

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
950	School as Lender Change	<p><u>3.2 Schools Acting as Lenders</u> <u>3.8.A Annual Compliance Audits</u></p> <p>Revised policy clarifies that a school lender makes loans only to students enrolled at that school; that the proceeds used for need-based grants exclude reimbursement of reasonable and direct administrative expenses which do not include costs associated with securing financing, offering reduced origination fees, reduced interest rates to borrowers, or reduced default fees; and that the annual lender compliance audit is required for any fiscal year beginning on or after July 1, 2006.</p>	Federal	<p>In order for a school to participate as a lender, the school must have met eligibility criteria as of February 7, 2006, and must have made a FFELP loan(s) on or before April 1, 2006.</p> <p>On or after July 1, 2006, existing school lenders must meet specific requirements.</p>
951	Eligible Lender Trustee Relationships	<p><u>3.2 Schools Acting as Lenders</u></p> <p>Revised policy adds a new subheading and text that addresses new and existing eligible lender trust (ELT) relationships with a school lender or an organization affiliated with the school.</p>	Federal	<p>Requirements regarding an eligible lender making or holding a FFELP loan as a trustee for a school or for an organization affiliated with a school are effective September 30, 2006.</p> <p>For loans disbursed on or after January 1, 2007, the lender, school, and school-affiliated organization involved in an existing Eligible Lender Trustee relationship must meet applicable school-as-lender requirements.</p>
952	Telecommunications Program of Study	<p><u>5.12.A Telecommunications Program of Study</u> <u>appendix G</u></p> <p>Revised policy provides information regarding an exception to the accreditation requirements for certain distance education programs, clarifies the use of telecommunications technologies in a foreign school program for the purposes of Title IV eligibility, and modifies the definition of "telecommunications course."</p>	Federal	Loans disbursed on or after September 8, 2006.

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953	Defining an Academic Year	<p><u>6.1 Defining an Academic Year figure 6-2 Frequency of Stafford Annual Loan Limits</u> <u>6.11.A Stafford Annual Loan Limits</u></p> <p>Revised policy states that only <i>standard</i> term-based, credit-hour programs may use a scheduled academic year to determine the frequency of annual loan limits, and clarifies the effect of grade level progression in the middle of the academic year.</p>	Federal	Publication date of the 2005-2006 <i>Federal Student Financial Aid Handbook</i> , unless implemented earlier by the school.
954	Stafford Annual Loan Limits for Transfer Students	<p><u>6.1 Defining an Academic Year</u> <u>6.11.A Stafford Annual Loan Limits</u></p> <p>Revised policy clarifies the annual loan limit calculation for students who transfer to a non-term or non-standard term-based credit hour program or clock-hour program, and for students who transfer to a standard term-based program.</p>	Federal	Publication date of the 2005-2006 <i>Federal Student Financial Aid Handbook</i> , unless implemented earlier by the school.
955	Stafford Loan Limits	<p><u>6.11.A Stafford Annual Loan Limits figure 6-4 Stafford Undergraduate Annual and Aggregate Loan Limits</u></p> <p>Revised policy updates the manual with the annual Stafford loan limits that become effective for loans first disbursed on or after July 1, 2007.</p>	Federal	Stafford loans first disbursed on or after July 1, 2007.
956	Total and Permanent Disability Loan Discharges for Comakers and Endorsers	<p><u>11.1.A General Deferment Eligibility Criteria</u> <u>11.19 Forbearance</u> <u>11.19.F Forbearance of Delinquent Loans</u> <u>11.19.G Forbearance of Defaulted Loans</u> <u>11.19.H Borrower Contact during Forbearance</u> <u>11.19.I Establishing Repayment after Forbearance figure 11-2</u> <u>11.20.P Total and Permanent Disability</u> <u>13.8 Discharge</u> <u>13.8.F Total and Permanent Disability</u></p> <p>Revised policy specifies when a comaker or endorser may be eligible</p>	Federal	Total and permanent disability discharge requests received by a lender on or after July 1, 2007, unless implemented earlier by the guarantor.

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		for TPD discharge of a portion of the loan or of his or her obligation to repay the loan, when the lender retains the loan and how the loan is serviced until an eligibility determination is final, and how the loan balance may be affected by the comaker's or endorser's final discharge.		
957	Discharging Underlying Loans of a Consolidation Loan	<p><u>13.8 Discharge</u></p> <p>Revised policy requires that the lender of a Consolidation loan submit to the guarantor of the Consolidation loan a request for partial discharge of the portion of the Consolidation loan that represents any underlying loans that are eligible for discharge.</p>	Federal	Partial discharge requests filed by a lender on or after July 1, 2007, unless implemented earlier by the guarantor.
958	Recapture of Excess Interest	<p><u>A.2 Special Allowance</u></p> <p>Revised policy requires lenders to remit excess interest to the Department on any loan, first disbursed on or after April 1, 2006, for any quarter in which the applicable interest rate on the loan exceeds the defined special allowance support level.</p>	Federal	Effective for quarterly lender reporting and payment of excess interest on FFELP loans first disbursed on or after April 1, 2006.
959	Special Allowance	<p><u>A.2 Special Allowance</u> <u>figure A-3 LaRS Special Allowance and Interest Rate Reporting for FFELP Loans</u></p> <p>Revised policy states that PLUS loans first disbursed on or after January 1, 2000, for any period prior to April 1, 2006, are only eligible for special allowance if the loan is accruing at the cap and the interest rate calculated prior to applying the cap exceeds the maximum interest rate for the loan.</p>	Federal	Special allowance payments made on or after April 1, 2006.
960	Excess Interest Calculation	<p><u>A.2.A Special Allowance Rates</u></p> <p>Revised policy includes formulas and explanations of the calculation of excess interest to be remitted to the Department by a lender.</p>	Federal	Effective for the quarterly calculation of excess interest to be remitted by lenders on FFELP loans first disbursed on or after April 1, 2006.

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961	Waiver for Deferment-Active Duty and Military <i>Deferred for further development</i>	<u>H.4 Statutory and Regulatory Waivers</u> <u>Figure H-2</u> Revised policy reflects waivers that are applicable to borrowers who have loans deferred by the Armed Forces deferment and the Military deferment.	Federal	Military deferment waivers granted on or after July 1, 2006.
962	Partial Discharge of a Consolidation Loan	<u>15.5.F Delinquency, Default, and Claim Filing</u> Revised policy acknowledges that in certain cases, a portion of a Consolidation loan may be discharged based on the total and permanent disability of one of the co-borrowers. Revised policy also provides information and cross-references regarding the circumstances under a Consolidation loan may be partially discharged or forgiven.	Correction	Closed school and false certification provisions retroactive to the implementation of the <i>Common Manual</i> . Teacher loan forgiveness provisions for Consolidation loans that do not include a FFELP or FDLP loan first disbursed before October 1, 1998. Death discharge provisions effective July 1, 2003. Unpaid school refunds granted on or after July 1, 2000, for loans disbursed in whole or in part on or after January 1, 1986. Total and permanent disability discharge requests received by a lender on or after July 1, 2007, unless implemented earlier by the guarantor.