



*Unified Student Loan Policy*

**POLICY UPDATE PROPOSALS –ACTION REQUIRED  
COMMENTS DUE MONDAY, December 31, 2018**

TO: *Common Manual* Governing Board Representatives  
Interested Industry Groups and Others

FROM: Benjamin Lee  
Great Lakes, CM Policy Development and Maintenance Contractor (PDMC)

RE: *Common Manual* Policy Update  
Batch 215: Proposal #1328

DATE: December 10, 2018

The PDMC issues **Batch 215** for review and comment.

Policy 1328 is a federal policy proposal and is intended to align *Common Manual* text with federal regulations or other federal publications.

Policy updates are distributed to all guarantors and others in the FFELP community for the opportunity to comment before Governing Board review and approval.

**Please review the policy update and provide written comments by Monday, December 31, 2018**

**to:** Benjamin Lee  
Great Lakes Higher Education Guaranty Corporation  
E-Mail: [policy@ascendiumeducation.org](mailto:policy@ascendiumeducation.org).

If you have any questions about the enclosed proposal please contact Benjamin Lee via phone at 608-733-2575 or via email at [policy@ascendiumeducation.org](mailto:policy@ascendiumeducation.org).

Enclosures:

Policy Proposal Transmittal  
*Common Manual* Policy Proposal #1328

**Common Manual Policy Proposal Batch 215 Transmittal****December 10, 2018**

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1328	Total & permanent Disability	<b>13.8.G Total and Permanent Disability</b> To provide more complete information related to when total and permanent disability discharges become effective.	Federal	For VA TPD – August 14, 2008; For Physician Certified TPD – July 1, 2010; For SSA TPD - July 1, 2013

Batch 215 (Out for Comment)

# COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: December 10, 2018

X	DRAFT	Comments Due	12/31/2018
	FINAL	Consider at GB meeting	
	APPROVED	With Changes/No Changes	

**SUBJECT:** Total and Permanent Disability

**AFFECTED SECTIONS:** 13.8.G Total and Permanent Disability

**POLICY INFORMATION:** 1328/Batch 215

**EFFECTIVE DATE/TRIGGER EVENT:** For VA TPD – August 14, 2008; For Physician Certified TPD – July 1, 2010; For SSA TPD - July 1, 2013

**BASIS:**  
For VA TPD – §682.402(c)(9)(x) and (xii)(D); §685.213(c)(2); GEN-09-07. For physician certified and SSA TPD – §682.402(c)(3)(i); §685.213(b)(4).

**CURRENT POLICY:**  
Current policy does not explain the effective dates of the various types of total and permanent disability (TPD) discharge that the Department may grant to FFELP borrowers.

**REVISED POLICY:**  
Revised policy adds clarity and explains the effective dates associated with the various types of TPD discharge. Specifically, revised policy states that when the Department grants a borrower discharge based on a determination made by the Veteran's Administration (VA), the effective date is the date of the VA determination that the borrower is unemployable due to a service-connected disability. Revised policy also states that when the Department grants a borrower discharge based on documentation from the Social Security Administration (SSA), the effective date is the date the Department receives the borrower's SSA documentation of Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits. Lastly, revised policy states that when the Department grants a borrower discharge based on certification by a physician, the effective date is the date the physician's signs the borrower's TPD application.

**REASON FOR CHANGE:**  
To provide more complete information related to when total and permanent disability discharges become effective.

**PROPOSED LANGUAGE - COMMON MANUAL:**  
Revise section 13.8.G, page 48, column 1, paragraph 6, as follows:

## Discharge Requests Based on VA Determinations

...

If the Department approves the disability discharge application based on a VA determination, it will notify the borrower's loan holder(s) of the discharge. The Department also will notify each lender to file a claim with the guarantor. The borrower is not subject to the 3-year ~~conditional~~ or post-discharge monitoring period. The effective date of the discharge is the date of the VA determination that the borrower is unemployable due to a service-connected disability.

[§682.402(c)(9); §685.213(c)(2), DCL GEN-09-07/FP-09-05; Discharge Application: Total and Permanent Disability]

Revise section 13.8.G, page 48, column 2, paragraph 3, as follows:

## Discharge Requests Based on SSA Determinations

...

A borrower is eligible for loan discharge due to total and permanent disability if the borrower provides documentation from the SSA that includes a notice of award for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits. The letter must include a statement that the borrower's next scheduled disability review will occur within 5 to 7 years. The borrower is not required to provide additional documentation to support the discharge; however, the borrower is required to complete Sections 1 and 3 of the Discharge Application: Total and Permanent Disability. If approved by the Department, the discharge is effective on the date the Department receives the SSA documentation. [§682.402(c)(2)(iv)(B), and (c)(3)(i)(B); §685.213(b)(4)]

Revise section 13.8.G, page 49, column 1, paragraph 2, as follows:

#### **Discharge Requests Based on Physician Certification**

...

The borrower must submit the certification to the Department within 90 days of the date that the physician completed and certified the discharge application. If approved by the Department, the discharge is effective on the date the physician signed the TPD application. [§682.200(b); §682.402(c)(2)(iv)-(v), and (c)(3)(i)(A); §685.213(b)(1), and (b)(4); *Federal Register* dates July 23, 2009, p. 36559]

#### **PROPOSED LANGUAGE - COMMON BULLETIN:**

##### **Total and Permanent Disability Effective Dates**

The Manual is being revised to include the effective dates associated with the various types of TPD discharge that the Department may grant. Specifically, the Manual is revised to state that when the Department grants a borrower discharge based on a determination made by the Veteran's Administration (VA), the effective date is the date of the VA determination that the borrower is unemployable due to a service-connected disability. The Manual is also revised to state that when the Department grants a borrower discharge based on documentation from the Social Security Administration (SSA), the effective date is the date the Department receives the borrower's SSA documentation of Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits. Finally, the Manual is revised to state that when the Department grants a borrower discharge based on certification by a physician, the effective date is the date the physician signs the borrower's TPD application.

#### **GUARANTOR COMMENTS:**

None.

#### **IMPLICATIONS:**

*Borrower:* None.

*School:* Adds clarity for responding to questions about TPD effective dates.

*Lender/Servicer:* Adds clarity for responding to questions about TPD effective dates.

*Guarantor:* None.

*U.S. Department of Education:* None.

---

---

### **To be completed by the Policy Development and Maintenance Contractor (PDMC)**

#### **POLICY CHANGE PROPOSED BY:**

PDMC

#### **DATE SUBMITTED TO POLICY DEVELOPMENT AND MAINTENANCE CONTRACTOR:**

November 5, 2018

#### **DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:**

#### **PROPOSAL DISTRIBUTED TO:**

CM Governing Board Chair  
CM Guarantor Designees  
Interested Industry Groups and Others