



Unified Student Loan Policy

Policy Changes Approved

Batch 217: Proposals 1322

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update. These changes will also be incorporated into the Integrated *Common Manual*. The Integrated *Common Manual* is available on several guarantor websites, and it is also available on the *Common Manual's* website at <http://commonmanual.org>. Please carefully note the effective date of each policy change.

Mandatory Administrative Forbearance for Borrower Defense Claim

The *Common Manual* is being revised to include regulatory changes. New forbearance regulations require the lender to grant a mandatory administrative forbearance upon receipt of the Department's notification that the borrower has made a borrower defense claim related to a FFELP loan that the borrower intends to consolidate into the Direct Loan Program for purposes of seeking relief under the Direct Loan Borrower Defense regulations. The lender must grant forbearance in yearly increments or for a period designated by the Department until the FFELP loan is either consolidated or the lender is notified by the Department to discontinue the forbearance.

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| Affected Section(s): | 11.23.E Borrower Defense Claim Figure 11-2 Forbearance Eligibility Chart |
| Effective Date: | For mandatory administrative forbearances granted on or after October 16, 2018, unless the lender opted to implement earlier. |
| Basis: | Final Rule published in November 1, 2016 <i>Federal Register</i> (81 FR 75926); §682.211(i)(7); Dear Colleague Letter (DCL) GEN-17-01, issued January 18, 2017; <i>Federal Register</i> published February 14, 2018 (83 6458; California Association of Private Postsecondary Schools v. DeVos, __F.Supp.3d at__(2018 WL 5017749, at *16). |
| Policy Information: | 1322/Batch 217 |
| Guarantor Comments: | None |