



Unified Student Loan Policy

{Out for Comment}

**Policy Update Proposals –Action Required
Comments due Friday, June 6, 2025**

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 231: Proposals #1345 & 1346

Date: May 16, 2025

The PDMC issues **Batch 231** for review and comment.

Policies 1345 & 1346 are federal policy proposals and are 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 updates and provide written comments by Friday, June 6, 2025, to:

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

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

Enclosures:

Policy Proposal Transmittal
Common Manual Policy Proposals #1345 & 1346

Common Manual Policy Proposal Batch 231 Transmittal**May 16, 2025**

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1345	Income Based Repayment (IBR)	Revised policy reverts back to the prior policy that includes the borrower's spouse in the family size for married borrowers regardless of tax filing status.	Federal	March 28, 2025
1346	Servicemembers Civil Relief Act (SCRA) Interest Rate	Revised policy clarifies that a Federal Consolidation loan is eligible for SCRA benefits as long as the borrower applied for the loan before starting active duty military service.	Federal	August 14, 2008

Batch 231 (Out for Comment)

ACOMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: May 16, 2025

X	DRAFT	Comments Due	June 6, 2025
	FINAL	Consider at GB meeting	
	APPROVED	With Changes/No Changes	

SUBJECT: Income Based Repayment (IBR)

AFFECTED SECTIONS: 10.8.D Income-Based Repayment Schedule

POLICY INFORMATION: AA001/1345/Batch 231

EFFECTIVE DATE/TRIGGER EVENT: IBR requests received on or after March 28, 2025

BASIS:

Correction declaration of James Bergeron, Acting Secretary of Education, filed on April 15, 2025, in the U.S. District Court for the District of Columbia.

Revised Income Driven Repayment Plan Request form published in the *Federal Register* dated April 8, 2025 (90 FR 15141) for emergency clearance.

ED private guidance dated May 5, 2025, directing FFELP lenders and servicers to revert back to prior definition.

CURRENT POLICY:

Current policy includes the borrower's spouse in the family size only for married borrowers filing a joint tax return.

REVISED POLICY:

Revised policy reverts back to the prior policy that includes the borrower's spouse in the family size for married borrowers regardless of tax filing status.

REASON FOR CHANGE:

Court filing by ED, revised Income Driven Repayment Plan Request form, and ED private guidance.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 10.8.D, page 18, column 2, paragraph 1, as follows:

The borrower must provide a self-certification of family size to the lender. If the borrower fails to certify family size, the lender must assume a family size of one. Family size includes the following:

- The borrower and the borrower's spouse ~~for a married borrower filing a joint tax return.~~
- The borrower's children, including unborn children who will be born during the year for which the borrower certifies family size, if the borrower provides more than half of the children's support ~~and the children are not included in the family size for any other borrower except the borrower's spouse who filed a joint tax return with the borrower.~~
- Other individuals who, at the time the borrower certifies family size, live with the borrower and receive more than half of their support from the borrower and will continue to receive this support from the borrower for the year being certified. Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs.

PROPOSED LANGUAGE - COMMON BULLETIN:

Income-Based Repayment – Definition of Family Size

The Manual is being revised to revert back to the prior regulatory definition of family size that includes the borrower's spouse in the family size for married borrowers regardless of tax filing status, and not only for married borrowers who file a joint tax return. The revision is needed due to changes made by ED on the Income Driven Repayment (IDR) Plan Request form that was issued through Notice in the *Federal Register* published on April 8, 2025 (90 FR 15141) for emergency clearance, and was confirmed by ED through private guidance to the FFELP community.

ED was required to change the policy and form due to action taken by the Eighth District Court of Appeals to enjoin the July 10, 2023, Final Rule (88 FR 43820), which had required the borrower's spouse to only be included in the family size for married borrowers who file a joint tax return.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower: Married borrowers will include their spouse in the family size certification regardless of tax filing status.

School: None.

Lender/Servicer: Lenders must implement the family size definition change for income-based repayment requests received on or after April 8, 2025.

Guarantor: None.

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:

April 15, 2025

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:**PROPOSAL DISTRIBUTED TO:**

CM Governing Board

CM Guarantor Designees

Interested Industry Groups and Others

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: May 16, 2025

X	DRAFT	Comments Due	June 6, 2025
	FINAL	Consider at GB meeting	
	APPROVED	With Changes/No Changes	

SUBJECT: Servicemembers Civil Relief Act (SCRA) Interest Rate

AFFECTED SECTIONS: 15.3.D

POLICY INFORMATION: AA002/1346/Batch 231

EFFECTIVE DATE/TRIGGER EVENT: SCRA benefits granted on Federal Consolidation loans on or after August 14, 2008

BASIS:

Dear Colleague Letter (DCL) GEN-14-16

CURRENT POLICY:

Current policy states that for purposes of determining eligibility for Servicemembers Civil Relief Act (SCRA) benefits, a Federal Consolidation loan is considered “made” when the loan is disbursed.

REVISED POLICY:

Revised policy clarifies that a Federal Consolidation loan is eligible for SCRA benefits as long as the borrower applied for the loan before starting active duty military service.

REASON FOR CHANGE:

DCL GEN-14-16

PROPOSED LANGUAGE - *COMMON MANUAL*:

Revise Subsection 15.3.D, page 10, column 1, paragraph 6, as follows:

If a Consolidation loan borrower or comaker of a joint consolidation loan is performing or has performed qualifying military service under Section 207 of the Servicemembers Civil Relief Act (SCRA), the lender must reduce the interest rate on any loan that is accruing interest at a higher rate so that it does not charge the borrower or comaker an interest rate that exceeds 6% for the period of the borrower’s qualifying military service occurring on or after August 14, 2008. The borrower is not required to provide the lender with a copy of military orders or any orders that extend his or her military service. The lender must use the official Department of Defense-maintained database, the Defense Manpower Data Center (DMDC), to identify all borrowers, endorsers, or comakers who are performing eligible military service for this interest rate reduction. The Consolidation loan must have been made before the eligible borrower entered qualifying military service. ~~The loan is considered “made” for this purpose on the date that the Consolidation loan itself was disbursed, and not the dates on which the underlying loans were disbursed.~~ For this purpose, a Consolidation loan is eligible for benefits under the SCRA as long as the borrower applied for the Consolidation loan before starting active duty military service.

[HEA §428(d); HEA §438; DCL GEN-08-12/FP-08-10; *Federal Register* dated July 23, 2009, p. 36565; §682.208(j)(1) and (2); DCL GEN-14-16]

PROPOSED LANGUAGE - COMMON BULLETIN:

Servicemembers Civil Relief Act (SCRA) Benefits for Consolidation Loans

The Manual is being updated to clarify that a Consolidation loan is eligible for SCRA benefits as long as the borrower applied for the Consolidation loan before starting active duty military service. The prior policy

stipulated that the Consolidation loan had to have been disbursed (or made) prior the eligible borrower entered qualifying military service.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower: Borrowers will receive SCRA benefits on Consolidation loans as long as the borrower applied for the Consolidation loan before starting active duty military service.

School: None.

Lender/Service: Lenders and servicers can apply SCRA benefits on Consolidation loans as long as the eligible borrower applied for the Consolidation loan before starting active duty military service.

Guarantor: None.

U.S. Department of Education: None.

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

POLICY CHANGE PROPOSED BY:

PHEAA

DATE SUBMITTED TO POLICY DEVELOPMENT AND MAINTENANCE CONTRACTOR:

May 1, 2025

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:

CM Governing Board

CM Guarantor Designees

Interested Industry Groups and Others