

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.

Incentive Compensation

The *Common Manual* has been revised to conform to a final rule change published in the *Federal Register* dated October 29, 2010. This change prohibits schools from paying or providing an incentive based on securing enrollment or the awarding of financial aid and applies not only to employees actually engaged in student recruitment, admission activities, and/or the awarding of financial aid, but also to any higher level employees with responsibilities for those area. The previous "safe harbors" for incentive compensation payments have been removed. The definition of "commissioned salesperson" has been removed from the Glossary.

Affected Sections: 4.1.A Establishing Eligibility
Appendix G

Effective Date: Incentive compensation provided by a school to a person or entity on or after July 1, 2011.

Basis: §668.14(b)(22).

Policy Information: 1232/175

Guarantor Comments: None.

Evaluating the Validity of a Student's High School Completion

The *Common Manual* has been revised to include a new administrative capability standard published as a final rule in the *Federal Register* dated October 29, 2010. A school must develop and follow procedures to evaluate the validity of a student's claim of high school completion if the school or the Department has reason to believe that the student's high school diploma is not valid or the student obtained a diploma from an entity that does not provide secondary school education. This requirement does not apply to a student who receives a secondary education in a home school setting that is treated as a home or private school under applicable state law.

Affected Sections: 4.2 Administrative Capability Standards
5.9 Required High School Diploma or Equivalent

Effective Date: Determinations by a school or the Department that a student's claim of high school completion is suspect on or after July 1, 2011, beginning with applicants who complete a FAFSA for the 2011-2012 award year.

Basis: §668.16(p); *Federal Register* dated October 29, 2010, pp. 66888 to 66889.

Policy Information: 1233/175

Guarantor Comments: None.

Loan Limits and Progressing from Undergraduate to Graduate Grade Levels

The *Common Manual* has been revised to consolidate into a single subsection with applicable subheadings, the Stafford annual loan limit changes that are allowed as a student progresses from an undergraduate to a graduate grade level in a regular or dual-degree program.

Affected Sections: 6.11.A Stafford Annual Loan Limits
Effective Date: For general grade level changes, retroactive to the implementation of the *Common Manual*.

For grade level changes in a dual-degree program, July 1, 2008, unless implemented by the school no earlier than November 1, 2007.

Basis: §668.2(b); FSA 09-10 Application and Verification Guide, Chapter 2, p. 13, and Volume 3, Chapter 6, pp. 3-104 and 3-113 through 3-115.

Policy Information: 1234/175

Guarantor Comments: None.

Withdrawal Dates at a School That Is Required to Record Attendance

The *Common Manual* has been updated to include final rules published in the October 29, 2010, *Federal Register*. For a school that is required to record attendance, the withdrawal date is the student's last recorded date of academic attendance as determined by the school from its attendance records. A school is considered to be required to record attendance if any of the following conditions exist:

- An outside entity (e.g., an accrediting agency or state regulatory agency) requires the school to record attendance. If an outside entity requires a student to self-certify attendance directly to that entity, the school is considered one that must record attendance for the student—and the school must use the student's attendance record to determine the student's withdrawal date—*only* if the school must verify the student's self-certification.
- The school requires its instructors to take attendance. A school that requires its faculty to take attendance at the program, department, or school level must use those attendance records to determine the date of a student's withdrawal. However, if a faculty member chooses to take attendance but the school does not require the faculty member to do so, the school is not required to use the faculty member's voluntary attendance records to establish the student's withdrawal date.
- The school or an outside entity has a requirement that can only be met by recording attendance or using a comparable process. This includes, but is not limited to, requiring that students in a program demonstrate attendance in the classes of that program or a portion of the program.

If either the school requires its instructors or an outside entity requires the school to record attendance for a limited period of time, the school must use its attendance records to determine the withdrawal date for a student who ceases attendance during that limited period. If the school can document the student's attendance through the period of time during which the school records attendance but the student subsequently ceases attendance, the school must determine the student's withdrawal date according to the requirements for a school that is not required to record attendance.

If either the school requires its instructors or an outside entity, (e.g., a state workforce development agency), requires the school to record attendance for a specific group of students, the school must use its attendance records to determine the withdrawal date for only that specific group of students.

If either the school requires its instructors or an outside entity requires a school to take attendance on only one specified day to meet a census reporting requirement, the school is not considered one that is required to record attendance.

Affected Sections: 9.4 Withdrawal Dates
Effective Date: Students who withdraw on or after July 1, 2011.
Basis: §668.22(b)(3); *Federal Register* dated October 29, 2010, p. 66897.
Policy Information: 1235/175
Guarantor Comments: None.