

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1168	Required Information on the Default Aversion Assistance Request Form	<p><u>Figure 12-5</u></p> <p>Figure 12-5 has been revised to include the specific names of the fields on the Default Aversion Assistance Request Form rather than descriptions of those fields.</p>	Guarantor	Upon approval by the Governing Board.
1169	Required Information on Claim Form	<p><u>Figure 13-1</u></p> <p>Figure 13-1 has been revised to include the specific names of the fields on the Claim Form rather than descriptions of those fields.</p>	Guarantor	Upon approval by the Governing Board.
1170	Eligible Lender Trustee and School Acting as a Lender Annual Audit Clarification	<p><u>3.2</u> <u>Schools Acting as Lenders and Eligible Lender Trustee Relationships</u></p> <p><u>3.8.A</u> <u>Annual Compliance Audits</u></p> <p>Stipulates that the required audit must be performed by a qualified independent organization or person.</p>	Federal	First auditable period for the school as lender or eligible lender trustee that begins on or after August 14, 2008.
1171	Revised SCRA Provisions	<p><u>7.4.B</u> <u>Reduced Stafford Interest Rates</u></p> <p><u>7.5.B</u> <u>Reduced PLUS Interest Rates</u></p> <p><u>10.9.B</u> <u>Reduced Interest Rates</u></p> <p><u>15.3.D</u> <u>Calculating the Interest Rate</u></p> <p>Prohibits a lender from assessing additional charges or fees to a borrower, who is subject to the provisions of the SCRA, to compensate for the difference between the otherwise applicable interest rate and the reduced rate that the lender is permitted to charge. States that the endorser is considered to be eligible to request and receive the reduced interest rate if the endorser signed the PLUS MPN Endorser Addendum prior to the start of his or her qualifying military service. Also clarifies when a loan is considered to be incurred in the case of a loan made with an endorser's signature or a Consolidation loan.</p>	Federal	Loans for which the lender receives a servicemember's written request for the reduced interest rate that is effective on or after August 14, 2008, for periods of military service occurring on or after that date.
1172	Repayment Disclosure Changes	<p><u>10.7</u> <u>Disclosing Repayment Terms</u></p> <p><u>10.7.A</u> <u>Time Frame for Disclosure</u></p> <p>Inserts the requirement that a lender disclose to a borrower that he or she is permitted to change his or her repayment plan selection at least annually. Also clarifies the time frame for a lender to provide the repayment disclosure to a PLUS borrower whose loan enters immediate deferment.</p>	Federal	August 14, 2008, but no later than disclosures provided on or after July 1, 2010.

1173	Rehabilitation of Defaulted FFELP Loans	<p><u>13.7</u> <u>Rehabilitation of Defaulted FFELP Loans</u></p> <p>Clarifies that a defaulted Consolidation loan that includes a loan previously rehabilitated on or after August 14, 2008, is eligible for rehabilitation because the Consolidation loan is a new loan. Also states that within 30 days of receiving notification of the rehabilitation from the guarantor, the prior holder of the loan must request that any nationwide consumer reporting agency to which the default status or other equivalent record was reported, remove the default status or other equivalent record from the borrower's credit history.</p>	Federal	For notification time frames: Rehabilitation notifications received by the prior holder on or after July 1, 2010.
1174	Managing Overawards	<p><u>8.6</u> <u>Managing Overawards</u> <u>Appendix G</u></p> <p>Clarifies that an overaward occurs when any amount of a student's need-based aid exceeds the student's financial need, or when the amount of the student's estimated financial assistance (EFA), including need-based aid, exceeds the student's cost of attendance (COA). If the school determines that an overaward exists, the school must contact the lender or guarantor to request an adjustment of any remaining loan disbursements. If all disbursements of a loan have been delivered to the student before the overaward occurs, no adjustments are required. However, the school may be required to adjust campus-based aid or other aid under its control to offset the borrower's overaward. A school never adjusts a Pell grant to take into account other forms of aid.</p>	Correction	Retroactive to the implementation of the <i>Common Manual</i> .

Batch 166 transmittal