



May 22, 2026

Shannon Mahan, Acting Director
Program Delivery Services Group
Federal Student Aid
U.S. Department of Education
400 Maryland Ave. SW,
Washington, DC 20202-0001

Docket ID ED-2026-FSA-0760

Dear Mr. Mahan:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA) and our 3,000 member institutions, we respectfully submit to the U.S. Department of Education (ED) our comments on its notice of a modified system of records for its Common Origination and Disbursement (COD) system (Docket ID ED-2026-FSA-0760).

NASFAA represents nearly 29,000 financial aid professionals who serve 16 million students each year at colleges and universities in all sectors throughout the country. NASFAA member institutions serve nine out of every 10 undergraduates in the U.S.

We appreciate the Department's continued efforts to implement the student financial aid provisions of the One Big Beautiful Bill Act (OBBBA). We agree with ED's determination to amend the stated purposes of the Common Services for Borrowers System to add purpose 11 to identify, verify, and maintain records for borrowers who qualify for the interim exception to the new borrowing limits imposed by the OBBBA, and purpose 16 to track and enforce revised aggregate loan limits.

Ensuring accurate systems associated with the processing of financial aid is a critical component of implementing any new legislation. Correctly tracking student eligibility for the limited exception to the new borrowing limits is crucial to honoring the promise made to current student loan borrowers that they can continue to borrow in their current program of study under the loan terms and conditions they agreed to upon enrollment.

We are grateful that COD will be able to automatically identify many current borrowers as eligible for the limited exception using the new "grandfathering flag." However, we remain concerned about borrowers who qualify for the limited exception but are not captured by COD's automatic identification process. Now that COD is open to accept records for the 2026-27 award year, financial aid administrators need more information about how they can correct errors and omissions in COD's automated process. ED communicated at its March Federal

Student Aid Training Conference (FSATC) that corrections to the grandfathering flag could only be made by financial aid administrators through a telephone call to COD. This process will be very time-consuming and burdensome, even for schools with just a few errors. We also have serious concerns about the COD call center's ability to accommodate this process. We urge ED to allow this flag to be corrected automatically by financial aid administrators, with functionality for batch submission.

Financial aid administrators are grateful for assurances made at FSATC in March, where COD officials stated that they would continue to improve the automatic limited exception eligibility identification process. We ask COD officials to proactively inform the financial aid community about any such improvements.

Knowing that the COD grandfathering flag is the prompt for National Student Loan Data System (NSLDS) postscreening that will ultimately deliver the correct annual, aggregate, and lifetime loan limit information to schools via the Institutional Student Information Record (ISIR), it is crucial that COD share this data with NSLDS as frequently as possible so financial aid administrators have up-to-date loan limit information available to them, and so students have fair warning when they are close to those limits. We request more information on the frequency of the data flow between COD and NSLDS.

The Federal Register notice announcing the COD modifications makes explicit note that a change in an undergraduate student's major does not cause the student to lose eligibility for the limited exception. However, the final rules issued on May 1, 2026, indicate that there are other circumstances that also allow students to maintain limited exception eligibility, including approved leaves of absence; changing concentration within the same 4-digit Classification of Instructional Programs (CIP) code for graduate and professional students; and for students whose institution's location is realigned after a merger, two-step change in ownership, or campus reaffiliation to qualify for the interim exception. We ask for clarification on how COD will track such events to ensure that these students do not incorrectly have the grandfathering flag de-selected by COD, subjecting them to the new borrowing limits unless a financial aid administrator identifies the error and contacts COD to correct it.

We appreciate the opportunity to respond to the Department's request for public comments regarding this modified system of records. If you have any questions regarding these comments, please [contact us](#) or NASFAA's Director of Policy Analysis, Jill Desjean, at desjeanj@nasfaa.org.

Regards,

A handwritten signature in black ink that reads "Melanie E Storey". The signature is written in a cursive, flowing style.

Melanie Storey
President and CEO, NASFAA