

Summary of Changes Approved September through November 2010

This summary lists changes made since the 2010 Annual Update of the *Common Manual* was printed. Change bars denote the latest policy changes, which were approved November 18, 2010. Changes made before the 2010 Annual Update was printed are shown in Appendix H of the Manual.

Common Manual Section	Description of Change	Effective Date/Triggering Event	#
Chapter 2: About the FFELP			
2.3.C Common Forms	Adds information about this repayment program that was provided in the <i>Federal Register</i> dated July 7, 2010.	July 7, 2010.	1223/172
Chapter 4: School Participation			
4.1.A Establishing Eligibility	Permits the school that is required to make a good faith effort to distribute voter registration forms to comply with this requirement electronically.	Voter registration information distributed by a school on or after August 14, 2008.	1219/171
Chapter 6: School Certification			
6.5 Determining the Student's Cost of Attendance (COA)	Provides the definition of and explains how to determine current-year and prior-year charges for the purpose of determining if a school may pay minor, prior-year charges with current-year Title IV funds.	Prior-year charges paid by a school with current-year funds on or after September 8, 2009.	1213/170
Figure 6-4 Stafford Annual and Aggregate Loan Limits for Undergraduate Students	Removes information regarding proration calculations for Stafford annual loan limits.	Not applicable.	1225/172
Chapter 7: Loan Origination			
7.7.A Earliest Date for Disbursement	Deletes redundant and incomplete references to rules that a school must use in establishing a disbursement schedule from Manual text that addresses lender disbursement.	Upon approval by the <i>Common Manual</i> Governing Board.	1218/170
Chapter 8: Loan Delivery			
8.7.I Delivery Methods	Provides the definition of and explains how to determine current-year and prior-year charges for the purpose of determining if a school may pay minor, prior-year charges with current-year Title IV funds.	Prior-year charges paid by a school with current-year funds on or after September 8, 2009.	1213/170
8.8 Managing Credit Balances			
8.9.C Return of Unearned Loan Funds	Clarifies that if a student drops to less-than-half-time status, but is still enrolled, the school does not perform a return of Title IV funds calculation and is not required to return a Stafford or PLUS loan disbursement the school previously delivered when the student was enrolled at least half time.	Students who drop to less-than-half-time enrollment on or after the publication date of DCL GEN-00-24.	1222/171

Common Manual Section	Description of Change	Effective Date/Triggering Event	#
Chapter 10: Loan Servicing			
10.5.B PLUS and SLS Loan First Payment Due Date 10.5.D Revised Out-of-School Dates before Conversion to Repayment	States that the 30-day payment due date extension to comply with the repayment disclosure requirement is applicable to PLUS loans.	PLUS loans that enter or reenter repayment on or after July 1, 2010.	1214/170
Chapter 11: Deferment and Forbearance			
11.1.I Establishing Repayment after Deferment 11.6.D Summer Bridge Extension 11.20.J Establishing Repayment after Forbearance	States that the 30-day payment due date extension to comply with the repayment disclosure requirement is applicable to PLUS loans.	PLUS loans that enter or reenter repayment on or after July 1, 2010.	1214/170
Chapter 13: Claim Filing, Discharge, and Forgiveness			
13.1.A Claim Filing Requirements	Removes and revises language in Subsection 13.1.A that outlines the exceptional performer designation on the Claim Form and removes the Appendix G definition of "exceptional performer."	Claims originally filed by a lender on or after October 1, 2007.	1224/172
13.9.C Loan Repayment Program for Civil Legal Assistance Attorneys	Adds information about this repayment program that was provided in the <i>Federal Register</i> dated July 7, 2010.	July 7, 2010.	1223/172
Chapter 15: Federal Consolidation Loans			
15.7 Interest Payment Rebate Fee	Provides a current address for mailing Consolidation loan rebate fees by check and a current process for remitting Consolidation loan rebate fees through the Automated Clearinghouse (ACH).	Effective for Consolidation loan rebate fee payments made by: <ul style="list-style-type: none"> Automated Clearinghouse (ACH) on or after September 9, 2007. Check on or after October 1, 2007 	1217/170
Chapter 16: Cohort Default Rates and Appeals			
16.1 Overview of Cohort Default Rates and Terminology 16.4 School Official Cohort Default Rates, Adjustments, and Appeals 16.4.B School Appeals	Removes the exemption for some historically black colleges and universities (HBCUs) and tribally controlled and Navajo community colleges from the loss of FFELP, FDLP, or Federal Pell Grant Program eligibility.	Official FY 2003 cohort default rates.	1220/171
Appendix G: Glossary			
Exceptional Performer	Removes and revises language in Subsection 13.1.A that outlines the exceptional performer designation on the Claim Form and removes the Appendix G definition of "exceptional performer."	Claims originally filed by a lender on or after October 1, 2007.	1224/172
Institution of Higher Education (Institution)	Revises the definition of an institution of higher education.	July 1, 2010.	1221/171
Institution-Affiliated Organization	Clarifies that an institution-affiliated organization does not include a lender with respect to any education loan that a lender secures, makes, or otherwise extends to the school's students or their families.	July 1, 2010.	1215/170

Default Aversion Forms

- Default Aversion Assistance Request Form

Claim Forms

- Claim Form
- Supplemental Claim Form
- Request for Reimbursement Due to Partial Discharge of a Federal Consolidation Loan
- FFELP Teacher Loan Forgiveness Request Form
- FFELP Ineligible Borrower and Identity Theft Supplemental Form
- FFELP Assignment Support Supplemental Form (TPD-Specific worksheet)

Loan Discharge/Forgiveness Forms

- Civil Legal Assistance Attorney Student Loan Repayment Program Application to Participate and Service Agreement¹
- Loan Discharge Application: School Closure
- Loan Discharge Application: False Certification of Ability to Benefit
- Loan Discharge Application: False Certification (Disqualifying Status)
- Loan Discharge Application: False Certification (Unauthorized Signature/Unauthorized Payment)
- Discharge Application: Total and Permanent Disability
- Loan Discharge Application: Unpaid Refund
- Loan Discharge Application: Spouses and Parents of September 11, 2001 Victims
- Teacher Loan Forgiveness Application
- Teacher Loan Forgiveness Forbearance Form

¹ Policy 1223 (Batch 172), approved November 18, 2010

Stafford Annual and Aggregate Loan Limits for Undergraduate Students

Figure 6-4

Length of Program or Final Period of Enrollment

	Program of study of at least a full academic year in length	One-year program of study with less than a full academic year remaining	Program of study of less than one academic year
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Preparatory Coursework for Undergraduate Program

Base Stafford eligibility (subsidized and unsubsidized)	\$2,625	N/A	N/A
Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)	N/A	N/A	N/A
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$6,000	N/A	N/A

First-Year Undergraduates

Base Stafford eligibility (subsidized and unsubsidized)	\$3,500	Proportional Proration Calculation #1	Proportional Proration Calculation #2
Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)	\$2,000	Proportional Proration Calculation #1	Proportional Proration Calculation #2
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$6,000	Proportional Proration Calculation #1	Proportional Proration Calculation #2

Length of Program or Final Period of Enrollment

	Program of study of at least a full academic year in length	Program of study with less than a full academic year remaining
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Second-Year Undergraduates

Base Stafford eligibility (subsidized and unsubsidized)	\$4,500	Proportional Proration Calculation #1
Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)	\$2,000	Proportional Proration Calculation #1
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$6,000	Proportional Proration Calculation #1

Third-Year and Beyond Undergraduates

Base Stafford eligibility (subsidized and unsubsidized)	\$5,500	Proportional Proration Calculation #1
Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)	\$2,000	Proportional Proration Calculation #1
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$7,000	Proportional Proration Calculation #1

Teacher Certification Coursework or Preparatory Coursework for Graduate or Professional Program

Base Stafford eligibility (subsidized and unsubsidized)	\$5,500	N/A
Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)	N/A	N/A
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$7,000	N/A*

* Policy 1225 (Batch 172), approved November 18, 2010

Proportional Proration Calculation #1

Multiply the following ratio by the applicable Stafford annual loan limit for a full academic year:

$$\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled}}{\text{Number of semester, trimester, quarter, or clock hours in academic year}}$$

[§682.204(a)(1)(ii) and (d)(1)(iii)]

Proportional Proration Calculation #2

Multiply the lesser of the following ratios by \$3,500 for base Stafford annual loan limit and by \$2,000 (for a dependent student) or \$6,000 (for an independent student or a dependent student whose parent is unable to obtain a PLUS loan) for additional unsubsidized Stafford annual loan limit:

$$\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled}}{\text{Number of semester, trimester, quarter, or clock hours in academic year}}$$

or

$$\frac{\text{Number of weeks enrolled in program}}{\text{Number of weeks in academic year}}$$

[§682.204(a)(1)(iii) and (d)(1)(iii)]¹

Dependent Undergraduate Students

The total amount of subsidized and unsubsidized Stafford loans made for any academic year to a dependent undergraduate student enrolled in undergraduate or graduate preparatory coursework, or teacher certification coursework, may not exceed the “base Stafford eligibility” specified above for that student’s grade level. The total amount of subsidized and unsubsidized Stafford loans made for any academic year to a dependent, first-year and beyond undergraduate student may not exceed the “base Stafford eligibility” specified above for that student’s grade level plus an “additional unsubsidized Stafford eligibility” amount of \$2,000. A dependent undergraduate student’s unpaid principal amount of subsidized and unsubsidized Stafford loans (including all Direct Stafford loans received or any portion of an outstanding Consolidation loan that paid in full a Stafford or Direct Stafford loan) may not exceed \$31,000. Of the total amount borrowed, no more than \$23,000 may consist of subsidized Stafford loan funds.

[HEA §428(b)(1)(B)(i); HEA §428H(d)(3); §682.204(b)(1) and (e)(1); DCL GEN-08-08]

If a dependent undergraduate student’s parent is unable to obtain a PLUS loan (because the parent has adverse credit or other exceptional circumstances exist that are documented by the FAA), the total amount of subsidized and unsubsidized Stafford loans for any academic year may not exceed the “base Stafford eligibility” plus the “additional unsubsidized Stafford eligibility” specified above for that student’s grade level. Only one parent need be unable to obtain a PLUS loan for the student to be eligible for the additional loan funds. (See [Subsection 6.15.D](#) for more information.) The student’s aggregate unpaid principal amount of all Stafford loans (including all Direct Stafford loans received or any portion of any outstanding Consolidation loan that paid in full a Stafford, SLS, or Direct Stafford loan) may not exceed \$57,500 for undergraduate study. Of the total amount borrowed, no more than \$23,000 may consist of subsidized Stafford loan funds.

[HEA §428(b)(1)(B)(ii); HEA §428H(d)(4)(A) and (B); §682.204(b)(1) and (e)(1); §682.204(d); DCL GEN-08-08]

Independent Undergraduate Students

The total amount of subsidized and unsubsidized Stafford loans for any academic year may not exceed the “base Stafford eligibility” plus the “additional unsubsidized Stafford eligibility” specified above for that student’s grade level. An independent undergraduate student’s unpaid principal amount of all Stafford loans (including all SLS and Direct Stafford loans received or any portion of an outstanding Consolidation loan that paid in full a Stafford, SLS, or Direct Stafford loan) may not exceed \$57,500 for undergraduate study. Of the total amount borrowed, no more than \$23,000 may consist of subsidized Stafford loan funds.

[HEA §428(d)(4); HEA §428H(d)(4)(B); §682.204(b)(1) and (e)(1); DCL GEN-08-08]

¹ Policy 1225 (Batch 172), approved November 18, 2010

Chapter 13 describes the policies governing filing a [claim](#) with a [guarantor](#) and requesting loan [discharge](#) or loan [forgiveness](#). This chapter discusses the policies related to and the documentation required for [default](#) claims, as well as for the various loan discharge types—closed school, death of a borrower or a student for whom a PLUS loan was obtained, false certification, total and permanent disability, and unpaid [refund](#). [Bankruptcy](#) claim filing procedures are also covered, as well as a description of the procedures for the Teacher Loan Forgiveness Program.

13.1 Claim Filing

Lenders must adhere to the following requirements for all claim types. Compliance with these requirements is crucial; failure to comply may result in the [cancellation](#) of the loan's [guarantee](#).

[§682.401(b)(19)]

13.1.A Claim Filing Requirements

A lender must file each claim according to the policies and deadlines pertaining specifically to the type of claim being filed (for more information on these policies and deadlines, see each specific claim type in [Sections 13.6](#) and [13.8](#)). The lender's claim files must be accurate and must include all documentation specified in [Subsection 13.1.D](#).

If a lender submits a claim with any required [documentation](#) that is missing, incomplete, or inaccurate, the guarantor may attempt to obtain the necessary information from its own system or request the information from the lender. The lender must provide the requested information and, if applicable, refile the claim by the refile deadline (refer to [Subsection 13.2.A](#)).

For claim filing purposes, including loan discharges, all loan records related to a single Consolidation loan [promissory note](#) must be filed as one claim package or at the same time with the guarantor based on a single payment due date and amount. Although the subsidized, unsubsidized, and HEAL portions of a single Consolidation loan may appear as separate loan servicing records on the lender's system, the lender must ensure that the Consolidation loan is administered as a single Consolidation loan. A guarantor may return a claim and impose a penalty up to and including the loss of the loan's guarantee if it identifies that the loan has been serviced with different interest rates, except for the underlying portion of a Consolidation loan attributable to a HEAL loan, or payment due dates. The lender may correct the loan, as appropriate, and resubmit the claim. (See [Subsection](#)

14.1.E “Violations and Cures Associated with Unsynchronized Servicing of a Consolidation Loan with Multiple Loan Records.”)

- ▲ Lenders may contact individual guarantors for more information on claim filing requirements for Consolidation loans with multiple loan servicing records.
- ▲ Some guarantors offer services that enable lenders to file claims electronically. Lenders may contact individual guarantors for more information on such services. See [Section 1.5](#) for contact information.

Claim Form

The Claim Form is designed to be used by a lender to request [claim](#) reimbursement. All loans included on the Claim Form must have the same loan type (i.e., Stafford, PLUS, SLS, or Consolidation), due date, interest-paid-through date, lender ID, and, if available, claim review status.

The Claim Form and instructions include three separate claim-filing statuses: [exceptional performer](#) status (eliminated on October 1, 2007, per statutory changes from the [College Cost Reduction and Access Act of 2007](#)), standard review status, and [program review](#) status. The claim-filing status [assigned by the guarantor or Department assigns](#) determines both the method by which the lender's claims will be reviewed and paid and the documentation and information the lender will be required to provide in the claim file.

Only one of the ~~The~~ claim review statuses ~~are~~ defined as follows may be selected when filing a claim:

- ~~The *Exceptional Performer Status* is defined in regulation and assigned by the Department. Lenders designated as exceptional performers may file claims using documentation requirements outlined in Subsection 13.1.D. Such claims are not subject to additional review for due diligence, conversion to repayment, or timely filing requirements—except as determined to be necessary by the guarantor or the Department as part of the general program oversight responsibility. Bankruptcy claims filed by a lender designated as an exceptional performer are subject to review for the lender's compliance with standard bankruptcy policies and requirements. The lender's failure to comply with those requirements may result in the guarantor's return of the bankruptcy claim to the~~¹

¹ Policy 1224 (Batch 172), approved November 18, 2010

lender, or, if the claim has been purchased, the lender's repurchase of the loan(s). (See Subsection 13.8.A for more information regarding bankruptcy servicing requirements.) This designation was eliminated on October 1, 2007, per statutory changes from the College Cost Reduction and Access Act (P.L. 110-84). See History Appendix for more information.¹

- The *Standard Review Status* is applicable to a lender for whom the guarantor has identified no significant servicing deficiencies. Lenders under this status may file claims using documentation requirements as outlined in [Subsection 13.1.D](#).
- The *Program Review Status* is applicable to a lender for whom the guarantor has identified significant servicing deficiencies. For lenders assigned this claim filing status, the guarantor may require additional information and documentation to support the claim.

- ▲ Some guarantors may require a separate claim for subsidized and unsubsidized loans and/or for loans with different interest rates. Lenders may contact individual guarantors for more information. See [Section 1.5](#) for contact information.

Some guarantors have additional or alternate requirements. These requirements are noted in [Appendix C](#).

Claim Form Instructions

[Figure 13-1](#) will help lenders determine what information must be provided on the Claim Form. Detailed descriptions of these items are located in the instructions on the Claim Form.

- ▲ Lenders may contact individual guarantors for more information on required data elements associated with the Claim Form. See [Section 1.5](#) for contact information.

¹ Policy 1224 (Batch 172), approved November 18, 2010

Information to Be Provided on the Claim Form

Figure 13-1

Field Name	Required ¹	If Available ²
CLAIM INFORMATION		
Claim Type	•	
DCO	•	
Claim Review Type	•	
BORROWER INFORMATION		
Social Security #	•	
Name (Last, First, MI)	•	
AKA		•
Address and Valid?	•	
Home #, Work #, Other #		•
Home #, Work #, Other #, and Valid?	•	
Employer		•
LOAN INFORMATION		
Loan Type	•	
Loan ID	•	
1 st Disb Dt	•	
\$ Current Prin Bal	•	
\$ Unpd Fee/Int	• ⁴	
Dt Loan Sold	•	
Dt Servicer Resp	•	
Int Rate/Type/Conv Dt	•	
\$ Uninsured Interest	•	
ENDORSER/COMAKER/PLUS STUDENT (E/C/S) INFORMATION		
Loan ID	•	
E/C/S Code, ID #	•	
E/C/S Name	•	
PLUS Student Social Security #	•	
Endorser's or Comaker's Social Security #	• ³	
PLUS Student's Address		•

13.9.C

Loan Repayment Program for Civil Legal Assistance Attorneys Student Loan Repayment Program

The Loan Repayment Program for Civil Legal Assistance Attorneys Student Loan Repayment Program is intended to encourage a qualified individual to enter and continue employment as a civil legal assistance attorney. The Department will repay portions of a qualifying student loan on behalf of the borrower. Receipt of a benefit under this program does not entitle the borrower to a refund of payments made on the loan.

~~To qualify for loan repayment, a borrower must be employed full time as a civil legal assistance attorney and must not be in default on the loan for which repayment is sought. Upon completion of the period of service under the initial written agreement, a borrower may enter into an additional agreement with the Department that may require the borrower to remain employed as a civil legal assistance attorney for less than three years. The Department will grant loan repayment under this program on a first-come, first-served basis and repayment is contingent on the availability of annual federal appropriations. Congress appropriated funds for this program for fiscal year 2010 is currently not funded through the Consolidated Appropriations Act of 2010 (P.L.111-117).~~

~~[HEA §428L; *Federal Register* dated July 7, 2010]~~

Eligibility Criteria

To be eligible for loan repayment under this program, a borrower must meet all of the following criteria:

- The borrower must have a ~~A qualifying loan as defined in the Applicable Definitions included later in this subsection. for the Loan Repayment Program for Civil Legal Assistance Attorneys is a loan made, insured, or guaranteed under the FFELP, Federal Direct Loan Program, or Federal Perkins Loan Program, and includes a Federal Consolidation loan or Federal Direct Consolidation loan to the extent that such a loan was used to repay any of the following:~~
- ~~A subsidized Federal Direct Stafford loan, an unsubsidized Federal Direct Stafford loan, or a Federal Direct Grad PLUS loan.~~
- ~~A subsidized Stafford loan, an unsubsidized Stafford loan, or a Grad PLUS loan.~~
- ~~A Federal Perkins loan.~~

~~A qualifying loan does not include any of the following:~~

- ~~A PLUS loan made to the parent of a dependent student.~~
- ~~A Federal Direct PLUS loan made to the parent of a dependent student.~~
- ~~Any loan other than a FFELP, Federal Direct, or Federal Perkins loan (e.g., a HEAL, HPSL, etc.).~~
- The borrower must not be in default on a loan for which repayment is sought.
- The borrower must be employed as a civil legal assistance attorney.
- The borrower must be continually licensed to practice law.
- The borrower must execute a service agreement with the Department.
- The borrower may not, for the same service, receive a reduction of the loan amount under both the Civil Legal Assistance Attorney Student Loan Repayment Program and the Loan Forgiveness for Service in Areas of National Need Program, or the Public Service Loan Forgiveness Program.

~~[HEA §428L; *Federal Register* dated July 7, 2010]~~

Program Requirements

To request loan repayment, a borrower must complete the Civil Legal Assistance Attorney Student Loan Repayment Program Application to Participate and Service Agreement form and submit it to the Department. The service agreement will include, at a minimum, each of the following requirements:

- The borrower will remain employed full time as a civil legal assistance attorney for at least 3 years, unless involuntarily separated from that employment.
- If the borrower is involuntarily separated from employment because of misconduct, or voluntarily separates from employment before the end of the required 3-year service period, the borrower will repay the Department the amount of any benefits the borrower has received under the service agreement.¹

¹ Policy 1223 (Batch 172), approved November 18, 2010

- If the borrower fails to submit a certification of completed service within 90 days of the end date of the second or subsequent consecutive 12-month service period required to retain the repayment benefit, the Department notifies the borrower that the borrower must repay any benefit received under the Service Agreement unless the borrower provides the Department, within 30 days of the date of the Department's notice, with documentation that establishes to the satisfaction of the Department that such repayment should not be required.
- If the borrower is required to repay an amount to the Department and fails to repay the amount, the Department or another agency may recover the sum according to methods that are provided by law for the recovery of amounts owed to the federal government.
- The Department may waive portions of the required recoverable amount if it is shown that the recovery of the amount would be contrary to the public interest.
- The Department will make student loan payments on the qualifying loan(s) for the period of the service agreement, subject to the availability of appropriations.
[HEA §428L; *Federal Register* dated July 7, 2010]

Amount Paid by the Department

If the borrower qualifies, the Department will repay the loan holder up to \$6,000 of the outstanding balance of the borrower's student loan obligation in any calendar year. The maximum amount of repayment benefits that a borrower may receive under this program is \$40,000. The Department will give priority in each fiscal year to a borrower who meets each of the following qualifications:

- The borrower has practiced law for 5 years or less and, for not less than 90% of the time in that legal practice, has served as a civil legal assistance attorney.
- The borrower has received repayment benefits under this program during the previous fiscal year.
- The borrower has completed less than 3 years of the first required period of service specified for the borrower in the written agreement with the Department.

The Department will send any approved payment amount first to the holder of the borrower's current highest outstanding unsubsidized loan. If the borrower has no

outstanding unsubsidized loans, the approved payment amount will be sent to the holder of the borrower's highest outstanding subsidized loan.

If the holder of the borrower's loan(s) determines that the repayment amount received from the Department exceeds the remaining balance of the loan for which it is designated in accordance with the preceding paragraph, the holder must apply the remaining balance to another eligible loan of the borrower held by the holder, if applicable. If the holder has no other eligible loans of the borrower, the holder must return the balance to the Department. If applicable, the Department will forward that balance to another holder of the borrower's eligible loans.

[HEA §428L; *Federal Register* dated July 7, 2010]

When implemented, a borrower will be eligible to receive repayment benefits under this program by entering into a written agreement with the Department. The agreement will include, at a minimum, each of the following requirements:

- ~~The borrower will remain employed full time as a civil legal assistance attorney for at least 3 years, unless involuntarily separated from that employment.~~
- ~~If the borrower is involuntarily separated from employment because of misconduct, or voluntarily separates from employment before the end of the required 3 year service period, the borrower will repay the Department the amount of any benefits the borrower has received under the agreement.~~
- ~~If the borrower is required to repay an amount to the Department and fails to repay the amount, the Department or another agency may recover the sum according to methods that are provided by law for the recovery of amounts owed to the federal government.~~
- ~~The Department may waive portions of the required recoverable amount if it is shown that the recovery of the amount would be contrary to the public interest.~~
- ~~The Department will make student loan payments on the qualifying loan(s) for the period of the written agreement, subject to the availability of appropriations.¹~~

¹ Policy 1223 (Batch 172), approved November 18, 2010

~~Receipt of a benefit under this program does not entitle the borrower to a refund of payments made on the loan. In addition, no borrower may, for the same service, receive a reduction of the loan amount under both this loan repayment program and the Loan Forgiveness Program for Service in Areas of National Need Program or the Public Service Loan Forgiveness Program under the Federal Direct Loan Program.~~
[HEA §428L]

Applicable Definitions

In the context of the Civil Legal Assistance Attorney Student Loan Repayment Program provisions, the following definitions apply:

- Civil legal assistance attorney means an attorney who is a full-time employee of one of the following:
 - = A nonprofit organization that provides legal assistance with respect to civil matters to low-income individuals, without a fee, or,
 - = A protection and advocacy system or client assistance program that provides legal assistance to clients with respect to civil matters and that receives funding under—
 - = Subtitle C of Title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.).
 - = Section 112 or 509 of the Rehabilitation Act of 1973 (29 U.S.C. 732, 794e).
 - = Part A of Title I of the Protection and Advocacy for Individuals with Mental Illness Act (42 U.S.C. 10801 et seq.).
 - = Section 5 of the Assistive Technology Act of 1998 (29 U.S.C. 3004).
 - = Section 1150 of the Social Security Act (42 U.S.C. 1320b-21).
 - = Section 1253 of the Public Health Service Act (42 U.S.C. 300d-53).
 - = Section 291 of the Help America Vote Act of 2002 (42 U.S.C. 15461).

- Employee means an individual who, under federal tax law, is considered an employee of the non-profit organization, protection and advocacy system, or client assistance program.

- Full-time employment means working in qualifying employment in one or more jobs for the greater of:

- = An annual average of at least 30 hours per week, or

- = The number of hours the employer considers full time unless the qualifying employment is with two or more employers.

Vacation or leave time provided by the employer or leave taken for a condition that is a qualifying reason under the Family and Medical Leave Act of 1993, (29 U.S.C. 2612(a)(1) and (3)) is not considered in determining the average hours worked on an annual basis.

- Involuntary separation due to misconduct means termination from employment which results in the borrower not being eligible to receive unemployment benefits under applicable state law.

- Non-profit organization means an organization, under section 501(c)(3) of the Internal Revenue Code, which is exempt from taxation under section 501(a) of the Internal Revenue Code.

- Qualifying loan means a Federal Perkins, FFELP, or FDLP Loan, (excluding parent PLUS loans made under the FFELP and FDLP and Federal Consolidation Loans and Direct Consolidation Loans that repaid a parent PLUS loan).

- = A qualifying joint Consolidation loan is eligible. However if only one of the two borrowers meets the eligibility requirements, the repayment applies only to the remaining balance of the joint Consolidation loan that is attributable to the loans originally received by the borrower who performed the qualifying employment.

- Year means a consecutive 12-month period that begins on a date identified by the Department that is on or after the date of the signed written service agreement between the borrower and the Department.

[HEA §428L; *Federal Register* dated July 7, 2010]¹

¹ Policy 1223 (Batch 172), approved November 18, 2010

student has declined or certain loans used to replace the expected family contribution, or federal veterans' education benefits. See [Section 6.7](#).

Exceptional Performer: A designation conferred upon a qualified lender, servicer, or guarantor by the Department of Education for an exceptional level of performance in servicing FFELP loans, if the lender, servicer, or guarantor requests such status and meets all statutory and regulatory requirements. This designation was eliminated on October 1, 2007, per statutory changes from the College Cost Reduction and Access Act (P.L. 110-84). See [Appendix H](#) for more information.¹

Excess Interest Rebate: See [Windfall Profits](#)

Exit Counseling (or Exit Interview): Required counseling that must be provided to Stafford loan borrowers shortly before graduating or ceasing at least half-time enrollment. The school must conduct counseling in person, by audiovisual presentation, or by interactive electronic means. See [Subsection 4.4.D](#).

Expected Family Contribution (EFC): The amount a student and the student's spouse or family are expected to pay toward the student's cost of attendance. The [Federal Need Analysis Methodology](#) must be used to calculate the EFC. See [Section 6.6](#).

Expedited-Standard: The repayment schedule available to a borrower who chooses to leave the income-based repayment (IBR) plan. The payment amount is calculated on the basis of both of the following:

- The borrower's outstanding balance on the loan when the borrower discontinues paying under an IBR plan.
- The time remaining under a 10-year repayment period for Stafford, SLS, and Grad PLUS loans or under the applicable repayment period (between 10 and 30 years according to the original loan balance) for a Consolidation loan.

Extended Repayment Schedule: A repayment schedule available to a "new borrower" on or after October 7, 1998, with outstanding principal and interest in FFELP loans totaling more than \$30,000. An extended repayment schedule may provide for standard or graduated installments over a period not to exceed 25 years.

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FAA: See [Financial Aid Administrator \(FAA\)](#)

FAFSA: See [Free Application for Federal Student Aid \(FAFSA\)](#)

FAT: See [Financial Aid Transcript \(FAT\)](#)

FDLP: See [Federal Direct Loan Program \(FDLP\)](#)

Federal Consolidation Loan Application and

Promissory Note: A common form that a borrower—or, as applicable, spouses as comakers—must complete to apply for a Federal Consolidation loan. For more information about Federal Consolidation loans, see [Chapter 15](#).

Federal Default Fee: A fee collected by the guarantor either by deduction from the proceeds of the loan or from other nonfederal sources. The Higher Education Act requires that this fee equal 1% of the loan principal. This fee replaced the guarantee fee. See [Section 7.8](#).

Federal Direct Loan Program (FDLP): A student loan program authorized on July 23, 1992, by [Title IV, Part D, of the Higher Education Act](#). The Federal Direct Loan Program offers Federal Direct (Subsidized) Stafford loans, Federal Direct Unsubsidized Stafford loans, Federal Direct Consolidation loans, and Federal Direct PLUS loans. The FDLP is similar to the FFELP, except that funding comes directly from the U.S. Treasury rather than from private lending institutions.

Federal Family Education Loan Program (FFELP): Loan programs authorized by [Title IV, part B of the Higher Education Act of 1965, as amended](#), that includes the Federal Stafford, Federal PLUS, Federal SLS, and Federal Consolidation Loan Programs. These loan programs are funded by lenders, guaranteed by guarantors, and reinsured by the federal government. These programs are defined individually in [§668](#).

Federal Interest Benefits: The federal government's payment of accrued interest on subsidized Stafford loans to the lender on behalf of the borrower during in-school, grace, and deferment periods (see [Section 10.9](#)). Some Consolidation loans also may qualify for interest benefits (see [Section 15.6](#)). For more detailed information regarding the collection of federal interest benefits, see [Section A.1](#).

Federal Need Analysis Methodology (FM): The formula used to calculate the expected family contribution with regard to determining the amount of Title IV assistance available to a borrower.

¹ Policy 1224 (Batch 172), approved November 18, 2010