

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* released in April 2012. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on the *Common Manual's* website at www.commonmanual.org. Please carefully note the effective date of each policy change.

Transition to Three-Year Cohort Default Rates

The *Common Manual* is being revised to conform to final rule changes published in the Federal Register dated October 28, 2009, outlining the transition from the two-year cohort default rates to a three-year cohort default rate.

Affected Sections:	4.2 Administrative Capability Standards 16.1 Overview of Cohort Default Rates and Terminology 16.3 School Draft Cohort Default Rates and Challenges 16.4 School Official Cohort Default Rates, Adjustments, and Appeals 16.4.B School Appeals 16.5 Consequences of High Official Cohort Default Rates For Schools
Effective Date:	Expansion of the cohort default period from a two-year period to a three-year period beginning with fiscal year 2009.
Basis:	HEA §435(a); §668.16(m)(1); §668.181; §668.200; §668.202; §668.204; §668.206; §668.214; <i>Federal Register</i> dated October 28, 2009, pp. 55638-55639; 2011 Cohort Default Rate Guide.
Policy Information:	1263/Batch 185
Guarantor Comments:	None.