

#	Subject	Summary of Change to Common Manual	Type of Update	Effective Date
1272	Elimination of Interest Subsidy during Grace Period <i>*Policy proposal not approved at the April 19, 2012 Governing Board meeting*</i>	<p>2.1.B Types of Loans Available 2.2.B The Interim Period 6.14.A Subsidized Stafford Loans 10.3.B Payment of Interest during the Grace Period 10.9 Interest Charges 10.10.B Capitalization Frequency A.1.B When Federal Interest Benefits Will Be Paid Appendix G</p> <p>Add a temporary “note” to the areas that state the federal government will pay interest to the borrower’s lender until the borrower enters repayment and adds language to explain that new subsidized Federal Direct Stafford loans first disbursed on or after July 1, 2012 but before July 1, 2014 will no longer be eligible for interest subsidy from the date the student ceases to be enrolled at least half time until the loan enters repayment, otherwise known as the borrower’s 6-month grace period.</p>	Federal	Stafford loans first disbursed on or after July 1, 2012 and before July 1, 2014.
1273	Repeal of Subsidized Stafford Loans for Graduate and Professional Students <i>*Policy proposal not approved at the April 19, 2012 Governing Board meeting*</i>	<p>5.1.C Graduate or Professional Student and Parent PLUS Loan Borrower Eligibility Requirements 6.11.A Stafford Annual Loan Limits 6.11.B Stafford Aggregate Loan Limits 6.11.D Increased Unsubsidized Stafford Loan Limits for Health Profession Students 6.16 Applying for Federal Stafford and PLUS Loans</p> <p>Adds information about the loss of subsidized loan eligibility for graduate and professional students.</p>	Federal	Stafford loans made for periods of enrollment beginning on or after July 1, 2012.
1274	Stafford Loan Interest Rates – Figure 7-1 <i>*Policy proposal not approved at the April 19, 2012 Governing Board meeting*</i>	<p>Figure 7-1</p> <p>Figure includes the applicable interest rate for Stafford loans first disbursed on or after July 1, 2012 and reflects the statutory increase in this rate.</p>	Federal	For Stafford loans first disbursed on or after July 1, 2012.
1275	Military Service Deferment	<p>11.8.A Eligibility Criteria – Military Service</p> <p>Removes language that may lead a reader to think that this deferment is only for borrowers who are serving in the military after October 1, 2007. The October 1, 2007, date is only tied to the 180-day post-deferment time frame and is discussed in Subsections 11.8.B and 11.8.C of the <i>Common Manual</i>.</p>	Correction	Military service deferments granted on or after October 1, 2007.

Batch 187

COMMON MANUAL – CORRECTION POLICY PROPOSAL

Date: April 19, 2012

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Apr 19

SUBJECT: Military Service Deferment

AFFECTED SECTIONS: 11.8.A Eligibility Criteria—Military Service

POLICY INFORMATION: 1275/Batch 187

EFFECTIVE DATE/TRIGGER EVENT: Military service deferments granted on or after October 1, 2007.

BASIS:

§682.210(t)(1); *Federal Register*, Vol. 72, No. 211, pp. 61962-61963.

CURRENT POLICY:

Current policy states that a military service deferment is available for all periods that include October 1, 2007, or begin on or after that date, during which a borrower is serving in one of the capacities as stated in §682.210(t)(1).

REVISED POLICY:

Revised policy removes language that may lead a reader to think that this deferment is only for borrowers who are serving in the military after October 1, 2007. The October 1, 2007, date is only tied to the 180-day post-deferment time frame and is discussed in Subsections 11.8.B and 11.8.C of the *Common Manual*.

REASON FOR CHANGE:

This policy is necessary to clarify borrower eligibility for the military service deferment.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 11.8.A, page 16, column 1, paragraph 3, as follows:

Eligibility Criteria – Military Service

This deferment is available to Stafford, PLUS, and Consolidation loan borrowers ~~for all periods that include October 1, 2007, or begin on or after that date~~ during periods in which a borrower is serving in one of the following capacities:

- On active duty during a war or other military operation, or a national emergency.
- On qualifying National Guard duty during a war or other military operation, or a national emergency.
[HEA §428(b)(1)(M); §682.210(t)(1) - (4); DCL GEN-06-02; DCL GEN-08-01]

PROPOSED LANGUAGE - COMMON BULLETIN:

Military Service Deferment

The *Common Manual* is being revised to clarify borrower eligibility for the military service deferment.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

All borrowers who meet the military service criteria are eligible for the military service deferment.

School:

None.

Lender/Service:

A lender may need to revise its military service deferment criteria and processes.

Guarantor:
None.

U.S. Department of Education:
None.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:
CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:
February 10, 2012

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:
April 12, 2012

PROPOSAL DISTRIBUTED TO:
CM Policy Committee
CM Guarantor Designees
Interested Industry Groups and Others
CM Governing Board Representatives

Comments Received from:
AES/PHEAA, ASA, FAME, Great Lakes, MGA, NASFAA, NCHELP, NELA, NSLP, OCAP, PPSV, SCSLC, SLND, TG, TSAC, USA Funds, and VSAC.

Responses to Comments

Many commenters supported this proposal as written. We appreciate the review of all commenters, their careful consideration of this policy, and their assistance in crafting clear, concise policy statements.

COMMENT:

One commenter recommended additional language be added to Subsection 11.8.A to make this subsection consistent with Subsections 11.8.B and 11.8.C by making the appropriate reference to the October 1, 2007, cut-off date for the expanded deferment benefits.

Response:

The Committee appreciates the commenter's concern. However, the inclusion of the October 1, 2007, cut-off date is what led some readers to think that this deferment is only for borrowers who are serving in the military after October 1, 2007. The October 1, 2007, date is only tied to the 180-day post-deferment time frame which is thoroughly explained in Subsection 11.8.C. The addition of further language to Subsection 11.8.A would be redundant to the language already covered in Subsections 11.8.B and 11.8.C.

Change:

None.

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