

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update. These changes will also be incorporated into the *Integrated Common Manual* released in May 2013. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on the *Common Manual's* website at [www.commonmanual.org](http://www.commonmanual.org). Please carefully note the effective date of each policy change.

**Administrative Forbearance for Total and Permanent Disability (TPD)**

The *Common Manual* has been revised to add new provisions related to the new TPD process. The new processes specify that:

- If the lender receives notice from the Department that a borrower has initiated the process of applying for a total and permanent disability discharge, the lender must suspend collection activity on the borrower's loan(s) for a period – usually referred to as an administrative forbearance – of not more than 120 days while the Department gathers the necessary TPD documentation. The lender may consider that period of suspended collections to be forbearance and may capitalize interest accrued during this period if the borrower fails to provide the necessary documentation to the Department.
- When the Department receives the borrower's TPD documentation, it will provide notice to the lender which will initiate a period or a continuation of an existing period of suspended collections. The lender must maintain the suspension of collections/forbearance until it receives notice from the Department that it has completed its review of the discharge application and made a determination.
- If the loan is made to comakers and one comaker applies for a TPD discharge, then the lender must suspend collections on the loan as directed by the Department until it receives notice of the disposition of the comaker's loan discharge application. In the case of a comade Consolidation loan, the lender must file a claim on the portion of the loan attributable to the disabled comaker when it receives notification from the Department that it approved the TPD discharge application. The lender must then return to repayment any portion of the loan that is not discharged.

<b>Affected Sections:</b>	<b>11.21.R Total and Permanent Disability Figure 11-2</b>
<b>Effective Date:</b>	July 1, 2013, for loans for which the Department notifies the lender that the borrower intends to file an application for a total and permanent disability (TPD) discharge or has filed a TPD discharge application.
<b>Basis:</b>	§682.402(c)(2); §682.402(c)(8) and (9).
<b>Policy Information:</b>	1286/Batch 194
<b>Guarantor Comments:</b>	None.