

Policy Proposal Development

The Policy Committee currently has four policy proposal batches in varying stages of development, as follows:

- **Batch 154:** This batch of six policy proposals was distributed for comment on October 10th with comments due October 31st, and included one proposal that had been deferred from a previous batch. Policy proposal 1003 was previously distributed to the FFELP community in Batch 147 and clarifies that non-taxable income is not to be treated as income for the purpose of determine eligibility for an economic hardship deferment. The Governing Board will consider proposal 1003 and the other five policy proposals from Batch 154 during its December 18th meeting.
- **Batch 155:** This batch contains seven policy proposals and was distributed for comment on November 7th with comments due on December 1st. The Committee is currently analyzing comments received from the community, preparing comment responses, and plans to bring the proposals in this batch to the Governing Board for consideration during the Board's meeting on January 15, 2009.
- **Batch 156:** This batch of 11 policy proposals was distributed for comment on December 5th with comments due on December 29th. Policy proposals from this batch will be referred to the Governing Board for consideration during the Board's meeting on February 19, 2009.
- **Batch 157:** The Committee is currently working to populate Batch 157, which will be distributed for comment on January 9, 2009. The Committee estimates that this batch will contain 12 to 15 proposals. Comments will be due on January 30, 2009, and proposals in this batch will be referred to the Governing Board for consideration during its March 19, 2009, meeting.

The Committee continues to develop policy proposals that incorporate provisions of the Higher Education Opportunity Act (HEOA), recent regulatory changes, and other Department policy publications. There are approximately 66 issues resulting from those changes that are expected to impact the Manual's text, some of which have been shared with the community already, and many of which are under development. Throughout this analysis process, the Committee has solicited feedback from community experts, including members of the NCHELP Program Regulations Committee. That feedback indicates that there are several issues which require clarification from or other action by the Department before policy proposal development is appropriate. Examples of issues that the Committee plans to hold pending additional information include loan rehabilitation, lender disclosures, and certain aspects of permissible assistance a lender may offer a school. The Committee will continue to monitor all possible resources for additional information regarding these pending issues.

The production schedule for the July 2009 *Common Manual* update permits the distribution of two additional policy proposal batches after Batch 157: Batch 158, which will be disseminated to the community for comment on January 30, and Batch 159, scheduled for distribution on February 20, 2009. As is normally the case, each batch will allow a comment period of three weeks. The Committee anticipates that each batch distributed for community comment during the remainder of the production year will contain 12 to 15 policy proposals because of the high number of statutory, regulatory and Department policy changes that were published in 2008.

For your ongoing reference, the *Common Manual* website includes this year's Batch Distribution Calendar on the Policy Committee Activities Page.

Proposals 991 and 997

Policy proposals 991 and 997 address the servicing of Consolidation loans for which the lender or servicer has established more than one loan servicing record for a single Consolidation loan. These proposals were originally distributed for comment in Batch 146 and again in Batch 149. The draft policies were presented to the *Common Manual* Governing Board for its consideration at its April 17, 2008, meeting. During that meeting, the Board instructed the Committee to form a community workgroup to further discuss and analyze these policy issues. The Workgroup consisted of representatives from the Policy Committee, the Governing Board, both guarantors who originally advanced the policy proposals to the Committee, and lender servicer organizations. After two rounds of in-depth discussions concerning these proposals, the Workgroup reached consensus on revisions to both and the

proposals were distributed for a third review in Batch 153. The final community review process produced a few refinements, but generally, the policy proposals remained unchanged and the final policy proposals were presented to the Governing Board for consideration during its November 20th meeting. The Committee is pleased to report that proposals 991 and 997 were approved during that meeting. The Committee thanks the FFELP community for its patience and diligent work to achieve a standardized policy regarding these issues.

Fall Face-to-Face Meeting

The Policy Committee conducted its semi-annual face-to-face meeting in St. Louis, Missouri, on November 13th and 14th. The Committee devoted the majority of this meeting to analyzing issues on its outstanding “to do” list, including those resulting from recent changes in law and regulations, and discussing its work plan for accomplishing necessary Manual updates. The Committee also used its time together to train new members, review policy proposals in progress, address the annual Policy Committee survey responses, discuss feedback the Committee received during the annual *Common Manual* industry meeting, review its administrative activities, and engage in team-building exercises.

Policy Committee Membership Update

The Committee still has one remaining vacancy for a voting member. All Governing Board members are encouraged to consider nominating someone to fill this vacancy. Policy Committee members need not be drawn solely from the ranks of guarantor policy staff. Highly successful members have joined the Committee from audit and program review departments, from guarantor operations and claims shops, and from other guarantor support areas. If any guarantor has questions about the duties of this position, please contact Policy Committee Chair Susan Fields at sfields@isac.org, or (217) 524-7931, or any other Policy Committee member. If any guarantor would like to open the nominating process to submit a Policy Committee member candidate, please contact *Common Manual* Governing Board Chair Cindy Davis at (717) 720-2182.

Policy Committee Communications

All correspondence related to the Policy Committee’s activities should be sent to Susan Fields, Chair, at sfields@isac.org. If you have questions about the Committee’s activities, please contact Susan at (217) 524-7931, or by email at the address provided.

Information regarding the *Common Manual*, including the current and historic versions of the Manual, may be accessed on the *Common Manual* website at www.commonmanual.org.