



Unified Student Loan Policy

**Policy Update Proposals – Action Required
Comments due Friday, December 27, 2019**

To: *Common Manual* Governing Board Representatives
Interested Industry Groups and Others

From: Benjamin Lee
Common Manual Policy Development and Maintenance Contractor (PDMC)

Re: *Common Manual* Policy Update
Batch 219: Proposal #1330

Date: December 6, 2019

The PDMC issues **Batch 219** for review and comment.

Policy 1330 is a federal policy proposal and is intended to align *Common Manual* text with federal regulations and other federal publications.

Policy updates are distributed to all guarantors and others in the FFELP community for the opportunity to comment before Governing Board review and approval.

Please review the policy update and provide written comments by Friday, December 27, 2019 to:

Benjamin Lee
Ascendium Education Solutions, Inc.
policy@ascendiumeducation.org

If you have any questions about the enclosed proposal please contact Benjamin Lee via phone at 608-733-2575 or via email at policy@ascendiumeducation.org.

Enclosures:

Policy Proposal Transmittal
Common Manual Policy Proposal #1330

Common Manual Policy Proposal Batch 219 Transmittal**December 6, 2019**

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1330	Income-Based Repayment Request as a Cure	Revised policy incorporates confirmation from the Department and clarifies that a signed IDR request qualifies as a curing instrument.	Federal	Income-Driven Repayment (IDR) Plan Requests received after October 28, 2019

Batch 219 (Out for Comment)

COMMON MANUAL – FEDERAL POLICY PROPOSAL

Date: December 6, 2019

X	DRAFT	Comments Due	Dec. 27, 2019
	FINAL	Consider at GB meeting	
	APPROVED	With Changes/No Changes	

SUBJECT: Income-Based Repayment Request as a Cure

AFFECTED SECTIONS: 14.5 Cures and Reinstatement of the Guarantee

POLICY INFORMATION: V002/1330/Batch 219

EFFECTIVE DATE/TRIGGER EVENT: Income-Driven Repayment (IDR) Plan Requests received after October 28, 2019

BASIS:
Private letter guidance from the Department (Jon Utz) dated October 28, 2019.

CURRENT POLICY:
Current policy is silent as to whether a signed IDR request qualifies as a signed repayment agreement for purposes of curing a lost guarantee.

REVISED POLICY:
Revised policy incorporates confirmation from the Department and clarifies that a signed IDR request qualifies as a curing instrument.

REASON FOR CHANGE:
Private letter guidance from the Department that confirms IDR requests qualify as a curing instrument.

PROPOSED LANGUAGE - COMMON MANUAL:
Revise Subsection 14.5, column 2, page 10, paragraph 4 as follows:

Receipt of a New Signed Repayment Agreement

For the lender's receipt of a new repayment agreement (original, photocopy, or facsimile), which includes an Income-Driven Repayment (IDR) Plan Request, signed by the borrower to constitute a cure, both the lender and borrower must agree to the terms. Furthermore, the terms of the new agreement must comply with the applicable repayment limitation and minimum annual payment requirement, unless it is an IDR Request. If the borrower signs the agreement but makes immaterial alterations (for example, changes to his or her name, Social Security number, or address), the lender must review the changes and make the necessary alterations to the account, but may consider the account cured.

[§682.209(a)(8), Appendix D, I.D.]

PROPOSED LANGUAGE - COMMON BULLETIN:

IDR Request as a Cure

The *Common Manual* has been updated to clarify that a signed Income-Driven Repayment Plan Request qualifies as a repayment agreement for purposes of curing a loan that has lost its guarantee.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower: None.

School: None.

Lender/Servicer: Lenders can cure loans that have lost their guarantee by receiving a signed Income-Driven Repayment Plan Request from the borrower.

Guarantor: Guarantors will accept a signed Income-Driven Repayment Plan Request as a curing instrument in the same manner as any other signed repayment agreement.

U.S. Department of Education: None.

To be completed by the Policy Development and Maintenance Contractor (PDMC)

POLICY CHANGE PROPOSED BY:

PDMC

DATE SUBMITTED TO POLICY DEVELOPMENT AND MAINTENANCE CONTRACTOR:

June 29, 2018

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:

CM Governing Board Chair

CM Guarantor Designees

Interested Industry Groups and Others