



*Unified Student Loan Policy*

## Policy Changes Approved

Batch 228: Proposal 1341

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. The *Common Manual* is available on several guarantor websites, and also available on the *Common Manual's* website at <http://commonmanual.org>. Please carefully note the effective date of each policy change.

### Special Allowance Rates

The Manual is being updated to clarify that if a lender is charging a reduced rate based on the Servicemember Civil Relief Act (SCRA) and the loan was disbursed on or after July 1, 2008, the interest rate used for calculating special allowance payments is the 6% rate. The Manual is also being revised in Appendix A and related Figures to explain the use of the London Interbank Offered Rate (LIBOR) and the replacement Secured Overnight Financing Rate (SOFR) rates for calculating special allowance rates. It is also being revised to update information and references related to submitting the Lender's Interest and Special Allowance Request and Report (LaRS) form.

<b>Affected Section(s):</b>	Appendix A Interest Benefits and Special Allowance Figure A-1 Special Allowance Formulas Figure A-3 Excess Interest Formulas Figure A-5 LaRS Special Allowance and Interest Rate Reporting for FFELP Loans
<b>Effective Date:</b>	Lender's Interest and Special Allowance Request and Reports (LaRS reports) submitted for quarters ending on or after July 1, 2023.
<b>Basis:</b>	Consolidated Appropriations Act, 2012 (Pub. L. 112-74); Adjustable Interest Rate (LIBOR) Act, as part of the Consolidated Appropriations Act, 2022 (Pub. L. 117-103); HEA 438(b)(2)(I); 34 CFR 682.302(h); Dear Colleague Letter (DCL) GEN-22-12; LaRS form.
<b>Policy Information:</b>	228/1341
<b>Guarantor Comments:</b>	None.