

#	Subject	Summary of Change to Common Manual	Type of Update	Effective Date
1260	Monitoring Enrollment on PLUS Loans	<p>11.21.O Repayment Alignment</p> <p>Add that lenders must monitor the enrollment status of the dependent student on both the forbore and/or deferred PLUS loan(s) or the lender must find another basis for granting a forbearance on the non-deferred PLUS loan(s).</p>	Federal	For PLUS borrowers who have loans first disbursed prior to July 1, 2008, and subsequently obtained loans disbursed on or after July 1, 2008.
1261	Teacher Loan Forgiveness Program – Partial Discharge of a Spousal Consolidation Loan	<p>13.9.A Teacher Loan Forgiveness Program</p> <p>Clarifies that a qualified borrower’s underlying loans of a spousal Consolidation loan may be eligible for teacher loan forgiveness regardless of the status of the spouse’s underlying loans.</p>	Correction	Teacher loan forgiveness for new borrowers on or after October 1, 1998.

Batch 183 (Approved)

COMMON MANUAL – FEDERAL POLICY PROPOSAL

Date: January 19, 2012

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
x	APPROVED	with no changes	Jan 19

SUBJECT: Monitoring Enrollment on PLUS Loans

AFFECTED SECTIONS: 11.21.O Repayment Alignment

POLICY INFORMATION: 1260/Batch 183

EFFECTIVE DATE/TRIGGER EVENT: For PLUS borrowers who have loans first disbursed prior to July 1, 2008, and subsequently obtained loans disbursed on or after July 1, 2008.

BASIS:

§682.211(f)(15); private letter guidance from Pam Moran of the Department of Education.

CURRENT POLICY:

Current policy states that a lender may grant an administrative forbearance on a borrower's PLUS loan(s) that was first disbursed prior to July 1, 2008, to align repayment with a PLUS loan(s) that was disbursed on or after July 1, 2008, that received an in-school or post-enrollment deferment.

REVISED POLICY:

Revised policy adds that a lender must monitor the enrollment status of the dependent student on both the forborne and/or deferred PLUS loan(s) or the lender must find another basis for granting a forbearance on the non-deferred PLUS loan(s).

REASON FOR CHANGE:

This policy is necessary to implement monitoring of the dependent's enrollment status if a forbearance was granted to align repayment for a PLUS loan borrower who has a loan(s) first disbursed prior to July 1, 2008 and also has a PLUS loan(s) disbursed on or after July 1, 2008.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 11.21.O, page 37, column 2, paragraph 4, as follows:

Aligning Repayment of a PLUS Loan Not Eligible for a Post-Enrollment Deferment with Another PLUS or Stafford Loan

A lender may grant an administrative forbearance on a borrower's PLUS loan(s) that was first disbursed prior to July 1, 2008, to align repayment with either of the following:

- ...
- ...

When granting an administrative forbearance in this situation, the lender must notify the borrower that forbearance has been granted on the PLUS loan(s). The notice must inform the borrower that he or she may cancel the forbearance and continue paying on the PLUS loan(s). If a forbearance is granted based on the dependent student's enrollment to align PLUS loan repayment, the lender must monitor the dependent student's enrollment status for both the forborne and deferred PLUS loan(s) or the lender must find an alternative basis for granting a forbearance on the pre-July 1, 2008 PLUS loan(s) that is not eligible for deferment. [§682.211(f)(15)]

PROPOSED LANGUAGE - COMMON BULLETIN:

Monitoring Enrollment on PLUS Loans

The *Common Manual* is updated to implement enrollment monitoring in cases where a forbearance is granted to align PLUS loan repayment. If a forbearance is granted based on the dependent student's enrollment to align PLUS loan repayment, the lender must monitor the dependent student's enrollment status for both the forborne and deferred PLUS loan(s) or the lender must find an alternative basis for granting a forbearance on the pre-July 1, 2008 PLUS loan(s) that is not eligible for deferment.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A PLUS borrower's repayment status will be dependent on the student's enrollment status.

School:

None.

Lender/Servicer:

A lender must monitor a dependent student's enrollment status on certain PLUS loans.

Guarantor:

A guarantor may need to amend its program review procedures.

U.S. Department of Education:

The Department may need to amend its program review procedures.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

August 3, 2010

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

January 12, 2012

PROPOSAL DISTRIBUTED TO:

CM Policy Committee

CM Guarantor Designees

Interested Industry Groups and Others

CM Governing Board Representatives

Comments Received from:

AES/PHEAA, ASA, FAME, Great Lakes, HESC(NY), MGA, NASFAA, NCHELP, NSLP, OCAP, PPSV, SCSLC, SLSA, TG, TSAC, USA Funds, and VSAC.

Responses to Comments

Many commenters supported this proposal as written. 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 proposal be tabled until the private guidance is forwarded to all guarantors for review.

Response:

The Committee appreciates the commenter's concern. However, longstanding procedures have been in place regarding distribution of private letters by the Committee. On occasions, the Committee uses private letters, endorsed by Department officials, to substantiate all or some part of a policy proposal. As a practice, these letters are not distributed to the *Common Manual* community. However, any community participant may contact the Committee Chair to receive a copy of such a letter.

Change:

None.

ly/edited-chh

COMMON MANUAL - CORRECTION POLICY PROPOSAL

Date: January 19, 2012

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Jan 19

SUBJECT: Teacher Loan Forgiveness Program—Partial Discharge of a Spousal Consolidation Loan

AFFECTED SECTIONS: 13.9.A Teacher Loan Forgiveness Program

POLICY INFORMATION: 1261/Batch 183

EFFECTIVE DATE/TRIGGER EVENT: Teacher loan forgiveness for new borrowers on or after October 1, 1998.

BASIS:

Federal Register dated August 6, 2002; private letter guidance from Pam Moran of the Department of Education dated August 16, 2011.

CURRENT POLICY:

Current policy implies, but does not specifically address, the Department's forgiveness of a qualified borrower's underlying loans of a spousal Consolidation loan.

REVISED POLICY:

Revised policy clarifies that a qualified borrower's underlying loans of a spousal Consolidation loan may be eligible for teacher loan forgiveness regardless of the status of the spouse's underlying loans.

REASON FOR CHANGE:

The Manual is being amended to clarify that a qualified borrower's underlying loans of a spousal Consolidation loan may be eligible for teacher loan forgiveness regardless of the status of the spouse's underlying loans.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 13.9.A, page 59, column 1, paragraph 3, as follows:

Under this program, the Department repays a maximum of \$5,000 or \$17,500, as applicable, (combined total for loans obtained under both the FFELP and the FDLP) of a qualified borrower's Stafford loan obligations, and Consolidation loan obligations (including a spousal Consolidation loan) to the extent that a Consolidation loan repaid a borrower's qualifying Stafford loan(s). In the case of a spousal Consolidation loan, the status of the spouse's underlying loans does not impact the qualified borrower's eligibility for forgiveness. No borrower may receive benefit for the same qualifying period of teaching service under both the Teacher Loan Forgiveness Program and the Public Service Loan Forgiveness Program, the Loan Forgiveness Program for Service in Areas of National Need, or subtitle D of Title I of the National and Community Service Act of 1990 (AmeriCorps).
[§HEA 428J(g)(2); §682.216(a) and (c)(9); DCL GEN-05-02/FP-05-02; DCL GEN-08-12/FP-08-10]

Revise Subsection 13.9.A, page 63, column 2, paragraph 2, as follows:

FFELP Teacher Loan Forgiveness Request Form

The FFELP Teacher Loan Forgiveness Request form is designed to be used by a lender to request payment for all or a portion of the balance on a Stafford loan or a Consolidation loan (including a spousal Consolidation loan) with an eligible underlying Stafford loan(s) that is eligible for teacher loan forgiveness. In the case of a spousal Consolidation loan, the status of the spouse's underlying loans does not impact the qualified borrower's eligibility for forgiveness.

PROPOSED LANGUAGE - COMMON BULLETIN:

Teacher Loan Forgiveness Program—Partial Discharge of a Spousal Consolidation Loan

The *Common Manual* has been revised to clarify that a qualified borrower's underlying loans of a spousal Consolidation loan may be eligible for teacher loan forgiveness regardless of the status of the spouse's

underlying loans.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

None.

School:

None.

Lender/Servicer:

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:

August 23, 2011

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

January 12, 2012

PROPOSAL DISTRIBUTED TO:

CM Policy Committee

CM Guarantor Designees

Interested Industry Groups and Others

CM Governing Board Representatives

Comments Received from:

AES/PHEAA, ASA, Great Lakes, HESC(NY), MGA, NASFAA, NCHELP, NSLP, OCAP, PPSV, SCSLC, SLSA, TG, TSAC, USA Funds, and VSAC.

Responses to Comments

Many commenters supported this proposal as written. 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 proposal be tabled until the private guidance is forwarded to all guarantors for review.

Response:

The Committee appreciates the commenter's concern. However, longstanding procedures have been in place regarding distribution of private letters by the Committee. On occasions, the Committee uses private letters, endorsed by Department officials, to substantiate all or some part of a policy proposal. As a practice, these letters are not distributed to the *Common Manual* community. However, any community participant may contact the Committee Chair to receive a copy of such a letter.

Change:

None.

ma/edited-kk