

**Policies for the  
Office of  
Student Financial  
Aid**

**Subject**

Direct Loan Quality Assurance (Z-1)

*Office of Student Financial Aid/Scholarships*

January 2023

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In accordance with the direct loan program regulations at 34 CFR 685.300(b) (9) NSU has implemented and documented a quality assurance process to ensure we are complying with program requirements and meeting program objectives that ensures NSU:

1. Reports loan records, disbursements, and adjustments to disbursements correctly to the Common Origination Disbursement system.
2. Disburses and returns loan funds in accordance with regulatory requirements.
3. Disburses the correct loan amount to the correct student.
4. Completes monthly reconciliation and Program Year Closeout

**PROCEDURES:**

1. The financial aid office will import files from COD to into banner (current year) and review any origination/anticipated response, edit reports, Disbursement response reports, and origination response reports.
2. These reports will be reviewed for fields that have errors reported.
3. Errors will be corrected and resubmitted to COD.
4. Any return of student funds will be submitted back to the department of education via an offset of funds requested by NSU's comptroller.
5. The students' origination record will be decreased by the amount calculated per return to title IV calculations and updated through banner.
6. Monthly federal direct loan reconciliation will be completed.  
There are several reports available via the COD System that can assist NSU with monthly reconciliation processes – COD School Monitoring, 30 day warning, SAS.
7. Year-end program closeout:
  - a. Repeat steps for month end reconciliation.
  - b. Compare direct student loans on COD and verify NSU's (Financial Aid and Business offices) ending loan balance agrees with COD's ending balance, this should be zero, and submit.