

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1090	Entrance Counseling	<p><u>4.4.C</u> <u>Entrance Counseling</u></p> <p>Expands on the current text of the Manual to include new requirements made as part of the Higher Education Opportunity Act (HEOA) regarding what a school must provide a student during entrance counseling made as a result of the HEOA.</p> <p>Expands counseling specific to Grad PLUS borrowers and makes it consistent with counseling applicable to Stafford borrowers.</p> <p>Deletes audiovisual presentation as an acceptable means of entrance counseling.</p> <p>Deletes redundant text and makes other non-substantive changes to provide clarity.</p>	Federal	Entrance counseling provided by the school on or after August 14, 2008.
1091	Exit Counseling	<p><u>4.4.D</u> <u>Exit Counseling</u></p> <p>Expands on the current text of the Manual to include new requirements made as part of the HEOA regarding what a school must provide a student during exit counseling.</p> <p>States that a school is required to ensure that the borrower is provided a copy of the Department's publication that describes federal student finance programs.</p> <p>Deletes redundant text and makes other non-substantive changes to provide clarity.</p>	Federal	Exit counseling for Stafford and Grad PLUS borrowers on or after August 14, 2008.
1092 Deferred for additional research	Academic Year Categories for Determining Annual Loan Limit Frequency	<p><u>6.1.B</u> <u>Academic Year Categories</u> <u>Figure 6-2</u> <u>Appendix G</u></p> <p>Incorporates various changes made in the Volume 3 of the 08-09 FSA Handbook regarding academic year categories, including the adoption of the abbreviation for programs with nonstandard terms that are substantially equal and at least nine weeks of instructional time in length (SE9W), and the FSA Handbook standard for identifying the different BBAY categories that apply to different types of academic programs: BBAY1, BBAY2, and BBAY3.</p>	Federal	Publication date of Volume 3 of the 08-09 FSA Handbook.

		<p>Revises Figure 6-2 with corresponding changes.</p> <p>Adds a new Appendix G definition for the acronym "SE9W" relative to a non-standard term-based credit-hour program.</p> <p>Revises the current Appendix G definition of the acronym "BBAY", as well as the definition of "Borrower-Based Academic Year."</p>		
1093	Grade Level Changes and Increases in the Stafford Annual Loan Limit	<p>6.10 <u>Determining the Student's Grade Level Stafford Annual Loan Limits</u></p> <p>6.11.A</p> <p><u>Appendix G</u></p> <p>Incorporates various changes made in the Volume 3 of the 08-09 FSA Handbook regarding Stafford annual loan limit increases for a student who experiences a grade level change within an academic year.</p> <p>Adds reference to a credit-hour program with nonstandard terms that are not SE9W when explaining that a school may not certify the higher loan limit associated with the next grade level until the student completes both the minimum number of weeks and the minimum number of credit or clock hours in the program's defined academic year.</p> <p>Revises the current glossary definition of "Grade Level" to clarify that a school must provide the appropriate grade level code (e.g., 01 through 05) on the Federal Stafford Loan School Certification.</p> <p>Makes non-substantive changes to provide consistency throughout the Manual's text.</p>	Federal	Publication date of Volume 3 of the 08-09 FSA Handbook, unless implemented earlier by the school on or after November 1, 2007.
1094	Increased Loan Limits and Overawards	<p>6.11.E <u>Exceeding Loan Limits</u></p> <p>Incorporates private guidance received from the Department that will assist lenders in resolving inadvertent overawards that existed when loan limits increased due to the enactment of the Ensuring Continued Access to Student Loans Act (ECASLA).</p>	Federal	Inadvertent overawards resulting from Stafford loans first disbursed before July 1, 2008, and inadvertent overawards that occur in the future prior to an annual or aggregate loan limit increase.
1095	Proration of Stafford Annual Loan Limits	<p>6.11.F <u>Prorated Loan Limits</u></p> <p>Incorporates several new and existing clarifications found in the FSA Handbook concerning prorating a borrower's Stafford annual loan limit.</p>	Federal	Publication date of Volume 3 of the 08-09 FSA Handbook for the following in a credit-hour
Deferred for additional research				

		<p>Incorporates information regarding when a school is not required to prorate the Stafford annual loan limit and in some instances, the school is not permitted to prorate the borrower's Stafford annual loan limit</p>	<p>program that uses nonstandard terms that are substantially equal <i>and</i> at least nine instructional weeks in length (SE9W):</p> <ul style="list-style-type: none"> • Determining the final period of study for an undergraduate borrower • Exempting from proration an undergraduate borrower who is enrolled less than half time for a term(s) during a final period of study that contains the number of terms in the program's academic year. <p>Publication date of Volume 3 of the 07-08 FSA Handbook for exempting from proration an undergraduate borrower who is enrolled in a standard term-based credit-hour program and enrolled less than half time for a term(s) during a final period of study that contains the number of terms in the program's academic year.</p> <p>Publication date of Volume 3 of the 05-06 FSA Handbook for the following:</p> <ul style="list-style-type: none"> • Clarifying that a school must prorate the Stafford annual loan limit when the school knows in advance that an
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				<p>undergraduate student will be enrolled for a period of less than an academic year.</p> <ul style="list-style-type: none"> Exempting from proration an undergraduate borrower who is enrolled at least half time but less than full time or enrolled for a period of less than a full academic year that is not a final period of study. <p>Publication date of Volume 3 of the 04-05 FSA Handbook for using the school's academic year definition for the program to determine whether a final period of study is shorter than an academic year.</p>
1096	Reduced Interest Rate for Military Servicemembers	<p><u>7.4</u> <u>Establishing Stafford Loan Interest Rates</u></p> <p><u>7.4.B</u> <u>Reduced Stafford Interest Rates</u></p> <p><u>7.5</u> <u>Establishing PLUS Loan and SLS Loan 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>Incorporates HEOA-related changes that require FFELP lenders to comply with the provisions of the Servicemembers Civil Relief Act (SCRA) with respect to charging reduced interest (not to exceed 6%) on a FFELP loan. Qualifying borrowers must request the reduced interest rate in writing and provide the lender substantiating documentation of his or her eligibility.</p> <p>Permits the lender to determine the applicable special allowance payment based on the loan's actual 6% interest rate if the loan was first disbursed on or</p>	Federal	<p>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 ending on or after that date.</p> <p>Special allowance billings for loans that are first disbursed on or after July 1, 2008, if the lender receives a servicemember's request for the reduced interest rate on or after August 14, 2008.</p>

		after July 1, 2008.		
1097	Timing of Lender Disclosures before Repayment	<p><u>10.7.A</u> <u>Time Frame for Disclosure</u></p> <p>Incorporates HEOA-related changes with regard to the time frames in which a lender discloses repayment terms to a borrower prior to the start of the repayment period. A lender must provide the repayment disclosure to a Stafford borrower no less than 30 days, and no more than 150 days, before the first payment due date. The lender must provide the repayment disclosure to a PLUS borrower at or before the beginning of the repayment period, defined as the date on which the loan is fully disbursed or the date on which an in-school or post-enrollment deferment period is scheduled to end. The lender must notify a PLUS loan borrower of repayment terms no less than 30 days, and no more than 150 days, before the first payment due date.</p>	Federal	Effective for loans first disbursed on or after August 14, 2008.
1098	Economic Hardship Deferment	<p><u>11.4</u> <u>Economic Hardship Deferment</u></p> <p><u>11.4.A</u> <u>Eligibility Criteria—Economic Hardship</u></p> <p><u>11.4.B</u> <u>Deferment Documentation—Economic Hardship</u></p> <p>Incorporates Final Rule-related changes (dated October 23, 2008) that adds a definition for family size as it pertains to the economic hardship deferment and deletes the two eligibility criterion based on a federal income-to-debt ratio.</p>	Federal	<p>Elimination of the debt-to-income provisions is effective for economic hardship deferments granted on or after July 1, 2009, that begin on or after July 1, 2009.</p> <p>The definition of family size is effective for economic hardship deferments granted on or after July 1, 2009.</p>
1099	Post-Active Duty Student Deferment	<p><u>11.8</u> <u>Military Active Duty Student Deferment</u></p> <p><u>11.9</u> <u>Military Service Deferment</u></p> <p><u>11.10</u> <u>National Oceanic and Atmospheric Administration Corps Deferment</u></p> <p><u>11.11</u> <u>Parental Leave Deferment</u></p> <p><u>11.12</u> <u>Peace Corps Deferment</u></p> <p><u>Figure 11-1</u> <u>Deferment Eligibility Chart</u></p> <p>Incorporates Final Rule-related changes (dated October 23, 2008) relating to the post-active duty student deferment. The Manual identifies the military active duty student deferment as a post-active duty student deferment and moves the text so</p>	Federal	Post-active duty student deferment requests received on or after July 1, 2009, unless implemented earlier by the lender on after October 23, 2008.

		<p>that the information related to the post-active duty student deferment appears alphabetically within the deferment chapter.</p> <p>Specifies that to qualify for the post-active duty student deferment, a borrower's eligible military service must begin on or after October 1, 2007, or include that date.</p> <p>Updates Figure 11-1, "Deferment Eligibility Chart," to incorporate these changes and to also clarify that there is no limit to the number of post-active duty student deferments an eligible borrower may receive, however, each individual deferment is limited to 13 months.</p>		
1100	Military Service Deferment	<p><u>11.9.C</u> <u>Length of Deferment—Military Service</u></p> <p>Incorporates a Final Rule-related change (dated October 23, 2008) which states that without supporting documentation, a military service deferment may be granted to an otherwise eligible borrower for a period not to exceed the initial 12 months from the date the qualifying eligible service began based on a request from the borrower or the borrower's representative.</p>	Federal	Military service deferment requests received by the lender on or after July 1, 2009, unless implemented by the lender on or after October 23, 2008.
1101	Mandatory Forbearance for Post-Active Duty Student Deferment	<p><u>11.24</u> <u>Mandatory Forbearance</u> <u>Figure 11-2</u> <u>Forbearance Eligibility Chart</u></p> <p>Incorporates a Final Rule-related change (dated October 23, 2008) that states a mandatory forbearance must be granted to a borrower who is a member of the National Guard if the borrower is serving on active military state duty and qualifies for the post-active duty student deferment, but does not qualify for the military service deferment or other deferment. This type of forbearance is granted in yearly increments (or for a lesser period of time that is equal to the period for which the borrower is eligible) while the eligible borrower is engaged in active state duty for a period of more than 30 consecutive days. The forbearance begins on the day after the grace period expires for a Stafford loan that has not entered repayment or on the day after the borrower ceases at least half-time enrollment, for a FFELP loan in repayment.</p> <p>Updates Figure 11-2, "Forbearance Eligibility Chart," to incorporate this</p>	Federal	Requests received by a lender on or after July 1, 2009, unless implemented earlier by the lender on or after October 23, 2008.

		forbearance type.		
1102	Additional Documentation Requirements for Subrogated Loans	<p><u>13.1.D</u> <u>Claim File Documentation</u></p> <p><u>13.1.G</u> <u>Additional Documentation as Requested by the Guarantor</u></p> <p>Incorporates a Final Rule-related change (dated November 1, 2007) that states a lender will need to provide additional loan disbursement information or electronic signature documentation to a guarantor, upon request, for a loan that may be selected for subrogation to the Department.</p> <p>Creates a new subsection regarding additional documentation as requested by the guarantor.</p>	Federal	Requests for loan disbursement information and electronic signature documents received from the guarantor on or after July 1, 2008.
1103	Repayment Options on Rehabilitated Loans	<p><u>13.7</u> <u>Rehabilitation of Defaulted FFELP Loans</u></p> <p>Incorporates a Final Rule-related change (dated October 23, 2008) that states a lender must allow a borrower to choose any repayment plan that is available for the loan type as the rehabilitated loan. The rehabilitation lender is no longer required to ensure that the repayment schedule on the rehabilitated loan has initial payments that are equal to or greater than the nine monthly payments that the borrower made to the guarantor during the rehabilitation period.</p>	Federal	Rehabilitated FFELP loans purchased by a lender on or after July 1, 2009.
1104	Consolidation Eligibility	<p><u>15.2</u> <u>Borrower Eligibility and Underlying Loan Holder Requirements</u></p> <p>Incorporates a HEOA-related change that states a FFELP borrower may consolidate into the Direct Loan program for the purpose of using the no accrual of interest for active duty service members benefits of the Direct Loan program.</p> <p>Incorporates changes made as a result of the HEOA and Final Rule dated October 23, 2008, that state that a FFELP borrower may consolidate into the Direct Loan program for the purpose of using the Public Service Loan Forgiveness Program.</p>	Federal	<p>Direct Consolidation Loans disbursed on and after October 1, 2008, for purpose of using the no accrual of interest for active duty service members.</p> <p>Direct Consolidation Loans disbursed on and after July 1, 2009:</p> <ul style="list-style-type: none"> to obtain an income-based repayment plan (if the loan has been submitted for default aversion or is already in default). for purposes of

				using the Public Service Loan Forgiveness Program.
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