

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1249	Low Cohort Default Rate Exemptions from Multiple Disbursement and Delayed Delivery Requirements	<p><b>6.4.A Multiple Disbursements and Low Cohort Default Rates</b></p> <p><b>7.7.B Multiple Disbursement</b></p> <p><b>8.7.D Delayed Delivery</b></p> <p>States that for a loan first disbursed on or after October 1, 2011, a school is exempt from delayed delivery of Stafford loans and, under certain conditions, multiple disbursement of Stafford and PLUS loans if the school's official cohort default rate is less than 15% for each of the three most recent fiscal years from which data are available.</p>	Federal	<p>For the multiple disbursement exemption, loan disbursements made on or after October 1, 2011.</p> <p>For the delayed delivery exemption, Stafford loans first disbursed on or after October 1, 2011.</p>
1250	Academic Competitiveness, National SMART, and TEACH Grant Programs	<p><b>6.7 Determining the Amount of Estimated Financial Assistance (EFA)</b></p> <p><b>8.7.H Delivery to Transfer Students</b></p> <p>Deletes references to ACG and National SMART grants in Manual text that discusses a school's responsibility for determining a student's eligibility for federal student aid, including a transfer student.</p> <p>Also aligns the Manual with existing regulations, which state that a school must also determine the amount of a student's scheduled TEACH grant award for the award year for which a TEACH grant is requested and the amount of any TEACH grant funds already delivered to the student for the award year.</p>	Federal	<p>For deletion of the reference to the Academic Competitiveness Grant Program and National SMART Grant Program, the 2011-2012 award year.</p> <p>For insertion of a reference to the TEACH Grant Program, July 1, 2008.</p>
1251	Additional Documentation Requested by the Guarantor	<p><b>13.1.G Additional Documentation Requested by the Guarantor</b></p> <p>States that a lender must allow a guarantor or the Department access to the lender's records for inspection and copying to verify the accuracy of the information provided by the lender in the claim request, to verify the right of the lender to receive or retain claim payments, to investigate a borrower's dispute, or to enforce any right acquired by the guarantor or the Department.</p>	Correction	Retroactive to the implementation of the Common Manual.

# COMMON MANUAL – FEDERAL POLICY PROPOSAL

Date: September 15, 2011

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Sep 15

**SUBJECT:** Low Cohort Default Rate Exemptions from Multiple Disbursement and Delayed Delivery Requirements

**AFFECTED SECTIONS:** 6.4.A Multiple Disbursements and Low Cohort Default Rate Exemptions  
7.7.B Multiple Disbursement  
8.7.D Delayed Delivery

**POLICY INFORMATION:** 1249/Batch 179

**EFFECTIVE DATE/TRIGGER EVENT:** For the multiple disbursement exemption, loan disbursements made on or after October 1, 2011.

For the delayed delivery exemption, Stafford loans first disbursed on or after October 1, 2011.

**BASIS:**

HEA §428G(a)(4) and (b)(3); §685.301(b)(6)(i)(A)(2)(ii); §685.303(b)(4)(i)(A)(2).

**CURRENT POLICY:**

Current policy states that a school is exempt from delayed delivery of Stafford loans and, under certain conditions, multiple disbursement of Stafford and PLUS loans if the school's official cohort default rate is less than 10% for each of the three most recent fiscal years for which data are available.

**REVISED POLICY:**

Revised policy for schools states that, for a loan first disbursed on or after October 1, 2011, a school is exempt from delayed delivery of Stafford loans and, under certain conditions, multiple disbursement of Stafford and PLUS loans if the school's official cohort default rate is less than 15% for each of the three most recent fiscal years for which data are available.

**REASON FOR CHANGE:**

This change is required to conform to regulatory changes that impact schools.

**PROPOSED LANGUAGE - COMMON MANUAL:**

Revise Subsection 6.4.A of the July 2011 *Common Manual*, page 14, column 1, paragraph 2, as follows:

**6.4.A  
Multiple Disbursements and Low Cohort Default Rate Exemptions**

The school must establish a disbursement schedule that ensures that a Stafford or PLUS loan is disbursed in two or more installments, regardless of the loan amount. A school may deliver a Stafford or PLUS loan in a single installment only in the following cases:

- For a loan disbursement made on or after October 1, 2011, the school has a cohort default rate of less than 15% for each of the three most recent fiscal years for which data are available, and any one of the following conditions applies:

— ...

— ...

— ...

[HEA §428G(a)(3)(4); ~~§682.604(c)(8)(i)~~; ~~§685.301(b)(6)(i)(A)(2)(ii)~~; 10-11 FSA Handbook, Volume 3, Chapter 1, p. 3-18]

Revise Subsection 7.7.B, page 13, column 1, paragraph 1, as follows:

**7.7.B  
Multiple Disbursement**

Federal regulations require that a lender disburse each Stafford and PLUS loan according to the disbursement schedule provided by the school (see Section 6.4). . .

**Exemptions to Multiple Disbursement Requirements**

A lender may make a Stafford or PLUS loan ~~may be made~~ in a single disbursement in the following cases:

- The loan is made for a period of enrollment that is not more than one semester, trimester, or quarter, or for a school without standard terms, not more than 4 months, if the school's cohort default rate for each of the three most recent fiscal years for which data are available is less than 10%.  
[HEA §428G(a)(3); §682.604(c)(8)(i)(A) and (B)(1)]
- The loan is made to a student enrolled in a study-abroad program. . .

Revise Subsection 8.7.D, page 15, column 2, paragraph 3, as follows:

**Low Cohort Default Rate Exemptions**

A school is not required to delay the delivery of the first disbursement of a Stafford loan made to a first-year undergraduate student who is a first-time borrower in the following cases:

- For a loan first disbursed on or after October 1, 2011, tThe school's official cohort default rate is less than ~~40%~~15% for each of the three most recent fiscal years for which data are available.  
[HEA §428G(b)(4)(2); §685.303(b)(4)(i)(A)(2)]
- . . .

**PROPOSED LANGUAGE - COMMON BULLETIN:**

**Low Cohort Default Rate Exemptions from Multiple Disbursement and Delayed Delivery Requirements**

The July 2011 *Common Manual* has been revised to state that a school is exempt from delayed delivery for Stafford loans and, under certain conditions, multiple disbursement for Stafford and PLUS loans if the school's official cohort default rate is less than 15% for each of the three most recent fiscal years for which data are available. See Appendix H for information about low cohort default rate exemptions from delayed delivery and multiple disbursement requirements that applied to loans disbursed before October 1, 2011.

**GUARANTOR COMMENTS:**

None.

**IMPLICATIONS:**

*Student/Borrower:*

A borrower may receive funds earlier, or in a single installment if he or she attends a school whose cohort default rate is less than the new, higher threshold for these exemptions.

*School:*

A school may need to make policy and procedural changes if it is eligible for delayed delivery and multiple disbursement exemptions under the new, higher threshold.

*Lender/Service:*

None.

*Guarantor:*

A guarantor may need to update training and other compliance support materials for schools.

U.S. Department of Education:

The Department may be required to update training and program review materials.

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**To be completed by the Policy Committee**

**POLICY CHANGE PROPOSED BY:**

CM Policy Committee

**DATE SUBMITTED TO CM POLICY COMMITTEE:**

October 28, 2010

**DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:**

September 8, 2011

**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, NASFAA, NCHelp, NSLP, OCAP, PPSV, SCSLC, SLND, SLSA, TG, TSAC, USA Funds, and VSAC.

**Responses to Comments**

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Many commenters supported this proposal as written. Others provided wordsmithing suggestions which were incorporated without comment. We appreciate the review of all commenters and their careful consideration of this policy.

**COMMENT:**

Four commenters noted what one commenter described as a “disconnect” between changes made in the various subsections modified by this proposal as it relates to FFELP loans that terminated on July 1, 2010, Direct loans that were disbursed between July 1, 2010 and September 30, 2011, and Direct loans that are disbursed on and after October 1, 2011, under the modified multiple disbursement exemptions. The end result of the original proposal was deemed confusing.

One commenter suggested a change to Subsection 7.7.B to provide a historical context for the multiple disbursement exemptions as they related to FFELP loans, the multiple disbursement exemptions as they applied to Direct loans between July 1, 2010, and September 30, 2011, and the multiple disbursement exemption change as it applies to Direct loans on and after October 1, 2011.

Three of these commenters questioned why the change in the multiple disbursement exemption threshold was not addressed in Subsection 7.7.B, where the Committee only addressed the termination of FFELP originations. One commenter recommended making reference to loans made under the FDLP and FFELP in 8.7.D and in the prior Subsection 7.7.B. Another commenter requested that the Committee clarify the Reason for Change statement to address the elimination of FFELP originations that was effective July 1, 2010.

**Response:**

The Committee agrees that all of the commenters have very valid points concerning the “disconnect” and confusion that may arise in Subsections 6.4.B and 8.7.D, both of which address a school audience. However, the Committee intentionally chose not to make changes in Subsection 7.7.B that reference the change in the low cohort default rate exemptions and to insert the July 1, 2010, termination date for the FFELP originations because Chapter 7 provides loan origination guidance for FFELP lenders. The Committee agrees with all commenters that the text of 6.4.B and 8.7.D should be clarified to avoid confusion on the part of any school or school program reviewer. The history appendix contains historical information about low cohort default rate exemptions from multiple disbursement and delayed delivery requirements that existed on FFELP loans until originations under that program were terminated on July 1, 2010, and on Direct loans disbursed before October 1, 2011.

The Committee has also determined that it is not necessary to address the termination of FFELP originations

in Subsection 7.7.B. Instead, the Committee will clarify that it is the (FFELP) lender that made the loan that was subject to an exemption from the multiple disbursement requirement for a school with a cohort default rate threshold of 10% for the three most recent fiscal years for which data are available.

**Change:**

Subsection 6.4.B has been modified as follows:

The school must establish a disbursement schedule that ensures that a Stafford or PLUS loan is disbursed in two or more installments, regardless of the loan amount. A school may deliver a Stafford or PLUS loan in a single installment only in the following cases:

- For a loan disbursement made on or after October 1, 2011, ~~t~~The school has a cohort default rate of less than ~~40%~~ 15% for each of the three most recent fiscal years for which data are available, and any one of the following conditions applies:

– . . .

– . . .

– . . .

[HEA §428G(a)(3)(4); ~~§682.604(c)(8)(i)~~ §685.301(b)(6)(i)(A)(2)(ii); 10-11 FSA Handbook, Volume 3, Chapter 1, p. 3-18]

Subsection 7.7.B has been modified as follows:

A lender may make a Stafford or PLUS loan ~~may be made~~ in a single disbursement in the following cases:

- The loan is made for a period of enrollment that is not more than one semester, trimester, or quarter, or for a school without standard terms, not more than 4 months, if the school's cohort default rate for each of the three most recent fiscal years for which information is available is less than 10%.

Subsection 8.7.D has been modified as follows:

A school is not required to delay the delivery of the first disbursement of a Stafford loan made to a first-year undergraduate student who is a first-time borrower in the following cases:

- For a loan first disbursed on or after October 1, 2011, ~~t~~The school's official cohort default rate is less than 15% for each of the three most recent fiscal years for which data are available.
- 

The effective date and triggering event has also been clarified to conform with regulatory language for the FDLP concerning the change in the multiple disbursement and delayed delivery exemption.

jcs/edited-as

# COMMON MANUAL – FEDERAL POLICY PROPOSAL

Date: September 15, 2011

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Sep 15

**SUBJECT:** Academic Competitiveness, National SMART, and TEACH Grant Programs

**AFFECTED SECTIONS:** 6.7 Determining the Amount of Estimated Financial Assistance (EFA)  
8.7.H Delivery to Transfer Students

**POLICY INFORMATION:** 1250/Batch 179

**EFFECTIVE DATE/TRIGGER EVENT:** For deletion of the reference to the Academic Competitiveness Grant Program and the National SMART Grant Program, the 2011-2012 award year.

For insertion of a reference to the TEACH Grant Program, July 1, 2008.

**BASIS:**

HEA §401A(e); §668.19(a)(3); *Federal Register* dated June 23, 2008; DCL P-11-02.

**CURRENT POLICY:**

Current policy requires a school to consider the amount of an Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent (SMART) grant funds that the school expects a student to receive when the school determines the student's eligibility for a Stafford or PLUS loan. For a transfer student, current policy requires the school to determine the student's scheduled Pell, ACG, or National SMART grant award and the amount of Pell, ACG, or National SMART grant funds that have already been delivered to a student during the same award year at a prior school.

**REVISED POLICY:**

Revised policy deletes references to ACG and National SMART grants in Manual text that discusses a school's responsibility for determining a student's eligibility for federal student aid, including a transfer student.

Revised policy also aligns the Manual with existing regulations, which state that a school must also determine the amount of a student's scheduled TEACH grant award for the award year for which a TEACH grant is requested and the amount of any TEACH grant funds already delivered to the student for the award year.

**REASON FOR CHANGE:**

This change is necessary to acknowledge the statutory sunset of appropriations that fund new awards in the ACG Program and the National SMART Grant Program, and to provide alignment with existing regulations for determining a transfer student's eligibility for TEACH grant funds.

The Committee proposes to delete reference to the ACG and National SMART grant programs in Manual text concerning the return of Title IV funds as part of the last policy proposal batch of the Manual's 2011-2012 production year. A school may find it necessary to continue to refer to this text for a student who withdraws during a payment period or period of enrollment in which he or she received 2010-2011 award year funds from either program.

**PROPOSED LANGUAGE - COMMON MANUAL:**

Revise Section 6.7 of the July 2011 *Common Manual*, page 21, column 1, paragraph 5, as follows:

**6.7**

**Determining the Amount of Estimated Financial Assistance (EFA)**

As part of the loan certification process, the school must determine the estimated financial assistance (EFA) the student may receive from other sources. . .

A student's EFA includes all aid the student—or a parent on behalf of a dependent student—will receive for the loan period from federal, state, institutional, or other sources. Examples of

aid that must be included in the EFA are scholarships, grants, financial need-based employment income, and loans—including, but not limited to:

- ...
- ...
- ...
- ...
- ...
- The estimated amount of other federal student aid—including, but not limited to, Federal Pell grant, ~~Academic Competitiveness grant, National SMART grant, TEACH grant, and campus-based aid.~~ . .

Revise Subsection 8.7.H, page 18, column 2, paragraph 3, as follows:

**8.7.H  
Delivery to Transfer Students**

...

The school may not deliver Stafford or PLUS loan proceeds to a student or parent of a student who previously attended another eligible school until the school the student is attending determines, from information obtained through the National Student Loan Data System (NSLDS) or its successor system, all of the following:

- ...
- ...
- For the award year for which a Federal Pell grant, ~~an Academic Competitiveness grant (ACG), and/or a National SMART grant or a TEACH grant~~ is requested, the student's scheduled Federal Pell grant, ~~ACG, and/or National SMART or TEACH~~ grant award and the amount of any Pell grant, ~~ACG, and/or National SMART or TEACH~~ grant funds already delivered to the student.  
[§668.19(a)(3)]
- ...
- ...

**PROPOSED LANGUAGE - COMMON BULLETIN:**

**Academic Competitiveness, National SMART, and TEACH Grant Programs**

The July 2011 *Common Manual* has been revised to delete references to ACG and National SMART grants in Manual text that discusses a school's responsibilities for determining a student's eligibility for federal student aid, including a transfer student.

Revised policy also aligns the Manual with existing regulations, which state that a school must determine the amount of a student's scheduled TEACH grant award for the award year for which a TEACH grant is requested and the amount of any TEACH grant funds already delivered to the student for the award year.

**GUARANTOR COMMENTS:**

None.

**IMPLICATIONS:**

*Student/Borrower:*

A student formerly eligible for funds from the ACG or National SMART Grant Programs may be required to borrow increased amounts of federal or private student loan funds.

*School:*

A school may need to revise its awarding and eligibility determination procedures.

*Lender/Service:*

None.

*Guarantor:*

A guarantor may need to revise its training and compliance tools for schools.

*U.S. Department of Education:*

The Department may find it necessary to revise its program review procedures.

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**To be completed by the Policy Committee**

**POLICY CHANGE PROPOSED BY:**

CM Policy Committee

**DATE SUBMITTED TO CM POLICY COMMITTEE:**

June 23, 2011

**DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:**

September 8, 2011

**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, NASFAA, NCHelp, NSLP, OCAP, PPSV, SCSLC, SLND, SLSA, TG, TSAC, USA Funds, and VSAC.

**Responses to Comments**

Many commenters supported this proposal as written. Others provided wordsmithing suggestions which were incorporated without comment. We appreciate the review of all commenters and their careful consideration of this policy.

**COMMENT:**

One commenter agreed with the proposal but suggested that a summary of the ACG and SMART grant programs be added to the history appendix.

**Response:**

The history appendix currently contains several references to the ACG and National SMART Grant Programs to the extent they applied to Manual text. The Manual also contains glossary definitions that provide an ACG and National SMART Grant Programs summary. These definitions will be retained as cross-references to the history appendix.

**Change:**

None.

jcs/edited-as



# COMMON MANUAL - CORRECTION POLICY PROPOSAL

Date: September 15, 2011

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Sep 15

**SUBJECT:** Additional Documentation Requested by the Guarantor

**AFFECTED SECTIONS:** 13.1.G Additional Documentation Requested by the Guarantor

**POLICY INFORMATION:** 1251/Batch 179

**EFFECTIVE DATE/TRIGGER EVENT:** Retroactive to the implementation of the *Common Manual*.

**BASIS:**  
§682.414(c)(2).

**CURRENT POLICY:**  
Current policy does not include the requirement that a lender must allow a guarantor or the Department access to the lender's records for inspection and copying.

**REVISED POLICY:**  
Revised policy states that a lender must allow a guarantor or the Department access to the lender's records for inspection and copying to verify the accuracy of the information provided by the lender in the claim request, to verify the right of the lender to receive or retain claim payments, to investigate a borrower's dispute, or to enforce any right acquired by the guarantor or the Department.

**REASON FOR CHANGE:**  
This update is necessary to include this long-standing requirement. It is also necessary to clarify details that allow the guarantor or the Department access and inspection rights to ensure that they have the ability to enforce the loan debt or, in the case of the guarantor, to subrogate the loan.

**PROPOSED LANGUAGE - COMMON MANUAL:**  
Revise Subsection 13.1.G of the July 2011 *Common Manual*, page 7, column 1, paragraph 1, as follows:

## 13.1.G Additional Documentation Requested by the Guarantor

There are several reasons why a guarantor may require a lender to provide additional information or documentation, such as:

- The guarantor requests additional information due to the subrogation of the loan.
- The borrower disputes the default determination, the loan amount, or other lender account information.  
[§682.414(c)(2)]
- The school disputes its cohort default rate.

For a loan that is subrogated to the Department or upon the request of the guarantor, the lender must provide the following within the guarantor's required time frame:

- A record of the lender's disbursement of Stafford and/or PLUS loan proceeds to the school for delivery to the borrower.
- If the promissory note was signed electronically, the name and location of the entity in possession of the original electronically signed promissory note.  
[§682.409(c)(4)(vii) and (viii)]
- Any document in the lender's records that the guarantor or the Department determines necessary to verify the accuracy of the information provided by the lender in the claim request, to verify the right of the lender to receive or retain claim

payments, to investigate a borrower's dispute, or to enforce any right acquired by the guarantor or the Department.

[\$682.414(c)(2)]

▲ Lenders may contact individual guarantors for more information on when the additional documentation is required.

**PROPOSED LANGUAGE - COMMON BULLETIN:**

**Additional Documentation Requested by the Guarantor**

The July 2011 *Common Manual* has been revised to include the long-standing requirement that a lender must provide a guarantor or the Department access to the lender's records in a timely fashion for inspection and copying to verify the accuracy of the information provided by the lender in the claim request, to verify the right of the lender to receive or retain claim payments, to investigate a borrower's dispute, or to enforce any right acquired by the guarantor or the Department.

**GUARANTOR COMMENTS:**

None.

**IMPLICATIONS:**

*Student/Borrower:*

None.

*School:*

None.

*Lender/Service:*

None.

*Guarantor:*

None.

*U.S. Department of Education:*

None.

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**To be completed by the Policy Committee**

**POLICY CHANGE PROPOSED BY:**

American Student Assistance

**DATE SUBMITTED TO CM POLICY COMMITTEE:**

October 11, 2010

**DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:**

September 8, 2011

**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, NASFAA, NCHELP, NSLP, OCAP, PPSV, SCSLC, SLND, SLSA, TG, TSAC, USA Funds, and VSAC.

**Responses to Comments**

Many commenters supported this proposal as written. Other commenters recommended punctuation or wordsmithing changes that were considered without comment. 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 Subsection 13.1.G, paragraph 1, bullet 2, contains a new phrase at the end of the sentence that was not underlined (“ . . . or other account information”). Both commenters noted that this phrase is too broad and undefined.

One of the commenters recommended removing all proposed new language to this bullet because there is no regulatory authority upon which to base the language. Also, the commenter stated that the language should not be added to the Manual via a Correction Proposal with a retroactive effective date because there is no regulatory authority for it.

The other commenter suggested that the word “lender” be inserted into the phrase at the end of the sentence to clarify that it pertains to lender account information.

**Response:**

The Committee appreciates the commenters’ notations that the new phrase was not underlined, as should be the case with any new language being inserted into the Manual.

The Committee believes that the citation listed as the basis for this proposal provides broad authority to the guarantor and the Department regarding any information needed by the guarantor or the Department to validate lender records or address borrower concerns.

The Committee agrees that the phrase should be revised to clarify that it pertains to lender account information.

**Change:**

Subsection 13.1.G, paragraph 1, bullet 2, has been revised to read as follows:

“The borrower disputes the default determination, the loan amount, or other lender account information. [§682.414(c)(2)]”

**COMMENT:**

Two commenters suggested that language be added to Subsection 13.1.G, paragraph 2, sentence 1, as follows:

“For a loan that is subrogated to the Department or upon the request of the guarantor, the lender must provide the following within the guarantor’s required time frame, unless the record retention time frame has expired (See Subsection 3.4.A):”

The commenters state that a lender should not be required to provide documentation after the expiration of the 5-year retention period after claim payment or after the retention time frame for electronically signed promissory notes.

**Response:**

The Committee understands that federal regulations provide minimum standards for recordkeeping time frames. If the lender has discarded the records, then the lender will not be able to comply. However, if the lender has the records, it must provide the records to the Department or the guarantor regardless of whether the information is stored in-house, off-site, or maintained by a third-party servicer and regardless of the time frame with respect to record retention.

**Change:**

None.

**COMMENT:**

Two commenters suggested that Subsection 13.1.G, paragraph 2, bullet 3, be revised to clarify that the bullet pertains to documents in the lender’s records, as follows:

“Any document in the lender’s records that the guarantor or the Department determines necessary to verify the accuracy of the information provided by the lender in the claim request, to verify the right of the

lender to receive or retain claim payments, to investigate a borrowers dispute, or to enforce any right acquired by the guarantor or the Department.  
[§682.414(c)(2)]”

**Response:**

The Committee agrees.

**Change:**

Subsection 13.1.G, paragraph 2, bullet 3, has been revised according to the commenters’ suggestion.

**COMMENT:**

One commenter suggests that Subsection 13.1.G, paragraph 2, bullet 3, should be revised as follows:

“Any document in the lender’s records that the guarantor or the Department determines necessary to verify the accuracy of the information provided by the lender in the claim request, to verify the right of the lender to receive or retain claim payments, ~~to investigate a borrowers dispute,~~ or to enforce any right acquired by the guarantor or the Department.  
[§682.414(c)(2)]”

The commenter stated that as written, the proposal goes beyond the scope of the regulations in §682.414(c)(2). Also, the commenter stated that the language should not be added to the Manual via a Correction Proposal with a retroactive effective date because there is no regulatory authority for it.

**Response:**

The Committee believes that the citation listed as the basis for this proposal provides broad authority to the guarantor and the Department regarding any information needed by the guarantor or the Department to validate lender records or address borrower concerns.

**Change:**

None.

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