, 4255 W Highway 90, Monticello, KY 42633-3398; and

Veteran Call Center, 53 Knightsbridge Rd., Suite 216, Piscataway, NJ 08854-3925.

SYSTEM MANAGER(S) :

Director, COD System, Program Delivery Services Group, Federal Student Aid (FSA), U.S. Department of Education (Department), Union Center Plaza (UCP), room 64E1, 830 First Street, NE, Washington, DC 20202-5454.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

The authority under which the system is maintained includes section 455(a) of title IV of the Higher Education

Act of 1965, as amended (HEA) (20 U.S.C. 1070 et seq.) and (20 U.S.C. 1087e(a)), the Higher Education Relief Opportunities for Students Act of 2003 (20 U.S.C. 1098(b) (including any waivers or modifications that the Secretary of Education deems necessary to make to any statutory or regulatory provision applicable to the student financial assistance programs under title IV of the HEA to achieve specific purposes listed in the section in connection with a war, other military operation, or a national emergency), the FAFSA Simplification Act (Title VII, Division FF of P.L. 116-260) (including but not limited to the following sections of the FAFSA Simplification Act: Subsection 702(m), which amends Section 483 of the HEA, and Section 703, which amends Section 401 of the HEA), and the FAFSA Simplification Act Technical Corrections Act (Division R of the Consolidated Appropriations Act, 2022 (P.L. 117-103)).

PURPOSE(S) OF THE SYSTEM:

The information contained in this system is maintained for the following purposes related to aid applicants and recipients under title IV of the HEA:

Note: Different parts of the HEA use the terms "discharge," "cancellation," or "forgiveness" to describe when a borrower's loan amount is reduced in whole or in part by the Department. To reduce complexity, this system of records notice uses the term "discharge" to include all three terms ("discharge," "cancellation," and

"forgiveness"), including, but not limited to, discharges of student loans made pursuant to specific benefit programs. Also, the Department is making a global change that clarifies the Department's responsibilities regarding the collection, maintenance, use, and dissemination of Graduate PLUS and Parent PLUS records for the lesser of a transitional period not to exceed the lesser of three academic years or the difference between the published program length minus the period the student has already completed in the program of study. The legacy provision no longer applies if the student completes the program of study, ceases enrollment in such program of study unless the student has taken an approved leave of absence, or ceases enrollment at the institution the student was enrolled at as of June 30, 2026. A change in an undergraduate student's major does not affect this legacy provision. This allows this system of records notice to use the term "legacy borrowers" defined as those who are enrolled in a program of study at an institution as of June 30, 2026 and have borrowed (or parent of a dependent undergraduate student has borrowed) a Direct Loan for such program of study prior to July 1, 2026 during the expected time to credential.

At times, the system of records notice may refer by name to a specific benefit program, such as the "Public Service Loan Forgiveness" program; such specific references

are not intended to exclude any such program benefits from more general references to loan discharges.

(1) To determine aid applicants' and recipients' eligibility for and benefits under title IV, HEA programs, including, but not limited to, receiving a loan, grant, or scholarship, and obtaining discharge of eligible loans under title IV of the HEA;

(2) To maintain data and documentation, including, but not limited to, promissory notes and other agreements that evidence the existence of a legal obligation to repay funds disbursed under title IV, HEA programs and alternative documentation of income (ADOI) used to support the calculation of a monthly payment amount IDR plans;

(3) To identify whether an aid recipient may have received title IV, HEA program funds at more than one educational institution for the same enrollment period in violation of title IV, HEA program regulations;

(4) To identify whether an aid recipient may have exceeded title IV, HEA program fund award limits in violation of title IV, HEA program regulations;

(5) To identify an aid applicant or recipient who completed an electronic Direct Consolidation Loan Application and promissory note or a Special Direct Consolidation Loan application and promissory note;

(6) To identify an aid applicant or recipient who completed entrance and exit counseling in the Direct Loan

or Teacher Education Assistance for College and Higher Education (TEACH) Grant programs;

(7) To identify an aid recipient who apply to repay, or recertifies their eligibility to repay, a Direct Loan, a Department-held Perkins loan, a Department- or an eligible lender-held Federal Family Education Loan (FFEL) Program loan under an IDR plan;

(8) To track student enrollments by educational program for purposes of determining educational program outcomes, including using that information to obtain average earnings of students by educational program from another Federal agency;

(9) To maintain a qualifying employer database to allow aid recipients who apply for Public Service Loan Forgiveness (PSLF), Temporary Expanded Public Service Loan Forgiveness (TEPSLF), or the limited PSLF waiver to search for and select their PSLF qualifying employer;

(10) To enable the Department, or other Federal, State, Tribal, or local government agencies, to investigate, respond to, or resolve complaints concerning the practices or processes of the Department and/or the Department's contractors, and to investigate, respond to, or resolve aid applicant and recipient requests for assistance or relief regarding title IV, HEA program funds;

(11) To enable an aid applicant, recipient, and, where applicable, an endorser, to initiate online credit

checks via the electronic Federal Direct PLUS Loan Application or an Endorser Addendum (noting that applicants with adverse credit may still qualify via a qualified endorser or credit appeal); to identify, verify, and maintain records for "legacy" borrowers, defined as those who are enrolled in a program of study at an institution as of June 30, 2026 and have borrowed (or parent of a dependent undergraduate student has borrowed) a Direct Loan for such program of study prior to July 1, 2026 during the expected time to credential. This process ensures continued eligibility under pre-2026 provisions for the lesser of a transitional period not to exceed three academic years or the difference between the published program length minus the period the student has already completed in the program of study. The legacy provision no longer applies if the student completes the program of study, ceases enrollment in such program of study unless the student has taken an approved leave of absence, or ceases enrollment at the institution the student was enrolled at as of June 30, 2026. A change in an undergraduate student's major does not affect this legacy provision;

(12) To identify an aid recipient obligated to repay title IV, HEA program funds pursuant to various maintained data and documentation such as promissory notes, applications, and agreements;

(13) To identify an aid recipient who received a Federal Supplemental Education Opportunity Grant (FSEOG) or who earned money under the Federal Work-Study (FWS) program for use in the calculation of the Student Aid Index (SAI) and to assist with expenditure reporting on the Fiscal Operations Report and Application to Participate (FISAP);

(14) To enable an aid recipient to complete a PSLF application using the "PSLF Help Tool" and to maintain the aid recipient's PSLF qualifying employer's information including, but not limited to, authorizing official's name, title, phone number, email address, and digital signature (including time and date stamp); and

(15) To identify whether an aid recipient (and where applicable the spouse) who is applying or recertifies eligibility for an IDR plan has or has not provided consent/affirmative approval both to redisclose Federal Tax Information (FTI) of such individuals pursuant to clauses (iii), (iv), (v), and (vi) of section 6103(1)(13)(D) of the Internal Revenue Code (IRC) of 1986 and under subsection 494 (a) of the HEA (20 U.S.C. 1098h(a)) for the purpose of determining eligibility for, or repayment obligations under, IDR plans under title IV of the HEA with respect to loans under part D of the HEA (the Direct Loan Program), and redisclosure of FTI under IRC §6103(1)(13)(A) and (C).

(16) To track and enforce revised aggregate limits, including tiered unsubsidized caps for graduate and professional students, aggregate lifetime limit for Parent

PLUS borrowers per dependent, and non-PLUS lifetime maximum aggregate loan limit.

The information in this system is also maintained for the following purposes relating to institutions of higher education (also referred to herein as "educational institutions") participating in and administering title IV, HEA programs:

(1) To enable an institution of higher education to reconcile, on an aggregate and recipient-level basis, the amount of title IV, HEA program funds that an institution received for disbursements it made to, or on behalf of, eligible students (including reconciling verification codes, reconciling the funds received with disbursements made by type of funds received, and making necessary adjustments);

(2) To enable an institution of higher education to request online credit checks on an aid applicant, recipient, or endorser in connection with the determination of the aid applicant's eligibility for a title IV, HEA Federal Direct PLUS Loan;

(3) To assist an institution of higher education, a software vendor, or a third-party servicer with questions about title IV, HEA program funds;

(4) To assist an institution of higher education with student loan default prevention;

(5) To reconcile an institution of higher education's

cash drawdowns from the U.S. Department of the Treasury with its reported disbursements and to ensure that the institution of higher education receives the appropriate amount of funds during the respective time period;

(6) To collect Campus-Based expenditure information for the previous award year and the ability to apply for Campus-Based program funds using the FISAP;

(7) To enable an institution of higher education to report an aid recipient's receipt of a FSEOG or earnings under the FWS program, which will be used in the SAI calculation and to assist with expenditure reporting on the FISAP.

(8) To support the implementation of provisions authorizing financial aid administrators to maintain records and set lower annual loan limits for students or parent borrowers. This modification allows the system to record and apply these reduced limits, ensuring they are maintained and applied consistently to all students within a specific program of study.

The information in this system is also maintained for the following purposes relating to the Department's administration and oversight of title IV, HEA programs:

(1) To support the investigation of possible fraud and abuse and to detect and prevent fraud and abuse in title IV, HEA programs;

(2) To confirm that an institution of higher

education, or a program offered by an institution of higher education, is eligible to receive title IV, HEA program funds, and to limit student aid eligibility for ineligible institutions or programs accordingly;

(3) To set and adjust program funding authorization levels for each institution;

(4) To enforce institutional compliance with Department reporting deadlines;

(5) To apply appropriate title IV, HEA funding controls;

(6) To ensure that Federal, State, local, and Tribal statutory, regulatory, contractual, and program requirements are met by educational and financial institutions, and the Department's contractors including Federal Loan Servicers and the Federal Perkins Loan Servicer;

(7) To help governmental entities at the Federal, State, Tribal, and local levels to exercise their supervisory and administrative powers (including, but not limited to, licensure, examination, discipline, regulation, or oversight of educational institutions, Department contractors, guaranty agencies, eligible lenders, and third-party servicers); to investigate, respond to, or resolve complaints regarding the practices or processes of the Department and/or the Department's contractors; and to update information or correct errors contained in

Department records regarding title IV, HEA program funds;

(8) To provide reporting capabilities for educational institutions, guaranty agencies, lenders, Department contractors including Federal Loan Servicers, and the Federal Perkins Loan Servicer for use in title IV, HEA administrative functions, and for use by the Department or Federal, State, Tribal, or local agencies for oversight and compliance;

(9) To support research, analysis, and development, and the implementation and evaluation of educational policies in relation to title IV, HEA programs;

(10) To support the Department in detecting and mitigating improper payments in title IV, HEA programs;

(11) To conduct testing, analysis, or take other administrative actions needed to prepare for or execute programs under title IV of the HEA; and

(12) To assist eligible lenders in processing IDR plan requests for eligible aid recipients by providing the calculated monthly payment amounts.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

This system contains records of aid applicants, aid applicants' parents, spouses of aid applicants, and where applicable, endorsers, who apply for title IV, HEA programs including, but not limited to, the:

(1) Federal Pell Grant Program;

(2) Federal Perkins Loans Program;

- (3) Academic Competitiveness Grant (ACG) Program;
- (4) National Science and Mathematics Access to Retain Talent (National SMART) Grant Program;
- (5) TEACH Grant Program;
- (6) Iraq and Afghanistan Service Grant (IASG) Program;
- (7) Direct Loan Program, which includes Federal Direct Stafford/Ford Loans, Federal Direct Unsubsidized Stafford/Ford Loans, Federal Direct PLUS Loans, and Federal Direct Consolidation Loans;
- (8) FFEL Program;
- (9) Federal Insured Student Loan (FISL) Program;
- (10) FWS Program; and
- (11) FSEOG Program.

The COD System also contains records of aid recipients under title IV of the HEA, parents of dependent aid applicants or recipients and the spouse of independent applicant or recipient. The COD System also maintains records on a PSLF qualifying employer's authorizing official who has certified an aid recipient's employment.

CATEGORIES OF RECORDS IN THE SYSTEM:

Note: The Federal Tax Information (FTI) that the Department will obtain directly from the Internal Revenue Service (IRS) under the Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act will be maintained in a separate system of records, which will be

covered by a system of records notice entitled "FUTURE Act System (FAS)" (18-11-23) that the Department will publish in the Federal Register.

Records in the COD System include, but are not limited to, the following data about aid applicants and recipients, endorsers, aid applicants' and recipients' parents, and spouses of aid applicants and recipients who are part of an aid applicant's title IV, HEA aid application or receive title IV, HEA aid:

- (1) Identifier information, including name, Social Security number (SSN), date of birth (DOB), mailing address, email address, driver's license number, and telephone number;

- (2) Aid applicant and recipient demographic information, including demographic information of the aid applicant's and recipient's parent(s) and aid applicant's and recipient's spouse (if applicable), incarcerated student indicator flag, expected student enrollment, list of participating title IV, HEA institutions of higher education designated by the aid applicant to receive the Free Application For Federal Student Aid (FAFSA®) form data along with residency plans, and the financial profile of an aid applicant, an aid applicant's parent(s), or an aid applicant's spouse, as reported and calculated through the FAFSA form, and to also include processing flags, indicators, rejections, and overrides; and the

consent/affirmative approval to disclose personally identifiable information to the IRS and to obtain FTI in order to determine eligibility for, or repayment obligations under, IDR plans pursuant to subsection 494 (a) of the HEA (20 U.S.C. 1098h(a));

(3) Aid recipient's loan information including information about Direct Loans, FFEL program loans, Perkins loans, and FISL program loans. This includes information about the period from the origination of the loan through final payment, and milestones, including, but not limited to: discharge, consolidation, or other final disposition including details such as loan amount, date of disbursement, disbursement amounts, balances, loan status, repayment plan and related information, collections, claims, deferments, forbearances, refunds, and guaranty agencies, lender(s), holder(s), and servicer(s) of an aid recipient's FFEL program loan(s);

(4) Information about Federal grant aid recipients, including recipients of Pell Grants, ACG, National SMART Grants, TEACH Grants, Iraq and Afghanistan Service Grants, and FSEOGs, including grant amounts, grant awards, verification status, lifetime eligibility used (LEU), IASG eligible veteran's dependent indicator, Children of Fallen Heroes Scholarship eligibility indicator, Pell Grant additional eligibility indicator, approved Prison Education programs (PEPs) (the FAFSA Simplification Act allows for

expanding access to Federal Pell Grants to include Federal and State penal facilities' approved PEPS; and information about the FWS program, including the amount of FWS earnings and category/type of FWS employment;

(5) Pell Grant collection status indicator and overpayment collection information;

(6) Promissory notes including promissory note identification numbers, loan type, current servicer, principal balance, and the accrued interest for Direct Loans, Federal Direct PLUS Loans, or Department-held FFEL program loans;

(7) TEACH Agreements to Serve;

(8) Direct Loan Entrance Counseling forms, Federal Student Loan Exit Counseling forms, Federal Direct PLUS Loan Counseling forms, the Annual School Loan Acknowledgement (ASLA), Federal Direct PLUS Loan Requests, endorser addendums, and counseling in the Direct Loan and TEACH Grant programs, such as the date that the aid applicant completed counseling;

(9) Credit report information for Federal Direct PLUS Loan applicants, recipients, and endorsers and if applicable, documents related to a Federal Direct PLUS Loan applicant's request for a credit appeal including credit check details, adverse credit history, credit bureau information, and applicant provided appeal support documentation and the Department's appeal decision,

including the records for "legacy" borrowers, defined as those who are enrolled in a program of study at an institution as of June 30, 2026 and have borrowed (or parent of a dependent undergraduate student has borrowed) a Direct Loan for such program of study prior to July 1, 2026 during the expected time to credential. This process ensures continued eligibility under pre-2026 provisions for the lesser of a transitional period not to exceed three academic years or the difference between the published program length minus the period the student has already completed in the program of study. The legacy provision no longer applies if the student completes the program of study, ceases enrollment in such program of study unless the student has taken an approved leave of absence, or ceases enrollment at the institution the student was enrolled at as of June 30, 2026. A change in an undergraduate student's major does not affect this legacy provision; including revised aggregate loan limit data (both historical and current borrowing totals to enforce specific caps) and institutional discretionary limit records via documentation of lower annual loan limits set by financial aid administrators, including program-level identifiers to verify consistent application across a specific program of study.

(10) Aid applicant, endorser, or spouse identifier information for a paper or electronic request to repay or

annual recertification of an Direct Loan or Department-held Perkins or FFEL loans or annual recertification of eligibility for, an IDR plan, such as SSN; the date that the IDR plan application was completed; ADOI; IDR monthly payment amount based on the plan selection (as applicable); and current loan balances;

(11) Electronic Direct Consolidation Loan or Special Direct Consolidation Loan aid recipient identifier information, such as the aid recipient's SSN, the date that the aid recipient completed the Federal Direct Consolidation Loan application and promissory note, and current loan balances;

(12) Information concerning the date of any default on a loan;

(13) Demographic and contact information for aid recipient accounts that the Department places with the Federal Loan Servicer(s) for collection of the aid recipient's title IV, HEA loans;

(14) Information obtained pursuant to matching programs or other information exchanges with Federal and State agencies, and other external entities, to assist in identifying aid recipients who may be eligible for benefits related to their title IV, HEA loans or other title IV, HEA obligations, including, but not limited to, Total and Permanent Disability discharges, loan deferments, interest rate reductions, PSLF, and other Federal and State loan

repayment, discharge benefits, or for the purpose of recouping payments or delinquent debts under title IV, HEA programs;

(15) Information provided and generated through customer interactions with contact center support via inbound and outbound channels (phone, chat, webform, email, customer satisfaction survey, fax, physical mail, and digital engagement platforms). Information includes, but is not limited to: chat transcripts, email communications, audio recordings of customer calls, and screen recordings of contact center desktop support during customer interactions; and

(16) Borrower defense (BD) information including a uniquely generated internal system case ID, a uniquely generated BD case number for Department, educational institution and student tracking, Office of Postsecondary Education Identification Number (OPEID), and the applicable regulatory year and provisions (i.e., 1995, 2016, or 2020) under which the BD case is being processed.

The system also contains the following data about students provided by institutions of higher education that participate in an experiment under the Experimental Sites Initiative: award year, experiment number, OPEID, student SSN, student last name, and any data collection instrument elements authorized under the Information Collection Request associated with each experiment.

The system also contains records from 2014-2021 on the level of study, Classification of Instructional Program code (field of study), and published length of an educational program in which a student receiving title IV, HEA Federal student aid was enrolled to limit their eligibility for Direct Subsidized Loans to no more than 150 percent of the published length of the educational program in which the student was enrolled, and to determine when an aid recipient who enrolled after reaching the 150 percent limit would have been responsible for the accruing interest on outstanding Direct Subsidized Loans.

The system also contains an aid recipient's PSLF qualifying employer's information including, but not limited to, authorizing official's name, title, phone number, email address, and digital signature (including time and date stamp).

Finally, the system maintains cohort default rates (CDRs) calculated by the National Student Loan Data System (NSLDS) from guaranty agency-reported and Federal Loan Servicer-reported data at the institution level.

RECORD SOURCE CATEGORIES:

This system includes records obtained from aid applicants and recipients, aid applicants' and recipients' parents, and spouses of aid applicants and recipients who are part of an applicant's or recipient's title IV, HEA aid application, or who have received title IV, HEA program

assistance. These records include information provided by applicants for and recipients of title IV, HEA program assistance, via, for example, Federal Direct Consolidation Loan or Special Direct Loan Consolidation application forms and promissory notes, the parents of dependent aid applicants and recipients, and the spouses of aid applicants and recipients who request to repay a Direct Loan, or recertifies their eligibility for, an IDR plan. This system also includes Federal grant and Direct Loan origination and disbursement records provided to the Department by institutions of higher education or their agents. The system also receives completion information for Direct Loan and TEACH Grant program counseling through Studentaid.gov (the student-facing portion of the website) or from institutions of higher education, or both.

The system also receives information on Federal Direct PLUS Loan applicants, recipients, and endorsers from consumer reporting agencies.

Information is also obtained from other Federal, State, Tribal, and local agencies, guaranty agencies, consumer reporting agencies, educational institutions, financial institutions, servicers.

Information is also obtained about a PSLF qualifying employer through DocuSign (a secure digital software used by the Department to obtain and document digital signatures). The process through which the Department

obtains the information using DocuSign is as follows:

(1) The aid recipient completes the PSLF application via the "Helptool," which includes the employer's name and email address;

(2) The Department sends the information to DocuSign; and DocuSign sends an email to the employer, which includes a randomly generated code;

(3) If the employer does not opt out, the employer logs in to DocuSign with the randomly generated code to ensure the employer is accessing the correct recipient certification in DocuSign;

(4) The employer certifies the aid recipient's employment, provides the employer's authorizing official's name, title, email address, and phone number, and electronically signs the PSLF certification; and

DocuSign returns to the Department the PSLF qualifying employer's information.

Information is also obtained from other Department systems, including the following systems, or their successor systems:

(1) The Federal Student Aid Partner Connect (FSA Partner Connect) (covered by the Department's Privacy Act system of records notice entitled "Federal Student Aid Partner Connect" (18-11-24));

(2) The National Student Loan Data System (NSLDS) (covered by the Department's Privacy Act system of records

notice entitled "National Student Loan Data System" (18-11-06));

(3) The Financial Management System (FMS) (covered by the Department's Privacy Act system of records notice entitled "Financial Management System (FMS)" (18-11-17));

(4) The Common Services for Borrowers (CSB) system (covered by the Department's Privacy Act system of records notice entitled "Common Services for Borrowers (CSB)" (18-11-16));

(5) The Federal Tax Information Module (FTIM) (covered by the Department's Privacy Act system of records notice entitled "FUTURE Act System (FAS)" (18-11-23));

(6) The Person Authentication Service (PAS) (covered by the Department's Privacy Act system of records notice entitled "Person Authentication Service (PAS)" (18-11-12));
and

(7) The FAFSA Processing System (covered by the Department's Privacy Act system of records notice entitled "Aid Awareness and Application Processing (AAAP)" (18-11-21)).

The system may also obtain information from other persons or entities from which data is obtained following a disclosure under the routine uses set forth below.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES:

The Department may disclose information contained in a

record in this system of records under the routine uses listed in this system of records without the consent of the individual if the disclosure is compatible with the purposes for which the record was collected. The Department may make these disclosures on a case-by-case basis or, if the Department has complied with the computer matching requirements of the Privacy Act, under a computer matching agreement.

(1) *Program Disclosures.* The Department may disclose records from the system of records for the following program purposes:

(a) To assist with the determination of program eligibility and benefits, the Department may disclose records to institutions of higher education, financial institutions, third-party servicers, and Federal, State, Tribal, or local agencies;

(b) To maintain data that supports the existence of a legal obligation to repay funds disbursed under title IV, HEA programs, including documentation such as promissory notes and other agreements, the Department may disclose records to institutions of higher education, third-party servicers, and Federal agencies;

(c) To identify whether an aid recipient may have received title IV, HEA program funds at more than one institution of higher education for the same enrollment period in violation of title IV, HEA regulations, the

Department may disclose records to institutions of higher education, third-party servicers, and Federal, State, or local agencies;

(d) To identify whether an aid recipient may have exceeded the award limits under title IV, HEA program funds in violation of title IV, HEA regulations, the Department may disclose records to institutions of higher education, third-party servicers, and Federal agencies;

(e) To enable institutions of higher education to reconcile, on an aggregate and recipient-level basis, the amount of title IV, HEA program funds that an institution received with the disbursements it made to, or on behalf of, eligible students (including reconciling verification codes, reconciling the funds received with disbursements made by type of funds received, and making necessary corrections and adjustments), the Department may disclose records to institutions of higher education, third-party servicers, and Federal, State, or local agencies;

(f) To enable an institution of higher education to request online credit checks of aid applicants, aid recipients, or endorsers as part of the process for determining the eligibility of aid applicants and recipients for a title IV, HEA Federal Direct PLUS Loan, disclosures may be made to institutions of higher education, third-party servicers, consumer reporting agencies, and Federal agencies;

(g) To assist individuals, institutions of higher education, third-party servicers, or software vendors with questions about title IV, HEA program funds, disclosures may be made to institutions of higher education, software vendors, third-party servicers, and Federal, State, or local agencies;

(h) To support the investigation of possible fraud and abuse and to detect and prevent fraud and abuse in title IV, HEA program funds, disclosures may be made to institutions of higher education, third-party servicers, and Federal, State, local, or Tribal agencies;

(i) To assist institutions of higher education with student loan default prevention, disclosures may be made to institutions of higher education as to whether an aid applicant or recipient has completed required counseling in the Direct Loan or TEACH Grant programs;

(j) To assist the Department in determining eligibility for a Federal Direct PLUS Loan, disclosures may be made to consumer reporting agencies;

(k) To help Federal, State, Tribal, and local governmental entities exercise their supervisory and administrative powers (including, but not limited to licensure, examination, discipline, regulation, or oversight of educational institutions, Department contractors, guaranty agencies, eligible lenders, and third-party servicers) or to investigate, respond to, or

resolve complaints submitted regarding the practices or processes of the Department and/or the Department's contractors, the Department may disclose records to governmental entities at the Federal, State, Tribal, and local levels. These records may include all aspects of records relating to loans and grants made under title IV of the HEA, to permit these governmental entities to verify compliance with debt collection, consumer protection, financial, and other applicable statutory, regulatory, or local requirements. Before making a disclosure to these Federal, State, local, or Tribal governmental entities, the Department will require them to maintain safeguards consistent with the Privacy Act to protect the security and confidentiality of the disclosed records;

(1) To assist an eligible lender in processing an aid recipient's IDR plan, the Department may disclose records, including, but not limited to, the calculated monthly payment amount based on the IDR plan selected and ADOIs, to eligible lenders.

(2) *Congressional Member Disclosure.* The Department may disclose the records of an individual to a member of Congress or the member's staff when necessary to respond to an inquiry from the member made at the written request of that individual and on behalf of that individual. The member's right to the information is no greater than the right of the individual who requested it.

(3) *Enforcement Disclosure.* If information in this system of records indicates, either on its face or in connection with other information, a violation or potential violation of any applicable statute, regulation, or order of a competent authority, the Department may disclose the relevant records to the appropriate agency, whether foreign, Federal, State, Tribal, or local, charged with investigating or prosecuting that violation or charged with enforcing or implementing the statute, regulation, or order issued pursuant thereto.

(4) *Litigation and Alternative Dispute Resolution (ADR) Disclosure.*

(a) *Introduction.* In the event that one of the following parties listed in sub-paragraphs (i) through (v) is involved in judicial or administrative litigation or ADR, or has an interest in judicial or administrative litigation or ADR, the Department may disclose certain records from this system of records to the parties described in paragraphs (b), (c), and (d) of this routine use under the conditions specified in those paragraphs:

(i) The Department or any of its components;

(ii) Any Department employee in his or her official capacity;

(iii) Any Department employee in his or her individual capacity if the U.S. Department of Justice (DOJ) has been requested to or has agreed to provide or arrange for

representation of the employee;

(iv) Any Department employee in his or her individual capacity when the Department has agreed to represent the employee; and

(v) The United States when the Department determines that the litigation is likely to affect the Department or any of its components.

(b) *Disclosure to DOJ.* If the Department determines that disclosure of certain records to DOJ is relevant and necessary to judicial or administrative litigation or ADR, the Department may disclose those records as a routine use to DOJ.

(c) *Adjudicative Disclosure.* If the Department determines that it is relevant and necessary to judicial or administrative litigation or ADR to disclose certain records from this system of records to an adjudicative body before which the Department is authorized to appear or to a person or an entity designated by the Department or otherwise empowered to resolve or mediate disputes, the Department may disclose those records as a routine use to the adjudicative body, person, or entity.

(d) *Disclosure to Parties, Counsel, Representatives, and Witnesses.* If the Department determines that disclosure of certain records to a party, counsel, representative, or witness is relevant and necessary to judicial or administrative litigation or ADR, the

Department may disclose those records as a routine use to the party, counsel, representative, or witness.

(5) *Employment, Benefit, and Contracting Disclosure.*

(a) *For Decisions by the Department.* The Department may disclose information from this system of records to a Federal, State, or local agency, or to another public authority or professional organization, maintaining civil, criminal, or other relevant enforcement or other pertinent records, if necessary to obtain information relevant to a Department decision concerning the hiring or retention of an employee or other personnel action; the issuance of a security clearance; the letting of a contract; or the issuance of a license, grant, or other benefit.

(b) *For Decisions by Other Public Agencies or their Agents and Contractors, Professional Organizations, or the Department's Contractors.* The Department may disclose records to a Federal, State, local, or other public agency or an agent or contractor of such a public agency, professional organization, or the Department's contractor in connection with the hiring or retention of an employee or other personnel action; the issuance of a security clearance; the reporting of an investigation of an employee; the letting of a contract; or the issuance of a license, grant, or other benefit, to the extent that the record is relevant and necessary to the receiving entity's

decision on the matter.

(6) *Employee Grievance, Complaint, or Conduct Disclosure.* If a record is relevant and necessary to a grievance, complaint, or disciplinary proceeding involving a present or former employee of the Department, the Department may disclose the record in the course of investigation, fact-finding, or adjudication to any party to the grievance, complaint, or action; to the party's counsel or representative; to a witness; or to a designated fact-finder, mediator, or other person designated to resolve issues or decide the matter. The disclosure may only be made during the course of investigation, fact-finding, or adjudication.

(7) *Labor Organization Disclosure.* The Department may disclose a record to an arbitrator to resolve disputes under a negotiated grievance procedure or to officials of a labor organization recognized under 5 U.S.C. chapter 71 when relevant and necessary to their duties of exclusive representation.

(8) *Freedom of Information Act (FOIA) and Privacy Act Advice Disclosure.* The Department may disclose records to the DOJ or the Office of Management and Budget (OMB) if the Department concludes that disclosure is desirable or necessary in determining whether particular records are required to be disclosed under the FOIA or the Privacy Act.

(9) *Disclosure to the DOJ.* The Department may

disclose records to DOJ to the extent necessary for obtaining DOJ advice on any matter relevant to an audit, inspection, or other inquiry related to the programs covered by this system.

(10) *Contract Disclosure.* If the Department contracts with an entity to perform any function that requires disclosure of records in this system to employees of the contractor, the Department may disclose the records to those employees. As part of such a contract, the Department shall require the contractor to agree to establish and maintain safeguards to protect the security and confidentiality of the disclosed records.

(11) *Research Disclosure.* The Department may disclose records to a researcher if the Department determines that the individual or organization to which the disclosure would be made is qualified to carry out specific research related to the functions or purposes of this system of records. The Department may disclose records from this system of records to that researcher solely for the purpose of carrying out that research related to the functions or purposes of this system of records. The researcher shall be required to agree to establish and maintain safeguards to protect the security and confidentiality of the disclosed records.

(12) *Disclosure to OMB and the Congressional Budget Office (CBO) for Federal Credit Reform Act (CRA) Support.*

The Department may disclose records to OMB and CBO as necessary to fulfill CRA requirements in accordance with 2 U.S.C. 661b.

(13) *Disclosure in the Course of Responding to a Breach of Data.* The Department may disclose records from this system of records to appropriate agencies, entities, and persons when (a) the Department suspects or has confirmed that there has been a breach of the system of records; (b) the Department has determined that as a result of the suspected or confirmed breach, there is a risk of harm to individuals, the Department (including its information systems, programs, and operations), the Federal government, or national security; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the Department's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm.

(14) *Disclosure in Assisting another Agency in Responding to a Breach of Data.* The Department may disclose records from this system to another Federal agency or Federal entity, when the Department determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (a) responding to a suspected or confirmed breach or (b) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its

information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.

(15) *Disclosure to the National Archives and Records Administration (NARA)*. The Department may disclose records from this system of records to NARA for the purpose of records management inspections conducted under the authority of 44 U.S.C. 2904 and 2906.

DISCLOSURE TO CONSUMER REPORTING AGENCIES:

Disclosures pursuant to 5 U.S.C. 552a(b) (12): The Department may disclose to a consumer reporting agency the following information regarding a valid, overdue claim of the Department:

- (1) The name, address, taxpayer identification number, and other information necessary to establish the identity of the individual responsible for the claim;
- (2) The amount, status, and history of the claim; and
- (3) The program under which the claim arose.

The Department may disclose the information specified in this section under 5 U.S.C. 552a(b) (12) and the procedures contained in 31 U.S.C. 3711(e). A consumer reporting agency to which these disclosures may be made is defined at 15 U.S.C. 1681a(f) and 31 U.S.C. 3701(a) (3).

POLICIES AND PRACTICES FOR STORAGE OF RECORDS:

The Department electronically maintains, for the

entire Federal Student Aid lifecycle from application through loan payoff, student and applicant demographic, and title IV, HEA aid data such as, but not limited to, FFEL program, FISL program, and Perkins loan records, on hard disk at the AWS Government Cloud in Seattle, Washington. The Department maintains electronic master promissory notes, electronic Special Direct Consolidation Loan opportunity applications and promissory notes, paper or electronic requests to repay or a recertification a Direct Loan or Department-held Perkins or FFEL under an IDR plan, and Federal Direct Consolidation Loan applications, ADOIs, and promissory notes on hard disk at the AWS Government Cloud in Seattle, Washington. Paper Direct Loan promissory notes and endorser addendums are maintained in locked vaults in ASM Research in Niagara Falls, New York, and at the NARA operated Atlanta Federal Records Center near Atlanta, Georgia. Data obtained from the paper promissory notes are maintained on hard disks at the AWS Government Cloud in Seattle, Washington. This data is referred to as metadata and is used by the system to link promissory notes to aid recipient data. The Department also creates and maintains electronic images of the paper promissory notes at the ASM Research facility in Niagara Falls, New York. For information on the maintenance of other documents, see the section entitled "SYSTEM LOCATION."

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:

Records in the COD System are retrieved by the individual's SSN or name, BD case number, or by the institution's OPEID.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

All records are retained and disposed of in accordance with Department Records Schedule 072: FSA Application, Origination, and Disbursement Records (DAA-0441-2013-0002) (ED 072). ED 072 is being amended, pending approval by NARA. Records will not be destroyed until NARA-approved amendments to ED 072 are in effect, as applicable.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

Physical access to the sites of the Department's contractors, where this system of records is maintained, is controlled and monitored by security personnel who check each individual entering the buildings for their employee or visitor badge.

In accordance with the Department's Administrative Communications System Directive ACSD-OFO-013 entitled "Contractor Employee Personnel Security Screenings," all contract and Department personnel who have facility access and system access must undergo a security clearance investigation. Individuals requiring access to Privacy Act data are required to hold, at a minimum, a moderate-risk security clearance level. These individuals are required to undergo periodic screening at five-year intervals.

In addition to undergoing security clearances, contract and Department employees are required to complete security awareness training on an annual basis. Annual security awareness training is required to ensure that contract and Department users are appropriately trained in safeguarding Privacy Act data.

The computer system employed by the Department offers a high degree of resistance to tampering and circumvention. This security system limits data access to Department and contract staff on a "need-to-know" basis and controls individual users' ability to access and alter records within the system. All users of this system of records are given unique user identification. The Department's FSA Information Security and Privacy Policy requires the enforcement of a complex password policy. In addition to the enforcement of the complex password policy, users are required to change their password at least every 90 days in accordance with the Department's information technology standards.

In accordance with the Federal Information Security Management Act of 2002 (FISMA), as amended by the Federal Information Security Modernization Act of 2014, every Department system must receive a signed Authorization to Operate (ATO) from a designated Department official. The ATO process includes a rigorous assessment of security and privacy controls, a plan of actions and milestones to

remediate any identified deficiencies, and a continuous monitoring program.

Security and privacy controls implemented are comprised of a combination of management, operational, and technical controls, and include the following control families: access control, awareness and training, audit and accountability, security assessment and authorization, configuration management, contingency planning, identification and authentication, incident response, maintenance, media protection, physical and environmental protection, planning, personnel security, privacy, risk assessment, system and services acquisition, system and communications protection, system and information integrity, and program management.

RECORD ACCESS PROCEDURES:

If you wish to gain access to a record in this system, contact the system manager at the address listed above.

You must provide necessary particulars of your name, DOB, SSN, and any other identifying information requested by the Department while processing the request to distinguish between individuals with the same name.

Requests by an individual for access to a record must meet the requirements in 34 CFR 5b.5.

CONTESTING RECORD PROCEDURES:

If you wish to contest the content of your personal record within the system of records, contact the system

manager at the address listed above and provide your name, DOB, and SSN. Identify the specific items to be changed and provide a written justification for the change. Requests to amend a record must meet the requirements in 34 CFR 5b.7.

NOTIFICATION PROCEDURES:

If you wish to determine whether a record exists regarding you in the system of records, contact the system manager at the address listed above. You must provide necessary particulars such as your name, DOB, SSN, and any other identifying information requested by the Department while processing the request to distinguish between individuals with the same name. Requests must meet the requirements in 34 CFR 5b.5.

EXEMPTIONS PROMULGATED FOR THE SYSTEM:

None.

HISTORY:

The system of records entitled "Common Origination and Disbursement (COD) System" (18-11-02) was last modified and published in full in the *Federal Register* on June 28, 2023 (88 FR 41942-41951).

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