

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 June 2014. 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. Please carefully note the effective date of each policy change.

Reporting Requirements Regarding a Borrower's Total and Permanent Disability Discharge Application Status

The *Common Manual* is being revised to require a lender to notify the guarantor at least monthly that it has received notification that the borrower or some party to a loan has a total and permanent disability discharge application under review with the Department.

Affected Sections:	13.8.G Total and Permanent Disability
Effective Date:	Guarantor receipt of lender notifications that a borrower's total and permanent disability discharge application is under Department review on or after June 1, 2014, unless implemented no earlier than July 1, 2013, by the guarantor.
Basis:	None.
Policy Information:	1296/Batch 199
Guarantor Comments:	None.

Changes to Eligibility Reinstatement Rules

The *Common Manual* is being revised to include the following two updates to regulations related to the reinstatement of Title IV eligibility:

- The definition of "timely" payments for purposes of satisfactory repayment arrangements is redefined as 20 days from its previous 15-day standard.
- A borrower who reinstates Title IV eligibility but does not obtain new Title IV funds before defaulting again on a Title IV loan is not considered to have used the one-time reinstatement opportunity provided by the Act.

Affected Sections:	5.3 Reinstatement of Title IV Eligibility after Default
Effective Date:	Reinstatement eligibility determinations made by the guarantor on or after July 1, 2014.
Basis:	§682.200(b).
Policy Information:	1297Batch 199
Guarantor Comments:	None.

Lender Disclosures

The *Common Manual* is being updated to clarify that a lender is exempt from the borrower-having-difficulty disclosure requirement if the borrower's repayment difficulty has been resolved. This resolution may be either through contact with the borrower based on a previous disclosure or other communications between the lender and the borrower that included recognition that a borrower's payment difficulty could be resolved by a payment amount change or payment postponement. The policy also clarifies that the 60-day delinquency disclosure must be provided within five business days of the date the borrower becomes 60 days delinquent. Cross references have also been placed in Section 10.12 and Subsection 12.1.A for readers to easily locate all disclosure requirements published under the Higher Education Opportunity Act (HEOA).

Affected Sections: **10.12 Lender Disclosures during Repayment**
 12.1.A Lender Disclosure Requirements

Effective Date: For determining whether the lender must send the borrower-having-difficulty disclosure, effective for notifications of borrower difficulty occurring on or after July 1, 2014, unless implemented by the lender no earlier than November 1, 2013.

For establishing the 5-business-day timeframe for sending the 60-day delinquency disclosure effective for 60-day delinquencies occurring on or after July 1, 2014, unless implemented by the lender no earlier than November 1, 2013.

Basis: *Federal Register*, Vol. 78, No. 212, November 1, 2013; §682.205(a)(4)(ii) and (5)(ii).
Policy Information: 1298/Batch 199
Guarantor Comments: None.

Changes in Participation Rate Index Threshold

The *Common Manual* has been updated to include the regulatory change that provides that the school may appeal the loss of Title IV eligibility due to its cohort default rate for a single year in excess of 40% if the Participation Rate Index (PRI) for that fiscal year is less than or equal to 0.0832. This is one of the PRI appeal options available to schools and previously provided for a threshold of 0.06015.

Affected Sections: **16.4.B School Appeals**
Effective Date: July 1, 2014
Basis: §668.204(c)(1)(i).
Policy Information: 1300/Batch 199
Guarantor Comments: None.

Online and Distance Learning Qualification for a Closed School Discharge

The *Common Manual* has been updated to clarify that a borrower who obtained loans for distance and/or online program at a school would qualify for a closed school discharge only if the main campus closes.

Affected Sections: **13.8.B Closed School**
Effective Date: Closed school applications received on or after April 29, 1994.
Basis: Preamble of the November 1, 2013, *Federal Register*, Vol. 78, No. 212, page 65775.
Policy Information: 1301/Batch 199
Guarantor Comments: None.

Loan Rehabilitation Details Removed

Common Manual text has been revised to remove some of the detail regarding the guarantor's loan rehabilitation process. The Manual is intended to assist schools and lenders in the administration of FFELP loans. Post-default collections information is irrelevant to the administration responsibilities of either the lender or school.

Affected Sections: **13.7 Rehabilitation of Defaulted FFELP Loans**
Effective Date: None.
Basis: None.
Policy Information: 1302/Batch 199
Guarantor Comments: None.