

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
991	Servicing Parameters for a Consolidation Loan with Multiple Loan Records Deferred for additional consideration	<p> <u>3.5.E Reporting Loan Assignments, Sales, and Transfers</u> <u>11.1.A General Deferment Eligibility Criteria</u> <u>11.19 Forbearance</u> <u>12.4 Due Diligence Requirements</u> <u>13.1.A Claim Filing Requirements</u> <u>15.2 Borrower Eligibility and Underlying Loan Holder Requirements</u> <u>15.4 Disbursement</u> <u>15.5.B Disclosing Repayment Terms</u> <u>15.5.F Delinquency, Claim Filing, Loan Forgiveness, and Discharge</u> </p> <p> Clarifies that although the subsidized, unsubsidized, and HEAL portions of a single Consolidation loan may appear as separate loan records on the lender's system, the lender must ensure that the Consolidation loan is administered as a single Consolidation loan. The loan must be administered with a single payment amount and payment due date which must cover all separately serviced portions of the Consolidation loan. The status applicable to the Consolidation loan must be reflected consistently across all portions of the loan. Deferments and forbearances must be applied to the single Consolidation loan. If the Consolidation loan becomes delinquent, the number of days the loan is delinquent must be reflected consistently across the lender's system for each portion of the Consolidation loan. Due diligence must be performed at a loan level, and should the Consolidation loan default, all portions of the loan must default on the same date and be filed in the same claim or at least simultaneously with the guarantor. </p>	Federal	Consolidation loan applications received by the lender on or after November 13, 1997.
992	Eligible Noncitizens	<p> <u>5.2.A Citizenship Data Match</u> </p> <p> Adds victims of human trafficking and their relatives as eligible noncitizens for purposes of determining eligibility for Title IV assistance. </p>	Federal	FFELP loans certified by the school on or after May 11, 2006.

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
993	Teacher Certification and Direct Assessment Programs of Study	<p><u>5.11 Student Enrollment Requirements</u></p> <p>States that a course of study that uses direct assessment rather than credit hours or clock hours is not an eligible course for purposes of teacher certification or recertification.</p>	Federal	September 8, 2006.
994	Late Disbursement and Post-withdrawal Disbursement Time Frames	<p><u>8.7.E Late Delivery</u></p> <p><u>9.5.A Return Amounts for Title IV Grant and Loan Programs</u></p> <p>Extends to 180 days the time frame for the delivery of a late disbursement of FFELP loan funds but eliminates the option for the school to obtain Department approval for a late delivery of loan funds after the 180-day period expires. Also extends the time frame for making a post-withdrawal disbursement of loan funds to 180 days after the school determines the student withdrew. A new Sub-subsection is added to the text to address the differences between the requirements for the post-withdrawal disbursement of Title IV grant funds and the post-withdrawal disbursement of Title IV loan funds.</p>	Federal	Late disbursements delivered by the school on or after July 1, 2008. Post-withdrawal disbursements delivered by the school on or after July 1, 2008.
995	Application of Administrative Forbearance During Conditional Discharge Period	<p><u>11.1.A General Deferment Eligibility Criteria</u></p> <p>Expands existing guidance by adding to the <i>Common Manual</i> an explanation of how lenders may grant administrative forbearance to a loan during a time when a nondisabled comaker is solely responsible for the repayment of the loan.</p>	Federal	Administrative forbearances processed by a lender on or after July 1, 2007, unless implemented earlier by the guarantor.
996	Death Claim Documentation Deferred for additional consideration	<p><u>13.1.D Claim File Documentation</u></p> <p><u>13.8.C Death</u></p> <p><u>Figure 13-3 Timely Filing Deadlines for Claims and Discharges</u></p> <p>Specifies that a lender must submit an original or certified copy, or an accurate and complete photocopy of</p>	Federal	Death discharges received by the lender on or after July 1, 2008, unless implemented earlier by the lender.

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
		the original or certified copy, of the death certificate when filing a death claim.		
997	Servicing of a Consolidation Loan with Multiple Loan Records Deferred for additional consideration	<p>14.1.E <u>Violations Associated with Unsynchronized Servicing of a Consolidation Loan with Multiple Loan Records</u></p> <p>14.5.E <u>Cures Associated with Unsynchronized Servicing of a Consolidation Loan with Multiple Loan Records</u></p> <p>Clarifies that although the subsidized, unsubsidized, and HEAL portions of a single Consolidation loan may appear as separate loan records on the lender's system, the lender must ensure that the Consolidation loan is administered as a single Consolidation loan. Thus, the loan must be administered with a single payment amount and payment due date which must cover all separate records of the Consolidation loan. If the lender fails to perform due diligence activities on a single accurate payment amount and due date and/or fails to grant deferment or forbearance for the single Consolidation loan the lender records on its system as multiple, separate loan servicing records, the lender will incur due diligence violations and penalties sufficient to cause a loss of guarantee on the loan. Revised policy also clarifies what a lender can do to cure these violations.</p>	Federal	Consolidation applications received by the lender on or after November 13, 1997.

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
998	Variable Rate Conversion Provisions Withdrawn from Batch 146 and re-issued in Batch 147	<p><u>H.2 History of Excess Interest Rebates and Variable Interest Rate Conversions</u></p> <p><u>Figure H</u></p> <p>States in Section H.2 that lenders, based on October 1994 guidance from the Department in DCL 94-L-171, were not permitted to adjust special allowance billings for loans for which the applicable interest rate was retroactively revised. However, the Department provided guidance to lenders in DCL 98-L-202 on March 1, 1998, to recalculate special allowance billings on loans subject to the variable rate conversion provisions for all or part of the period from July 23, 1992, to December 31, 1994.</p> <p>Also clarifies in Figure H-1 that the "Quarterly Variable Interest Rates" which have been moved from the third to the second column are to be used prior to conversion to a variable rate.</p> <p>Further clarifies in Figure H-1 that the "Annual Variable Interest Rates," which have been moved from the second to the third column, are to be used after conversion to a variable rate.</p> <p>For loans subject to conversion under the Higher Education Amendments of 1992 in Figure H-1, the annual variable interest rate for the period from July 1, 2006, through June 30, 2007, was corrected from 7.949% to 7.94%. For all loans subject to conversion under the Higher Education Amendments of 1986 and 1992, the annual variable interest rates for the period from July 1, 2007, through June 30, 2008, are added.</p>	Federal	The guidance for lenders to recalculate special allowance billings on loans, subject to the variable rate conversion provisions, for all or part of the period from July 23, 1992, to December 31, 1994, was effective on March 1, 1998. All revisions, except interest rate changes, to the chart are retroactive to the implementation of the <i>Common Manual</i> .
999	Regaining Eligibility after Failure to Meet Satisfactory Academic Progress	<p><u>6.2 Determining the Loan Period</u></p> <p>Clarifies that, if the student's loss of eligibility was based on a failure to meet satisfactory academic progress standards, the school must comply with its written satisfactory academic progress policy, if the written policy provides that the student's eligibility</p>	Correction	Publication date of the 96-97 FSA Handbook.

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
		will be reinstated at a later point.		
1000	Federal Data Matches	<p><u>5.2.A</u> <u>Citizenship Data Match</u></p> <p>Updates the information on acceptable documentation for verification of eligible U.S. Citizens and Nationals and Eligible Noncitizens.</p>	Correction	Implementation of a federal citizenship form is determined by the Department.
1001	Definition of "Change of Control"	<p><u>Appendix G</u></p> <p>Adds that it is considered a change of control if a school changes from a for-profit entity to a nonprofit entity, or vice versa.</p>	Correction	Retroactive to the implementation of the <i>Common Manual</i> .

Batch 146 - approved

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COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: January 17, 2008

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Jan 17

SUBJECT: Eligible Noncitizens

AFFECTED SECTIONS: 5.2.A Citizenship Data Match

POLICY INFORMATION: 992/Batch 146

EFFECTIVE DATE/TRIGGER EVENT: FFELP loans certified by the school on or after May 11, 2006.

BASIS:

07-08 FSA Handbook, Volume 1, Chapter 2, pp. 1-20 and 1-21; DCL GEN-06-09.

CURRENT POLICY:

Current policy does not include victims of human trafficking or their relatives as eligible noncitizens for purposes of determining eligibility for Title IV assistance.

REVISED POLICY:

Revised policy adds victims of human trafficking and certain relatives of such victims as eligible noncitizens for purposes of determining eligibility for Title IV assistance.

REASON FOR CHANGE:

DCL GEN-06-09 specifically provides that the Department considers victims of human trafficking and specific members of their families to be eligible for Title IV financial assistance. This change brings common policy in line with existing federal policy.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 5.2.A, page 5, column 1, paragraph 1, bullet 2, by inserting a new bullet, as follows:

Note: This subsection was previously updated by Proposal 981 of Batch 144.

Eligible Noncitizens

A noncitizen is considered eligible for Stafford ~~or~~ and PLUS loans if he or she meets all other applicable eligibility criteria and is one of the following:

- A U.S. permanent resident alien with an Alien Registration Receipt Card (Form I-151 or I-551).
- A refugee with a Departure Record (I-94) from the USCIS showing one of the following designations (indicating that the refugee is in the U~~nited States~~ ^{nited States} for other than a temporary purpose):
 - Refugee.
 - Asylum granted.
 - Alien paroled into the U.S. for at least one year.
 - Alien granted a stay of deportation [pursuant to 8 U.S.C. ~~section §~~ 1253(h)] due to fear of persecution on account of race, religion, or political opinion.
 - Conditional Entrant (valid if I-94 was issued before April 1, 1980).

- A victim of human trafficking, or one of certain relatives of such a victim, as certified by the U.S. Department of Health and Human Services (HHS) [pursuant to 22 U.S.C. §7101 Victims of Trafficking and Violence Protection Act].
[DCL GEN-06-09]

Revise Subsection 5.2.A, page 5, column 1, paragraph 2, by inserting a new paragraph after bullet 2, as follows:

A school must verify the eligibility of a noncitizen, This may be done by performing a data match with another agency, such as the USCIS. If the student reports on the FASFA that he or she is an eligible noncitizen (and, therefore could be eligible for federal student aid) and reports an Alien Registration number, that information is checked against the database maintained by the USCIS. This process is known as primary confirmation. If a student or parent borrower's eligible noncitizen status is not verified by this procedure, the school must transmit copies of the student's or parent borrower's documentation of immigration status to the USCIS. This process constitutes secondary confirmation. For purposes of secondary confirmation, a school may not require a student or parent borrower to produce evidence from the USCIS that he or she is a permanent resident of the U.S. or is in the U.S. for other than a temporary purpose with the intention of becoming a citizen or permanent resident if both of the following conditions are applicable:

- . . .
- . . .

An exception to this applies to victims of human trafficking. If the USCIS does not have the eligibility status of victims of human trafficking in its system, the student will fail the data match. The school must collect a copy of the student's Certification Letter or Eligibility Letter that was issued by the HHS. The school must also call the HHS Office of Refugee Resettlement to confirm eligibility and document the date, time, and results of the call.

A school may not deny eligibility to an applicant . . .

PROPOSED LANGUAGE - COMMON BULLETIN:

Eligible Noncitizens

The *Common Manual* is updated to include victims of human trafficking and certain relatives of such victims as eligible noncitizens for purposes of determining eligibility for Title IV assistance.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A FFELP applicant who is not a U.S. citizen, but who is a victim of human trafficking, or the close relative of such a victim, may be eligible for Title IV assistance.

School:

The school may need to amend procedures to ensure that it is aware that eligible noncitizens include the victims of human trafficking and their relatives as specified.

Lender/Service:

None.

Guarantor:

Guarantors may be required to amend program review procedures.

U.S. Department of Education:

The Department may be required to amend program review procedures.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

October 19, 2007

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

January 10, 2008

PROPOSAL DISTRIBUTED TO:

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

Comments Received From:

AES/PHEAA, CFI, CSLF, EdFund, GHEAC, Great Lakes, HESAA, HESC, KHEAA, LOSFA, MGA, NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLMA, SLND, SLSA, TG, UHEAA, USA Funds, and VSAC.

Responses to Comments

Most of the commenters supported this proposal as written. Other commenters recommended wordsmithing changes that made no substantive changes to the policy but that added clarity to the proposed language. 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 noted that per DCL GEN-06-09, certain relatives of victims of human trafficking are also considered eligible non-citizens and needed to be added to the list.

Response:

The Committee agrees.

Change:

The new bullet has been expanded to include certain relatives of victims of human trafficking.

COMMENT:

One commenter felt that the new text inserted into the middle of the paragraph may be misplaced, as the language that follows discusses primary and secondary confirmation, which does not apply to victims of human trafficking.

Response:

The Committee agrees.

Change:

The new text has been removed from the middle of paragraph 1, page 5, and placed in new paragraph 2 following the information on primary and secondary confirmation, and noted as an exception.

COMMENT:

One commenter requested that the Victims of Trafficking and Violence Protection Act of 2000, Sections 102 and 107 be added to the Basis as the citation is included as a reference in the text of the proposal.

Response:

The Committee appreciates the commenter's careful review of the policy, however, *Common Manual* convention is to use only FFELP regulatory or Department guidance as the basis for *Common Manual* policy. Other regulatory cites are sometimes provided within the policy text for reference.

Change:
None.

om/edited-bb

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: January 17, 2008

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Jan 17

SUBJECT: Teacher Certification and Courses That Use Direct Assessment

AFFECTED SECTIONS: 5.11 Student Enrollment Requirements

POLICY INFORMATION: 993/Batch 146

EFFECTIVE DATE/TRIGGER EVENT: September 8, 2006.

BASIS:

Higher Education Reconciliation Act of 2005; Preamble language to the *Federal Register*, dated August 9, 2006, pp. 45668-45669; 07-08 FSA Handbook, Volume 1, Chapter 1, p. 1-5.

CURRENT POLICY:

Current policy does not explicitly exclude a course that uses direct assessment to measure student progress from the eligible courses a student might pursue for teacher certification.

REVISED POLICY:

Revised policy states that a course that uses direct assessment rather than credit hours or clock hours to measure student progress is not an eligible course for purposes of teacher certification or recertification.

REASON FOR CHANGE:

This change aligns the Manual with recent guidance published as a result of the Higher Education Reconciliation Act of 2005.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Section 5.11, page 14, column 2, paragraph 2, bullet 2, as follows:

- *Teacher Certification or Recertification*
A student is exempt from the degree or certificate program requirement if he or she is enrolled at least half time in a required teacher-certification program, even though the teacher-certification program does not lead to a degree or certificate awarded by the school (e.g., the certificate may instead be granted by the state). A student who is not enrolled in a formal teacher certification program but who is taking a series of courses necessary to obtain certification from the state is also exempt from the degree requirements. The program, or series of courses, must be required for elementary or secondary teacher certification or recertification in the state where the student plans to teach or in the state where the student is completing the program or series of courses. This exemption is not intended to cover optional courses that the student elects to take for professional recognition or advancement, nor does it cover courses that the school recommends but that are not required for certification or recertification. In addition, this exemption does not apply to students seeking a professional credential or certification that is required for employment as a non-teaching professional (e.g., a school administrator, nurse, or librarian), or to students enrolled in a teacher certification or recertification course that uses direct assessment rather than credit hours or clock hours to measure student progress.

...

[HEA §484(b)(4); ~~§668.2~~; §668.32(a)(1)(iii); ~~§682.215(b)~~; ~~2006-07~~ 07-08 Federal Student Aid Handbook, Volume 1, Chapter 1, p. ~~4-4 to~~ 1-5]

PROPOSED LANGUAGE - COMMON BULLETIN:

Teacher Certification and Courses That Use Direct Assessment

The *Common Manual* has been revised to state that a course that uses direct assessment rather than credit hours or clock hours to measure student progress is not an eligible course for purposes of teacher certification or recertification.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A student seeking a teaching certificate or a teacher attempting recertification is not eligible for FFELP loan funds if he or she enrolls in a course that uses direct assessment to measure student progress rather than credit or clock hours.

School:

A school offering teacher certification or recertification in a course measuring progress via direct assessment may not certify a FFELP loan for a student in that program.

Lender/Service:

None.

Guarantor:

A guarantor's program review procedures may need to be updated to verify that schools using direct assessment measures rather than clock hours or credit hours are not certifying loans for a student participating in teacher certification or recertification coursework.

U.S. Department of Education:

The Department may need to update its program review procedures to ensure that schools using direct assessment measures rather than clock hours or credit hours are not certifying loans for a student participating in teacher certification or recertification coursework.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

October 19, 2007

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

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Responses to Comments

Most of the commenters supported this proposal as written. Other commenters recommended wordsmithing changes that made no substantive changes to the policy but that added clarity to the proposed language. We appreciate the review of all commenters, their careful consideration of this policy, and their assistance in crafting clear, concise policy statements.

COMMENT:

Two commenters advised that the newly added sentence is awkwardly placed within the text and suggest that the new language should be added at the end of the current text.

Response:

The Committee agrees.

Change:

The newly added sentence has been moved to the end of the current text.

COMMENT:

One commenter noted that the citations at the end of Section 5.11 should be corrected as follows:

[HEA 484(b)(4); §668.2; §668.32(a)(1)(iii); ~~§682.215(b)~~; 2006-07 Federal Student Aid Handbook, Volume 1, Chapter 1, pp. ~~4-4 to~~ 1-5]

Response:

The Committee agrees and notes additional minor changes are needed to conform with style conventions.

Change:

The citations have been changed as follows:

[HEA §484(b)(4); §668.2; §668.32(a)(1)(iii); ~~§682.215(b)~~; 2006-07 07-08 Federal Student Aid Handbook, Volume 1, Chapter 1, p. ~~4-4 to~~ 1-5]

ma(bg)/edited-chh; kk

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: January 17, 2008

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with changes	Jan 17

SUBJECT: Revised Late Disbursement and Post-withdrawal Disbursement Time Frames

AFFECTED SECTIONS: 8.7.E Late Delivery
9.5.A Return Amounts for Title IV Grant and Loan Programs

POLICY INFORMATION: 994/Batch 146

EFFECTIVE DATE/TRIGGER EVENT: Late disbursements delivered by the school on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.

Post-withdrawal disbursements delivered by the school on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.

BASIS:

§668.22(a)(5)(ii)(B)(1); §668.22(a)(5)(iii)(C); §668.164(g)(4)(i); Preamble to the *Federal Register*, dated November 1, 2007, Volume 72, pp. 62018, and 62027-62029.

CURRENT POLICY:

Current policy permits the school to deliver a late disbursement of FFELP loan funds no later than 120 days after the school determines that the student withdrew, or if the student did not withdraw, no later than 120 days after the earlier of the end of the loan period for which the funds are intended or the date on which the student ceased to be enrolled at least half time. Current policy also permits the school to obtain special approval from the Department for the delivery of loan funds on an exception basis after the 120th day.

REVISED POLICY:

Revised policy extends to 180 days the time frame for the delivery of a late disbursement of FFELP loan funds but eliminates the option for the school to obtain Department approval for a late delivery of loan funds after the 180th day period expires. In addition, the time frame for making a post-withdrawal disbursement of loan funds has been extended to 180 days after the school determines the student withdrew. A note has been added to the text that a post-withdrawal disbursement of Title IV grant funds must be delivered within 45 days of the school's determination that the student withdrew.

REASON FOR CHANGE:

This change is based on regulatory changes made in the *Federal Register*, dated November 1, 2007, Volume 72, pp. 62018, and 62027-62029.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 8.7.E, page 12, column 1, paragraph 4, bullet 6, as follows:

Conditions for Late Delivery

Before making a late delivery of Stafford or PLUS loan funds, a school must ensure that:

- ...
- ...
- ...

- ...
- ...
- ...
- The school delivers the loan funds no later than ~~120~~180 days after the school determines the student withdrew (for additional information on post-withdrawal disbursements, see ~~§~~Subsection 9.5.A; for additional information on required notices, see ~~§~~Subsection 8.2.E), or, if the student did not withdraw, ~~120~~180 days after the earlier of the end of the loan period or the date on which the student ceased to be enrolled at least half time.
[§668.164(g)(4)(i)]

~~On an exception basis, and with the approval of the Department, the school may make a late delivery of loan funds after the applicable 120 day period, if the reason the late delivery was not made within the 120 day period is not the fault of the student.~~
[§668.164(g)(4)(i)]

Revise Subsection 9.5.A, page 15, column 1, paragraph 3, as follows:

Post-Withdrawal Disbursements

A post-withdrawal disbursement is a disbursement made to a student who has withdrawn but who has earned more aid than has been disbursed. ~~If the student is eligible to receive a post-withdrawal disbursement of funds, the school must offer to deliver a post-withdrawal disbursement to the student (or parent, in the case of a parent PLUS loan).~~ Neither the school nor the student is required to return funds when the student is eligible to receive a post-withdrawal disbursement.
[§668.22(a)(4); ~~§668.22(a)(5)(i)~~]

A post-withdrawal disbursement is different from a late disbursement (as described in Subsection 7.7.G) in the following ways:

- ...
- ...
- A late disbursement of FFELP loan funds must be delivered within ~~120~~ 180 days from the earlier of the end of the loan period or the date on which the student ceased to be enrolled at least half time. A The 120 day period for the school to deliver the post-withdrawal disbursement of loan funds must be delivered within 180 days after disbursement is calculated from the date of the school's determination that the student withdrew. A post-withdrawal disbursement of Title IV grant funds must be delivered within 45 days after the date of the school's determination that the student withdrew.
[§668.22(a)(5)(ii)(B)(1); §668.22(a)(5)(iii)(C); §668.164(g)(4)]

Revise Subsection 9.5.A, page 15, column 2, by adding a new paragraph after bullet 2, as follows:

Post-Withdrawal Disbursement of Grant Funds

If outstanding charges exist on a student's account, a school may credit the student's account up to the amount of outstanding charges with any grant funds that make up the post-withdrawal disbursement. The school must deliver directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. The school must deliver a post-withdrawal disbursement of Title IV grant funds as soon as possible, but no later than 45 days after the date of the school's determination that the student withdrew. There is

no requirement that a school obtain the student's permission before making a post-withdrawal disbursement of grant funds.
[§668.22(a)(5)(ii)(A)(1) and (B)(1)]

Post-Withdrawal Disbursement of Loan Funds

If the post-withdrawal disbursement includes loan funds . . .

Revise Subsection 9.5.A, page 16, column 1, paragraph 1, bullet 1, as follows:

- . . .
- . . .
- . . .
- . . .
- . . .
- . . .

The deadline for a borrower to accept a direct delivery of a post-withdrawal disbursement and the deadline to accept the delivery of a post-withdrawal disbursement to cover outstanding school charges must be the same. If the borrower submits a timely response that confirms that the loan funds may be credited to outstanding charges, or that he or she wishes to receive all or a portion of a direct delivery of funds, the school must deliver all loan funds, not only those used to pay school charges. If the borrower submits a late response, the school may deliver the funds as requested (provided the school delivers *all* of the funds accepted by the borrower), or the school may decline to deliver any funds. A post-withdrawal disbursement of loan funds may not be delivered later than ~~420~~180 days after the date of the school's determination that the student withdrew, ~~unless an exception is granted by the Department.~~ If the borrower submits a late response and the school opts *not* to deliver the post-withdrawal disbursement, the school must notify the borrower in writing of that decision. If the borrower does not respond to the notice of the availability of the post-withdrawal disbursement, no portion of the disbursement may be delivered. The school must document in the student's file the result of the post-withdrawal disbursement notification, and the final determination made concerning the disbursement.

[§668.22(a)(5)(iii)(B)(1) and (iv); §668.22(a)(5)(iii)(C); §668.164(g)(4)(i)]

. . .

. . .

PROPOSED LANGUAGE - COMMON BULLETIN:

Revised Late Disbursement and Post-withdrawal Disbursement Time Frames

The *Common Manual* has been revised to extend the time frame for the delivery of a late disbursement of loan funds to a student who has lost eligibility for a reason other than complete withdrawal. A late disbursement must now be delivered within 180 days of the date the student lost eligibility. The option for the school to obtain Department approval for a late delivery of loan funds after the 180-day period expires is eliminated. Loan funds not delivered by the end of the 180-day period may not be delivered to the student regardless of the circumstance that prevented timely delivery.

In addition, the time frame for the delivery of a post-withdrawal disbursement of FFELP loan funds has also been extended to 180 days *after the school's determination that the student withdrew.*

A new sub-subheading has been added to the text that addresses a post-withdrawal disbursement of Title IV grant funds. If outstanding charges exist on a student's account, a school may credit the student's account up

to the amount of outstanding charges with any grant funds that make up the post-withdrawal disbursement. The school must deliver directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. The school must deliver a post-withdrawal disbursement of Title IV grant funds as soon as possible, but no later than 45 days after the date of the school's determination that the student withdrew. There is no requirement that a school obtain the student's permission before making a post-withdrawal disbursement of grant funds.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A borrower will receive late disbursements of loan funds that the school has delivered within the 180-day period specified in regulation. If the school fails to make the delivery of the loan funds within these time frames, the school is not permitted to deliver the funds and the borrower will not receive them, regardless of the circumstances that prevented the timely delivery.

School:

A school may deliver late disbursements up to 180 days after the applicable trigger events for these transactions without seeking the approval of the Department. However, the school must develop procedures to reconcile loan records and ensure that loan disbursements are delivered timely. There are no exceptional circumstances under which the Department will approve additional time for the delivery of late disbursements later than the specified regulatory time frame.

Lender/Service:

A lender will not be issuing late disbursements beyond the regulated 180-day late disbursement time frame.

Guarantor:

A guarantor must amend program review procedures to accommodate the new time frame.

U.S. Department of Education:

The Department will no longer need to review and process school requests for exceptions to the late disbursement time frames.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

October 21, 2007

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

January 10, 2008

PROPOSAL DISTRIBUTED TO:

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

Comments Received From:

AES/PHEAA, CFI, CSLF, Edfund, GHEAC, Great Lakes, HESAA, HESC, KHEAA, LOSFA, MGA, NASFAA, NCHelp, NSLP, OGSLP, PPSV, SCSLC, SLMA, SLND, SLSA, TG, UHEAA, USA Funds, and VSAC.

Responses to Comments

Many of the commenters supported this proposal as written. Other commenters recommended wordsmithing

changes that made no substantive changes to the policy but that added clarity to the proposed language. 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 noted that Subsection 9.5.A should further clarify the difference between a post-withdrawal disbursement of loan funds versus a post-withdrawal disbursement of grant funds.

Response:

The Committee agrees.

Change:

Information regarding the post-withdrawal disbursement of grant funds has been segregated into a new sub-heading of 9.5.A, as follows:

“Post-Withdrawal Disbursement of Grant Funds

If outstanding charges exist on a student’s account, a school may credit the student’s account up to the amount of outstanding charges with any grant funds that make up the post-withdrawal disbursement. The school must deliver directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student’s account. The school must deliver a post-withdrawal disbursement of Title IV grant funds as soon as possible, but no later than 45 days after the date of the school’s determination that the student withdrew. There is no requirement that a school obtain the student’s permission before making a post-withdrawal disbursement of grant funds. [§668.22(a)(5)(ii)(A)(1) and (B)(1)]”

COMMENT:

Four commenters noted that the Basis contained incorrect regulatory cites.

Response:

The Committee agrees.

Change:

The Basis has been revised as follows:

“§668.22(a)(5)(ii)(B)(1); §668.22(a)(5)(iii)(C); §668.164(g)(4)(i).”

COMMENT:

Two commenters noted that the *Federal Register* dated November 1, 2007, contained in the Reason for Change statement, should also be included in the Basis. The two commenters also noted that both the Basis and Reason for Change should include page 62029.

Response:

The Committee agrees.

Change:

The Basis has been revised as follows:

“§668.22(a)(5)(ii)(B)(1); §668.22(a)(5)(iii)(C); §668.164(g)(4)(i); Preamble to the *Federal Register*, dated November 1, 2007, Volume 72, pp. 62018, and 62027-62029.”

The Reason for Change has been revised as follows:

“This change is based on regulatory changes made in the *Federal Register*, dated November 1, 2007, volume 72, pages 62018, and 62027 ~~and 62028~~-62029.”

COMMENT:

Two commenters noted that the effective date/trigger event should indicate that a school may choose to

implement the provisions earlier, as found in the *Federal Register*, dated November 1, 2007.

Response:

The Committee agrees.

Change:

The Effective Date/Trigger event has been revised as follows:

“Late disbursements delivered by the school on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007. Post-withdrawal disbursements delivered by the school on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.”

dt/edited-tmh

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: January 17, 2008

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Jan 17

SUBJECT: Application of Administrative Forbearance during the Total and Permanent Disability (TPD) Conditional Discharge Period

AFFECTED SECTIONS: 11.1.A General Deferment Eligibility Criteria
11.19.F Forbearance of a Loan for a Comaker during the TPD Conditional Period
13.8.F Total and Permanent Disability

POLICY INFORMATION: 995/Batch 146

EFFECTIVE DATE/TRIGGER EVENT: Administrative forbearances processed by a lender on or after July 1, 2007, unless implemented earlier by the guarantor.

BASIS:

Conditional Disability Discharge: Joint Consolidations, PLUS Co-Borrowers, and Disabled Endorsers dated August 2006. This document was developed by the Department in cooperation with NCHELP's Default Aversion and Claims Standardization (DACs) subcommittee and is located on the Department's Conditional Disability Discharge Unit's (CDD) Website at <http://www.fsacollections.ed.gov/contractors/ga/cdd/index.asp>. The document was updated with minor revisions and republished in November 2006.

CURRENT POLICY:

Current policy explains the rules for servicing loans with comakers and endorsers when one party applies for a total and permanent disability loan discharge, including how to apply a loan deferment to the loan if the non-disabled comaker is eligible for deferment.

REVISED POLICY:

Revised policy expands this guidance by adding to the *Common Manual* an explanation of how lenders may grant an administrative forbearance to a loan during a time when a nondisabled comaker is solely responsible for the repayment of the loan. The administrative forbearance may be applied in conjunction with a period of authorized deferment to satisfy a period of delinquency that remains outstanding after the application of an authorized deferment.

REASON FOR CHANGE:

To align *Common Manual* text more closely with published Department guidance.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 11.1.A, page 1, column 2, paragraph 3, bullet 4, as follows:

**11.1.A
General Deferment Eligibility**

There are several conditions under which borrowers qualify for deferment. In granting a deferment, the lender should be aware of the following general characteristics of deferments:

- ...
- ...
- ...

- If a PLUS loan is made to two parents as comakers or a Consolidation loan is made to spouses as comakers, and if the disabled comaker is in a conditional discharge status, the lender must defer the entire loan based solely on the non-disabled comaker's deferment eligibility. The deferment period for the non-disabled comaker may not begin prior to the date the lender receives the disabled comaker's loan discharge application, or the notification from the guarantor that a loan discharge application was submitted to the guarantor, whichever is earlier. The deferment ends on the date that the non-disabled comaker's deferment eligibility ends, or the date on which the lender receives notice of the final discharge determination for the disabled comaker, whichever is earlier.

The loan holder may apply an administrative forbearance to any delinquency that exists prior to the start date of the deferment or, if the lender is processing the deferment retroactively, the forbearance may also be used to satisfy any delinquency that remains after the end date of the deferment. The administrative forbearance may be applied only for the time period that the nondisabled comaker is solely responsible for the loan's repayment and may not begin earlier than the date the loan holder receives either the disabled comaker's loan discharge application, or the notification from the guarantor that a loan discharge application was submitted to the guarantor, whichever is earlier. The administrative forbearance may not end later than the date the lender receives notification of the final discharge determination. The deferment and any associated administrative forbearance may cover a period less than, but never more than, the period of time the disabled comaker is granted a conditional discharge.

Revise Subsection 11.19.F, page 26, column 1, paragraph 3, as follows:

...

...

The lender must explore with the non-disabled comaker any other available options such as alternative repayment agreements, deferments, discretionary forbearance, or reduced-payment forbearance. As a last resort, the lender may apply an administrative forbearance to ensure that the loan does not become delinquent or that an existing delinquency does not increase during the conditional discharge period. The administrative forbearance may be applied only for the time period that the nondisabled comaker is solely responsible for the loan's repayment and may not begin earlier than the date the loan holder receives either the disabled comaker's loan discharge application, or the notification from the guarantor that a loan discharge application was submitted to the guarantor, whichever is earlier. The administrative forbearance may not end later than the date the lender receives notification of the final discharge determination. (See Subsection 10.6.C for repayment options; Sections 11.2 to 11.18 for deferment information; Section 11.21 for information on discretionary forbearance; and Subsection 11.21.A for information on reduced-payment forbearance.)

Revise Subsection 13.8.F, page 40, column 2, paragraph 2, as follows:

...

...

For a comade PLUS loan on which one comaker is applying for loan discharge, the lender must continue to collect on the full balance of the loan from the non-disabled comaker. The lender must ensure that the loan status does not deteriorate during the conditional discharge period, and should work with the non-disabled comaker to discuss deferment options or to negotiate forbearance terms. The lender may apply an administrative forbearance to the entire loan balance if the non-disabled comaker is not eligible for other repayment options or does not choose to defer or forbear the loan. The administrative forbearance may be applied only for the

time period that the nondisabled comaker is solely responsible for the loan's repayment and may not begin earlier than the date the loan holder receives the disabled comaker's loan discharge application, or the notification from the guarantor that a loan discharge application was submitted to the guarantor, whichever is earlier. The administrative forbearance may not end later than the date the lender receives notification of the final discharge determination.

PROPOSED LANGUAGE - COMMON BULLETIN:

Application of Administrative Forbearance during the Total and Permanent Disability (TPD) Conditional Discharge Period

The *Common Manual* has been revised to provide policies related to the application of an administrative forbearance to a loan during a time when a nondisabled comaker is solely responsible for the repayment of a loan. The administrative forbearance may be applied in conjunction with a period of authorized deferment to satisfy a period of delinquency that remains outstanding after the application of an authorized deferment.

Revised policy provides that the administrative forbearance may not begin earlier than the date the loan holder receives the disabled comaker's loan discharge application, or the notification from the guarantor that a loan discharge application has been submitted to the guarantor, whichever is earlier. The policy further explains that the administrative forbearance may not end later than the date the lender receives notification of the final discharge determination.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower: The nondisabled comaker will benefit by the resolution of an outstanding delinquency.

School:

None.

Lender/Service:

The lender/service may need to revise its process for granting administrative forbearances to nondisabled comakers when a disabled comaker applies for a total and permanent disability discharge and the nondisabled comaker qualifies for a period of deferment that leaves an outstanding period of unresolved delinquency.

Guarantor:

The guarantor may need to revise its program review procedures.

U.S. Department of Education:

The Department may need to revise its program review procedures.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

July 7, 2007

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

January 10, 2008

PROPOSAL DISTRIBUTED TO:

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

Comments Received From:

AES/PHEAA, CFI, CSLF, Edfund, GHEAC, Great Lakes, HESAA, HESC, KHEAA, LOSFA, MGA, NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLMA, SLND, SLSA, TG, UHEAA, USAFunds, and VSAC.

Responses to Comments

Many of the commenters supported this proposal as written. Other commenters recommended wordsmithing changes that made no substantive changes to the policy but that added clarity to the proposed language. 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 the following change to the last sentence of the proposed language in Subsection 11.1.A, in order to clarify that the deferment and administrative forbearance periods must coincide with the disabled comaker's conditional discharge period:

The deferment and any associated administrative forbearance may cover a period less than, but never more than, the period of time the disabled comaker is granted a conditional discharge.

Response:

The Committee agrees.

Change:

The text in Subsection 11.1.A has been amended as suggested.

COMMENT:

One commenter asked that all instances of "Consolidation loan" be changed to "Consolidation Loan".

Response:

The Committee disagrees. The convention that has been adopted for use in the *Common Manual* is that when the loan program is being discussed, the word "loan" is capitalized, as in "Federal Consolidation Loan Program". However, when a reference is to a type of loan, the word "loan" is not capitalized, as in "Consolidation loan."

Change:

None.

djo/edited-aes

COMMON MANUAL - CORRECTION POLICY PROPOSAL

Date: January 17, 2008

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Jan 17

SUBJECT: Regaining Eligibility after Failure to Meet Satisfactory Academic Progress

AFFECTED SECTIONS: 6.2 Determining the Loan Period

POLICY INFORMATION: 999/Batch 146

EFFECTIVE DATE/TRIGGER EVENT: Publication date of the 96-97 FSA Handbook.

BASIS:
96-97 FSA Handbook, Chapter 2, p. 2-27.

CURRENT POLICY:
Current policy states that when a borrower regains Stafford or PLUS loan eligibility, the school may retroactively certify the loan period to the beginning of the student's current enrollment period.

REVISED POLICY:
Revised policy clarifies that, when a borrower regains Stafford or PLUS loan eligibility after a loss of eligibility due to the student's failure to make satisfactory academic progress, a school may certify a loan retroactive to the beginning of the current period of enrollment, *unless* the school's written satisfactory academic progress policy provides for reinstatement of eligibility at a later point.

REASON FOR CHANGE:
At the request of a commenter on Proposal #976 in Batch 143, the *Common Manual* is being updated to clarify that when a borrower regains eligibility after a loss of eligibility due to the student's failure to make satisfactory academic progress, the borrower regains eligibility retroactive to the beginning of the current period of enrollment, *unless* the school's written satisfactory academic progress policy provides for reinstatement of eligibility at a later point.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Section 6.2, page 5, column 2, paragraph 1, as follows:

This section was previously updated by Proposal 976 of Batch 143.

Including a Retroactive Period in a Loan Period

Generally, a school may certify a borrower's eligibility for a Stafford or PLUS loan retroactive to the beginning of the current period of enrollment for a student or parent borrower, as applicable, who meets conditions that include, but are not limited to, the following:

- The student or parent borrower, as applicable, regains eligibility during the period of enrollment after an earlier loss of eligibility due to, for example:
 - Failure to ~~meet~~ make satisfactory academic progress (see Section 8.4). If the school's written satisfactory academic progress policy provides for reinstatement of eligibility at a later point, the school must comply with its written policy. [07-08 FSA Handbook, Volume 1, Chapter 1, p. 1-10]
 - Failure to meet citizenship requirements (see Subsection 5.2.A).

- A prior default or overpayment in a Title IV program (see Subsections 5.2.D and 5.2.E).
[§682.603(f)(2)(ii)]
- Inadvertent borrowing in excess of the Stafford annual or aggregate loan limit (see Subsection 6.11.E).

• ...

PROPOSED LANGUAGE - COMMON BULLETIN:

Regaining Eligibility after Failure to Meet Satisfactory Academic Progress

The *Common Manual* is being updated to clarify that, when a borrower regains Stafford or PLUS loan eligibility after a loss of eligibility due to the student's failure to make satisfactory academic progress, a school may certify a loan retroactive to the beginning of the current period of enrollment, *unless* the school's written satisfactory academic progress policy provides for reinstatement of eligibility at a later point.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A borrower who regains eligibility after a loss of eligibility based on a failure to make satisfactory academic progress standards will be eligible for loan funds to cover costs for a retroactive period(s) that the student completed on at least a half-time basis in the current enrollment period, unless the school's written satisfactory academic progress policy provides for reinstatement of eligibility at a later date.

School:

A school may be required to revise its loan certification procedures for students who gain or regain eligibility during an enrollment period or who request a loan during the second or subsequent payment period in the current enrollment period.

Lender/Service:

None.

Guarantor:

A guarantor may need to revise school program review criteria.

U.S. Department of Education:

The Department may need to revise school program review criteria.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

College Assist

DATE SUBMITTED TO CM POLICY COMMITTEE:

August 21, 2007

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

January 10, 2008

PROPOSAL DISTRIBUTED TO:

CM Policy Committee
 CM Guarantor Designees
 Interested Industry Groups and Others

Comments Received From:

AES/PHEAA, CFI, CSLF, EdFund, GHEAC, Great Lakes, HESAA, HESC, KHEAA, LOSFA, MGA, NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLMA, SLND, SLSA, TG, UHEAA, USA Funds, and VSAC.

Responses to Comments

All but one commenter supported this proposal as written. One commenter made a wordsmithing suggestion that was incorporated to add clarity to the proposed language. We appreciate the review of all commenters, their careful consideration of this policy, and their assistance in crafting clear, concise policy statements.

ke-jcs/aes

COMMON MANUAL - CORRECTION POLICY PROPOSAL

Date: January 17, 2008

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Jan 17

SUBJECT: Federal Data Matches

AFFECTED SECTIONS: 5.2.A Citizenship Data Match

POLICY INFORMATION: 1000/Batch 146

EFFECTIVE DATE/TRIGGER EVENT: Implementation of a federal citizenship form is determined by the Department.

BASIS:
None.

CURRENT POLICY:
Current policy provides outdated information on acceptable documentation for verification of eligible U.S. citizens and nationals, and eligible noncitizens.

REVISED POLICY:
Revised policy updates the information on acceptable documentation for verification of eligible U.S. citizens and nationals, and eligible noncitizens.

REASON FOR CHANGE:
The *Common Manual* is being revised to provide the current names and numbers of acceptable forms for verification of citizen or eligible noncitizen status.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 5.2.A, page 4, column 2, paragraph 1, as follows:

Note: This subsection has also been updated by Proposal 981 of Batch 144 and is being updated by Proposal 992 of Batch 146.

If the status of a student or parent borrower as a U.S. citizen or a U.S. national must be documented, the following are permissible forms of certification:

- A copy of the birth certificate showing that the student or parent borrower was born in the United States.
- A Certificate of Citizenship (N-600-560 or N-561) from the U.S. Department of Homeland Security, United States Citizenship and Immigration Service (USCIS), ~~which must include at least the student or parent borrower's name and application number, the certificate number (found in the upper right hand corner), and the date the certificate was issued.~~
- A Certificate of Naturalization (N-550 or N-570) ~~from issued by the USCIS through a federal or state court, or through administrative naturalization after December 1990 to those who are individually naturalized, which must contain at least the student or parent borrower's name and petition number, the certificate number (found in the upper right hand corner), the USCIS A Number, the name of the court that granted the naturalization, and the date of naturalization.~~

- A Consular Report of Birth Abroad of a Citizen of the United States (FS-240), Certification of Birth (DS-1350), or a Certificate of Birth ~~Abroad Foreign Service~~ (FS-545) issued prior to November 1990 ~~Certificate of Birth (DS-1350), or Freedom of Information Act Form (USCIS Form G-639)~~. These first three forms are generated by the State Department and include an embossed seal with the words “United States of America” and “State Department.”

• . . .

If the student or parent borrower submits a citizenship or naturalization certificate as documentation of his or her citizenship status, the school must place a copy of the form in the student’s file, demonstrating that proof of citizenship was obtained (see the 07-08 FSA Handbook, Volume 1, Chapter 2, p. 1-18).

Eligible Noncitizens

A noncitizen is considered eligible for Stafford ~~or~~ and PLUS loans if he or she meets all other applicable eligibility criteria and is one of the following:

- A U.S. permanent resident alien with an ~~Alien Permanent Resident Registration Receipt Card (Form I-154 or I-551 since 1977) or a Resident Alien Card (Form I-151 issued prior to June 1978)~~.
- A refugee with an Arrival/Departure Record (CBP Form I-94) or the new Departure Record (Form I-94A, which is used at land border ports of entry) with the endorsement “Processed for I-1551. Temporary Evidence of Lawful Admission for Permanent Residence. Valid until _____ . Employment authorized.” The form will have an A-number annotated on it and is acceptable if the expiration date has not passed. These records are issued by ~~from~~ the USCIS showing one of the following designations (indicating that the refugee is in the United States ~~United States~~ for other than a temporary purpose):
 - Refugee.
 - Asylum granted.
 - Alien paroled into the U.S. for at least one year.
 - Alien granted a stay of deportation [pursuant to 8 U.S.C. ~~section~~ §1253(h)] due to fear of persecution on account of race, religion, or political opinion.
 - Conditional Entrant (valid if I-94 was issued before April 1, 1980).
- A victim of human trafficking, or one of certain relatives of such a victim, as certified by the U.S. Department of Health and Human Services (HHS) [pursuant to 22 U.S.C. §7101 Victims of Trafficking and Violence Protection Act].
[DCL GEN-06-09]

A school must verify the eligibility of a noncitizen. This may be done by performing a data match with another agency, such as the USCIS. If the student reports on the FASFA that he or she is an eligible noncitizen (and, therefore could be eligible for federal student aid) and reports an Alien Registration number, that information is checked against the database maintained by the USCIS. This process is known as primary confirmation. If a student or parent borrower’s eligible noncitizen status is not verified by this procedure, the school must transmit copies of the student’s or parent borrower’s documentation of immigration status to the USCIS. This process constitutes secondary confirmation. For purposes of secondary

confirmation, a school may not require a student or parent borrower to produce evidence from the USCIS that he or she is a permanent resident of the U.S. or is in the U.S. for other than a temporary purpose with the intention of becoming a citizen or permanent resident if both of the following conditions are applicable:

- . . .
- . . .

An exception to this applies to victims of human trafficking. If the USCIS does not have the eligibility status of victims of human trafficking in its system, so a student in that category will fail the data match. The school must collect a copy of the Certification Letter or Eligibility Letter that was issued to the student by the HHS. The school must also call the HHS Office of Refugee Resettlement to confirm eligibility and document the date, time, and results of the call.

A school may not deny eligibility to an applicant based on immigration status while awaiting primary confirmation from the USCIS . . .

A school may deliver funds to an otherwise eligible student pending USCIS response to the secondary confirmation if at least 15 business days have elapsed since the school submitted the documentation to the USCIS . . .

The school must retain copies of documentation provided by an eligible noncitizen. The ~~Alien Permanent Resident Registration Receipt Card (Form I-551 or I-151) or a Resident Alien Card (Form I-151), Arrival/Departure Record (CBP Form I-94) or the new Departure Record (Form I-94A)~~ or other documentation provided as proof of the student's or borrower's status may be photocopied (front and back) and placed in the student's file. . .

PROPOSED LANGUAGE - COMMON BULLETIN:

Federal Data Matches

The *Common Manual* has been updated to reflect current form names and numbers that are used for verification of citizen or eligible noncitizen status.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

None.

School:

None.

Lender/Service:

None.

Guarantor:

None.

U.S. Department of Education:

None.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

October 29, 2007

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

January 10, 2008

PROPOSAL DISTRIBUTED TO:

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

Comments Received From:

AES/PHEAA, CFI, CSLF, EdFund, GHEAC, Great Lakes, HESAA, HESC, KHEAA, LOSFA, MGA, NASFAA, NCHELP, NSLP, OGSPL, PPSV, SCSLC, SLMA, SLND, SLSA, TG, UHEAA, USA Funds, and VSAC.

Responses to Comments

Most of the commenters supported this proposal as written. Other commenters recommended wordsmithing changes that made no substantive changes to the policy but that added clarity to the proposed language. 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 requested that the second half of bullet two of the affected text of Subsection 5.2.A be deleted. They felt this information did not provide guidance pertinent to determining the U.S. national citizenship and did not align with the information provided in the other bullets.

Response:

The Committee agrees.

Change:

The second bullet has been revised to exclude the last proposed sentence.

COMMENT:

One commenter noted that a few of the eligible noncitizen form numbers within the text were inconsistent.

Response:

The Committee agrees.

Change:

The noncitizen form numbers within the text were corrected and are now consistent.

om/edited-bb

COMMON MANUAL - CORRECTION POLICY PROPOSAL

Date: January 17, 2008

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Jan 17

SUBJECT: Definition of "Change of Control"

AFFECTED SECTIONS: Appendix G

POLICY INFORMATION: 1001/Batch 146

EFFECTIVE DATE/TRIGGER EVENT: Retroactive to the implementation of the *Common Manual*.

BASIS:

95-96 FSA Handbook, Chapter 3, Section 10.

CURRENT POLICY:

Current policy defines a "change of control" with respect to a school but does not include in the definition a change in status from a for-profit entity to a nonprofit entity or vice versa.

REVISED POLICY:

Revised policy includes in the definition of a "change of control" a change from a for-profit entity to a nonprofit entity, or vice versa.

REASON FOR CHANGE:

This change provides a more complete definition of the term as described in the Federal Student Aid Handbook (FSA Handbook).

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Appendix G, page 3, column 2, paragraph 7, as follows:

Change of Control: An occurrence that signifies that a different person, partnership, or corporation has obtained authority to control the actions of a school, or that the school has changed from a for-profit entity to a nonprofit entity, or vice versa. For example, a change of control can occur when stock is transferred to the parent corporation; when schools merge or divide; when a company is retained to manage a school; or when a school transfers assets or liabilities to the parent corporation. [\$600.31; FSA Handbook, Volume 2, Chapter 5, pp. 2-50 and 2-51]

PROPOSED LANGUAGE - COMMON BULLETIN:

Definition of "Change of Control"

The definition of "change of control" has been amended to state that a school that changes status from a for-profit entity to a nonprofit entity, or vice versa, is also considered to have undergone a change of control. A school in this circumstance is required to perform the administrative tasks applicable to any school that undergoes a change of control in order to retain its eligibility to participate in the Title IV programs.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

None.

School:

None.

Lender/Service:

None.

Guarantor:

None.

U.S. Department of Education:

None.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

October 19, 2007

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

January 10, 2008

PROPOSAL DISTRIBUTED TO:

CM Policy Committee

CM Guarantor Designees

Interested Industry Groups and Others

CM Governing Board Representatives

Comments Received From:

AES/PHEAA, CFI, CSLF, EdFund, GHEAC, Great Lakes, HESAA, HESC, KHEAA, LOSFA, MGA, NASFAA, NCHELP, NSLP, OGSPL, PPSV, SCSLC, SLMA, SLND, SLSA, TG, UHEAA, USA Funds, and VSAC.

Responses to Comments

Most of the commenters supported this proposal as written. Other commenters recommended wordsmithing changes that made no substantive changes to the policy but that added clarity to the proposed language. 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 requested that references to the FSA Handbook, Volume 2, Chapter 5, pp. 2-50 and 2-51 and §600.31 be added to complete the definition.

Response:

The Committee agrees.

Change:

The citations have been added as requested.

om/edited-bb