



## Case Study: Building a Student Loan Certification & Disbursement Solution for a National Student Lender

A private student lender hired DecisivEdge to design, build, and implement a Student Loan Certification and Disbursement Solution that operates as the system of record and orchestration layer between loan origination, schools, and loan servicing.

The engagement began when the lender outgrew an off-the-shelf certification and disbursement solution and needed a platform that could support growth, differentiation, and operational control without disrupting existing origination or servicing providers.

### What is a Student Loan Certification & Disbursement Solution?

A [Student Loan Certification and Disbursement Solution](#) is a specialized system that manages everything that happens after a student loan is approved but before and through funds being disbursed and handed off to servicing.

It is responsible for:

- Receiving and validating school certification data
- Applying business rules, compliance checks, and exception handling
- Coordinating timing, amounts, and adjustments for disbursement
- Synchronizing data across internal platforms and external vendors
- Providing transparency, auditability, and operational control
- Handle updates of PII data
- Synchronization between origination, servicing, and school vendors

In summary, the engine functions as the operational and compliance backbone of the student lending lifecycle, coordinating multiple systems, outdated standards, and real-world school behaviors in a controlled, auditable way.

### CHALLENGE

The student lender was using a third-party, out-of-the-box certification software that limited flexibility and differentiation. They needed a custom-built student loan certification and disbursement solution that would sit cleanly between origination and servicing, while giving them ownership of certification logic, school communication, and disbursement execution.

As their student loan volume increased and product offerings expanded, several issues became critical:

1. Lack of Customization
  - The existing platform enforced a one-size-fits-all process
  - New student loan programs (graduate, refinance, etc.) required different certification and disbursement behaviors that could not be easily supported
  - No custom feature roadmaps based on real-time business needs
  - No flexible resource adjustments to accommodate changing business needs
2. Operational Friction with Schools
  - Schools frequently needed to change certified amounts, loan periods, or disbursement dates
  - Existing tooling made those changes slow, manual, or opaque
  - Communication between the student lender and schools was fragmented and delayed
  - The existing tools provided limited reporting data and dashboards
3. Fragmented Technology Stack
  - Loan origination, certification/disbursement, and servicing were handled by separate vendors
  - Certification relied on file-based CommonLine 4 (CL4) transmissions, an outdated but mandatory industry standard
  - Error handling and reconciliation required manual intervention across systems
4. Limited Visibility & Control
  - No centralized view of loan state across certification, disbursement, and servicing handoff
  - Heavy dependence on operations teams to track, correct, and reprocess loans

## SOLUTION

DecisivEdge designed and built a bespoke Student Loan Certification and Disbursement Solution tailored to the realities of student lending infrastructure.

Core design principles included but were not limited to:

1. Middle-Layer Architecture
  - The engine operates as a middle layer that ingests approved loans, manages certification and disbursement, and then hands loans off cleanly to servicing
2. Rules-Driven Customization
  - Certification and disbursement workflows are configurable by loan program type
  - Different products follow different certification rules without requiring separate systems
  - Exceptions and changes are handled systematically rather than manually
3. Support for Legacy & Modern Integration
  - CL4 file generation for CommonLine 4 certification networks
  - APIs and portals for schools that certify directly on the lender's platform
  - Flexible outbound integration to student loan servicing platforms
4. Operational Transparency

- Internal web portals provide real-time visibility into loan status
- External web portals provide real-time visibility to schools
- Operations teams can manage certifications, disbursements, and exceptions in one place
- All actions and exceptions are logged for audit and compliance purposes

#### 5. Scalable by Design

- Built to handle peak-season volume spikes without degradation
- Capable of supporting growth in loan count, school partners, and product types

## RESULTS

The [Student Loan Certification and Disbursement Solution](#) became a core operational platform for the lender.

- Improved lender–school communication, enabling faster responses to certification changes
- Improved customer service through tools provided for the servicing team
- Reduced manual processing, particularly around error handling and data reconciliation
- Greater flexibility to launch and support new loan programs
- Centralized visibility into certification and disbursement status across the portfolio
- A scalable foundation capable of supporting sustained growth and peak-season demand while reducing infrastructure spend during low season through cloud first solutions

Most importantly, the student lender moved from a constrained, vendor-controlled process to a fully owned and differentiated certification and disbursement capability, without replacing their origination or servicing providers.

### ABOUT DECISIVEDGE

DecisivEdge leads organizations through their transformation journey. We believe that the right mix of people, processes, and technology will drive modernization, business optimization and automation. To learn more, please visit our website at [www.decisivedge.com](http://www.decisivedge.com), email us at [getresults@decisivedge.com](mailto:getresults@decisivedge.com) or contact us at 302.299.1570.

\* CASE STUDY \*