

COMMON MANUAL - GUARANTOR POLICY PROPOSAL

Date: April 15, 2010

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	With no changes	Mar 18
X	APPROVAL	Retracted by Governing Board	Apr 15
X	APPROVED	As revised	Apr 15

SUBJECT: Required Information on Claim Form

AFFECTED SECTIONS: Figure 13-1

POLICY INFORMATION: 1169/Batch 166

EFFECTIVE DATE/TRIGGER EVENT: Upon approval by the Governing Board.

BASIS:

None.

CURRENT POLICY:

Figure 13-1, "Information to Be Provided on the Claim Form," includes descriptions of the fields on the form, divided into two categories: fields that must be completed ("Required") and fields that must be completed only if the applicable information is available ("If Available").

REVISED POLICY:

Figure 13-1 has been revised to include the specific names of the fields on the Claim Form rather than descriptions of those fields. In addition, Figure 13-1 has been updated to include the income-based repayment (IBR) fields now required on the Claim Form.

REASON FOR CHANGE:

This figure is being revised to identify specific field names rather than field descriptions so the reader can easily distinguish "Required" and "If Available" fields. This figure also aligns with the updated Claim Form released on April 13, 2009.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Figure 13-1, page 2, as follows:

See attached figure. **Note: The figure has been provided in two versions: one that illustrates the proposed changes denoted by underscoring and strike-outs, and a separate version that illustrates how the figure would appear after the proposed changes.**

PROPOSED LANGUAGE - COMMON BULLETIN:

Required Information on Claim Form

Figure 13-1 has been revised to include the specific names of the fields on the Claim Form rather than descriptions of those fields so the reader can easily distinguish "Required" and "If Available" fields. In addition, Figure 13-1 has been updated to include the income-based repayment (IBR) fields now required on the Claim Form.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

None.

School:

None.

Lender/Servicer:

A lender or servicer is required to provide information related to income-based repayment on the Claim Form.

Guarantor:

A guarantor will receive information related to income-based repayment from the lender or servicer via the Claim Form.

U.S. Department of Education:

The Department may require borrowers who have defaulted on their loans that are assigned to the Department to repay those loans under an income-based repayment plan.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

Default Aversion and Claims Standardization Subcommittee (DACS)

DATE SUBMITTED TO CM POLICY COMMITTEE:

November 9, 2009

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

March 11, 2010

PROPOSAL DISTRIBUTED TO:

CM Policy Committee
CM Guarantor Designees
Interested Industry Groups and Others
CM Governing Board Representatives

Comments Received From:

AES/PHEAA, ASA, DACS, FAME, Great Lakes, HESC, MGA, NASFAA, NCHELP, NSLP, OGSLP, OSFA, PPSV, SCSLC, SLND, TG, USA Funds, and VSAC.

Responses to Comments

Most of the commenters supported this proposal as written. One commenter recommended wordsmithing changes or typographical corrections that made no substantive changes to the policy that were considered without comment. We appreciate the review of all commenters, their careful consideration of this policy, and their assistance in crafting clear, concise policy statements.

COMMENT:

One commenter suggested a parenthetical description be added to the field name "(Home #, Work #, Other #), Valid?" in Figure 13-1 for clarity.

Response:

The Committee disagrees. There are no parenthetical descriptions of data elements currently on the Claim Form or on the instructions for the Claim Form. The additional of parenthetical descriptions would require a change the Claim Form by the DACS subcommittee.

Change:

None

COMMENT:

One commenter noted that the field name "E-mail Address" was not included in Figure 13-1. The commenter felt this field should be included, as it is one of the field names on the Claim Form.

Response:

The Committee agrees.

Change:

The field name "E-mail Address" has been added to Figure 13-1.

The comment response and change immediately above was subsequently revised and additional action was taken on this policy proposal. See the "Note" below for more information.

COMMENT:

One commenter suggested a parenthetical description be added to the field names “(E/C/S Address), Valid?” and “(E/C/S Home #) Valid?” in Figure 13-1 for clarity.

Response:

The Committee disagrees. There are no parenthetical descriptions of data elements currently on the Claim Form or on the instructions for the Claim Form. The additional of parenthetical descriptions would require a change the Claim Form by the DACS subcommittee.

Change:

None

COMMENT:

Two commenters suggested that the phrase “conform to changes made to the Claim Form” in the Reason for Change be removed to eliminate a redundancy.

Response:

The Committee agrees.

Change:

The Reason for Change now reads as follows:

“This figure is being revised to identify specific field name rather than field descriptions so the reader can easily distinguish ‘Required’ and ‘If Available’ fields. This figure also aligns with the updated Claim Form released on April 13, 2009.”

COMMENT:

Two commenters requested the claim types Identity Theft (ID) and Ineligible Borrower (IN) be added to footnote #5 in Figure 13-1.

Response:

The Committee agrees.

Change:

In Figure 13-1, footnote #5 now reads “or for claim types CS, DE, FC, ID or IN”.

COMMENT:

One commenter felt the Reason for Change statement did not clearly explain why the field descriptions were removed from Figure 13-1. The commenter indicated that the field descriptions were useful to the community.

Response:

The Committee understands the commenter’s concern. However, the DACS subcommittee made these revisions based on the fact that many in the industry thought the figure would be less confusing if the field names were used. By using the field names, the figure will match the instructions to the form. The formatting of Figure 13-1 is consistent with other figures in the Manual for National Council of Higher Education Loan Programs (NCHELP) forms. The Manual also directs the user to the instructions which are a part of the Default Aversion Assistance Request Form for the field descriptions.

Change:

None.

COMMENT:

One commenter felt that the designation for Permanent Standard \$, 25-Year Forgiveness Date, and IBR Start Date be changed from “Required” to “If Available” as these fields are not available for loans that have not been under the IBR plan.

Response:

The Committee understands the commenter’s concern. However, data for the fields identified by the commenter are required for a loan that is or was under the IBR plan. The designations “Required” or “If Available” are standards that were set by the DACS subcommittee for these fields.

Change:

None.

Note: *Policy proposal 1169 in Batch 166 was approved during the March 18th Governing Board meeting. Subsequently, the Policy Committee was contacted by an industry representative expressing concern about the accuracy of the reference to a borrower's e-mail address that was included in Figure 13-1. The Committee inserted reference to the borrower's e-mail address under the column heading "If Available" in response to the second comment above. The industry representative advised the Committee that e-mail address is a Claim Form field that may be completed at the lender's option but not information a lender must provide if the lender has the information, i.e. the definition of "if available". After confirming the accuracy of the concern expressed by the industry representative, and after consulting with the original commenter, the Committee revised the response to the original commenter as follows:*

COMMENT:

One commenter noted that the field name "E-mail Address" was not included in Figure 13-1. The commenter felt this field should be included, as it is one of the field names on the Claim Form.

Response:

Although "E-mail Address" is a field on the claim form, it is neither a required nor an "if available" field as the latter term is defined. The e-mail address on the claim form may be provided at the option of the lender. On this basis, the Committee disagrees with the commenter's request.

Change:

None.

The Policy Committee forwarded a revised policy proposal 1169 and corrected Figure 13-1 to the Common Manual Governing Board on April 15, 2010. The Governing Board retracted its March 18, 2010, approval of policy proposal 1169. Also on April 15, 2010, the Governing Board approved a revised policy proposal 1169 that included the comment response immediately above and a corrected Figure 13-1 with reference to the e-mail address field removed.

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