

2007 Policy Development Completed

The Policy Committee brought the final policies to be included in the July 2007 version of the *Common Manual* to the *Common Manual* Governing Board for its consideration and approval on April 19. The Board approved all of the policies presented without amendment. The manual that is scheduled for publication in early July will contain updates from the Higher Education Reconciliation Act of 2005 and the regulations that were published in final form in November 2006.

One policy each from batches 140 and 141 was deferred for additional research and development based on community comment, as follows:

- Policy 944 (Batch 140) proposed to clarify that a borrower who is receiving a service or benefit from a federal or state public assistance program is eligible for an Economic Hardship deferment, and proposed a prospective triggering event for the implementation of this clarification. While the majority of commenters supported the policy proposal, the Policy Committee received some comments expressing concern about the policy's basic premise. Others supported the policy and suggested a retroactive triggering event to provide maximum benefit to borrowers. Because of these concerns and their implications for FFELP community participants as well as borrowers, the Committee will refer this policy proposal to a community workgroup that will include representation from the lender-servicer community.
- Policy 961 (Batch 141) primarily focused on the HEROES Act waivers as they relate to the new military deferment. However, after the proposal was distributed to the community for comment, the Committee became aware that at least two community members had independently asked the Department how the HEROES Act waivers should be applied to borrowers who are eligible for military deferment. The Department's response, which was shared with several Committee members in their capacity as guarantor representatives, did not align with the policy proposal's borrower-friendly premise. With the upcoming September 30 expiration of the current HEROES provisions, the Committee anticipates that the Department will issue new guidance on HEROES Act waivers that will provide the entire community with information about their applicability to the new military deferment, and provide us with a solid basis for any additional development of this proposal.

The Policy Committee wishes to thank all the members of the FFELP community who participated in the policy development effort by providing astute commentary on the policies that the Committee developed in an accelerated process this year. The community's active involvement in the policy development process helps to ensure that the policies appearing in the July 2007 manual are as comprehensive and accurate as possible.

Brief Policy-review "Sabbatical"

The Policy Committee has several policies on its pending log for development but will not bring policies to the community for review until after the publication of the July 2007 update of the *Common Manual*. The community should expect to begin receiving policy proposals for review and comment in mid-July.

Policy Committee Spring Meeting

The Policy Committee meets at least weekly via conference call and twice each year in person. The Committee is finalizing its plans for a June meeting in Michigan where it will outline plans for the next *Common Manual* production year. The draft agenda includes an analysis of pending regulatory and statutory issues and development of a work plan to incorporate them into common policy text, member training and development, and a reorganization of some of the Committee's administrative duties.

Policy Committee Communications

All correspondence related to the Policy Committee's activities should be sent to Co-Chairs Dan Tryon or Carolyn Small at tryond@michigan.gov or carolyn.small@iowa.gov, respectively. If you have questions about the Committee's activities, policies in development or out for community review, please contact Carolyn at 515.725.3413 or Dan at 517.383.4981, or by email at the addresses provided above.

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.