

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1252	Electronic Proof of Claim	<p>13.8. Bankruptcy</p> <p>Acknowledges that some lenders may file electronic documents with the bankruptcy court and requires the lender to include a copy of those electronically filed documents, such as the Proof of Claim, in any claim file that it submits to the guarantor.</p>	Guarantor	Claims filed by the lender on or after March 1, 2012 unless implemented earlier by the guarantor.
1253	Modules and R2T4	<p>8.7.G Delivery to Borrowers in Special Circumstances</p> <p>9.4 Withdrawal Dates</p> <p>Clarifies the applicability of the modular rules to both term-based and non-term-based and clock hour programs of study. This policy adds language regarding the return to Title IV (R2T4) requirement when a student enrolled in a clock hour program or a non-term credit hour program temporarily ceases enrollment and then re-enrolls with 180 days.</p> <p>Clarifies that for a term-based program of study offered in modules, if the student withdraws temporarily and misses a portion of a module or modules during a term, but returns within that period of enrollment or payment period the school is not required to recalculate the student's award.</p> <p>Clarifies that if the student who is enrolled in a program offered in modules withdraws and confirms at the time of withdrawal his or her intent to resume enrollment within the payment period or period of enrollment (for a term-based program of study) or within 45 days of the date of withdrawal (for a clock-hour or non-term credit hour program), but fails to return, the withdrawal date is the last day of the student's recorded, eligible academic attendance if the school is considered to be "required to take attendance." At a school that is not required to take attendance, normal rules apply for determining the withdrawal date.</p> <p>Clarifies that a student who ceases attendance in a credit-hour program offered in modules is <i>not</i> considered to have withdrawn if the school obtains written confirmation from the student at or close to the time of his or her withdrawal that the student will attend a subsequent module in the same program and payment period or, as applicable, period of enrollment.</p>	Federal	July 1, 2011, for students who withdraw from payment periods or periods of enrollment that begin on or after that date.
1254	Direct Consolidation Loan Program Treatment of Underpayments and Overpayments	<p>15.2 Borrower Eligibility and Underlying Loan Holder Requirements</p> <p>Adds information about the Department's policy on the treatment of underpayments and overpayments made to a borrower's underlying loan holder(s) when a borrower consolidates into the Direct Consolidation Loan Program.</p>	Federal	Underpayments and Overpayments received by loan holders from the Direct Consolidation Loan Program on or after July 1998.

COMMON MANUAL – GUARANTOR POLICY PROPOSAL

Date: August 12, 2011

X	DRAFT	Comments Due	Sep 2
	FINAL	Consider at GB meeting	
	APPROVED	with changes/no changes	

SUBJECT: Electronic Proof of Claim

AFFECTED SECTIONS: 13.8.A Bankruptcy

POLICY INFORMATION: 1252/Batch 180

EFFECTIVE DATE/TRIGGER EVENT: Claims filed by the lender on or after March 1, 2012 unless implemented earlier by the guarantor.

BASIS:
§682.402(g)(1)(v)(A).

CURRENT POLICY:
Current policy does not include an acknowledgement that some lenders will file some bankruptcy correspondence, such as the Proof of Claim, in an electronic format.

REVISED POLICY:
Revised policy acknowledges that some lenders may file electronic documents with the bankruptcy court and requires the lender to include a copy of those electronically filed documents, such as the Proof of Claim, in any claim file that it submits to the guarantor.

REASON FOR CHANGE:
This policy implements explicit, consistent processing for lenders with respect to loans on which the lender files electronic documents with the bankruptcy court.

PROPOSED LANGUAGE - COMMON MANUAL:
Revise Subsection 13.8.A, page 20, column 2, paragraph 3, as follows:

Filing a Proof of Claim

A lender must file a proof of claim with the bankruptcy court no later than 30 days after it receives the Notice—unless the Notice specifically states that a proof of claim is not required. If required, the proof of claim must be filed, even if a default claim has already been filed on the loan and the lender has not yet received payment from the guarantor. If a proof of claim is required, the lender must immediately forward a copy of the bankruptcy notification, proof of claim, and all other pertinent documents sent to or received from the bankruptcy court to the guarantor. If the lender filed any required document with the bankruptcy court in an electronic format, it must include a printed copy of that document in any claim that it submits to the guarantor. Upon claim payment, the guarantor will file a Transfer of Claim Other Than For Security form with the court to complete the transfer of the proof of claim. Once the court processes the transfer, the Notice of Transfer of Claim Other Than For Security form will be sent to the lender/servicer acknowledging the transfer of the proof of claim.
[§682.402(f)(4); §682.402(g)(1)(v)(A)]

PROPOSED LANGUAGE - COMMON BULLETIN: Electronic Bankruptcy Documents

The *Common Manual* is updated to recognize that some lenders may file electronic documents with the bankruptcy court. The lender must include a copy of those electronically filed documents, such as the Proof of Claim, in any claim file that it submits to the guarantor.

GUARANTOR COMMENTS:
None.

IMPLICATIONS:
Student/Borrower:

None.

School:
None.

Lender/Service:
A lender will be able to implement consistent policies for all guarantors with which it partners to guarantee loans.

Guarantor:
A guarantor may be required to adjust its bankruptcy claim processes.

U.S. Department of Education:
None.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:
USA Funds

DATE SUBMITTED TO CM POLICY COMMITTEE:
February 5, 2010

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:
CM Policy Committee
CM Guarantor Designees
Interested Industry Groups and Others

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COMMON MANUAL – FEDERAL POLICY PROPOSAL

Date: August 12, 2011

X	DRAFT	Comments Due	Sep 2
	FINAL	Consider at GB meeting	
	APPROVED	with changes/no changes	

SUBJECT: Modules and R2T4

AFFECTED SECTIONS: 8.7.G Delivery to Borrowers in Special Circumstances
9.4 Withdrawal Dates

POLICY INFORMATION: 1253/Batch 180

EFFECTIVE DATE/TRIGGER EVENT: July 1, 2011, for students who withdraw from payment periods or periods of enrollment that begin on or after that date.

BASIS:

Dear Colleague Letter (DCL) GEN-11-14.

CURRENT POLICY:

Current policy does not include the clarifications and guidance included in the cited DCL.

REVISED POLICY:

Revised policy clarifies the applicability of the modular rules to both term-based and non-term-based and clock hour programs of study. This policy adds language regarding the return to Title IV (R2T4) requirement when a student enrolled in a clock-hour program or a non-term credit hour program temporarily ceases enrollment and then re-enrolls within 180 days.

Revised policy also clarifies that for a term-based program of study offered in modules, if the student withdraws temporarily and misses a portion of a module or modules during a term, but returns within that period of enrollment or payment period the school is not required to recalculate the student's award. The school must re-award any funds that were returned and disburse any funds that were canceled. If, however, the student's change in enrollment status results in the student not attending an entire module for which he or she was originally scheduled, the school must re-evaluate the student's cost of attendance based on the omitted module(s) and adjust the Title IV aid eligibility prior to awarding additional funds.

Revised policy also clarifies that if the student who is enrolled in a program offered in modules withdraws and confirms at the time of withdrawal his or her intent to resume enrollment within the payment period or period of enrollment (for a term-based program of study) or within 45 days of the date of withdrawal (for a clock-hour or non-term credit hour program), but fails to return, the withdrawal date is the last day of the student's recorded, eligible academic attendance if the school is considered to be "required to take attendance." At a school that is not required to take attendance, normal rules apply for determining the withdrawal date.

Finally, revised policy clarifies that a student who ceases attendance in a credit-hour program offered in modules is *not* considered to have withdrawn if the school obtains written confirmation from the student at or close to the time of his or her withdrawal that the student will attend a subsequent module in the same program and payment period or, as applicable, period of enrollment. The school may not rely solely on the student's enrollment or registration in a subsequent module prior to his or her withdrawal unless the student registered for that subsequent module at the time he or she withdrew.

REASON FOR CHANGE:

This policy aligns policy language with the clarifications provided in DCL GEN-11-14, published July 20, 2011.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 8.7.G, page 18, column 1, paragraph 2, as follows:

Temporary Change in Enrollment Status

If, before the delivery of the proceeds of a disbursement to the student, the student temporarily ceases to be enrolled at least half time, the school may deliver the proceeds of that disbursement and any subsequent disbursement to the student if the school determines and documents in the student's file all of the following:

- That the student has resumed enrollment on at least a half-time basis.
[§682.604(b)(2)(iv)(A)]
- The student's revised cost of attendance (COA), if applicable. (If the student is returning to a term-based, credit-hour program offered in modules, see subheading "Withdrawal and Return to a Program Offered in Modules" below to determine if the school must revise the student's cost.)
[§682.604(b)(2)(iv)(B)]
- That the student continues to qualify for the entire award amount of the loan, notwithstanding any reduction in the student's COA caused by the student's temporary cessation of enrollment at least half time.
[§682.604(b)(2)(iv)(C)]

Revise Subsection 8.7.G, page 18, column 1, paragraph 3, as follows:

Withdrawal and Return to a ~~Term-Based Credit Hour~~ Program Offered in Modules

If a student withdraws from a ~~term-based credit hour~~ program offered in modules (see the Glossary definition of "module") during a payment period or, as applicable, period of enrollment, and, for a program of study offered in a term-based credit hour format, resumes enrollment in the same program before the end of the payment period or period of enrollment, or resumes enrollment within 180 days for a clock-hour program or a non-term credit hour program, the school must determine the student's eligibility to receive Title IV aid for which he or she was eligible prior to the student's withdrawal. (For a student who withdraws from a program offered in modules at a school that is not required to take attendance, see the requirements under the Subheading "Withdrawal Dates at Schools Not Required to Record Attendance.") The student is eligible to receive Title IV aid that the school or the student returned as the result of the return of Title IV funds calculation, and any Title IV aid that the school was canceled due to the student's withdrawal, if the school determines and documents the student's eligibility—and makes any required adjustments—based on both of the following:

- The student's enrollment status upon his or her return to the program.
- If applicable, the student's revised cost of attendance (COA), taking into account any reduction in the COA caused by the student's temporary cessation of attendance.
[§668.22(a)(2)(iii)(A); *Federal Register* dated October 29, 2010, p. 66894]

For a term-based program of study offered in modules, if the student withdraws temporarily and misses a portion of a module or modules during a term, but returns within that period of enrollment or payment period, the school is not required to recalculate the student's award. The school must re-award any funds that were returned and disburse any funds that were canceled. If, however, the student's change in enrollment status results in the student not attending an entire module for which he or she was originally scheduled, the school must re-evaluate the student's cost of attendance based on the omitted module(s) and adjust the Title IV aid eligibility prior to awarding additional funds.
[DCL GEN-11-14, Q&A #8]

Revise Section 9.4, page 7, column 2, paragraph 5, as follows:

Withdrawal Dates at Schools Required to Record Attendance

For a school that is required to record attendance, the withdrawal date is the student's last recorded date of academic attendance, as determined by the school from its attendance records. If a student does not resume attendance by the end of an approved leave of absence at the school, or takes a leave of absence that is not an approved leave of absence, the withdrawal date is the student's last recorded date of academic attendance.
[§668.22(b)(1); DCL GEN-98-28]

A school is considered to be required to record attendance if any of the following conditions exist:

- An outside entity (e.g., an accrediting agency or state regulatory agency) requires the school to record attendance in all classes in a program for a period of time. If an outside entity requires a student to self-certify attendance directly to that entity, the school is considered one that must record attendance for the student—and the school must use the student's attendance record to determine the student's withdrawal date—*only* if the school must verify the student's self-certification.
[§668.22(b)(3)(i)(A); *Federal Register* dated October 29, 2010, p. 66897; DCL GEN-11-14, Q&A #19]
- The school requires its instructors to take attendance in all classes in a program for a period of time. A school that requires its faculty to take attendance at the program, department, or school level must use those attendance records to determine the date of a student's withdrawal. However, if a faculty member chooses to take attendance, but the school does not require the faculty member to do so, the school is not required to use the faculty member's voluntary attendance records to establish the student's withdrawal date.
[§668.22(b)(3)(i)(B); *Federal Register* dated October 29, 2010, p. 66897; DCL GEN-11-14, Q&A #19]
- The school or an outside entity has a requirement that can only be met by recording attendance or using a comparable process. This includes, but is not limited to, requiring that students in a program demonstrate attendance in the classes of that program or a portion of the program.
[§668.22(b)(3)(i)(C)]

...

...

If either the school requires its instructors or an outside entity requires the school to take attendance on only one specified day to meet a census reporting requirement, the school is not considered one that is required to record attendance. If the program is offered in modules, the school is not considered to be required to take attendance if the requirement is to take attendance for one specified day in each module.
[§668.22(b)(3)(iv); DCL GEN-11-14, Q&A #21]

Revise Section 9.4, page 9, column 1, paragraph 1, as follows:

Official Notification of Withdrawal Not Provided by Student

If the student does not initiate the withdrawal process, the withdrawal date is one of the following:

- ...
- ...
- ...
- The date related to any of the following conditions that result in the student's withdrawal:
 - Illness.
 - Accident.
 - Grievous personal loss.
 - Death.

- Other circumstances beyond the student’s control. For instance, an administrative withdrawal is considered to be “beyond the student’s control” and the withdrawal date would be no later than the first day of the period of nonattendance that resulted in the administrative withdrawal.

[§668.22(c)(1)(iv); 10-11 FSA Handbook, Volume 5, Chapter 2, P. 5-76; DCL GEN-11-14, Q&A #7]

Revise Section 9.4, page 10, column 1, paragraph 3, as follows:

Withdrawal From a ~~Credit-Hour~~ Program Offered in Modules

A school determines if a student enrolled in a program comprised of modules is considered withdrawn and whether a return of Title IV funds calculation is necessary based on the date the student ceases attendance, the structure of the program of study, whether the student was scheduled to attend a subsequent module at the time he or she ceased attendance, and, in some cases, the student’s course grade(s) or stated intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment.

- A student enrolled in a program offered in modules is considered to have withdrawn if the student does not complete: all of the calendar days in the payment period or period of enrollment that the student was scheduled to complete.

- In the case of a credit hour program, all of the calendar days in the payment period or period of enrollment that the student was scheduled to complete.

- In the case of a clock hour program, all of the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete.

- — A course that a student officially drops prior to ceasing attendance is not considered. . . .
- — A course offered in a module that a student officially adds prior to ceasing attendance
- — A module in which the student does not enroll is not considered
- If a student enrolled in a ~~credit-hour~~ program offered in modules does not earn
- A student enrolled in a non-term-based or nonstandard term-based program offered in modules is considered to have withdrawn—regardless of whether the student notifies the school or his or her intent to withdraw—if the student is not scheduled to attend another module in the same program and payment period or, as applicable, period of enrollment that begins within not later than 45 days after the end of the module that the student last attended, unless the student is on an approved leave of absence. (See Section 9.3 for more information about leaves of absence.)
[668.22(a)(2)(i)(C); DCL GEN-11-14, Q&A #7]
- A student who ceases attendance in a ~~credit-hour~~ program offered in modules is *not* considered to have withdrawn if the school obtains written confirmation from the student at or close to the time of his or her withdrawal that the student will attend a subsequent module in the same program and payment period or, as applicable, period of enrollment. The school may not rely solely on the student’s enrollment or registration in a subsequent module prior to his or her withdrawal unless the student registered for that subsequent module at the time he or she withdrew. For a student who ceases attendance in a non-term-based or nonstandard term-based program offered in modules, the subsequent module must begin within 45 days after the end of the module that the student last attended.
[§668.22(a)(2)(ii)(A)(1) and (2); *Federal Register* dated October 29, 2010, p. 66893; DCL GEN-11-14, Q&A #3 and #4]

- A student who ceases attendance in a ~~credit-hour~~ program offered in modules and who provides written confirmation of the intent to attend . . .
- If a student who ceases attendance in a ~~credit-hour~~ program offering in modules provides written confirmation of the intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment but then fails to . .

Revise Section 9.4, page 13, column 1, paragraph 1, as follows:

Time Frames Applicable to the Date of Determination

For a student who does not provide official notification of his or her withdrawal, the school must determine the student's withdrawal date within 30 days from the earliest of:

- The end of the payment period or period of enrollment for which the student was charged.
- The end of the academic year during which the student withdrew.
- The end of the educational program from which the student withdrew.

Note: Special rules may apply to the maximum time frame for a school's determination that a student withdrew from a ~~non-term-based or nonstandard term-based~~ program offered in modules. See the subheading *Withdrawal from a ~~Credit-Hour~~ Program Offered in Modules* in this subsection for more information.

. . .

PROPOSED LANGUAGE - COMMON BULLETIN:

Return of Title IV Funds and Modules

The *Common Manual* has been revised to provide the following clarifications with respect to the newest return to Title IV (R2T4) rules, as follows:

- Adds language regarding the R2T4 requirement for a student enrolled in a clock-hour program or a non-term credit hour program who ceases enrollment in a term comprised of modules but resumes enrollment within 180 days.
- Clarifies that for a term-based program of study offered in modules, if the student withdraws temporarily and misses only a portion of a module or modules during a term, but returns within that period of enrollment or payment period, the school is not required to recalculate the student's award. The school must re-award any funds that were returned and disburse any funds that were canceled. If, however, the student's change in enrollment status results in the student not attending an entire module for which he or she was originally scheduled, the school must re-evaluate the student's cost of attendance based on the omitted module(s) and adjust the Title IV aid eligibility prior to awarding additional funds.
- Clarifies that if the student who is enrolled in a program offered in modules withdraws and confirms at the time of withdrawal his or her intent to resume enrollment within the payment period or period of enrollment (for a term-based program of study) or within 45 days of the date of withdrawal (for a clock-hour or non-term credit hour program), but fails to return, the withdrawal date is the last day of the student's recorded, eligible academic attendance.
- Clarifies that a student who ceases attendance in a credit-hour program offered in modules is *not* considered to have withdrawn if the school obtains written confirmation from the student at or close to the time of his or her withdrawal that the student will attend a subsequent module in the same program and payment period or period of enrollment, as applicable.
- Provides new guidance that the school may not rely solely on the student's enrollment or registration in a subsequent module prior to his or her withdrawal as a statement of the student's intent to re-enroll

unless the student registered for that subsequent module at the time he or she withdrew.

- Clarifies that an administrative withdrawal is considered to be an exceptional circumstance beyond the student's control and that in this instance, the school must consider the withdrawal date to be no later than the first day of the period of nonattendance that resulted in the administrative withdrawal.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Student/Borrower:

A student enrolled in a program of study offered in modules will have a more generous time frame in which to notify the school of the intent to re-enroll and may be subject to less confusion as the school returns and then retrieves Title IV funds fewer times.

School:

A school may be required to amend its policies related to obtaining the student's confirmation of intent to re-enroll, etc.

Lender/Service:

None.

Guarantor:

A guarantor may need to amend training and school support materials and resources.

U.S. Department of Education:

The Department should be required to process fewer reissues of previously canceled Title IV funds for students enrolled in programs offered in modules.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

July 29, 2011

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:

CM Policy Committee
CM Guarantor Designees
Interested Industry Groups and Others

bg/edited-tmh

COMMON MANUAL – FEDERAL POLICY PROPOSAL

Date: August 12, 2011

X	DRAFT	Comments Due	Sep 2
	FINAL	Consider at GB meeting	
	APPROVED	with changes/no changes	

SUBJECT: Direct Consolidation Loan Program Treatment of Underpayments and Overpayments

AFFECTED SECTIONS: 15.2 Borrower Eligibility and Underlying Loan Holder Requirements

POLICY INFORMATION: 1254/Batch 180

EFFECTIVE DATE/TRIGGER EVENT: Underpayments and Overpayments received by loan holders from the Direct Consolidation Loan Program on or after July 1998.

BASIS:

Department letter to loan holders dated July 1998 and Electronic Announcement dated June 28, 2011.

CURRENT POLICY:

Current policy does not include information about the Department's policy on the treatment of underpayments and overpayments made to a borrower's underlying loan holder(s) when a borrower consolidates into the Direct Consolidation Loan Program.

REVISED POLICY:

Revised policy adds information about the Department's policy on the treatment of underpayments and overpayments made to a borrower's underlying loan holder(s) when a borrower consolidates into the Direct Consolidation Loan Program.

REASON FOR CHANGE:

This change is being made to incorporate the Department's policy on the treatment of underpayments and overpayments made to a borrower's underlying loan holder(s) when a borrower consolidates into the Direct Consolidation Loan Program.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Chapter 15, page 17, column 1, by adding a new section 15.8, as follows:

15.8

Direct Consolidation Loan Program Treatment of Underpayments and Overpayments

Information in this section describes the Department's policy on underpayment and overpayment tolerances of Direct Consolidation Loan payoff amounts sent to the holder(s) of the underlying loan(s). The tolerances described below apply to the aggregate eligible balance of principal, interest, fees, and collections costs. This policy does not apply to payoffs of federally-owned loans serviced by the Department's federal loan servicers.

The underpayment and overpayment tolerance amounts apply to the total of all of the borrower's loans by loan program type (subsidized Stafford loans, unsubsidized Stafford loans, PLUS loans, and Federal Consolidation loans). In other words, there is a tolerance amount for the borrower's subsidized Stafford loan(s), a separate tolerance amount for the borrower's unsubsidized Stafford loan(s), etc.

If a loan holder receives a payoff that is:

- Less than the amount needed to pay in full a borrower's underlying loan(s), the loan holder may apply its own policy for write-off and may apply to the Direct Loan Consolidation Center for any payment amount that exceeds the loan holder's policy. Whether the balance is written off or the loan holder requests the additional funds from the Department, loan holders may not bill the borrower for the underpayment

amount and in both instances, the loan holder must notify the borrower that the loan(s) is paid in full.

- More than the amount needed to pay in full a borrower's underlying loan(s) and that overpayment is *less than \$10.00*, the loan holder may retain the overpayment.
- More than the amount needed to pay in full a borrower's underlying loan(s) and that overpayment is *\$10.00 or more*, the loan holder must promptly return the full overpayment amount to the Direct Loan Consolidation Center.

All requests for funds and returns of funds to the Direct Loan Consolidation Center must be made promptly and must include identifiers for each borrower and the specific loan type(s). [Department letter to loan holders dated July 1998 and Electronic Announcement dated June 28, 2011]

PROPOSED LANGUAGE - COMMON BULLETIN:

Direct Consolidation Loan Program Treatment of Underpayments and Overpayments

The *Common Manual* has been revised by including information regarding the Department's policy on the treatment of underpayments and overpayments made to a borrower's underlying loan holder(s) when a borrower consolidates into the Direct Consolidation Loan Program. The policy describes the underpayment and overpayment tolerances that apply to the aggregate eligible balance of principal, interest, fees, and collections costs.

The underpayment and overpayment tolerance amounts apply to the total of all of the borrower's loans by loan program type (subsidized Stafford loans, unsubsidized Stafford loans, PLUS loans, and Federal Consolidation loans). In other words, there is a tolerance amount for the borrower's subsidized Stafford loan(s), a separate tolerance amount for the borrower's unsubsidized Stafford loan(s), etc.

If a loan holder receives a payoff that is:

- Less than the amount needed to pay in full a borrower's underlying loan(s), the loan holder may apply its own policy for write-off and may apply to the Direct Loan Consolidation Center for any payment amount that exceeds the loan holder's policy. Whether the balance is written off or the loan holder requests the additional funds from the Direct Loan Consolidation Center, loan holders may not bill the borrower for the underpayment amount and in both instances, the loan holder must notify the borrower that the loan(s) is paid in full.
- More than the amount needed to pay in full a borrower's underlying loan(s) and that overpayment is *less than \$10.00*, the loan holder may retain the overpayment.
- More than the amount needed to pay in full a borrower's underlying loan(s) and that overpayment is *\$10.00 or more*, the loan holder must promptly return the full overpayment amount to the Direct Loan Consolidation Center.

All requests for funds and returns of funds to the Direct Loan Consolidation Center must be made promptly and must include identifiers for each borrower and the specific loan type(s).

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Student/Borrower:

None.

School:

None.

Lender/Servicer:

A lender may need to update its policy for processing underpayments and overpayments received from the

Direct Consolidation Loan Program that are intended to payoff to a borrower's underlying loan(s).

Guarantor:

A guarantor may need to update its policy for processing underpayments and overpayments received from the Direct Consolidation Loan Program that are intended to payoff to a borrower's underlying loan(s).

U.S. Department of Education:

None.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

July 19, 2011

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PROPOSAL DISTRIBUTED TO:

CM Policy Committee

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