

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1105	Annual Audit Waiver for Foreign Schools	<p><b><u>4.8</u></b>                    <b><u>Independent Audits</u></b></p> <p>Incorporates the provision of the Higher Education Opportunity Act (HEOA) that allows the Secretary the ability to provide a waiver of the annual audit requirement for foreign schools that received less than \$500,000 in Title IV loans in the award year preceding the audit year.</p>	Federal	Annual audits required of foreign schools on or after August 14, 2008.
1106	Transfer Students	<p><b><u>6.1.B</u></b>                    <b><u>Academic Year Categories</u></b></p> <p><b><u>6.2</u></b>                        <b><u>Determining the Loan Period</u></b></p> <p>Incorporate regulatory guidance and information from Volume 3 of the 08-09 FSA Handbook concerning the treatment of students who transfer between schools, between programs at the same school, and students who complete one program and begin another program at the same school during an academic year. In addition, these changes clarify minimum Stafford loan periods and grade level increases for such students.</p> <p>Establishes a centralized source in Subsection 6.11.A, for details about and examples of determining remaining Stafford annual loan limits for a student who transfers during an academic year. Previous Manual text that addressed a mid-year transfer student's remaining Stafford loan eligibility was relocated from Subsection 6.1.B., Section 6.2, and from existing bullets under the subheading <i>Undergraduate Students</i> in Subsection 6.11.A.</p>	Federal	<p>Loans certified on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007, for determining the minimum loan period for a student who transfers between schools and enrolls in a clock-hour program, a non-term-based credit-hour program, or a credit-hour program with nonstandard terms that are not SE9W.</p> <p>For increases in the additional, unsubsidized Stafford annual loan limit, Stafford loans first disbursed on or after July 1, 2008.</p> <p>Publication date of Volume 3 of the 08-09 FSA Handbook for determining remaining Stafford loan eligibility for students who transfer to:</p> <ul style="list-style-type: none"> <li>• Credit-hour programs with nonstandard terms that are substantially equal and at least nine weeks of instructional time in length (SE9W).</li> </ul>

				<ul style="list-style-type: none"> <li>• Clock-hour programs, non-term-based credit-hour programs, credit-hour programs with nonstandard terms that are not SE9W, and programs with a combination of standard and nonstandard terms that are not qualified to use a Scheduled Academic Year (SAY).</li> </ul>
1107	Dependency Overrides	<p><b><u>6.8</u></b>      <b><u>Determining the Student's Dependency Status</u></b></p> <p>Incorporates statutory change made by the College Cost Reduction and Access Act (CCRAA) of 2007 that allows an FAA to make a dependency override for a student based on the documented dependency override for that same student made by another FAA at a prior school. The documented dependency override of the prior FAA must be within the same award year. If a school uses the documented dependency override of another school, it must retain the SAR/ISIR that was used as the basis for continuing the dependency override.</p>	Federal	Dependency overrides made by the school on or after July 1, 2009.
1108	Required Disclosures by Lenders Before Disbursement	<p><b><u>7.6.A</u></b>      <b><u>General Initial Disclosure Requirements</u></b></p> <p>Incorporates provisions of the HEOA regarding initial lender disclosure requirements.</p>	Federal	August 14, 2008.
1109	Lender Disclosure - Before Repayment	<p><b><u>10.7</u></b>      <b><u>Disclosing Repayment Terms</u></b></p> <p>Incorporates provisions of the HEOA regarding additional information a lender is required to disclose at or prior to the start of the student borrower's repayment period.</p>	Federal	Loans first disbursed on or after August 14, 2008.
1110	Required Lender Disclosures During Delinquency	<p><b><u>12.1</u></b>      <b><u>Collection Philosophies, Goals, and Minimum Standards</u></b></p> <p>Incorporates provisions of the HEOA regarding information a lender is required to disclose when a borrower is 60 days delinquent.</p>	Federal	Loans that become delinquent on or after July 1, 2009.

1111	Rehabilitation of Defaulted FFELP Loans	<p><b><u>13.7</u></b>                    <b><u>Rehabilitation of Defaulted FFELP Loans</u></b></p> <p>Incorporates the provision of the HEOA which states a loan may only be rehabilitated once, and that a borrower may continue to rehabilitate other defaulted loans that have not previously been rehabilitated.</p>	Federal	Loans rehabilitated on or after August 14, 2008.
1112	Consumer Credit Reporting After FFELP Loan Rehabilitation	<p><b><u>13.7</u></b>                    <b><u>Rehabilitation of Defaulted FFELP Loans</u></b></p> <p><b><u>Appendix G</u></b></p> <p>Incorporates the provision of the HEOA which states that upon successful rehabilitation of a loan, the guarantor or any other holder that reported the loan as a default, must request that the consumer reporting agency to which the default was reported remove the default record from the borrower's credit history.</p> <p>Adds a definition of Consumer Reporting Agency to Appendix G.</p>	Federal	Loan rehabilitation sales to eligible lenders that take place on or after August 14, 2008.
1113	Teacher Loan Forgiveness	<p><b><u>13.9.B</u></b>                    <b><u>Teacher Loan Forgiveness Program</u></b></p> <p>Incorporates the provisions of the HEOA which state that an otherwise eligible borrower may qualify for forgiveness if the borrower has provided qualifying teaching services at one or more locations that are operated by an educational service agency, but are not a school, and that have been determined by the Secretary, in consultation with the state, to be eligible locations for this purpose. The chief administrator of an educational service agency may certify a borrower's eligibility for teacher loan forgiveness for borrowers who perform their qualifying teaching service as employees of such an agency. This change also adds the definition of an educational service agency.</p> <p>Adds that a borrower who receives teacher loan forgiveness benefits under the FFELP or Direct Loan Programs may not receive, for the same teaching service, benefits under the Public Service Loan Forgiveness Program or the Loan Forgiveness for Service in Areas of National Need.</p>	Federal	Teacher Loan Forgiveness Applications and Teacher Loan Forgiveness Forbearance request forms received by the lender on or after August 14, 2008.
1114	Lender Disclosure - Consolidation Loans	<p><b><u>15.3.A</u></b>                    <b><u>Providing Consolidation Loan Information</u></b></p> <p>Incorporates the provisions of the HEOA regarding information a lender is required to disclose to a prospective Consolidation</p>	Federal	Consolidation loan applications provided to potential borrowers on or after August 14, 2008.

		loan borrower, in simple and understandable terms, at the time the lender provides an application.		
1115	Cohort Default Rate - Extended Calculation Period	<p><b><u>16.1</u></b>      <b><u>Overview of Cohort Default Rates and Terminology</u></b></p> <p><b><u>16.2</u></b>      <b><u>Calculation of School Cohort Default Rate</u></b></p> <p><b><u>Figure 16-1</u></b>      <b><u>Cohort Default Rate Formulas</u></b></p> <p><b><u>Figure 16-2</u></b>      <b><u>Summary: Challenges, Adjustments, and Appeals</u></b></p> <p>Incorporates the provisions of the HEOA regarding cohort default rate (CDR) calculations beginning with fiscal year 2009 and thereafter.</p> <p>Adds a second definition for CDR to include student borrowers who enter repayment during a specific fiscal year on certain FFELP or FDLP loans and who subsequently default before the end of the <i>second</i> fiscal year following the fiscal year in which the borrowers entered repayment.</p> <p>Amends current text to align policy related to the numerator used in the CDR calculation, including revisions to Figure 16-1. Adds a new Figure 16-2, "Cohort Default Rate Formulas Beginning with Fiscal Year 2009," to reflect the change in calculation beginning with fiscal year 2009 and thereafter. The current Figure 16-2, "Summary: Challenges, Adjustments, and Appeals," has been re-numbered as Figure 16-3.</p>	Federal	Cohort default rate calculations beginning with fiscal year 2009 and thereafter.
1116	School Cohort Default Rate Appeals	<p><b><u>16.3</u></b>      <b><u>Challenging Draft Cohort Default Rates</u></b></p> <p>Aligns the Manual text with policy contained in the <i>Cohort Default Rate Guide</i> which specifies that any cohort default rate (CDR) challenge must be submitted by the school within 45 days of the time frame begin date. The time frame begin date for domestic schools is the sixth business day after the Department officially releases the draft cohort default rates. For foreign schools, the time frame begin date is the day after the official cohort default rate notification is received.</p>	Federal	Cohort default rate challenges submitted by the school on or after the publication date of the August 2006 <i>Cohort Default Rate Guide</i> .

1117	Teach-Out Plan for Schools Placed Under Limitation, Suspension, Termination, or Emergency Action	<p><b><u>18.1</u></b>      <b><u>Actions to Limit, Suspend, or Terminate Participation</u></b></p> <p>Incorporates the provisions of the HEOA which states that a school placed on limitation, suspension, termination, or emergency action is required to prepare a teach-out plan and provide it to its accrediting agency or association. A “teach-out plan” is a written plan that provides for equitable treatment of students if a school ceases to operate before all students have completed their program of study. The teach-out plan must be prepared in accordance with HEA §496(c)(3) (see Title I-General Provisions, Accreditation, Operating Procedures) and any applicable Title IV regulations or accrediting agency standards.</p>	Federal	Limitation, suspension, termination, or emergency actions placed on a school on or after August 14, 2008.
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