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 Common Manual's website at www.commonmanual.org. Please carefully note the effective date of each policy change.

Student Eligibility and Source Data
The Common Manual has been revised to clarify that, in addition to paper documentation, a school can rely upon information accessed directly from a loan holder's database, or a third-party's Web-based product that displays a loan holder's real-time data, as documentation that satisfactory repayment arrangements have been made on a defaulted loan, that a loan is no longer in default, or that eligibility problems created by excessive borrowing have been resolved.

Affected Sections: 5.2.E Prior Default
5.5 Effect of Exceeding Loan Limits on Eligibility
Effective Date: Title IV eligibility determinations made by a school on or after June 22, 2006.
Policy Information: 924/Batch 138
Guarantor Comments: None.

Academic Year Definition
The Common Manual has been updated to incorporate changes derived from the Higher Education Reconciliation Act of 2005 and the final regulations published November 1, 2006. This change corrects the minimum academic year requirement for a program of study measured in clock hours from 30 weeks to 26 weeks in figure 6-1 and in the appendix G definitions of "Academic Year" and "One-Academic-Year Training Program." The policy also removes language which stated that an academic year begins on the first day of classes and ends on the last day of classes or examinations and inserts text to state that, for the purposes of defining the academic year, a week of instructional time is any consecutive 7-day period in which the school provides at least one day of regularly scheduled classes or examination, or after the last scheduled day of classes for a term or payment period, at least one day of study for final examinations. Instructional time does not include periods of orientation, counseling, vacation, or homework.

Affected Section: 6.1 Defining an Academic Year
Figure 6-1
appendix G
Effective Date: The reduction in the minimum number of weeks in an academic year for a clock-hour program is effective for periods of enrollment beginning on or after July 1, 2006. The deletion of the phrase “begins on the first day of classes and ends on the last day of classes or examinations” from the definition of “academic year” is effective September 8, 2006.
Policy Information: 925/Batch 138
Guarantor Comments: None.
Rehabilitation of Defaulted FFELP Loans
The Common Manual has been updated to remove references to a borrower being required to first make satisfactory repayment arrangements in order to rehabilitate a defaulted loan. Also, policy has been updated to acknowledge that a borrower who has been convicted of, or has pled nolo contendere or guilty to a crime involving fraud in obtaining Title IV funds may not rehabilitate that loan. These changes align the manual’s text with current regulations regarding criteria for a borrower to rehabilitate his or her loan.

Affected Section: 13.7 Rehabilitation of Defaulted FFELP Loans
appendix G

Effective Date: Regarding the disconnection between satisfactory repayment arrangements and loan rehabilitation: Loan rehabilitation eligibility determinations made on or after July 1, 2006.

Regarding a borrower who has been convicted of, or has pled nolo contendere or guilty to, a crime involving fraud in obtaining Title IV funds: Loan rehabilitation eligibility determinations made on or after September 8, 2006.


Policy Information: 926/Batch 138
Guarantor Comments: None.

Teacher Loan Forgiveness
The Common Manual has been updated to reflect current regulations regarding qualifying schools for the Teacher Loan Forgiveness Program by adding that an elementary or secondary school operated by the Bureau of Indian Affairs (BIA) or operated on an Indian reservation by an Indian tribal group under contract with the BIA qualifies as a qualifying school.

Affected Section: 13.9.B Teacher Loan Forgiveness Program

Effective Date: Teacher loan forgiveness determinations made by the lender on or after September 8, 2006. Lenders may implement this provision on or after July 3, 2006.


Policy Information: 927/Batch 138
Guarantor Comments: None.

Effects of Unallocated Consolidation Amounts on New Stafford Loan Eligibility
The Common Manual has been revised to remove the requirement that a financial aid administrator investigate whether the unallocated amount of a Consolidation loan might impact a student’s aggregate loan limit and eligibility for additional Stafford loans.

Affected Section: 6.11.G Effects of Consolidation Loan on New Stafford Loan Eligibility

Effective Date: January 2006.

Basis: Dear Colleague Letter GEN-96-13, Q&A #13 and #14; NSLDS Newsletter Number 11, February 2006.

Policy Information: 928/Batch 138
Guarantor Comments: None.