

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1118	FFELP Teacher Loan Forgiveness Request	<p><u>2.3.C</u> <u>Common Forms</u> <u>13.9.B</u> <u>Teacher Loan</u> <u>Forgiveness Program</u></p> <p>Adds information to the Manual regarding the FFELP Teacher Loan Forgiveness Request form which a lender may use to request payment on eligible loans due to discharge for Teacher Loan Forgiveness.</p> <p>Adds a new figure to the Manual to help a lender determine what loan information must be provided on the form.</p>	Guarantor	Lenders may have begun using the FFELP Teacher Loan Forgiveness Request form upon the applicable publication date.
1119	Income-Based Repayment Option	<p><u>2.1.B</u> <u>Types of Loans Available</u> <u>4.4.D</u> <u>Exit Counseling</u> <u>6.14.A</u> <u>Subsidized Stafford</u> <u>Loans</u> <u>7.6.B</u> <u>Income-Sensitive</u> <u>Repayment Disclosure</u> <u>Requirements</u> <u>10.6.B</u> <u>Length of Repayment</u> <u>Period</u> <u>10.6.D</u> <u>Minimum Payment</u> <u>Requirements</u> <u>10.8</u> <u>Establishing a</u> <u>Repayment Schedule</u> <u>10.8.A</u> <u>Standard Repayment</u> <u>Schedule</u> <u>10.8.D</u> <u>Extended Repayment</u> <u>Schedule</u> <u>10.9</u> <u>Interest Charges</u> <u>10.10.B</u> <u>Capitalization Frequency</u> <u>10.11.A</u> <u>Applying Regular</u> <u>Borrower Payments</u> <u>10.11.B</u> <u>Applying Prepayments</u> <u>11.21.J</u> <u>Late Notification of Out-</u> <u>of-School Dates</u> <u>Figure11-2</u> <u>Forbearance Eligibility</u> <u>Chart</u> <u>12.4.A</u> <u>Due Diligence</u> <u>Requirements for Loans</u> <u>with Monthly Repayment</u> <u>Obligations</u> <u>12.4.B</u> <u>Due Diligence</u> <u>Requirements for Loans</u> <u>with Repayment</u> <u>Obligations Less</u> <u>Frequent Than Monthly</u> <u>13.7</u> <u>Rehabilitation of</u> <u>Defaulted FFELP Loans</u> <u>13.9</u> <u>Forgiveness</u> <u>15.3.A</u> <u>Providing Consolidation</u> <u>Loan Information</u> <u>15.5</u> <u>Repayment</u> <u>15.5.F</u> <u>Delinquency, Claim</u></p>	Federal	The provisions of the income-based repayment (IBR) plan are effective July 1, 2009. IBR loan forgiveness may not occur prior to July 1, 2034.

		<p><u>15.6</u></p> <p><u>A.1.B</u></p> <p><u>A.2.A</u></p> <p><u>Appendix G</u></p> <p>Adds information to the Manual regarding the new income-based repayment (IBR) plan, addressing the following lender/servicer activities with regard to IBR:</p> <ul style="list-style-type: none"> • Determination of partial financial hardship for a borrower who selects IBR. • Calculation of a borrower's minimum monthly payment amount under IBR. • Recalculation of a borrower's monthly payment amount under the IBR-defined permanent-standard if the borrower ceases to have a PFH, chooses not to make PFH payments but remains in IBR, or the borrower fails to renew consent for income verification. • Recalculation of a borrower's monthly payment amount under the IBR-defined expedited-standard if the borrower leaves IBR. • Application of borrower payments and prepayments. • Frequency of capitalization. • Federal interest benefits and special allowance payments. • Disclosure requirements for lenders. • IBR and loan rehabilitation. • Loan forgiveness. • Administrative forbearance to collect and process documentation for forgiveness. <p>Updates Figure 11-2, "Forbearance Eligibility Chart," to include IBR.</p>		
1120	Rebuttable Presumption	<p><u>3.4.C</u></p> <p><u>18.1</u></p> <p><u>Permitted and Prohibited Activities</u></p> <p><u>Actions to Limit, Suspend, or Terminate Participation</u></p> <p>Includes the use of rebuttable presumption by the Department in administrative actions against lenders that involve violations of the prohibited inducement provisions.</p>	Federal	Effective for administrative actions against lenders on or after July 1, 2008.
1121	Competitive Loan Auction Pilot Program for PLUS Loans	<p><u>Chapter 3</u></p> <p><u>Lender Participation</u></p> <p>Adds information regarding the Competitive Loan Auction Pilot Program for PLUS loans.</p>	Federal	Parent PLUS loans for new borrowers originated on or after July 1, 2009.
	Withdrawn and			

	moved to Radar			
1122	Program Participation Agreement (PPA)	<p><u>4.1.A</u> <u>Establishing Eligibility</u> <u>Appendix G</u></p> <p>Adds the requirement that as part of a school's Program Participation Agreement (PPA), a school may not request or accept funds from a lender for private education loans, including opportunity pool loans, in exchange for FFELP loan volume or a preferred lender arrangement.</p> <p>Adds new subsection 4.4.E which incorporates the requirement that a school's PPA requires that the school to develop, publish, administer and enforce a code of conduct. The policy also outlines the prohibitions that must be included in the school's code of conduct.</p> <p>Updates Appendix G with definitions of "institutional-affiliated organization", "opportunity pool loans", and "preferred lender arrangement".</p>	Federal	School participating in a Title IV loan program on or after August 14, 2008.
1123	Permissible and Prohibited Assistance Provided to Schools Deferred for additional research	<p><u>4.1</u> <u>Institutional Eligibility</u></p> <p>Adds information on the permissible and prohibited assistance schools receive from lenders and guarantors as outlined in regulations and HEOA.</p>	Federal	Assistance provided to a school by a lender or guarantor on or after August 14, 2008.
1124	Ability to Benefit	<p><u>5.9</u> <u>Required High School Diploma or Equivalent Ability-to-Benefit Provisions</u> <u>Appendix G</u></p> <p><u>5.10</u></p> <p>Expands the ability to benefit criteria and allows a student without a high school diploma or its equivalent to become eligible to receive Title IV funding upon satisfactory completion of six credit hours or equivalent coursework that is applicable toward a degree or certificate offered by the school.</p>	Federal	Awards of Title IV aid made on or after August 14, 2008.
1092	Academic Year Categories for the Purpose of Determining the Frequency of Stafford Annual Loan Limits	<p><u>6.1.B</u> <u>Academic Year Categories</u> <u>Figure 6-2</u> <u>Frequency of Stafford Annual Loan Limits</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</p>	Federal	Publication date of Volume 3 of the 08-09 FSA Handbook, unless implemented by the school on or after November 1, 2007.

		<p>programs: BBAY1, BBAY2, and BBAY3. Revises Figure 6-2 with corresponding changes. 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>		
1125	Independent Student Definition	<p><u>6.8</u> <u>Determining the Student's Dependency Status</u></p> <p>Incorporates the changes made to the definition of independent student by CCRAA, as well as incorporates the clarifications made to that definition through HEOA.</p> <p>Although the specific HEOA changes are not effective until July 1, 2010, the Department has updated the 2009-2010 FAFSA to reflect the changes. As a result, the <i>Common Manual</i> is being updated to reflect the HEOA clarifications.</p>	Federal	For dependency determinations beginning with the 2009-2010 award year.
1095	Proration of Stafford Annual Loan Limits	<p><u>6.11.F</u> <u>Prorated Loan Limits Appendix G</u></p> <p>Incorporates several new and existing clarifications found in the FSA Handbook concerning prorating a borrower's Stafford annual loan limit.</p> <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>Adds a definition of "self-paced program."</p>	Federal	<p>Publication date of Volume 3 of the 08-09 FSA Handbook for the following in a credit-hour program that uses nonstandard terms that are substantially equal and 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</p>

			<p>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 undergraduate borrower will enroll in a program that is shorter than an academic year or, for a program that is equal to or longer than an academic year, the borrower will enroll in a final period of study that is shorter than an academic year.• 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</p>
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				year for the program to determine whether a final period of study is shorter than an academic year.	
1126	Certifying Unsubsidized Stafford Loans	<u>6.8</u> <u>6.15.B</u>	<u>Dependency Overrides</u> <u>Stafford Loan</u> <u>Certification</u>	Federal	Loans certified for loan periods that begin on or after August 14, 2008, or include that date.
		Includes new authority for an FAA to certify an unsubsidized Stafford loan for a dependent student if the student's parent(s) has ended financial support and refuses to file the FAFSA.			
1127	Disclosure Changes for PLUS and Unsubsidized Stafford Loans Moved to considered. Text incorporated into Policy proposal 1109 in Batch 158.	<u>7.6.A</u>	<u>General Initial Disclosure Requirements</u>	Federal	Initial disclosures provided by the lender to the borrower on or after August 14, 2008.
		Permits the lender in its initial disclosure to provide to a PLUS or unsubsidized Stafford borrower sample monthly payment amounts that assume different levels of borrowing. If the lender provides sample projections, the lender must also include information on the cost of capitalizing accrued interest versus paying the interest during the student's in-school status. Previously, the lender was required to include in that disclosure projected monthly payment amounts or information sufficient to permit a borrower to estimate those monthly payment amounts.			
1128	Pre-repayment Disclosures	<u>10.7</u>	<u>Disclosing Repayment Terms</u>	Federal	Disclosures made on or after July 1, 2009.
		Includes new disclosure requirements that relate to the new income-based repayment plan.			
1129	Required Lender Disclosures During Repayment	<u>Chapter 10</u>	<u>Loan Servicing</u>	Federal	Required lender disclosures made for loans with first payments due on or after July 1, 2009.
		Incorporates provisions of the HEOA regarding lender disclosure requirements during repayment. This includes disclosures to a borrower who notifies the lender that he or she is having difficulty making scheduled payments.			
1130	Disclosures When Granting Deferments on Unsubsidized Stafford Loans	<u>11.1</u>	<u>Authorized Deferment</u>	Federal	In-school, graduate fellowship, unemployment, military, and economic hardship deferments on unsubsidized Stafford loans granted on or after August 14, 2008.
		Incorporates provisions of the HEOA regarding lender disclosure requirements when granting a deferment on an unsubsidized Stafford loan.			
1131	Providing Forbearance Information to the Borrower or Endorser	<u>11.20.I</u> <u>11.23</u>	<u>Borrower Contact During Forbearance</u> <u>Mandatory Administrative Forbearance</u> <u>11.24.B</u>	Federal	Forbearance granted by the lender on or after August 14, 2008.
		Incorporates provisions of the HEOA that			

		<p>requires a lender to send a notice to the borrower or endorser when it grants a forbearance to assist the borrower or endorser, as applicable, in understanding the effect that interest capitalization has on the loan's principal balance and the amount of interest that may be paid over the life of the loan.</p> <p>Requires that the lender contact the borrower or endorser not less than every 180 days during the forbearance period, and the notice must include the additional requirements put in place by the HEOA.</p> <p>Removes the exception regarding notices for the internship and residency forbearance, and adds a cross-reference to the appropriate subsection of the Manual that describes the standard borrower notice and notification requirements.</p> <p>Amends the required notifications for mandatory forbearance.</p>		
1132	New Administrative Forbearance for Repayment Plan Change	<p><u>11.21.</u> <u>Administrative Forbearance</u></p> <p>Adds new subsection 11.21.T to incorporate the October 2008 final rules change that permits a lender to grant an administrative forbearance to cover a period of delinquency that exists at the time a borrower chooses a different repayment plan.</p>	Federal	Repayment plan changes granted by the lender on or after July 1, 2009.
1133	Total and Permanent Disability Discharge Requests Based on Veterans Administration Determinations	<p><u>13.8.G</u> <u>Total and Permanent Disability</u></p> <p>Adds information regarding a borrower's eligibility for loan discharge due to total and permanent disability if the borrower provides documentation from the U.S. Department of Veterans Affairs (VA) showing that the VA has determined the borrower to be unemployable due to a service-connected condition.</p>	Federal	Total and permanent disability discharge requests received by the lender on or after August 14, 2008, that are based on U.S. Department of Veterans Affairs determinations.
1134	Eligible Not-for-Profit Holder	<p><u>A.2.A</u> <u>Special Allowance and Excess Interest Rates</u></p> <p><u>Appendix G</u></p> <p>Incorporates changes from the October 23, 2008 Final Rules relating the definition of "eligible not-for-profit holder."</p>	Federal	July 1, 2009.