

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 in July 2006. These changes will also be incorporated into the October 2005 *Integrated Common Manual*. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on NCHelp=s website at www.NCHELP.org in the e-library. Please carefully note the effective date of each policy change.

Please note that the Bulletin Language for Policy Proposal #835 Administrative Forbearance Period if the Loan Discharge Application is Undeliverable has been moved to considered by the Policy Committee.

Power of Attorney Documentation

The *Common Manual* has been revised to require lenders to submit a copy of the applicable power of attorney (POA) documentation as part of the claim file if the Master Promissory Note (MPN) is signed by a third party with POA for the borrower. In addition, if the lender is aware that the promissory notes of any of the underlying loans for a Consolidation loan are signed using a POA, and the lender is filing a closed school or false certification claim, the lender must include a copy of the applicable POA document in the claim file.

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| Affected Sections: | 13.1.D Claim File Documentation 13.8.B Closed School 13.8.D False Certification |
| Effective Date: | All claims filed on or after January 1, 2006, unless implemented earlier by the guarantor. |
| Basis: | None. |
| Policy Information: | 836/Batch 124 |
| Guarantor Comments: | None. |

Increased Unsubsidized Stafford Loan Limits for Naturopathic Medicine Programs

The *Common Manual* has been updated to state that schools offering certain health profession programs are eligible to award increased unsubsidized Stafford loan limits only to students enrolled in those specific health profession programs. Information has also been added stating that a school that offers a Naturopathic Medicine program that leads to a Doctor of Naturopathic Medicine (N.M.D.) Degree or a Doctor of Naturopathy (N.D.) Degree and is accredited by the Council on Naturopathic Medical Education (CNME) is eligible to award the increased unsubsidized Stafford loan limits. The increased unsubsidized loan limit that an eligible student may borrow for enrollment in this program is \$20,000 for a 9-month academic year and \$26,667 for a 12-month academic year. Health profession students in these programs who are eligible for increased unsubsidized Stafford loans may receive an aggregate amount of \$189,125. Subsidized Stafford loans may comprise no more than \$65,500 of this amount. If a student is ineligible for subsidized Stafford loan funds, the student may borrow the entire \$189,125 aggregate loan limit in unsubsidized Stafford loan funds.

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| Affected Sections: | 6.11.C Increased Unsubsidized Stafford Loan Limits for Health Profession Students |
| Effective Date: | Loan periods that begin on or after May 1, 2005. |
| Basis: | DCL GEN-05-09. |
| Policy Information: | 837/Batch 124 |
| Guarantor Comments: | None. |

Stafford Annual and Aggregate Loan Limits

The *Common Manual* has been revised to reorganize and clarify text pertaining to Stafford aggregate loan limits. Text regarding graduate Stafford aggregate loan limits has been moved from the subsection titled AStafford Annual Loan Limits@ to the subsection titled AStafford Aggregate Loan Limits.@ In addition, text has been added stating that a dependent undergraduate student borrower is eligible to receive a combined subsidized and unsubsidized base Stafford aggregate loan amount of \$23,000. Clarification has also been added to state that if a student is ineligible for subsidized loan funds, the student may borrow the entire Stafford annual or aggregate loan limit in unsubsidized loan funds.

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| Affected Sections: | 6.11.A Stafford Annual Loan Limits 6.11.B Stafford Aggregate Loan Limits |
| Effective Date: | Retroactive to the implementation of the <i>Common Manual</i> . |
| Basis: | None |
| Policy Information: | 838/Batch 124 |
| Guarantor Comments: | None. |

Determining Annual Loan Limits

The *Common Manual* has been updated to state that a student who transfers from one program of study to another at the same school or a different school is eligible for Stafford loan funds not to exceed the annual loan limits applicable to the student=s grade level in the student=s new program of study, as determined by the school even if that student previously obtained an undergraduate degree in a different program.

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| Affected Sections: | 6.11.A Stafford Annual Loan Limits |
| Effective Date: | Retroactive to the implementation of the <i>Common Manual</i> . |
| Basis: | None. |
| Policy Information: | 839/Batch 124 |
| Guarantor Comments: | None. |