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 www.commonmanual.org. Please carefully note the effective date of each policy change.

### Determining Current-Year and Prior-Year Charges

The July 2010 Common Manual has been revised to clarify that for the purpose of determining whether a school may pay minor, prior-year charges with Title IV funds from the current year, the costs of education and other services a school provides to a student are associated with the "year" for which they are provided. If a student's aid package includes a FFELP or Direct loan, the “year” is the loan period. “Current-year” charges are charges for tuition, fees, room and board, and other educationally related activities that the school assessed for the current loan period. “Prior-year” charges are those charges assessed for any loan period that precedes the current loan period. If the student does not have a FFELP or Direct loan, the “year” is the award year, and costs for the current year are defined as charges for education and services provided during the current award year.

If a school charges, at the beginning of a program, the total costs of a program that is more than the current loan period or award year, as appropriate, the school must apportion the program’s total charges to each applicable “year”. Institutional charges allocated to each year or portion of a year would be based on the education and services the school provides to the student during the period of time associated with each year or portion of a year. This apportionment determines the amount of charges applicable to the current and prior years. Charges for books, equipment, supplies, or other materials could be allocated on a pro rata basis, or alternatively, could be allocated to the period in which the school requires the student to purchase them. The school must also use the portion of the program’s total charges that it allocates to each “year” for the purpose of determining whether the student has a credit balance of Title IV funds.

The allocation of charges for the purposes of paying minor, prior-year charges and determining when a credit balance has been created on the student's account does not modify the calculation of cost of attendance for determining a student's financial aid package, nor does it modify the return of Title IV funds calculation.

<table>
<thead>
<tr>
<th>Affected Sections:</th>
<th>6.5 Determining the Student's Cost of Attendance (COA)</th>
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<tbody>
<tr>
<td></td>
<td>8.7.I Delivery Methods</td>
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<td>8.8 Managing Credit Balances</td>
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**Effective Date:** Prior-year charges paid by a school with current-year funds on or after September 8, 2009.

**Basis:** §668.164(d)(2) and (e); DCL GEN-09-11; 09-10 FSA Handbook, Volume 4, Chapter 1, pp. 4-11 to 4-14.

**Policy Information:** 1213/170

**Guarantor Comments:** None.

### 30-Day Payment Due Date Extension for PLUS Loans

Based on final rules published in the Federal Register dated October 29, 2009, the July 2010 Common Manual has been revised to state that the first payment due date on a PLUS loan may be extended for an additional 30 days if an extension is necessary for the lender to comply with the requirement that a repayment disclosure be sent to the borrower no less than 30 days before the first payment is due.

| Affected Sections: | 10.5.B PLUS and SLS Loan First Payment Due Date |

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10.5.D Revised Out-of-School Dates before Conversion to Repayment
11.1.I Establishing Repayment after Deferment
11.6.D Summer Bridge Extension
11.20.J Establishing Repayment after Forbearance

Effective Date: Plus loans that enter or reenter repayment on or after July 1, 2010.
Basis: §682.209(a)(2)(v).
Policy Information: 1214/170
Guarantor Comments: None.

Definition of Institution-Affiliated Organization
Based on final rules published in the Federal Register dated October 28, 2009, the July 2010 Common Manual has been revised to clarify the glossary definition of “institution-affiliated organization.” An institution-affiliated organization does not include a lender with respect to any education loan the lender secures, makes, or otherwise extends to the school’s students or their families.

Affected Sections: Appendix G
Effective Date: July 1, 2010.
Basis: §601.2 Definition of Institution-Affiliated Organization.
Policy Information: 1215/170
Guarantor Comments: None.

Remitting Consolidation Loan Rebate Fee Payments
The July 2010 Common Manual has been updated with the online payment option for remitting the monthly Consolidation loan rebate fee through Federal Student Aid’s Financial Management System by using the Pay.gov functionality.

The Manual has also been updated with the following address for remitting the monthly fee by check payments mailed to the:

U.S. Department of Education
P.O. Box 979066
St. Louis, MO 63197-9000

Affected Sections: 15.7 Interest Payment Rebate Fee
Effective Date: Effective for Consolidation loan rebate fee payments made by:
• Automated Clearinghouse (ACH) on and after September 9, 2007.
• Check on and after October 1, 2007.
Policy Information: 1217/170
Guarantor Comments: None.

Lender Disbursement
The July 2010 Common Manual has been updated to remove redundant and incomplete information about rules that a school must use in establishing a disbursement schedule from text that addresses lender disbursement. Existing Manual text makes it clear that the school, not the lender, is the party responsible for establishing the disbursement schedule. Revised policy preserves existing cross-references for the lender to Section 6.4 for detailed information about the rules a school must use to schedule disbursements, and to Figure 8-4 for more information about the earliest dates than loan funds may be disbursed and delivered.
Affected Sections: 7.7.A Earliest Date for Disbursement
Effective Date: Upon approval by the Common Manual Governing Board.
Basis: §682.207.
Policy Information: 1218/170
Guarantor Comments: None.