



*Unified Student Loan Policy*

**POLICY UPDATE PROPOSALS – IMMEDIATE ACTION REQUIRED  
COMMENTS DUE FRIDAY, NOVEMBER 4, 2016**

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

FROM: Benjamin Lee  
Great Lakes, CM Policy Development Contractor

RE: *Common Manual* Policy Update  
[Batch 207: Proposal(s) 1316 & 1317]

DATE: October 14, 2016

Enclosed with this memorandum is the **Two Hundred and Seventh** batch of policy update proposals completed by the *Common Manual* Policy Development Contractor (PDC).

Policies 1316 and 1317 are federal policy proposals and are intended to align *Common Manual* text with federal regulations and other federal publications.

Every policy update drafted by the PDC must be distributed to each guarantor for comment before it is presented to the Governing Board for review and approval. Every proposal is also sent to higher education organizations and others in the FFELP community who request the opportunity to comment.

**Please review these policy update proposals and provide written comments by Friday, November 4, 2016, to:**

Benjamin Lee  
Great Lakes Higher Education Guaranty Corporation  
E-Mail: [blee@glhec.org](mailto:blee@glhec.org)

Following the review of comments received, the PDC will update the proposals and distribute them to each member of the *Common Manual* Governing Board for review and approval at its December meeting.

If you have any questions about the enclosed proposal(s) please contact Benjamin Lee via phone at 608-246-1580 or via email at [blee@glhec.org](mailto:blee@glhec.org).

Enclosures:

Policy Proposal Transmittal  
*Common Manual* Policy Proposal(s) (1316 & 1317)

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1316	Federal Deferment Forms	<p><b>Section 2.3.C Common Forms</b>  <b>Section 11 Deferment and Forbearance</b>  <b>Figure 11-1</b></p> <p>Accounts for the Department discontinuing the Public Service Deferment Request (PUB), the Parental Leave/Working Mother Deferment Request (PLWM), and the Education Related Deferment Request (EDU) deferment forms. Also, the Department eliminated the Student in Rehabilitation Training deferment type from the Parent PLUS Borrower Deferment Request (PLUS). The Department created two new deferment request forms, Graduate Fellowship Deferment Request (GFL) and Rehabilitation Training Deferment Request (RHT), and provided guidance on the documentation that the lender must collect should a borrower request to defer loan repayment based on a deferment for which there is no longer an OMB-approved form. They also provided guidance on requirements to consider a deferment form complete. Revised policy proposes revisions to the Deferment Eligibility Chart, Figure 11-1 to align with these changes.</p>	Federal	For deferments, revised forms provided to borrowers on or after June 1, 2016
1317	Common Forbearance Forms	<p><b>11.20.B Documentation Required for Authorized Forbearance</b>  <b>11.22 Discretionary Forbearance</b>  <b>Figure 11-2</b></p> <p>Explains ED's guidance related to the completion of OMB-approved common forbearance request forms, and incorporates the forms into the Forbearance Eligibility Chart.</p>	Federal	For mandatory forbearance forms distributed on or after June 1, 2016, and discretionary (general) forbearance forms distributed on or after July 1, 2016.

# COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: August 31, 2016

X	DRAFT	Comments Due	11/04/16
	FINAL	Consider at GB meeting	
	APPROVED	with changes/no changes	

## SUBJECT:

Federal Deferment Forms

## AFFECTED SECTIONS:

2.3.C Common Forms  
11.1.B Documentation Required for Authorized Deferment  
11.2.B Deferment Documentation–ACTION Program  
11.3.B Deferment Documentation–Armed Forces  
11.5.B Deferment Documentation–Graduate Fellowship  
11.7.B Deferment Documentation–Internship/Residency  
11.9.B Deferment Documentation–NOAA  
11.10.B Deferment Documentation–Parental Leave  
11.11.B Deferment Documentation–Peace Corps  
11.13.B Deferment Documentation–Public Health Service  
11.14.B Deferment Documentation–Rehabilitation Training Program  
11.15.B Deferment Documentation–Tax-Exempt Organization Volunteer  
11.16.B Deferment Documentation–Teacher Shortage Area  
11.19.B Deferment and Forbearance  
Figure 11-1 Deferment Eligibility Chart

## POLICY INFORMATION:

1316/Batch#207

## EFFECTIVE DATE/TRIGGER EVENT:

For deferments, revised forms provided to borrowers on or after June 1, 2016

## BASIS:

Dear Colleague Letter (DCL) GEN-16-02, issued January 29, 2016.

## CURRENT POLICY:

Current policy includes the mention of the Public Service Deferment Request (PUB) and the Parental Leave/Working Mother Deferment Request (PLWM). Current policy also includes Graduate Fellowship Deferment Requests, Rehabilitation Training Deferment Requests, Teacher Shortage Deferment Requests, and Internship/Residency Deferment Requests on the Education Related Deferment Request (EDU). These forms are also referenced in the Deferment Chart, Figure 11-1.

## REVISED POLICY:

Revised policy accounts for the Department discontinuing the Public Service Deferment Request (PUB), the Parental Leave/Working Mother Deferment Request (PLWM), and the Education Related Deferment Request (EDU) deferment forms. Also, the Department eliminated the Student in Rehabilitation Training deferment type from the Parent PLUS Borrower Deferment Request (PLUS). The Department created two new deferment request forms, Graduate Fellowship Deferment Request (GFL) and Rehabilitation Training Deferment Request (RHT), and provided guidance on the documentation that the lender must collect should a borrower request to defer loan repayment based on a deferment for which there is no longer an OMB-approved form. They also provided guidance on requirements to consider a deferment form complete. Revised policy proposes revisions to the Deferment Eligibility Chart, Figure 11-1 to align with these changes.

## REASON FOR CHANGE:

To incorporate changes to deferment forms and additional guidance per DCL GEN-16-02, issued January 29, 2016.

## PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 2.3.C, page 14, column 1, first bulleted list as follows:

### Deferment Forms

- SCH In-School Deferment Request

- ~~EDU~~ ~~Education-Related Deferment Request~~
- ~~GFL~~ ~~Graduate Fellowship Deferment Request~~
- ~~RHT~~ ~~Rehabilitation Training Deferment Request~~
- ~~PUB~~ ~~Public Service Deferment Request~~
- TDIS Temporary Total Disability Deferment Request
- UNEM Unemployment Deferment Request
- ~~PLWM~~ ~~Parental Leave/Working Mother Deferment Request~~
- HRD Economic Hardship Deferment Request and Worksheets
- PLUS Parent PLUS Borrower Deferment Request
- MIL Military Service Deferment Request
- Post- Active Duty Student Deferment Request

Revise Figure 11-1 (see attached document).

Revise Subsection 11.1.B, page 3, column 2, paragraph 1, as follows:

The common deferment forms are used widely for obtaining the signatures and information necessary to grant deferments (the form applicable to each deferment type is provided in the subsection entitled “Deferment Documentation” in Sections 11.2 to 11.19). However, the lender is encouraged to be flexible in accepting information that would support a borrower’s deferment entitlement. The lender may use combinations of verbal requests and supporting documentation from an appropriate source (e.g., the borrower, school, guarantor, third-party servicer, or National Student Loan Data System [NSLDS])—provided the documentation supplies sufficient information to ensure that the borrower meets all eligibility criteria.

If a borrower submits a common deferment form, a lender generally cannot approve a borrower’s request for deferment unless all applicable questions on the form are answered. If there is no authorized official’s certification required for the deferment, the lender may consider the request complete if all of the following apply:

- The form is signed by the borrower.
- The borrower has provided responses to any applicable self-certifying questions that are needed to determine deferment eligibility and would not be clearly indicated in the supporting documentation.
- The borrower provides documentation that establishes the borrower’s eligibility for the deferment.

If a borrower submits a common deferment form that requires an authorized official’s certification, the borrower must answer all of the questions pertaining to the borrower’s eligibility for the deferment since the authorized official is, by signing the form, certifying that the borrower and the program meet all conditions indicated by the borrower’s responses to the applicable questions. If the borrower answers a question in a manner that demonstrates that the borrower is not eligible for the deferment, the lender must consider the authorized official’s certification invalid.

[DCL GEN-16-02]

Revise Subsection 11.2.B, page 7, column 2, paragraph 4, as follows:

If a borrower requests an ACTION Program deferment, the lender ~~must~~ should forward to the borrower the following common deferment form: collect from the borrower all of the following:

**~~PUB~~**

~~Public Service Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

Revise Subsection 11.3.B, page 8, column 2, paragraph 3, as follows:

If a borrower requests an Armed Forces deferment, the lender must ~~forward to the borrower the following common deferment form:~~ collect from the borrower all of the following:

**PUB**

~~Public Service Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

Revise Subsection 11.5.B, page 11, column 2, paragraph 1, as follows:

If a borrower requests a graduate fellowship deferment, the lender ~~must~~ should forward to the borrower the following common deferment form:

**EDU**

~~Education Related Deferment Request~~

**GFL**

Graduate Fellowship Deferment Request

Revise Subsection 11.7.B, page 15, column 2, paragraph 3, as follows:

If a borrower requests an internship/residency training deferment, the lender must collect from the borrower all of the following: ~~should forward to the borrower the following common deferment form:~~

**EDU**

~~Education Related Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

Revise Subsection 11.9.B, page 18, column 1, paragraph 5, as follows:

If a borrower requests a NOAA deferment, the lender ~~must~~ should forward to the borrower the following ~~common deferment form:~~ collect from the borrower all of the following:

**PUB**

~~Public Service Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

Revise Subsection 11.10.B, page 19, column 1, paragraph 5, as follows:

If a borrower requests a parental leave deferment, the lender ~~must~~ should forward to the borrower the following ~~common deferment form:~~ collect from the borrower all of the following:

**PLWM**

~~Parental Leave/Working Mother Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

Revise Subsection 11.11.B, page 19, column 2, paragraph 3, as follows:

If a borrower requests a Peace Corps deferment, the lender ~~must~~ should forward to the borrower the following ~~common deferment form:~~ collect from the borrower all of the following:

**PUB**

~~Public Service Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

Revise Subsection 11.13.B, page 21, column 2, paragraph 4, as follows:

If a borrower requests a public health service deferment, the lender ~~must~~ should forward to the borrower the following common deferment form: collect from the borrower all of the following:

**PUB**

~~Public Service Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

Revise Subsection 11.14.B, page 22, column 2, paragraphs 1 and 2, as follows:

If a borrower requests a rehabilitation training program deferment, the lender should forward to the borrower the following common deferment form:

**EDU**

~~Education Related Deferment Request~~

**RHT**

Rehabilitation Training Deferment Request

If a PLUS borrower requests a rehabilitation training deferment based on the participation in a qualified training program by the dependent student for whom the parent borrowed a PLUS loan, the lender ~~must~~ should forward to the borrower the following common deferment form: collect from the borrower all of the following:

**PLUS**

~~Parent PLUS Borrower Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

Revise Subsection 11.15.B, page 23, column 2, paragraph 1, as follows:

If a borrower requests a tax-exempt organization volunteer deferment, the lender ~~must~~ should forward to the borrower the following common deferment form: collect from the borrower all of the following:

**PUB**

~~Public Service Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

Revise Subsection 11.16.B, page 24, column 2, paragraph 2, as follows:

If a borrower requests a teacher shortage area deferment, the lender ~~must~~ should forward to the borrower the following common deferment form: collect from the borrower all of the following:

**EDU**

~~Education Related Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

Revise Subsection 11.19.B, page 27, column 2, paragraph 3, as follows:

If a borrower requests a working mother deferment, the lender must ~~should forward to the borrower the following common deferment form:-~~ collect from the borrower all of the following:

**PLWM**

~~Parental Leave/Working Mother Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.

**PROPOSED LANGUAGE - COMMON BULLETIN:**

The Department discontinued the Public Service Deferment Request (PUB), the Parental Leave/Working Mother Deferment Request (PLWM), and the Education Related Deferment Request (EDU) common deferment forms. Also, the Department removed the Student in Rehabilitation Training deferment type from the Parent PLUS Borrower Deferment Request (PLUS). They also created two new deferment request forms, Graduate Fellowship Deferment Request (GFL) and Rehabilitation Training Deferment Request (RHT), and provided guidance in Dear Colleague Letter GEN-16-02 on the documentation that the lender must collect when a borrower requests a deferment for which there is no longer an OMB-approved form. The Department also provided guidance on requirements for considering a deferment form “complete.”

**GUARANTOR COMMENTS:**

None

**IMPLICATIONS:**

*Borrower:* The borrower who requests a deferment for which there is no longer an OMB-approved form will need to provide other documentation and will not have the assistance of a common form.

*School:* If the school provides guidance on deferments to former students, the school will need to ensure they are not providing discontinued forms.

*Lender/Service:* The lender/service must ensure proper forms are distributed and processed. In addition, lenders may need to adjust procedures to accept other documentation from borrowers to establish eligibility for deferments that no longer have common deferment forms.

*Guarantor:* The guarantor may need to adjust review procedures to ensure lenders are distributing the proper forms and collecting the required documentation from borrowers for deferments that no longer have common deferments forms.

*U.S. Department of Education:* None.

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**To be completed by the Policy Development Contractor**

**POLICY CHANGE PROPOSED BY:**

CM Policy Committee

**DATE SUBMITTED TO CM POLICY DEVELOPMENT CONTRACTOR:**

August 16, 2016

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

**PROPOSAL DISTRIBUTED TO:**

CM Governing Board Chair  
CM Guarantor Designees  
Interested Industry Groups and Others





	Rehabilitation Training	None									
MIL	Military Service <sup>11</sup>	None	•	•	•	•	•	•	•	•	•
	Post-Active Duty Student <sup>12</sup>	13 Months <sup>3</sup>	•	•	•	•	•	•	•	•	•

**\*\* No OMB approved form for these deferments. Borrower must provide lender with request for the deferment, documentation certifying each of the eligibility criteria for the deferment, and any supporting documentation required by the applicable regulations.**

- <sup>1</sup> "New Borrower" 7/1/87 to 6/30/93: A borrower whose first FFELP loan was made on or after July 1, 1987, and before July 1, 1993, or who had an outstanding balance on a loan obtained on or after July 1, 1987, and before July 1, 1993, when he or she obtained a loan on or after July 1, 1993, or who had no outstanding balance on a Federal Consolidation loan made before July 1, 1993, that repaid a loan first disbursed before July 1, 1987.
- <sup>2</sup> "New Borrower" 7/1/93: A borrower whose outstanding FFELP loans were all made on or after July 1, 1993, and when his or her first FFELP loan was made on or after July 1, 1993, had no outstanding FFELP loans that were made before July 1, 1993.
- <sup>3</sup> Deferment for parent borrower who received a loan(s) between July 1, 1987, and June 30, 1993, during which the student for whom the parent obtained the PLUS loan(s) meets the conditions required for an in-school deferment. Upon request, a parent borrower may defer repayment on a parent PLUS loan(s) that was first disbursed on or after July 1, 2008, during the period in which the student for whom the parent obtained the PLUS loan(s) meets the conditions required for an in-school deferment.
- <sup>4</sup> A deferment may be granted during periods when the borrower is temporarily totally disabled or during which the borrower is unable to secure employment because the borrower is caring for a dependent (including the borrower's spouse) who is temporarily totally disabled.
- <sup>5</sup> Borrowers are eligible for a combined maximum of 3 years of deferment for service in NOAA, PHS, and Armed Forces.
- <sup>6</sup> A parental leave deferment may be granted to a borrower in periods of no more than 6 months each time the borrower qualifies.
- <sup>7</sup> A Grad PLUS borrower whose loan(s) was first disbursed on or after July 1, 2008, may receive a 6-month post-enrollment deferment beginning on the day after he or she no longer meets the conditions required for an in-school deferment. Upon request, a parent PLUS borrower may defer repayment on a parent PLUS loan(s) that was first disbursed on or after July 1, 2008, for a 6-month period that begins on the day after the parent or the student for whom the parent obtained the PLUS loan(s) no longer meets the conditions required for an in-school deferment.
- <sup>8</sup> A borrower who received a Federal Consolidation loan before July 1, 1993, that repaid a loan made before July 1, 1987, or who had an outstanding balance on a FFELP loan obtained prior to July 1, 1987, when the Federal Consolidation loan was obtained, is eligible for in-school deferment only if the borrower attends school full time.
- <sup>9</sup> A borrower with a Federal Consolidation loan made before July 1, 1993, or a borrower who receives a Consolidation loan on or after July 1, 1993, who has any outstanding FFELP loan(s) at the time of consolidation that was first disbursed before July 1, 1993.
- <sup>10</sup> A borrower who receives a Federal Consolidation loan made on or after July 1, 1993, who has no outstanding FFELP loans at the time of consolidation that were made on or before July 1, 1993.
- <sup>11</sup> A deferment may be granted to a borrower who is serving on active duty during a war or other military operation or national emergency (including qualifying National Guard duty). The borrower's military service must begin on or after October 1, 2007, or include that date.
- <sup>12</sup> A deferment may be granted to a borrower called to active National or State duty who is a member of the National Guard or Reserves (including retired members) and who was enrolled at least half time at an eligible school at the time of, or within 6 months prior to, being activated. The borrower's military service must begin on or after October 1, 2007, or include that date.
- <sup>13</sup> A post-active duty student deferment may be granted to a borrower for a period of no more than 13 months each time the borrower qualifies. There is no limit to how many deferments of this type a borrower may receive. If a borrower is also eligible for a military service deferment, the 13-month period must run concurrently with the 180-day post-military mobilization period.

# COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: August 31, 2016

X	DRAFT	Comments Due	11/04/16
	FINAL	Consider at GB meeting	
	APPROVED	with changes/no changes	

**SUBJECT:** Common Forbearance Forms

**AFFECTED SECTIONS:** 11.20.B Documentation Required for Authorized Forbearance  
11.22 Discretionary Forbearance  
Figure 11-2 Forbearance Eligibility Chart

**POLICY INFORMATION:** 1317/Batch#207

**EFFECTIVE DATE/TRIGGER EVENT:** For mandatory forbearance forms distributed on or after June 1, 2016, and discretionary (general) forbearance forms distributed on or after July 1, 2016.

**BASIS:**

Dear Colleague Letter (DCL) GEN-16-02, issued January 29, 2016, and DCL GEN-16-06, issued March 11, 2016.

**CURRENT POLICY:**

Current policy does not address the use of the common forbearance request forms issued by the Department.

**REVISED POLICY:**

Revised policy explains the Department's guidance related to the completion of OMB-approved common forbearance request forms, and incorporates the forms into the Forbearance Eligibility Chart.

**REASON FOR CHANGE:**

To incorporate guidance provided in DCL GEN-16-02 and DCL GEN-16-06 into the Manual.

**PROPOSED LANGUAGE - COMMON MANUAL:**

Revise Subsection 11.20.B, page 28, column 2, paragraph 4, as follows:

**11.20.B**

**Documentation Required for Authorized Forbearance**

The lender must provide borrowers access to the common forbearance request forms to request a discretionary (general) or mandatory forbearance, and may no longer provide to borrowers proprietary forbearance request forms. The common forms are the General Forbearance Request (GFB), the Mandatory Forbearance Request: Student Loan Debt Burden (SLDB), and the Mandatory Forbearance Request: Medical or Dental Internship/Residency, National Guard Duty, or Department of Defense Loan Repayment Program (SERV) forms.

If a borrower submits a common forbearance request form, a lender generally cannot approve it unless the borrower responded to all applicable questions on the form. If there is no authorized official's certification required for the forbearance, the lender may consider the request complete if all of the following apply:

- The form is signed by the borrower.
- The borrower has provided responses to any self-certifying questions that are needed to determine forbearance eligibility that would not be clearly indicated in the supporting documentation.
- The borrower provides documentation that establishes the borrower's eligibility for the forbearance.

If a borrower submits a common forbearance request form that requires an authorized official's certification, the borrower must answer all of the questions pertaining to the borrower's eligibility for forbearance since the authorized official is, by signing the form, certifying that the borrower and the program meet all conditions indicated by the borrower's responses to the applicable questions. If the borrower answers a question in a manner that demonstrates that the borrower is not eligible for the

forbearance, the lender must consider the authorized official's certification invalid.  
[DCL GEN-16-02]

In cases where a forbearance agreement is required, a lender and a borrower or endorser may agree to the terms of the forbearance verbally or in writing. A lender that grants a forbearance based on a written agreement with the borrower or endorser must provide to the borrower the appropriate OMB-approved forbearance request form as noted above. ~~may use any form or format that is acceptable to the guarantor, and the lender must retain a copy of the agreement.~~ A lender that grants a forbearance based on a verbal agreement with the borrower or endorser must send a notice confirming the terms of the forbearance agreement to the borrower or endorser within 30 days of the date that agreement was made and record the forbearance terms in the borrower's file. In order to grant a forbearance after the date of default based on either a verbal or a written agreement with the borrower or endorser, the lender must also obtain a new signed agreement to repay the debt or a written or verbal affirmation of the obligation to repay the debt (see Subsection 11.20.F). For each forbearance period, regardless of whether a written agreement is required, the lender must document in the borrower's file or the loan's servicing history the forbearance beginning and ending dates and the reason for granting forbearance.

[HEA §428(c)(3)(A) and (c)(10); §682.211(b)(1); §682.211(d); §682.414(a)(4)(ii)(G); §685.205(a)(8); DCL GEN-16-02; DCL GEN-16-06]

Revise Figure 11-2 (see attached document).

Revise Section 11.22, page 40, column 1, paragraph 1 as follows:

## **11.22**

### **Discretionary Forbearance**

A lender is encouraged to grant a discretionary forbearance to assist a borrower or endorser in fulfilling the repayment obligations on the loan and to help prevent default. The lender may grant forbearance based on either a written or verbal agreement with the borrower. (See Subsection 11.20.B for more information about a lender's responsibilities when a forbearance is based on a verbal agreement.) If a borrower requests a discretionary forbearance and does not wish to complete the forbearance transaction via a verbal request, the lender must forward to the borrower or otherwise provide access to the General Forbearance Request (GFB) form. Situations in which the lender may choose to grant forbearance include, but are not limited to:

- The borrower has personal problems (such as economic hardship) that are temporarily affecting the borrower's or endorser's ability to make scheduled payments.
- The borrower is unemployed but has already received the maximum unemployment deferment.
- The borrower has had poor health or a prolonged illness or disability but does not meet applicable disability deferment criteria.
- The borrower is attending school or is a full-time volunteer in an organization and the school or organization does not meet the appropriate deferment criteria.
- The borrower or endorser wants to change the payment amount or payment due date on a loan that requires the lender to bring the loan current first or forgo some due diligence activities (see Subsection 10.11.C for information on changing due dates).

If the discretionary forbearance is based on a verbal agreement, the lender must send, within 30 days of that agreement, a notice to the borrower or endorser confirming the terms of the forbearance. Certain rules apply to verbal discretionary forbearance requests and affirmation of the debt received after default but prior to claim payment (see Subsection 11.20.F).

[DCL GEN-16-06]

#### **PROPOSED LANGUAGE - COMMON BULLETIN:**

The Department has provided guidance on the use of OMB-approved forbearance request forms and the *Common Manual* has been updated with that guidance. These forms include a new General Forbearance Request (GFB) form and updated Mandatory Forbearance Request forms (SLDB and SERV).

**GUARANTOR COMMENTS:**

None.

**IMPLICATIONS:**

*Borrower:* The borrower must complete forms correctly and/or provide required documentation to qualify for forbearance.

*School:* If the school is providing guidance on forbearance to former students, the school must ensure that they provide correct forms.

*Lender/Service:* The lender/service must update procedures, systems and processes to ensure required forms are distributed and processed and any proprietary forbearance forms are no longer used. In addition, lenders must ensure the forbearance forms are properly completed and accompanied by required documentation.

*Guarantor:* The guarantor may need to amend program review parameters to include providing access to and ensuring the appropriate processing of required mandatory forbearance request forms.

*U.S. Department of Education:* None.

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**To be completed by the Policy Development Contractor****POLICY CHANGE PROPOSED BY:**

CM Policy Development Contractor

**DATE SUBMITTED TO CM POLICY DEVELOPMENT CONTRACTOR:**

September 9, 2016

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

CM Governing Board Chair

CM Guarantor Designees

Interested Industry Groups and Others

TYPE	LENGTH
<b>Discretionary<sup>11</sup></b>	
Financial difficulties due to personal problems when the borrower is unable to make regularly scheduled payments <sup>1</sup>	The period established in the terms of the forbearance agreement (not to exceed 12-month increments); no maximum
Reduced-Payment Forbearance <sup>1</sup>	
<b>Mandatory<sup>12</sup></b>	
Medical or Dental Internship/Residency <sup>2, 3</sup>	12-month increments (or a lesser period equal to actual period during which the borrower is eligible); no maximum
Department of Defense Student Loan Repayment Programs <sup>3</sup>	
National Service <sup>2, 3</sup>	
Active Military State Duty <sup>2, 3, 9</sup>	
Student Loan Debt Burden <sup>4, 5</sup>	12-month increments; 3 years maximum
Teacher Loan Forgiveness <sup>2, 3</sup>	Period while borrower maintains forgiveness eligibility. 12-month increments
<b>Mandatory Administrative</b>	
Local or National Emergency <sup>7</sup>	Period specified by the Department or guarantor plus 30 days following the period
Military Mobilization <sup>8</sup>	
Designated Disaster Area <sup>7</sup>	
Repayment Accommodation	3-year maximum for variable interest rate; 5-year maximum for income-sensitive repayment
Death	Date lender receives reliable notification of death to date lender receives death certificate or other acceptable documentation, not to exceed 60 days
Teacher Loan Forgiveness <sup>2, 6</sup>	The period while the lender is awaiting a completed loan forgiveness application, not to exceed 60 days
	Date lender receives a completed loan forgiveness application to date lender receives either a denial or the loan forgiveness amount from the guarantor
<b>Administrative</b>	
Borrower Ineligible for Deferment <sup>6</sup>	Beginning date to ending date of the ineligible deferment
Delinquency before a Deferment or Forbearance <sup>6</sup>	First date of overdue payment to the day before the beginning date of deferment or other forbearance type
Delinquency under Income-Based Repayment (IBR) <sup>6</sup>	First date of overdue payment to the date the new calculated monthly payment amount is determined
Forgiveness under Income-Based Repayment <sup>6</sup>	60 days for lender to collect and process documentation to determine a borrower's eligibility

Late Notification of Out-of-School Dates <sup>6</sup>	Date borrower should have entered repayment to date first or next payment was established
Bankruptcy Filing <sup>6</sup>	The earlier of the first date of overdue payment or receipt of reliable information that the borrower has filed bankruptcy to date of discharge determination or repurchase
Total and Permanent Disability	<p>Date the Department includes in its notification to the lender that the borrower intends to apply for a TPD loan discharge application. Forbearance extends for not more than 120 days.</p> <p>Date the Department includes in its notification to the lender that it has received the borrower's TPD loan discharge application and extends until the Department approves or denies the application.</p>
Spouses and Parents of Victims of September 11, 2001 <sup>6</sup>	60 days from date application sent to borrower if application is not received by lender, and from date guarantor receives documentation to date of determination
Repurchase of a Non-Bankruptcy Claim <sup>6</sup>	The period that the loan was held by the guarantor due to a claim purchase
Death	Date after mandatory administrative forbearance due to reliable notification of death ends to date lender receives death certificate or other acceptable documentation, not to exceed 60 days
Closed School	Period of unofficial closure notice as specified by guarantor
Closed School or False Certification <sup>6</sup>	60 days from date application sent to borrower if application is not received by lender, and from date guarantor receives documentation to date of determination
False Certification—Identity Theft <sup>6</sup>	Date eligibility requirements sent to individual to date request and documentation returned, not to exceed 60 days; and from date guarantor receives documentation to date of determination
Delinquency after Deferment or Mandatory Forbearance <sup>6</sup>	Deferment or mandatory forbearance end date to establishment of next payment due date
Documentation Collection and Processing <sup>6</sup>	Date borrower requests deferment, forbearance, change in repayment plan, or loan consolidation to date supporting documentation is processed by lender, not to exceed 60 days
Unpaid Refund Discharge	<p>60 days from date application sent to borrower if application is not received by lender, and from date guarantor receives documentation to date of determination</p> <p>The period during guarantor review and ending on the date lender receives the guarantor's determination for a borrower who requests a review of a denial determination</p>
Unpaid Refund <sup>6</sup>	End date of initial 60-day mandatory administrative forbearance to receipt of completed discharge request, and during period of determination of discharge eligibility
New Out-of-School Dates after Conversion <sup>6</sup>	Original repayment start date to adjusted start date
Loan Sale or Transfer <sup>6</sup>	First date of delinquency to date loan is sold or transferred, if the loan is less than 60 days delinquent
Ineligible Summer Bridge Extension <sup>6</sup>	Day after expiration of borrower's last in-school deferment to the 30th day after fall classes begin
Cure <sup>6</sup>	Date of earliest unexcused violation to date lender receives a full payment or new signed repayment agreement

Natural Disasters, Local or National Emergency, Military Mobilization <sup>6</sup>	From date borrower affected, not to exceed 3 months for each occurrence
Repayment Alignment-SLS/Stafford <sup>4</sup>	First payment due date to last day of the longest applicable Stafford loan grace period
Repayment Alignment-PLUS/Stafford <sup>10</sup>	Until end of in-school deferment or post-enrollment deferment on PLUS loan disbursed on or after July 1, 2008, or until end of grace on Stafford loan

Note: For detailed information about each forbearance situation, refer to the applicable subsection.

- <sup>1</sup> Lender must document the borrower's request, the reason for the forbearance, and the terms of the forbearance agreement.
- <sup>2</sup> For borrowers only.
- <sup>3</sup> A request and supporting documentation from the authorized official(s) indicating the beginning and ending dates, and a verbal or written agreement are required.
- <sup>4</sup> A request is required.
- <sup>5</sup> A request and supporting documentation of monthly income and monthly payments on Title IV education loan obligations, and a verbal or written agreement are required.
- <sup>6</sup> Lender must notify the borrower (or individual or endorser, if applicable) and document the beginning and ending dates and reason for the forbearance in borrower history record.
- <sup>7</sup> Notice from the Department or guarantor is required.
- <sup>8</sup> Documentation showing borrower is subject to a military mobilization is required.
- <sup>9</sup> For military service that begins on or after October 1, 2007, or includes that date.
- <sup>10</sup> Lender must notify borrower forbearance has been granted; notice must inform borrower of option to cancel forbearance and continue paying on the PLUS loan.
- <sup>11</sup> The Department issued a General Forbearance Request form which a borrower must complete to request a discretionary forbearance.
- <sup>12</sup> There are three OMB-approved forbearance request forms in this category: SERV, SLDB, and TLFF. Each is addressed in the applicable subsection of this chapter.