

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 June 2013. 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](http://www.commonmanual.org). Please carefully note the effective date of each policy change.

**Administrative Forbearance under Income-Based Repayment (IBR)**

The *Common Manual* has been revised to include a new administrative forbearance that a lender may grant under income-based repayment. The lender may grant this forbearance if all of the following apply:

- The lender received the borrower's income information more than 10 days after the specified annual deadline.
- The borrower's monthly payment amount is recalculated to the permanent-standard amount.
- The new income-based monthly payment amount is zero or is less than the borrower's previously calculated income-based monthly payment amount.

When permitted, the lender may grant an administrative forbearance with respect to payments that are overdue or would be due at the time the new calculated income-based monthly payment amount is determined. The lender may not capitalize interest that accrues during the portion of this administrative forbearance period that covers payments due after the end of the prior annual payment period.

**Affected Sections:** 11.21 Administrative Forbearance  
Figure 11-2

**Effective Date:** For administrative forbearances granted under the income-based repayment provisions, on or after July 1, 2013, unless implemented by the lender no earlier than November 1, 2012.

**Basis:** §682.211(f)(16); §682.215(e)(9); §682.221(e)(9).

**Policy Information:** 1287/Batch 195

**Guarantor Comments:** None.

**Revised Total and Permanent Disability (TPD) Discharge Process**

The *Common Manual* is being revised to describe the new policies and processes by which the Department will make future determinations of a borrower's, endorser's, or comaker's eligibility for a loan discharge based on total and permanent disability. Revised policy describes how lenders will refer all borrower inquiries and correspondence regarding the TPD process to the Department, and how the Department will instruct the lender when to suspend collection activity and when to file a claim with the guarantor. Revised policy amends the claim documentation requirements and explains the 45-day claim payment time frame for all TPD claims. Previously only TPD claims based on a determination by the Veterans Administration were held to a 45-day claim payment time frame.

Revised policy adds to the TPD documentation process the use of certain disability determinations made by the Social Security Administration. A borrower may be considered totally and permanently disabled for purposes of the FFELP if the borrower submits documentation from the Social Security Administration 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 or 7 years.

Revised policy also eliminates language about TPD policies and processes that are no longer applicable, and makes other technical changes and updates to existing language.

**Affected Sections:**           **12.5.A    Default Aversion Assistance Request (DAAR)**  
                                  **13.1.D    Claim File Documentation**  
                                  **13.3      Claim Purchase or Discharge Payment**  
                                  **13.6.A    Default Claims**  
                                  **13.8.G    Total and Permanent Disability**

**Effective Date:**           Total and permanent disability (TPD) discharge applications received by the loan holder on or after July 1, 2013.

Notification that the borrower claims to be totally and permanently disabled received by the loan holder on or after July 1, 2013.

TPD notifications from the Department received by the loan holder on or after July 1, 2013.

**Basis:**                       §682.402(c); §682.402(g)(1)(iv).

**Policy Information:**    1288/Batch 195

**Guarantor Comments:**   None.

### **HEROES Waivers Updates**

The *Common Manual* has been revised to reflect the extension of the HEROES Act provisions and changes to those provisions that were included in the September 27, 2012, *Federal Register*.

Revisions remove the requirement that a school eliminate from its calculation of the amount of funds it returns as “unearned funds,” the amount of any charges that the school is required to cover, and has covered, with non-Title IV sources of aid.

Also, lenders no longer may waive certain requirements related to the Armed Forces deferment option because amended deferment rules provide for more expansive deferment options under other deferment types.

However, lenders must waive the annual reevaluation documentation requirement for borrowers repaying under an income-based repayment plan if the borrower cannot document income or family size due to his or her status as an affected individual. The lender must maintain the payment amount determined under the most recent PFH calculation for any affected individual if the borrower’s status as an affected individual results in his or her inability to provide documentation of updated income and family size. The waiver persists for a three-year period followed by a three-month transition period.

**Affected Sections:**           **H.4.B    HEROES Act Waivers**  
                                  **Figure H-2**

**Effective Date:**           September 27, 2012.

**Basis:**                       *Federal Register*, Vol 77, Number 188, published September 27, 2012, pages 59311-59318.

**Policy Information:**    1289/Batch 195

**Guarantor Comments:**   None.