

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1002	Applying Funds Received from a School to a Consolidation Loan Deferred for additional consideration	<u>10.11.E Applying Funds Returned by the School</u> Requires the consolidation lender to apply a refund or other funds received from a school to first reduce the principal balance of the underlying loan for which the funds were intended, then to the remaining balance of the Consolidation loan.	Guarantor	Funds returned by the school and applied by the lender to a Consolidation loan on or after July 1, 2008, unless implemented earlier by the guarantor.
1003	Economic Hardship Deferment Eligibility Deferred for additional consideration	<u>11.4.A Eligibility Criteria - Economic Hardship Deferment</u> Clarifies that child support is not taxable income; therefore, it is not treated as income for purposes of determining eligibility for an economic hardship deferment.	Guarantor	Economic hardship deferment determinations made on or after July 1, 2008, unless implemented earlier.
1004	Applying a Partial Discharge Payment to a Consolidation Loan Deferred for additional consideration	<u>13.8 Discharge</u> <u>13.8.B Closed School</u> <u>13.8.C Death</u> <u>13.8.D False Certification</u> <u>13.8.E False Certification as a Result of the Crime of Identity Theft</u> <u>13.8.F Total and Permanent Disability</u> <u>13.8.G Unpaid Refund</u> <u>15.5.F Delinquency, Claim Filing, Loan Forgiveness, and Discharge</u> Requires that the holder of a Consolidation loan apply the partial discharge payment from the guarantor first to the principal balance and interest of the underlying loan to which the discharge is applicable.	Guarantor	Loan discharge payments made by the guarantor and applied by the lender to Consolidation loans on or after July 1, 2008, unless implemented earlier by the guarantor.
998	Variable Rate Conversion Provisions	<u>H.2 History of Excess Interest Rebates and Variable Interest Rate Conversions</u> <u>Figure H-1</u> States in Section H.2 that lenders, based on October 1994 guidance from the Department in DCL 94-L-171, were not permitted to adjust special	Federal	The guidance for lenders to recalculate special allowance billings on loans, subject to the variable rate conversion provisions, for all or part of the period from July 23, 1992,

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		<p>allowance billings for loans for which the applicable interest rate was retroactively revised. However, the Department provided guidance to lenders in DCL 98-L-202 on March 1, 1998, to recalculate special allowance billings on loans subject to the variable rate conversion provisions for all or part of the period from July 23, 1992, to December 31, 1994.</p> <p>Also clarifies in Figure H-1 that the "Quarterly Variable Interest Rates" which have been moved from the third to the second column are to be used prior to conversion to a variable rate.</p> <p>For loans subject to conversion under the Higher Education Amendments of 1992 in Figure H-1, the annual variable interest rate for the period from July 1, 2006, through June 30, 2007, was corrected from 7.949% to 7.94%. For all loans subject to conversion under the Higher Education Amendments of 1986 and 1992, the annual variable interest rates for the period from July 1, 2007, through June 30, 2008, are added.</p>		<p>to December 31, 1994, was effective on March 1, 1998. All revisions, except interest rate changes, to the chart are retroactive to the implementation of the <i>Common Manual</i>.</p>
1005	Exceptional Performer	<p><u>3.9</u> <u>Exceptional Performer Designation</u></p> <p><u>3.9.A</u> <u>Applying for the Designation</u></p> <p><u>3.9.B</u> <u>Department Determination of Request for Designation</u></p> <p><u>13.2</u> <u>Claim Returns</u></p> <p><u>13.2.A</u> <u>Refiling the Return Claim</u></p> <p><u>13.3.A</u> <u>Claim Payment Amount</u></p> <p><u>13.3.B</u> <u>Amount of Interest Purchased on Eligible Claims</u></p> <p><u>13.3.C</u> <u>Amount of Interest Purchased on Returned Claims</u></p> <p><u>13.5</u> <u>Claim Repurchase</u></p> <p><u>14.3.B</u> <u>Non-Default Claims</u></p> <p><u>14.4.A</u> <u>Original Filing Deadline</u></p>	Federal	<p>Claims originally filed by a lender on or after October 1, 2007.</p>

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		<p><u>14.4.B Refile Deadline</u></p> <p><u>Appendix G Glossary</u></p> <p>Removes from the manual all language that relates to an exceptional performer designation for a lender or servicer, as well as all exceptional performer claim filing requirements.</p>		
1006	Frequency of Capitalization	<p><u>10.10.B Capitalization Frequency</u></p> <p>Permits the lender to capitalize unsubsidized interest that accrues on a Consolidation loan during periods of in-school deferment only at the end of the deferment period, rather than on a quarterly basis, as previously allowed.</p>	Federal	Unsubsidized interest capitalized on Consolidation loans for periods of in-school deferment on or after July 1, 2008, unless implemented earlier by the lender on or after November 1, 2007.
1007	Lender Reporting Requirements	<p><u>3.5.D Reporting Loan Status Changes</u></p> <p>Requires that a lender report enrollment and loan status information, or any loan-related information that the Department may require, by the deadline established by the Department.</p>	Federal	<p>Enrollment or loan status changes submitted to the guarantor or to the Department on or after July 1, 2008 unless implemented earlier by the lender and the guarantor on or after November 1, 2007.</p> <p><i>This trigger event aligns with the suggested trigger event recommendation document submitted to the Department. If the Department publishes guidance with a different trigger event, the Common Manual will immediately notify schools and lenders of the change.</i></p>
1008	Armed Forces and Military Deferments	<p><u>11.3.A Eligibility Criteria - Armed Forces</u></p> <p><u>11.8.B Deferment Documentation - Military</u></p>	Federal	Armed forces and military deferments granted on or after July 1, 2008, can be implemented early by the lender on or

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		States that a borrower or a borrower's representative must request the armed forces and the military deferments.		after November 1, 2007. <i>This trigger event aligns with the suggested trigger event recommendation document submitted to the Department. If the Department publishes guidance with a different trigger event, the Common Manual will immediately notify schools and lenders of the change. .</i>
1009	Borrower Choice of Lender	<p><u>4.4 Providing Information to Students</u></p> <p><u>6.15 School Certification of the Loan</u></p> <p>Places greater emphasis on the borrower's right to choose a FFELP lender, and incorporates new regulatory requirements regarding the use of "recommended lender lists."</p> <p>Clarifies how schools that choose <i>not</i> to recommend lenders may still provide information to assist borrowers with their choice of lender.</p>	Federal	<p>Recommended lender lists provided to students and parents on or after July 1, 2008.</p> <p>Certifications based on the borrower's choice of lender and/or guarantor, effective retroactive to the implementation of the <i>Common Manual</i>.</p> <p>Ensuring that there is no delay in certification and/or processing of the loan based on the borrower's choice of lender or guarantor, effective for loans certified by the school on or after July 1, 2008.</p>
1010	Transfer of Claim Other Than For Security	<p><u>13.1.D Claim File Documentation</u></p> <p><u>13.8.A Bankruptcy</u></p> <p>Removes reference to the assignment of a proof of claim and replaces it with references to the Transfer of Claim Other Than For Security form that a guarantor must file and the Notice of Transfer of Claim Other Than For</p>	Federal	Original assignment of a proof of claim filed by the lender on or after July 1, 2008, unless implemented earlier by the guarantor.

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		Security form that a lender/servicer will receive once the bankruptcy court processes the transfer.		
1011	Disclosing Stafford Loan Eligibility Information to Grad PLUS Applicants	<p><u>6.15.C PLUS Loan Certification</u></p> <p>Requires the school to provide to a Grad PLUS applicant information regarding his or her eligibility for a Stafford loan, comparative information on the two loan programs, and an opportunity to apply for the maximum Stafford eligibility, if he or she has not already done so.</p>	Federal	Grad PLUS loans certified by the school on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.
1012	Establishing a Repayment Schedule	<p><u>10.8.A Standard Repayment Schedule</u></p> <p>Aligns Subsection 10.8.A with Section 10.8, which requires a lender to establish a standard repayment schedule for a borrower who does not select another repayment schedule within 45 days of being notified of his or her options.</p>	Correction	Repayment schedules requested or established on or after October 7, 1998.
1013	Consumer Information	<p><u>9.5 Return of Title IV Funds</u></p> <p>Clarifies that refund information must be provided <i>upon request</i>, and places the requirements into a bulleted format for clarity.</p>	Correction	Retroactive to the implementation of the <i>Common Manual</i> .