



Unified Student Loan Policy

**Policy Update Proposals –Action Required
Comments due Friday, October 23, 2020**

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

From: Nancy Masten
Common Manual Policy Development and Maintenance Contractor (PDMC)

Re: *Common Manual* Policy Update
Batch 222: Proposal #1333

Date: October 2, 2020

The PDMC issues **Batch 222** for review and comment.

Policy 1333 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, October 23, 2020 to:

Nancy Masten
Ascendium Education Solutions, Inc.
policy@ascendiumeducation.org

If you have any questions about the enclosed proposal please contact Nancy Masten via phone at 608-733-2581 or via email at policy@ascendiumeducation.org.

Enclosures:

Policy Proposal Transmittal
Common Manual Policy Proposal #1333

Common Manual Policy Proposal Batch 222 Transmittal**October 2, 2020**

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1333	Tax-Exempt Organization Volunteer Deferment	11.16.A Eligibility Criteria – Tax-Exempt Organization Volunteer The Common Manual has been revised to no longer prohibit a borrower giving religious instruction, conducting worship services, engaging in religious proselytizing, or engaging in fundraising to support religious activities from qualifying for the tax-exempt organization volunteer deferment.	Federal	For deferment requests received by a lender/servicer on or after July 1, 2021, unless implemented earlier by the guarantor.

Batch 222 (Out for Comment)

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: October 2, 2020

X	DRAFT	Comments Due	10/23/2020
	FINAL	Consider at GB meeting	
	APPROVED	With Changes/No Changes	

SUBJECT: Tax-Exempt Organization Volunteer Deferment

AFFECTED SECTIONS: 11.16.A Eligibility Criteria – Tax-Exempt Organization Volunteer

POLICY INFORMATION: 1333/Batch 222

EFFECTIVE DATE/TRIGGER EVENT: For deferment requests received by a lender/servicer on or after July 1, 2021, unless implemented earlier by the guarantor.

BASIS:
§682.210(m)(1)(iv) as amended in the *Federal Register* (85 FR 49798) published on August 14, 2020.

CURRENT POLICY:
Current policy states that to qualify for the tax-exempt organization volunteer deferment a borrower, as part of his or her duties, cannot give religious instruction, conduct worship services, engage in religious proselytizing, or engage in fundraising to support religious activities.

REVISED POLICY:
Revised policy no longer prohibits a borrower giving religious instruction, conducting worship services, engaging in religious proselytizing, or engaging in fundraising to support religious activities from qualifying for the tax-exempt organization volunteer deferment.

REASON FOR CHANGE:
Final Rule change to §682.210(m)(1)(iv) as published in the *Federal Register* (85 FR 49798) on August 14, 2020.

PROPOSED LANGUAGE - COMMON MANUAL:
Revise Subsection 11.16.A, Eligibility Criteria—Tax-Exempt Organization Volunteer, page 25, column 2, to remove bullet 2, as follows:

11.16.A

Eligibility Criteria—Tax-Exempt Organization Volunteer

...

To qualify for this deferment, a borrower must request it and provide the lender with a statement from an official of the volunteer program certifying:

- ...
- ...
- ...
- ...
- ~~That the borrower, as part of his or her duties, does not give religious instruction, conduct worship services, engage in religious proselytizing, or engage in fundraising to support religious activities.~~

PROPOSED LANGUAGE - COMMON BULLETIN:

Tax-Exempt Organization Volunteer Deferment

The *Common Manual* has been revised to no longer prohibit a borrower giving religious instruction, conducting worship services, engaging in religious proselytizing, or engaging in fundraising to support religious activities from qualifying for the tax-exempt organization volunteer deferment.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower: A borrower giving religious instruction, conducting worship services, engaging in religious proselytizing, or engaging in fundraising to support religious activities is no longer prohibited from qualifying for the tax-exempt organization volunteer deferment.

School: None.

Lender/Servicer: Lenders must make changes to their policies and procedures to incorporate the change in eligibility criteria for the tax-exempt organization volunteer deferment.

Guarantor: Guarantors must make changes to their policies and procedures to incorporate the change in eligibility criteria for the tax-exempt organization volunteer deferment to address questions from borrowers and lenders/servicers.

U.S. Department of Education: ED should make changes to their policies and procedures to incorporate the change in eligibility criteria for the tax-exempt organization volunteer deferment to address questions from borrowers, guarantors, and lenders/servicers.

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

POLICY CHANGE PROPOSED BY:

Navient

DATE SUBMITTED TO POLICY DEVELOPMENT AND MAINTENANCE CONTRACTOR:

August 17, 2020

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:

CM Guarantor Designees
Interested Industry Groups and Others