

Common Manual Policy Proposal Batch 222 Transmittal**November 19, 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 (Approved)

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: November 12, 2020

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	No Changes	November 19, 2020

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/Service: 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/service.

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/service.

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:

November 12, 2020

PROPOSAL DISTRIBUTED TO:

CM Governing Board
CM Guarantor Designees
Interested Industry Groups and Others

Comments Received from:

MDHEWD, NCHER, PPSV, UHEAA, VSAC

Responses to Comments

All commenters supported the proposal as written.