

November 2020

## **Response Required By: January 29, 2021**

Dear Colleague:

Loan status information is critical to maintaining current and accurate data within the National Student Loan Data System (NSLDS®). In fact, NSLDS data is used for determining eligibility for student aid as well as cohort default rates for both lenders and colleges. Lenders and servicers are **required** by the U.S. Department of Education (ED) to report specific FFELP loan data elements to their guaranty agencies on a monthly basis for inclusion in the guarantor's monthly reporting to the National Student Loan Data System (NSLDS).

To assist you in complying with your NSLDS Lender Manifest reporting requirements, ISAC provides the **NSLDS Lender Manifest Report of Unreported Loans** (the Unreported Loans Report). This report was created using the industry's common format and identifies the following:

- Any loan with an open loan status that does not reflect an update within the past 180 days; and
- Open loans or loans closed after July 1, 1994 that has not been updated via Lender Manifest. This lack of update could be due to the inability to match incoming loan data to information on ISAC's database, or due to errors causing the record to reject.

The Unreported Loans Report identifies loans that need to be reported and/or updated. Please make the necessary modifications/corrections to the loan records which, when reported, will allow the loans to be accepted by ISAC prior to its next NSLDS submission.

It is important to:

- Review each loan to determine the reason the loan has not been reported/updated;
- Make **all** of the necessary modifications/corrections for the loan to be reported accurately;
- Update your system with the Unique Loan ID provided on the report for each record, if it is not already being used. This will facilitate the matching process when the loan is reported; and

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- Report as many modifications and/or corrections via your institutions next monthly NSLDS Lender Manifest reporting as possible. Modifications and/or corrections that cannot be reported by way of your NSLDS Lender Manifest process using File Transfer Protocol (FTP) must be submitted via paper using the NSLDS Lender Manifest Record Description form. Clearly mark the record as “Error Exceptions” or “Unreported Loans” on the form.

Additional reference information, which includes a question and answer document, is available online in the Lender area (which may be accessed via the Lenders “Quick Link” that appears at the bottom of all pages at [isac.org](http://isac.org)) to assist with completing borrower status updates. Plus, you will also want to visit the Lender area for complete program information, downloadable forms, instructions and other topics of particular interest to lenders.

### **NSLDS Lender Manifest Reporting Reminders**

NSLDS Lender Manifest reporting **requires** lenders/servicers to report the data to the guarantor for each loan until the loan is closed (cancelled, paid in full, paid in full by consolidation, paid in full by refinancing, or uninsured). If a loan record is rejected during the initial monthly Lender Manifest process, the lender/servicer must correct the error and resubmit the loan record in the next scheduled monthly NSLDS Lender Manifest submission.

As a reminder, failure to report current loan statuses or correct errors may result in processing delays of future Default Aversion Assistance Requests (DAARs) and/or Default Claims filed with ISAC.

For all lender/servicer audits conducted by ISAC or the Common Review Initiative (CRI), NSLDS error rates or Unreported Loans rates that exceed the industry standard of 3% will be considered an audit finding. Upon your review of the Unreported Loans Report, we anticipate that you may find a significant number of these loans were never disbursed or never migrated to servicing systems. It is imperative that lenders and servicers identify these loans and report them to ISAC as cancelled.

***File Transfer Protocol (FTP)*** is ISAC’s preferred method of exchanging NSLDS Lender Manifest and unreported loans data. All lenders and servicers should be moving towards using this method of reporting.

Should you require further assistance using the Unreported Loans Report or have questions regarding ISAC’s NSLDS Lender Manifest process, please contact Sue Kenik, Manager, Lender Services, at 800.477.4411 ext. 18633.

Lender Services Department  
Program Services & Compliance Division