

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1223	Civil Legal Assistance Attorney Student Loan Repayment Program	<p>2.3.C Common Forms 13.9.C Loan Repayment Program for Civil Legal Assistance Attorneys</p> <p>Adds information about this repayment program that was provided in the <i>Federal Register</i> dated July 7, 2010.</p>	Federal	July 7, 2010.
1224	Exceptional Performer Claim Designation	<p>13.1.A Claim Filing Requirements Appendix G</p> <p>Removes and revises language in Subsection 13.1.A that outlines the exceptional performer designation on the Claim Form and removes the Appendix G definition of "exceptional performer."</p>	Correction	Claims originally filed by a lender on or after October 1, 2007.
1225	Prorated Stafford Annual Loan Limits	<p>Figure 6-4 Stafford Annual and Aggregate Loan Limits for Undergraduate Students</p> <p>Removes information regarding proration calculations for Stafford annual loan limits.</p>	Organizational	Not applicable.

Batch 172 (Approved)

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: November 18, 2010

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	With no changes	Nov 18

SUBJECT: Civil Legal Assistance Attorney Student Loan Repayment Program

AFFECTED SECTIONS: 2.3.C Common Forms
13.9.C Loan Repayment Program for Civil Legal Assistance Attorneys

POLICY INFORMATION: 1223/Batch 172

EFFECTIVE DATE/TRIGGER EVENT: July 7, 2010.

BASIS:

Federal Register notice dated July 7, 2010, including links from the notice to the Civil Legal Assistance Attorney Student Loan Repayment Program Questions and Answers and the 2010 Civil Legal Assistance Attorney Student Loan Repayment Program Application to Participate and Service Agreement form.

CURRENT POLICY:

Current policy about this repayment program was derived from language in the Higher Education Opportunity Act (HEOA), P.L. 110-315.

REVISED POLICY:

Revised policy adds information about this repayment program that was provided in the *Federal Register* dated July 7, 2010.

REASON FOR CHANGE:

These changes are being made to align language in Subsections 2.3.C and 13.9.C with information provided in the *Federal Register* dated July 7, 2010.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 2.3.C, page 14, column 1, paragraph 3, as follows:

Loan Discharge/Forgiveness Forms

- Civil Legal Assistance Attorney Student Loan Repayment Program Application to Participate and Service Agreement
- Loan Discharge Application: School Closure
- Loan Discharge Application: False Certification of Ability to Benefit
- Loan Discharge Application: False Certification (Disqualifying Status)
- Loan Discharge Application: False Certification (Unauthorized Signature/Unauthorized Payment)
- Discharge Application: Total and Permanent Disability
- Loan Discharge Application: Unpaid Refund
- Loan Discharge Application: Spouses and Parents of September 11, 2001 Victims
- Teacher Loan Forgiveness Application
- Teacher Loan Forgiveness Forbearance Form

Revise Subsection 13.9.C, page 66, column 1, paragraph 1, as follows:

13.9.C

Loan Repayment Program for Civil Legal Assistance Attorneys Student Loan Repayment Program

The Loan Repayment Program for Civil Legal Assistance Attorneys Student Loan Repayment Program is intended to encourage a qualified individual to enter and continue employment as a civil legal assistance attorney. The Department will repay portions of a qualifying student loan on behalf of the borrower. Receipt of a benefit under this program does not entitle the borrower to a refund of payments made on the loan.

[HEA §428L]

~~To qualify for loan repayment, a borrower must be employed full time as a civil legal assistance attorney and must not be in default on the loan for which repayment is sought. Upon completion of the period of service under the initial written agreement, a borrower may enter into an additional agreement with the Department that may require the borrower to remain employed as a civil legal assistance attorney for less than three years. The Department will grant loan repayment under this program on a first-come, first-served basis and repayment is contingent on the availability of annual federal appropriations. Congress appropriated funds for this This program for fiscal year 2010 is currently not funded through the Consolidated Appropriations Act of 2010 (P.L.111-117).~~

[HEA §428L; *Federal Register* dated July 7, 2010]

Eligibility Criteria

To be eligible for loan repayment under this program, a borrower must meet all of the following criteria:

- The borrower must have a A-qualifying loan as defined in the Applicable Definitions included later in this subsection. for the Loan Repayment Program for Civil Legal Assistance Attorneys is a loan made, insured, or guaranteed under the or Federal Perkins Loan Program, and includes a Federal Consolidation loan or Federal Direct Consolidation loan to the extent that such a loan was used to repay any of the following:
- ~~A subsidized Federal Direct Stafford loan, an unsubsidized Federal Direct Stafford loan, or a Federal Direct Grad PLUS loan.~~
- ~~A subsidized Stafford loan, an unsubsidized Stafford loan, or a Grad PLUS loan.~~
- ~~A Federal Perkins loan.~~

A qualifying loan does not include any of the following:

- ~~A PLUS loan made to the parent of a dependent student.~~
- ~~A Federal Direct PLUS loan made to the parent of a dependent student.~~
- ~~Any loan other than a FFELP, Federal Direct, or Federal Perkins loan (e.g., a HEAL, HPSL, etc.).~~
- The borrower must not be in default on a loan for which repayment is sought.
- The borrower must be employed as a civil legal assistance attorney.
- The borrower must be continually licensed to practice law.
- The borrower must execute a service agreement with the Department.
- The borrower may not, for the same service, receive a reduction of the loan amount

under both the Civil Legal Assistance Attorney Student Loan Repayment Program and the Loan Forgiveness for Service in Areas of National Need Program, or the Public Service Loan Forgiveness Program.

[HEA §428L; *Federal Register* dated July 7, 2010]

Program Requirements

To request loan repayment, a borrower must complete the Civil Legal Assistance Attorney Student Loan Repayment Program Application to Participate and Service Agreement form and submit it to the Department. The service agreement will include, at a minimum, each of the following requirements:

- The borrower will remain employed full time as a civil legal assistance attorney for at least 3 years, unless involuntarily separated from that employment.
- If the borrower is involuntarily separated from employment because of misconduct, or voluntarily separates from employment before the end of the required 3-year service period, the borrower will repay the Department the amount of any benefits the borrower has received under the service agreement.
- If the borrower fails to submit a certification of completed service within 90 days of the end date of the second or subsequent consecutive 12-month service period required to retain the repayment benefit, the Department notifies the borrower that the borrower must repay any benefit received under the Service Agreement unless the borrower provides the Department, within 30 days of the date of the Department's notice, with documentation that establishes to the satisfaction of the Department that such repayment should not be required.
- If the borrower is required to repay an amount to the Department and fails to repay the amount, the Department or another agency may recover the sum according to methods that are provided by law for the recovery of amounts owed to the federal government.
- The Department may waive portions of the required recoverable amount if it is shown that the recovery of the amount would be contrary to the public interest.
- The Department will make student loan payments on the qualifying loan(s) for the period of the service agreement, subject to the availability of appropriations.

[HEA §428L; *Federal Register* dated July 7, 2010]

Amount Paid by the Department

If the borrower qualifies, the Department will repay the loan holder up to \$6,000 of the outstanding balance of the borrower's student loan obligation in any calendar year. The maximum amount of repayment benefits that a borrower may receive under this program is \$40,000. The Department will give priority in each fiscal year to a borrower who meets each of the following qualifications:

- The borrower has practiced law for 5 years or less and, for not less than 90% of the time in that legal practice, has served as a civil legal assistance attorney.
- The borrower has received repayment benefits under this program during the previous fiscal year.
- The borrower has completed less than 3 years of the first required period of service specified for the borrower in the written agreement with the Department.

The Department will send any approved payment amount first to the holder of the borrower's current highest outstanding unsubsidized loan. If the borrower has no outstanding unsubsidized loans, the approved payment amount will be sent to the holder of the borrower's highest outstanding subsidized loan.

If the holder of the borrower's loan(s) determines that the repayment amount received from the Department exceeds the remaining balance of the loan for which it is designated in accordance with the preceding paragraph, the holder must apply the remaining balance to another eligible loan of the borrower held by the holder, if applicable. If the holder has no other eligible loans of the borrower, the holder must return the balance to the Department. If applicable, the Department will forward that balance to another holder of the borrower's eligible loans.

[HEA §428L; Federal Register dated July 7, 2010]

~~When implemented, a borrower will be eligible to receive repayment benefits under this program by entering into a written agreement with the Department. The agreement will include, at a minimum, each of the following requirements:~~

- ~~• The borrower will remain employed full time as a civil legal assistance attorney for at least 3 years, unless involuntarily separated from that employment.~~
- ~~• If the borrower is involuntarily separated from employment because of misconduct, or voluntarily separates from employment before the end of the required 3-year service period, the borrower will repay the Department the amount of any benefits the borrower has received under the agreement.~~
- ~~• If the borrower is required to repay an amount to the Department and fails to repay the amount, the Department or another agency may recover the sum according to methods that are provided by law for the recovery of amounts owed to the federal government.~~
- ~~• The Department may waive portions of the required recoverable amount if it is shown that the recovery of the amount would be contrary to the public interest.~~
- ~~• The Department will make student loan payments on the qualifying loan(s) for the period of the written agreement, subject to the availability of appropriations.~~

~~Receipt of a benefit under this program does not entitle the borrower to a refund of payments made on the loan. In addition, no borrower may, for the same service, receive a reduction of the loan amount under both this loan repayment program and the Loan Forgiveness Program for Service in Areas of National Need Program or the Public Service Loan Forgiveness Program under the Federal Direct Loan Program.~~

~~[HEA §428L]~~

Applicable Definitions

In the context of the Civil Legal Assistance Attorney Student Loan Repayment Program provisions, the following definitions apply:

- *Civil legal assistance attorney* means an attorney who is a full-time employee of one of the following:
 - A nonprofit organization that provides legal assistance with respect to civil matters to low-income individuals, without a fee, or,
 - A protection and advocacy system or client assistance program that provides legal assistance to clients with respect to civil matters and that receives funding under—
 - Subtitle C of Title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.).
 - Section 112 or 509 of the Rehabilitation Act of 1973 (29 U.S.C. 732, 794e).
 - Part A of Title I of the Protection and Advocacy for Individuals with

Mental Illness Act (42 U.S.C. 10801 et seq.).

- Section 5 of the Assistive Technology Act of 1998 (29 U.S.C. 3004).

- Section 1150 of the Social Security Act (42 U.S.C. 1320b-21).

- Section 1253 of the Public Health Service Act (42 U.S.C. 300d-53).

- Section 291 of the Help America Vote Act of 2002 (42 U.S.C. 15461).

• Employee means an individual who, under federal tax law, is considered an employee of the non-profit organization, protection and advocacy system, or client assistance program.

• Full-time employment means working in qualifying employment in one or more jobs for the greater of:

- An annual average of at least 30 hours per week, or

- The number of hours the employer considers full time unless the qualifying employment is with two or more employers.

Vacation or leave time provided by the employer or leave taken for a condition that is a qualifying reason under the Family and Medical Leave Act of 1993, (29 U.S.C. 2612(a)(1) and (3)) is not considered in determining the average hours worked on an annual basis.

• Involuntary separation due to misconduct means termination from employment which results in the borrower not being eligible to receive unemployment benefits under applicable state law.

• Non-profit organization means an organization, under section 501(c)(3) of the Internal Revenue Code, which is exempt from taxation under section 501(a) of the Internal Revenue Code.

• Qualifying loan means a Federal Perkins, FFELP, or FDLP Loan, (excluding parent PLUS loans made under the FFELP and FDLP and Federal Consolidation Loans and Direct Consolidation Loans that repaid a parent PLUS loan).

- A qualifying joint Consolidation loan is eligible. However if only one of the two borrowers meets the eligibility requirements, the repayment applies only to the remaining balance of the joint Consolidation loan that is attributable to the loans originally received by the borrower who performed the qualifying employment.

• Year means a consecutive 12-month period that begins on a date identified by the Department that is on or after the date of the signed written service agreement between the borrower and the Department.

[HEA §428L; *Federal Register* dated July 7, 2010]

PROPOSED LANGUAGE - COMMON BULLETIN:

Civil Legal Assistance Attorney Student Loan Repayment Program

The *Common Manual* has been updated with detailed information about the Civil Legal Assistance Attorney Student Loan Repayment Program that was published in the *Federal Register* on July 7, 2010, including links from the notice to the Civil Legal Assistance Attorney Student Loan Repayment Program Questions and Answers document and the 2010 Civil Legal Assistance Attorney Student Loan Repayment Program Application to Participate and Service Agreement.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A borrower may be eligible to have a qualifying loan repaid through the Civil Legal Assistance Attorney Student Loan Repayment Program.

School:

A school may need to update its student loan repayment program materials.

Lender/Servicer:

A lender may need to update its student loan repayment program materials.

Guarantor:

A guarantor may need to update its student loan repayment program materials.

U.S. Department of Education:

The Department may need to update its student loan repayment program materials as well as procedures to ensure that applications submitted by borrowers are viewed and funds are committed by the close of the 2010 fiscal year end date for which appropriations have been made.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

June 3, 2010

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

November 10, 2010

PROPOSAL DISTRIBUTED TO:

CM Policy Committee
CM Guarantor Designees
Interested Industry Groups and Others
CM Governing Board

Comments Received From:

ACS, AES/PHEAA, EdFund, Great Lakes, HESC (NY), MGA, NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLND, SLSA, Sallie Mae, TG, USA Funds, VSAC, and XL Servicing.

Responses to Comments

Most of the commenters supported this proposal as written. Other commenters recommended wordsmithing changes that made no substantive changes to the policy but that added clarity to the proposed language. We appreciate the review of all commenters, their careful consideration of this policy, and their assistance in crafting clear, concise policy statements.

COMMENT:

Two commenters suggested revising the first bullet under Eligibility Criteria to add more detail. The commenter suggested the following revision:

- “The borrower must have a qualifying loan as defined in the Applicable Definitions included later in this subsection.”

Response:

The Committee agrees.

Change:

The bullet has been revised as suggested by the commenters.

COMMENT:

One commenter states that it sounds like the repayment happens up front and if the borrower doesn't fulfill the work obligations, then he or she must repay the loan, which is a little different than some other repayment programs. The commenter also asks if the borrower can apply before he or she becomes employed as a civil

legal assistance attorney.

Three commenters requested that a new third bullet be added under Program Requirements to provide more detail. The commenters suggested the following addition:

- “If the borrower fails to submit a certification of completed service within 90 days of the end date of the second or subsequent consecutive 12-month service period required to retain the repayment benefit, the Department notifies the borrower that the borrower must repay any benefit received under the Service Agreement unless the borrower provides the Department, within 30 days of the date of the Department’s notice, with documentation that establishes to the satisfaction of the Department that such repayment should not be required.”

Response:

The Committee notes that a borrower must be working full time as a civil legal assistance attorney in order to apply for this repayment program but is not required to have completed a term of service in order to apply. The Committee agrees that the additional information requested by the commenters is helpful in understanding the program requirements with regard to the borrower needing to provide certification of completed service periodically in order to document his or her continued eligibility for this loan repayment program.

Change:

A new third bullet has been added as suggested by the commenters. The only modification made to the commenter’s suggestion is to change all instances of “Secretary” to “the Department.”

COMMENT:

Three commenters suggested tweaking the second paragraph under Amount Paid by the Department, and adding a new last paragraph, as follows:

“The Department will send any approved payment amount first to the holder of the borrower’s highest current outstanding unsubsidized loan. If the borrower has no outstanding unsubsidized loans, the approved payment amount will be sent to the holder of the borrower’s highest outstanding subsidized loan.

If the holder of the borrower’s loan(s) determines that the repayment amount received from the Secretary exceeds the remaining balance of the loan for which it is designated in accordance with the preceding paragraph, the holder must apply the remaining balance to another eligible loan of the borrower held by the holder, if applicable. If the holder has no other eligible loans of the borrower, the holder must return the balance to the Secretary. If applicable, the Secretary will forward that balance to another holder of the borrower’s eligible loans.”

Response:

The Committee agrees.

Change:

The revisions and additional paragraph have been made as suggested by the commenters. The only modification made to the commenter’s suggestion is to change all instances of “Secretary” to “the Department.”

ma/edited-chh

COMMON MANUAL - CORRECTION POLICY PROPOSAL

Date: November 18, 2010

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with changes/no changes	Nov 18

SUBJECT: Exceptional Performer Claim Designation

AFFECTED SECTIONS: 13.1.A Claim Filing Requirements
Appendix G

POLICY INFORMATION: 1224/Batch 172

EFFECTIVE DATE/TRIGGER EVENT: Claims originally filed by a lender on or after October 1, 2007.

BASIS:

HEA §428(c)(1), §428I, and §438(b)(5), as amended by the College Cost Reduction and Access Act (P.L. 110-84).

CURRENT POLICY:

Current policy in Subsection 13.1.A contains language that outlines the exceptional performer designation on the Claim Form and Appendix G contains the definition of “exceptional performer.”

REVISED POLICY:

Revised policy removes and revises language in Subsection 13.1.A that outlines the exceptional performer designation on the Claim Form and removes the Appendix G definition of “exceptional performer.”

REASON FOR CHANGE:

Policy Proposal 1005 in Batch 147 removed most of the language regarding the exceptional performer designation. This proposal removes and revises language pertaining to exceptional performer designation on the Claim Form. Information regarding the exceptional performer designation can be found in the History Appendix.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 13.1.A, page 1, column 2, paragraph 1, as follows:

Claim Form

The Claim Form is designed to be used by a lender to request claim reimbursement. All loans included on the Claim Form must have the same loan type (i.e., Stafford, PLUS, SLS, or Consolidation), due date, interest-paid-through date, lender ID, and, if available, claim review status.

The Claim Form and instructions include three separate claim-filing statuses: exceptional performer status, (eliminated on October 1, 2007, per statutory changes from the College Cost Reduction and Access Act of 2007), standard review status, and program review status. The claim-filing status assigned by the guarantor or Department assigns determines both the method by which the lender’s claims will be reviewed and paid and the documentation and information the lender will be required to provide in the claim file.

Only one of the ~~The current~~ claim review statuses are defined as follows may be selected when filing a claim:

- ~~• The Exceptional Performer Status is defined in regulation and assigned by the Department. Lenders designated as exceptional performers may file claims using documentation requirements outlined in Subsection 13.1.D. Such claims are not subject to additional review for due diligence, conversion to repayment, or timely filing requirements—except as determined to be necessary by the guarantor or the Department as part of the general program oversight responsibility. Bankruptcy claims filed by a lender designated as an exceptional performer are subject to review for the lender’s compliance with standard bankruptcy policies and requirements. The~~

~~lender's failure to comply with those requirements may result in the guarantor's return of the bankruptcy claim to the lender, or, if the claim has been purchased, the lender's repurchase of the loan(s). (See Subsection 13.8.A for more information regarding bankruptcy servicing requirements.) This designation was eliminated on October 1, 2007, per statutory changes from the College Cost Reduction and Access Act (P.L. 110-84). See History Appendix for more information.~~

- ~~The Standard Review Status . . .~~
- ~~The Program Review Status . . .~~
- . . .

Revise Appendix G, page 9, column 1, paragraph 1, as follows:

~~*Exceptional Performer:* a designation conferred upon a qualified lender, servicer, or guarantor by the Department of Education for an exceptional level of performance in requesting such status and meets all statutory and regulatory requirements. This designation was eliminated on October 1, 2007, per statutory changes from the College Cost Reduction and Access Act (P.L. 110-84). See Appendix H for more information.~~

**PROPOSED LANGUAGE - COMMON BULLETIN:
Exceptional Performer Claim Designation**

The *Common Manual* has been revised to remove unnecessary language that relates to the exceptional performer designation that was eliminated by the College Cost Reduction and Access Act of 2007. Information about the exceptional performer designation can be found in the History Appendix.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

None.

School:

None.

Lender/Servicer:

None.

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:

October 26, 2009

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

November 10, 2010

PROPOSAL DISTRIBUTED TO:

CM Policy Committee

CM Guarantor Designees

Interested Industry Groups and Others

Comments Received From:

ACS, AES/PHEAA, EdFund, Great Lakes, HESC (NY), MGA, NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLND, SLSA, Sallie Mae, TG, USA Funds, VSAC, and XL Servicing.

Responses to Comments

Most of the 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:

Two commenters noted that the first sentence of the second paragraph of Subsection 13.1.A was missing a closing parenthesis. One of the commenters also provided a slight revision to the second sentence to improve the flow of the sentence, as follows:

“The claim-filing status assigned by the guarantor ~~assigns~~ determines both the method by which the lender’s claims will be reviewed and paid and the documentation and information the lender will be required to provide in the claim file.”

A third commenter suggested adding the date of the College Cost Reduction and Access Act in the first sentence of the second paragraph.

Response:

The Committee agrees with the commenters.

Change:

The changes have been made per the commenters’ suggestions.

COMMENT:

One commenter suggested modifying language to paragraph 3 of the proposed language, as follows:

“Only one of the ~~The~~ current claim review statuses ~~are~~ defined as follows may be selected when filing a claim:”

Response:

The Committee concurs.

Change:

The sentence has been revised as suggested by the commenter.

ma/edited-chh

COMMON MANUAL - ORGANIZATIONAL POLICY PROPOSAL

Date: November 18, 2010

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	With no changes	Nov 18

SUBJECT: Prorated Stafford Annual Loan Limits

AFFECTED SECTIONS: Figure 6-4 Stafford Annual and Aggregate Loan Limits for Undergraduate Students

POLICY INFORMATION: 1225/Batch 172

EFFECTIVE DATE/TRIGGER EVENT: Not applicable.

BASIS:
None.

CURRENT POLICY:
Currently, Figure 6-4 contains information regarding proration calculations for Stafford annual loan limits.

REVISED POLICY:
Revised policy removes information regarding proration calculations for Stafford annual loan limits from Figure 6-4.

REASON FOR CHANGE:
This change is being made to remove redundant loan proration language from the Manual. Information regarding proration calculations for Stafford annual loan limits can be found in Figure 6-5, Prorated Stafford Annual Loan Limits. This proposal is the result of a comment made to Policy Proposal 1155 in Batch 162.

PROPOSED LANGUAGE - COMMON MANUAL:
Revise Subsection 6.11.A, Figure 6-4, page 34, as follows:

See attached chart.

PROPOSED LANGUAGE - COMMON BULLETIN:
Prorated Stafford Annual Loan Limits
The *Common Manual* has been updated by removing redundant information from Figure 6-4, Stafford Annual and Aggregate Loan Limits for Undergraduate Students. Information regarding proration calculations for Stafford annual loan limits can be found in Figure 6-5, Prorated Stafford Annual Loan Limits.

GUARANTOR COMMENTS:
None.

IMPLICATIONS:
Borrower:
None.

School:
None.

Lender/Service:
None.

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:
October 26, 2010

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:
November 10, 2010

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

Comments Received From:
ACS, AES/PHEAA, Edfund, Great Lakes, HESC (NY), MGA, NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLND, SLSA, Sallie Mae, TG, USA Funds, VSAC, and XL Servicing.

Responses to Comments

Most of the 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 asked the Committee to reconsider deleting the information from Figure 6-4. The commenter noted that although the information may be redundant, repetition is often a good learning tool.

Response:

The Committee appreciates the commenter's thoughtful concern. This policy proposal idea was suggested when Figure 6-5, Prorated Stafford Annual Loan Limits, was distributed for community comment. The Committee agreed with those commenters who suggested removing loan proration information from Figure 6-4, Stafford Annual and Aggregate Loan Limits for Undergraduate Students, to avoid redundancy and allow Figure 6-4 to provide the basic annual and aggregate loan limits.

Change:
None.

COMMENT:

One commenter suggested adding information to the first sentence of the Bulletin language so that it is clear that the redundant information is about loan proration. The commenter also suggested revising the Summary of change for proposal 1225 on the transmittal document by adding that the policy removes "redundant" information regarding proration calculations for Stafford annual loan limits.

Response:

The Committee agrees.

Change:

The first sentence of the Bulletin language is revised, as follows:

"The *Common Manual* has been updated by removing redundant loan proration information from Figure 6-4, Stafford Annual and Aggregate Loan Limits for Undergraduate Students."

The Committee will revise the transmittal change summary as requested by the commenter, as follows:

"Removes redundant information regarding proration calculations for Stafford annual loan limits."

**Stafford Annual and Aggregate Loan Limits
for Undergraduate Students**

Figure 6-4

	<u>Length of Program or Final Period of Enrollment</u>		
	Program of study of at least a full academic year in length	One-year program of study -with less than a full academic year remaining	Program of study of less than one academic year
Preparatory Coursework for Undergraduate Program			
Base Stafford eligibility (subsidized and unsubsidized)	\$2,625	N/A	N/A
Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)	N/A	N/A	N/A
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$6,000	N/A	N/A
First-Year Undergraduates			
Base Stafford eligibility (subsidized and unsubsidized)	\$3,500	Proportional Proration Calculation #1	Proportional Proration Calculation #2
Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)	\$2,000	Proportional Proration Calculation #1	Proportional Proration Calculation #2
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$6,000	Proportional Proration Calculation #1	Proportional Proration Calculation #2

	<u>Length of Program or Final Period of Enrollment</u>	
	Program of study of at least a full academic year in length	Program of study with less than a full academic year remaining
Second-Year Undergraduates		
Base Stafford eligibility (subsidized and unsubsidized)	\$4,500	Proportional Proration Calculation #1
Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)	\$2,000	Proportional Proration Calculation #1
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$6,000	Proportional Proration Calculation #1
Third-Year and Beyond Undergraduates		
Base Stafford eligibility (subsidized and unsubsidized)	\$5,500	Proportional Proration Calculation #1
Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)	\$2,000	Proportional Proration Calculation #1
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$7,000	Proportional Proration Calculation #1

Teacher Certification Coursework or Preparatory Coursework for Graduate or Professional Program

Base Stafford eligibility (subsidized and unsubsidized)	\$5,500	Proportional Proration Calculation #1
Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)	N/A	N/A
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$7,000	N/A

~~Proportional Proration Calculation #1~~

~~Multiply the following ratio by the applicable Stafford annual loan limit for a full academic year:~~

$$\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled}}{\text{Number of semester, trimester, quarter, or clock hours in academic year}}$$

~~§682.204(a)(ii) and (d)(ii)]~~

~~Proportional Proration Calculation #2~~

~~Multiply the lesser of the following ratios by \$3,500 for base Stafford annual loan limit, and by \$2,000 (for a dependent student) or \$6,000 (for an independent student or a dependent student whose parent is unable to obtain a PLUS loan) for additional unsubsidized Stafford annual loan limit:~~

$$\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled}}{\text{Number of semester, trimester, quarter, or clock hours in academic year}}$$

~~or~~

$$\frac{\text{Number of weeks enrolled in program}}{\text{Number of weeks in academic year}}$$

~~§682.204(a)(iii) and (d)(iii)]~~

Dependent Undergraduate Students

The total amount of subsidized and unsubsidized Stafford loans made for any academic year to a dependent undergraduate student enrolled in undergraduate or graduate preparatory coursework, or teacher certification coursework, may not exceed the "base Stafford eligibility" specified above for that student's grade level. The total amount of subsidized and unsubsidized Stafford loans made for any academic year to a dependent, first-year and beyond undergraduate student may not exceed the "base Stafford eligibility" specified above for that student's grade level plus an "additional unsubsidized Stafford eligibility" amount of \$2,000. A dependent undergraduate student's unpaid principal amount of subsidized and unsubsidized Stafford loans (including all Direct Stafford loans received or any portion of an outstanding Consolidation loan that paid in full a Stafford or Direct Stafford loan) may not exceed \$31,000. Of the total amount borrowed, no more than \$23,000 may consist of subsidized Stafford loan funds.

[HEA §428(b)(1)(B)(i); HEA §428H(d)(3); §682.204(b)(1) and (c)(1); DCL GEN-08-08]

If a dependent undergraduate student's parent is unable to obtain a PLUS loan (because the parent has adverse credit or other exceptional circumstances exist that are documented by the FAA), the total amount of subsidized and unsubsidized Stafford loans for any academic year may not exceed the "base Stafford eligibility" plus the "additional unsubsidized Stafford eligibility" specified above for that student's grade level. Only one parent need be unable to obtain a PLUS loan for the student to be eligible for the additional loan funds. See Subsection 6.15.D for more information. The student's aggregate unpaid principal amount of all Stafford loans (including all Direct Stafford loans received or any portion of any outstanding Consolidation loan that paid in full a Stafford, SLS, or Direct Stafford loan) may not exceed \$57,500 for undergraduate study. Of the total amount borrowed, no more than \$23,000 may consist of subsidized Stafford loan funds. [HEA §428(b)(1)(B)(ii); HEA §428H(d)(4)(A) and (B); §682.204(b)(1) and (e)(1); §682.204(d); DCL GEN-08-08]

Independent Undergraduate Students

The total amount of subsidized and unsubsidized Stafford loans for any academic year may not exceed the "base Stafford eligibility" plus the "additional unsubsidized Stafford eligibility" specified above for that student's grade level. An independent undergraduate student's unpaid principal amount of all Stafford loans (including all SLS and Direct Stafford loans received or any portion of an outstanding Consolidation loan that paid in full a Stafford, SLS, or Direct Stafford loan) may not exceed \$57,500 for undergraduate study. Of the total amount borrowed, no more than \$23,000 may consist of subsidized Stafford loan funds.

[HEA §428(d)(4); HEA §428H(d)(4)(B); §682.204(b)(1) and (e)(1); DCL GEN-08-08]