

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1023	Documentation Required for Last Name Changes Deferred for Further Development	<p><u>3.5.F Reporting Social Security Number, Date of Birth, and First Name Changes or Corrections</u></p> <p><u>9.1 Reporting Social Security Number, Date of Birth, and First Name Changes or Corrections</u></p> <p>Establishes an industry standard that states that the same documentation that is required for a change in the borrower's first name is acceptable for a change to a borrower's last name.</p>	Guarantor	Last name change requests received by the school or lender on or after July 1, 2008 unless implemented earlier by the guarantor.
1024	Spouses and Parents of September 11, 2001 Victims Loan Discharge	<p><u>Figure 2-1 The Life of a Stafford Loan</u></p> <p><u>Figure 2-2 The Life of a Parent PLUS Loan</u></p> <p><u>2.2.C Repayment</u></p> <p><u>2.3.C Common Forms</u></p> <p><u>3.5.C Credit Bureau Reporting</u></p> <p><u>10.10.A Permitted Capitalization</u></p> <p><u>Figure 11-2 Forbearance Eligibility Chart</u></p> <p><u>11.20.P Total and Permanent Disability</u></p> <p><u>12.4.E Endorser Due Diligence</u></p> <p><u>13.8.F Total and Permanent Disability</u></p> <p><u>Figure 13-4 Timely Filing Deadlines for Claims and Discharges</u></p> <p><u>14.2 Timely Claim Filing Violations</u></p> <p><u>14.3.B Non Default Claims</u></p> <p><u>14.4.B Refile Deadline</u></p> <p><u>15.2 Borrower Eligibility and Underlying Loan Holder Requirements</u></p> <p><u>15.5.F Delinquency, Claim Filing, Loan Forgiveness, and Discharge</u></p> <p><u>A.1.B When Federal Interest Benefits Will Be Paid</u></p> <p><u>Appendix G</u></p> <p>Incorporates into the Manual loan discharge provisions applicable to the spouses and parents of September 11, 2001 victims contained in the Third Higher Education Extension Act of 2006 (P. L. 109-292), and regulations published in the <i>Federal Registers</i> dated December 28, 2006, and</p>	Federal	Loan discharges granted to spouses and parents of September 11, 2001 victims on or after October 29, 2007.

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		September 28, 2007.		
1025	Federal Trade Commission Holder Rule Expanded	<p><u>3.4.D Borrower Defenses</u></p> <p>Provides that a borrower may assert certain claims and defenses against repayment of a loan received for attendance at any post-secondary school, if the loan was made by the school or a school-affiliated organization, or was made by a lender that was designated by the school, affiliated with the school, or provided improper inducements to obtain the loan business.</p>	Federal	July 1, 2008.
1026	Identity Theft — Early Implementation	<p><u>3.5.C Credit Bureau Reporting</u></p> <p><u>11.20.D False Certification as a Result of the Crime of Identity Theft</u></p> <p><u>13.8.E False Certification as a Result of the Crime of Identity Theft</u></p> <p><u>A.1.B When Federal Interest Benefits Will Be Paid</u></p> <p><u>A.2.B Termination of Special Allowance</u></p> <p>Provides for the suspension of credit bureau reporting and administrative forbearance for 120 days on any loan for which the lender receives a valid identity theft report or notification from a credit bureau of an allegation of identity theft. The lender must determine the legal enforceability of the loan. If a lender determines that a loan does not qualify for a false certification loan discharge as a result of the crime of identity theft, but the loan is nonetheless legally unenforceable against that individual, the lender must notify the credit bureau of the determination.</p>	Federal	<p>Reports received on or after July 1, 2008, unless implemented earlier by the lender on or after November 1, 2007. <i>This aligns with the suggested trigger event recommendation document submitted to the Department. If the Department publishes guidance with a different trigger event, the Common Manual will immediately notify schools and lenders of the change.</i></p>
1027	Identity Theft — July 1, 2008 Implementation	<p><u>3.5.C Credit Bureau Reporting</u></p> <p><u>12 Due Diligence in Collecting Loans</u></p> <p><u>13.8.E False Certification as a Result of the Crime of Identity Theft</u></p> <p><u>A.1.B When Federal Interest Benefits Will Be Paid</u></p> <p><u>A.2.B Termination of Special</u></p>	Federal	<p>Deletion of loans from credit bureau records, loans discharged on or after July 1, 2008. <i>This aligns with the suggested trigger event recommendation</i></p>

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		<p style="text-align: center;"><u>Allowance</u></p> <p>States that if a loan is discharged due to closed school or false certification, a lender must request that the credit bureau remove any negative or inaccurate information regarding that loan from an individual's credit history.</p> <p>States that federal due diligence requirements in collecting any delinquent loan payments, as well as federal credit bureau reporting requirements, do not preempt the provisions of the Fair Credit Reporting Act (FCRA) that provide relief to an individual while a lender determines the legal enforceability of a loan when the lender receives a valid identity theft report or notification from a credit bureau of an alleged identity theft.</p> <p>States that for an individual to qualify for a loan discharge due to false certification as a result of the crime of identity theft, the individual must provide the lender with a copy of a local, state, or federal court verdict or judgment that conclusively determines that the individual who is named as the borrower or endorser of the loan was the victim of a crime of identity theft by a perpetrator named in the verdict or judgment.</p> <p>States that the Department also ends its obligation to pay federal interest benefits and special allowance to a lender on the date the lender determines a loan to be legally unenforceable based on the receipt of an identity theft report or notification from a credit bureau of an alleged identity theft.</p>		<p><i>document submitted to the Department. If the Department publishes guidance with a different trigger event, the Common Manual will immediately notify schools and lenders of the change.</i></p> <p>Reports received on or after July 1, 2008, unless implemented earlier by the lender on or after November 1, 2007. <i>This aligns with the suggested trigger event recommendation document submitted to the Department. If the Department publishes guidance with a different trigger event, the Common Manual will immediately notify schools and lenders of the change.</i></p> <p>False certification identity theft loan discharge claims processed by the lender on or after September 8, 2006.</p> <p>Interest benefits and special allowance billing discontinuance, loans deemed unenforceable on or after July 1, 2008. <i>This aligns with the suggested trigger event recommendation document submitted to the Department. If the Department publishes guidance</i></p>

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991	Servicing Parameters for a Consolidation Loan with Multiple Loan Records Deferred for Further Development	<p><u>3.5.E Reporting Loan Assignments, Sales, and Transfers</u></p> <p><u>11.1.A General Deferment Eligibility Criteria</u></p> <p><u>11.19 Forbearance</u></p> <p><u>12.4 Due Diligence Requirements</u></p> <p><u>13.1.A Claim Filing Requirements</u></p> <p><u>15.2 Borrower Eligibility and Underlying Loan Holder Requirements</u></p> <p><u>15.4 Disbursement</u></p> <p><u>15.5.A Establishing the First Payment Due Date</u></p> <p><u>15.5.B Disclosing Repayment Terms</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. 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.
1028	Entrance Counseling for Grad PLUS Borrower	<p><u>4.4 Providing Information to Students</u></p> <p><u>4.4.B Entrance Counseling</u></p> <p><u>4.4.C Exit Counseling</u></p> <p><u>Figure 8-3 School Requirements before Delivering a FFELP Loan</u></p> <p><u>Appendix G</u></p> <p>Incorporates entrance counseling requirements for graduate or professional student PLUS loan borrowers. In addition, redundant text has been removed and other language has been added to improve the clarity of the school counseling requirements.</p>	Federal	Entrance and exit counseling provided by the school on or after July 1, 2008, unless implemented earlier by the school on or after 11/1/07.

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		Also, Appendix G's definition of "Debt Management Counseling" is modified by removing reference to entrance counseling, and the definitions of "Entrance Counseling" and "Exit Counseling" have been expanded.		
1029	Required Notices and Authorizations	<p><u>4.4.B Entrance Counseling</u> <u>4.5 Recordkeeping Requirements</u> <u>7.2.A Lender Responsibilities Under a Master Promissory Note</u> <u>8.2.A Initial Notice of Funds</u> <u>8.2.B School Notice of Credit to Student Account</u> <u>8.2.C Borrower Notice to Cancel Loan</u> <u>8.2.D Notification and Confirmation Requirements for the Multi-Year Feature of the MPN</u> <u>Figure 8-1</u> <u>17.3.B The On-Site Review</u> <u>Appendix G</u></p> <p>Outlines two standards for notifying the borrower of his or her right to cancel a loan at the time of disbursement, depending on whether the borrower provided affirmative confirmation of his or her desire to receive the loan. Also includes in the school record-keeping requirements the indefinite retention period for documentation of the confirmation process, which first appeared in the 04-05 FSA Handbook.</p>	Federal	<p>Loans disbursed on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.</p> <p>For the retention of documentation of the confirmation process, the publication date of the 04-05 FSA Handbook.</p>
1030	Scheduled and Borrower-Based Academic Year in Standard Term-Based Credit-Hour Programs	<p><u>6.1 Defining an Academic Year</u> <u>6.3.C Standard Term-Based Programs Offered in Modules</u> <u>Figure 6-2</u> <u>Appendix G</u></p> <p>Clarifies that a school may use a SAY or BBAY to determine Stafford annual loan limit frequency and determine the parent or Grad PLUS loan period for a student who is enrolled in a standard term-based program that is offered in a traditional academic year calendar, including such a program that is comprised of modules. Revised policy also broadens the definition of a BBAY to acknowledge its use in all types of programs and provides new detail</p>	Federal	Publication date of the 05-06 FSA Handbook.

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		concerning the use of a BBAY in standard term-based programs that do, and do not, have a traditional academic year calendar.		
1031	Enrollment Status Definitions	<p>6.9 Defining Enrollment Status Appendix G</p> <p>For an undergraduate program, a school's definition of half-time enrollment must amount to at least half of the academic workload of the applicable minimum full-time enrollment definition for that program. More clearly states that a school must define full-time enrollment status for each of its undergraduate, graduate, or professional programs.</p> <p>Aligns Section 6.9 with glossary information about the enrollment status for a student enrolled solely in a correspondence program, and further expands that section to include regulatory updates that address enrollment status for a student who is enrolled in a non-correspondence program and combines correspondence with regular coursework.</p>	Federal	<p>Enrollment periods that begin on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007. <i>This aligns with the suggested trigger event recommendation document submitted to the Department. If the Department publishes guidance with a different trigger event, the Common Manual will immediately notify schools and lenders of the change.</i></p> <p>Retroactive to the implementation of the <i>Common Manual</i> for the following:</p> <ul style="list-style-type: none"> • Determining enrollment status for a student enrolled solely in a correspondence program. • Defining full-time enrollment for each of a school's undergraduate, graduate, and professional programs.
1032	Stafford	7.4.A Current Stafford Interest	Federal	Subsidized Stafford

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	Interest Rates	<p><u>Rates</u> <u>7.4.C Previous Stafford Interest Rates</u> <u>Figure 7-1</u></p> <p>States that the interest rate on all Stafford loans first disbursed on or after July 1, 2006, is a fixed rate of 6.8%, except for subsidized Stafford loans made to undergraduate borrowers and first disbursed as follows:</p> <ul style="list-style-type: none"> • On or after July 1, 2008, and before July 1, 2009, the fixed interest rate is 6%. • On or after July 1, 2009, and before July 1, 2010, the fixed interest rate is 5.6%. • On or after July 1, 2010, and before July 1, 2011, the fixed interest rate is 4.8%. • On or after July 1, 2011, and before July 1, 2012, the fixed interest rate is 3.4%. 		<p>loans at a fixed interest rate of 6% that are first disbursed to undergraduate borrowers on or after July 1, 2008, and before July 1, 2009.</p> <p>Subsidized Stafford loans at a fixed interest rate of 5.6% that are first disbursed to undergraduate borrowers on or after July 1, 2009, and before July 1, 2010.</p> <p>Subsidized Stafford loans at a fixed interest rate of 4.8% that are first disbursed to undergraduate borrowers on or after July 1, 2010, and before July 1, 2011.</p> <p>Subsidized Stafford loans at a fixed interest rate of 3.4% that are first disbursed to undergraduate borrowers on or after July 1, 2011, and before July 1, 2012.</p>
1033	Simplified Deferment Processing	<p><u>11.4 Economic Hardship Deferment</u> <u>11.5 Graduate Fellowship Deferment</u> <u>11.8 Military Deferment</u> <u>11.13 Rehabilitation Training Program Deferment</u> <u>11.17 Unemployment Deferment</u></p> <p>Allows a lender to grant certain types of deferments to a new borrower (i.e., first</p>	Federal	Deferment requests granted by the lender on or after July 1, 2008, unless implemented earlier by the lender on or after November 1, 2007. <i>This aligns with the suggested trigger event recommendation</i>

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		<p>borrowed on or after July 1, 1993) based on a deferment granted by another FFELP loan holder or the Department. A lender may grant the deferment using the simplified process if the borrower requests it verbally or in writing and based on information from the other FFELP loan holder, the Department, or an authoritative electronic database maintained or authorized by the Department.</p>		<p><i>document submitted to the Department. If the Department publishes guidance with a different trigger event, the Common Manual will immediately notify schools and lenders of the change.</i></p>
996	Death Claim Documentation	<p><u>13.1.D Claim File Documentation</u> <u>13.1.E Missing Claim File Documentation</u> <u>13.8.C Death</u> <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 the original or certified copy, of the death certificate when filing a death claim.</p>	Federal	<p>Death discharge requests filed by the lender based on determinations or re-determinations of eligible photocopies on or after July 1, 2008, unless implemented earlier by the lender on or after November 1, 2007. <i>This aligns with the suggested trigger event recommendation document submitted to the Department. If the Department publishes guidance with a different trigger event, the Common Manual will immediately notify schools and lenders of the change.</i></p>
997	<p>Servicing of a Consolidation Loan with Multiple Loan Records</p> <p>Deferred for Further Development</p>	<p><u>14.1.E Violations Associated with Unsynchronized Servicing of a Consolidation Loan with Multiple Loan Records</u> <u>14.5.E 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</p>	Federal	<p>Claims filed by the lender on or after July 1, 2008, unless implemented earlier by the guarantor.</p>

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		<p>that the Consolidation loan is administered as a single Consolidation loan. If the lender fails to perform due diligence activities on a single accurate payment amount and due date, the lender will incur due diligence violations and penalties sufficient to cause a loss of guarantee on the loan. Also clarifies what a lender may do to cure these violations.</p>		
1034	Special Allowance Rates and Formulas	<p><u>A.2.A</u> <u>Special Allowance and Excess Interest Rates</u> <u>Figure A-1</u> <u>Special Allowance Formulas</u> <u>Figure A-2</u> <u>Examples of Special Allowance Calculations</u> <u>Figure A-3</u> <u>Excess Interest Formulas</u> <u>Figure A-4</u> <u>Example of Excess Interest Calculations</u> <u>Appendix G</u></p> <p>States that the special allowance factors used to calculate special allowance payments on loans first disbursed on or after October 1, 2007, are based on whether or not the lender is an eligible not-for-profit holder. As prescribed in the CCRAA, an eligible not-for-profit holder is entitled to a higher special allowance payment.</p>	Federal	Loans first disbursed on or after October 1, 2007.
1035	Undergraduate, Graduate, and Professional Students	<p><u>Appendix G</u></p> <p>Clarifies the definitions of "undergraduate student," and "graduate or professional student," and provides a new definition of a professional degree.</p>	Federal	Enrollment periods that begin on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.
1036	HEROES Waiver Extension	<p><u>H.4.A</u> <u>HEROES Act Waivers</u></p> <p>Extends current HEROES waivers through September 30, 2012.</p>	Federal	Affected individuals eligible for waivers of statutory and regulatory provisions on or after October 1, 2007.