

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1050	NSLDS Reporting and Frequency	<p><u>3.5.G NSLDS Reporting</u></p> <p>Incorporates the directive from the Department that strongly encourages monthly reporting of NSLDS data by a lender or servicer, while retaining the minimum quarterly reporting requirement.</p>	Federal	Publication date of NSLDS Technical Update 2000-01.
1051	Defining Enrollment Status	<p><u>6.9 Defining Enrollment Status Appendix G</u></p> <p>Includes new standards for determining full-time enrollment status for a student enrolled in a nonstandard term-based, credit hour program or in correspondence coursework. Deletes obsolete formulas for determining full-time enrollment status for students enrolled in a program using both credit and clock hours. Clarifies that non-credit and reduced-credit remedial courses <i>must</i> be included when determining a student's enrollment status, if the student qualifies for aid for the remedial courses.</p>	Federal	Loans first disbursed on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.
1052	Stafford Annual and Aggregate Loan Limit Increases for Undergraduate Students	<p><u>6.11.A Stafford Annual Loan Limits</u> <u>6.11.B Stafford Aggregate Loan Limits</u> <u>Figure 6-4</u></p> <p>Incorporates increases in the unsubsidized Stafford annual loan limits, and the combined Stafford aggregate loan limits, for undergraduate students authorized by the ECASLA.</p>	Federal	Stafford loans first disbursed on or after July 1, 2008, for loan periods that include or begin on or after July 1, 2008.
1053	Special Aggregate Stafford Loan Limits for Graduate and Professional Health Profession Students	<p><u>6.11.D Increased Unsubsidized Stafford Loan Limits for Health Profession Students</u></p> <p>Incorporates the increase in the Stafford aggregate loan limit for graduate and professional health profession students who are eligible for increased unsubsidized Stafford loans, from \$189,125 to \$224,000.</p>	Federal	Effective on April 18, 2008.
1054	FFELP Delivery to Transfer	<p><u>8.7.G Delivery to Transfer Students</u></p> <p>Incorporates a regulatory change</p>	Federal	Eligibility determinations made on or after

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	Students	regarding a school's examination of a transfer student's financial aid history, made by the HERA Interim Final Rule, published July 3, 2006. The school must determine the amount of any ACG or National SMART grants awarded and delivered during the award year for the transfer student prior to the delivery of FFELP funds.		July 1, 2007, unless implemented earlier by the school.
1055	NSLDS Enrollment Reporting	<p><u>9.2.A National Student Loan Data System (NSLDS) Enrollment Reporting</u></p> <p>Updates information concerning notices generated by the NSLDS when a school fails to return timely its Enrollment Reporting Submittal File. Also defines the date that NSLDS "created" the school's Enrollment Reporting Roster File as the date and time stamp that the NSLDS enters into the Roster File's header record.</p>	Federal	Publication date of the October 2006 NSLDS Enrollment Reporting Guide.
1056	Ineligibility for Title IV Aid Due to Prior Default on a Title IV Loan	<p><u>5.2.D NSLDS Data Match</u></p> <p>Clarifies that an individual who is in default on any Title IV loan is ineligible to receive any Title IV aid, including the benefit of a parent PLUS loan, until the default is resolved. However, a parent's unresolved default on a Title IV loan, including a PLUS loan, does not adversely impact a dependent student's eligibility for other Title IV aid.</p>	Correction	Retroactive to the implementation of the <i>Common Manual</i> .
1057	Eligibility Amounts for PLUS Loans	<p><u>6.11 Loan Limits</u> <u>6.11.C PLUS Loans for Graduate and Professional Students</u> <u>6.15.C PLUS Loan Certification</u></p> <p>Revises text to state explicitly that there is no annual or aggregate loan limit for a parent or Grad PLUS loan. A PLUS loan may not exceed the cost of attendance minus estimated financial assistance for the student.</p>	Correction	Retroactive to the implementation of the <i>Common Manual</i> .
1058	Delivering Loan Funds	<p><u>8.7 Delivering Loan Funds at Eligible Schools</u></p> <p>Clarifies that there are three exceptions to the general rule that a student must</p>	Correction	Retroactive to the implementation of the <i>Common Manual</i> .

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
		maintain continuous eligibility for the loan period certified, and provides cross-references to explanations of those exceptions.		
1059	Diligent Effort	<p><u>12.4.A Due Diligence Requirements for Loans with Monthly Repayment Obligations</u></p> <p><u>12.4.B Due Diligence Requirements for Loans with Repayment Obligations Less Frequent Than Monthly</u></p> <p><u>12.4.D Contact by Telephone</u></p> <p><u>12.4.E Endorser Due Diligence</u></p> <p><u>12.7.C Required Address Skip Tracing Activities</u></p> <p><u>12.8.A Telephone Skip Tracing Activities</u></p> <p><u>Appendix G</u></p> <p>Specifies that a diligent effort is one successful contact or two attempts to contact the borrower or endorser by telephone. Each effort consists of one successful contact or two attempts to contact the borrower or endorser on different days and at different times.</p>	Correction	Retroactive to the implementation of the <i>Common Manual</i> .

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: July 25, 2008

X	DRAFT	Comments Due	Aug 15
	FINAL	Consider at GB meeting	
	APPROVED	with changes/no changes	

SUBJECT: NSLDS Reporting and Frequency

AFFECTED SECTIONS: 3.5.G NSLDS Reporting

POLICY INFORMATION: 1050/Batch 151

EFFECTIVE DATE/TRIGGER EVENT: Publication date of NSLDS Technical Update 2000-01.

BASIS:

Lender and Lender Servicer Technical Update 2000-01; NSLDS Guaranty Agency Data Provider Instructions (DPI), Version 4.1, 1.2 (Appendix A, Fields 135 and 137).

CURRENT POLICY:

Current policy indicates the lender must report NSLDS data to the guarantor each quarter using the NSLDS Lender Manifest file.

REVISED POLICY:

Revised policy incorporates the directive from the Department that strongly encourages monthly reporting, while retaining the minimum quarterly requirement. It also expands the reporting process explanation to indicate that NSLDS data may be reported via the Common Account Maintenance (CAM).

REASON FOR CHANGE:

The directive is being included to align the Manual with information contained in the *Technical Update for Lenders and Lender Servicers – 2000-01*, which strongly encourages monthly reporting of balances by lenders and servicers. In addition, the directive is supported by the information contained in the *NSLDS Guaranty Agency Data Provider Instructions* (revised June 2005) – specifically instructions for fields 135 and 137 – that indicates that guarantors should, at a minimum, collect balance information monthly and report lender updates to balances monthly. Implementing the monthly reporting directive will allow guarantors to provide more accurate information and improve the quality and accessibility of student aid data, two of the goals of NSLDS.

Also, although the NSLDS Lender Manifest was developed as a common report format to exchange required information between lenders/servicers and guarantors, the revised policy allows the same information to be exchanged through CAM or any other agreed upon format that is an acceptable alternative.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 3.5.G of the July 2008 *Common Manual*, page 15, column 1, as follows:

3.5.G NSLDS Reporting

The National Student Loan Data System (NSLDS) is a national data base of information on Title IV student aid, including FFELP loans. The NSLDS was developed to provide ~~current~~ loan-level information on Title IV aid and to provide an integrated view of Title IV programs ~~in terms of aid approval, disbursements, repayments, delinquencies, and school closings~~. The overall goals of the NSLDS are to improve the quality and accessibility of student aid data, reduce the burden of administering Title IV aid, and minimize abuse within the aid programs through accurate tracking of funds appropriated to assist the postsecondary students for whom the programs were designed ~~efficiency of the Title IV delivery system and to support research on improving program administration~~.

~~Each quarter, a~~ lender must report NSLDS data on each FFELP loan it holds to the

appropriate guarantor. Lenders are strongly encouraged to provide this data on a monthly basis, but must report at least quarterly. A lender may arrange for a designated servicer to report on its behalf.

A lender may reports NSLDS data to the guarantor using the NSLDS Lender Manifest, a common report format developed by the National Council of Higher Education Loan Programs (NCHELP). The lender reporting requirement may also be met through the Common Account Maintenance (CAM) process if the lender is providing all the required data and the guarantor agrees. The lender and guarantor may agree to another format, in which case the guarantor may opt to discontinue the NSLDS Lender Manifest reporting requirement. Although ~~this~~ the NSLDS Lender Manifest record layout will be used throughout the program, specific data requirements may vary slightly among guarantors.

Instructions for the NSLDS Lender Manifest provide complete details on lender reporting requirements. A lender will receive reporting instructions from each guarantor represented in its portfolio of FFELP loans. It is critical that the lender review each guarantor's instructions carefully; the required frequency of reporting and requirements for reporting certain fields may vary among guarantors.

[DCL 95-L-177; NSLDS Technical Update 2000-01]

PROPOSED LANGUAGE - COMMON BULLETIN:

NSLDS Reporting and Frequency

The *Common Manual* has been revised to incorporate the directive from the Department that strongly encourages monthly reporting of NSLDS data by a lender or servicer, while retaining the minimum quarterly reporting requirement. The directive aligns the Manual with information contained in the *Technical Update for Lenders and Lender Servicers – 2000-01*, which strongly encourages monthly reporting of balances by lenders and servicers. Implementing monthly reporting of NSLDS data will allow guarantors to provide more accurate information and improve the quality and accessibility of student aid data, two of the goals of NSLDS.

It also expands the reporting process explanation to indicate NSLDS data may be reported via the Common Account Maintenance (CAM).

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A borrower's information on NSLDS may be more current.

School:

A school may receive more current information on which to base student eligibility for Title IV aid.

Lender/Servicer:

A lender or servicer implementing the monthly reporting directive will be providing more current information.

Guarantor:

A guarantor may receive and be able to report more current loan balance information to NSLDS.

U.S. Department of Education:

The Department, through NSLDS, may receive more current information.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

NCHELP Program Operations Committee NSLDS Workgroup

DATE SUBMITTED TO CM POLICY COMMITTEE:

March 26, 2007

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:

CM Policy Committee

CM Guarantor Designees

Interested Industry Groups and Others

nm/edited-rl

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: July 25, 2008

X	DRAFT	Comments Due	Aug 15
	FINAL	Consider at GB Meeting	
	APPROVED	With Changes / No Changes	

SUBJECT: Defining Enrollment Status

AFFECTED SECTIONS: 6.9 Defining Enrollment Status
Appendix G

POLICY INFORMATION: 1051/Batch 151

EFFECTIVE DATE/TRIGGER EVENT: Loans first disbursed on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.

BASIS:

§668.2(b); 08-09 FSA Handbook, Volume 1, page 1-12.

CURRENT POLICY:

Current policy does not include the new minimum requirements for full-time enrollment status for a student enrolled in a nonstandard term-based, credit hour program or in correspondence coursework. Current policy includes obsolete formulas for determining full-time enrollment status for students enrolled in a program using both credit and clock hours.

In addition, the glossary definition of full-time student states that non-credit courses *may* be included in a school's determination of enrollment status.

REVISED POLICY:

Revised policy includes new standards for determining full-time enrollment status for a student enrolled in a nonstandard term-based, credit hour program or in correspondence coursework, and deletes the obsolete formulas for determining full-time enrollment status for students enrolled in a program using both credit and clock hours.

In addition, revised policy clarifies that non-credit and reduced-credit remedial courses *must* be included when determining a student's enrollment status, if the student qualifies for aid for the remedial courses.

REASON FOR CHANGE:

This change is required to comply with final rule changes published in the November 1, 2007, *Federal Register*, Vol. 72, No. 211, and to clarify the effect of non-credit and reduced-credit remedial courses on a student's enrollment status.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Section 6.9, page 21, column 1, paragraph 4, as follows:

6.9

Defining Enrollment Status

A school must define full-time enrollment status for each of its undergraduate, graduate, or professional programs of study. A student's enrollment may include any combination of courses, work, research, or special studies (see Section 6.1 for information regarding the definition of an academic year and the frequency of annual loan limits). Non-credit or reduced-credit remedial courses must be included in the determination of the student's enrollment status, if the student qualifies for Title IV aid for those courses. A student's enrollment status may affect the student's cost of attendance (COA), and, therefore, the amount of loan funds the

school may certify.

[§668.2(b); 07-08 FSA Handbook, Volume 1, Chapter 1, pp. 1-11 and 1-12]

Undergraduate Students

For an undergraduate student, the school's definition of full-time enrollment for a program must meet, at a minimum, one of the following standards:

- 12 semester or quarter hours per academic term, for a program that measures in which academic progress ~~is measured~~ in semester, trimester, or quarter hours.
- 24 semester or 36 quarter hours over the weeks of instructional time in the ~~per 30-week~~ academic year, for a program that measures in which academic progress ~~is measured~~ in credit hours and does not use terms, without using a semester, trimester, or quarter system. In this case, a week is any period of 7 consecutive days in which the school provides for at least one day of regularly scheduled instruction, examinations, or preparation for final examinations. Any time frame allotted to such preparation for final examinations must be after the last scheduled day of classes for the term or payment period.
- For a program that measures academic progress in credit hours and uses nonstandard terms, the product of:

$$\frac{\text{number of weeks of instructional time in the term}}{\text{number of weeks of instructional time in the program's academic year}} \times \frac{\text{number of credit hours in the program's academic year}}{\text{number of credit hours in the program's academic year}}$$

- 24 clock hours per week, for a program that measures in which academic progress ~~is measured~~ in clock hours.
- A series of courses or seminars that equals 12 semester hours or 12 quarter hours in a maximum of 18 weeks.
- The work portion of a cooperative education program in which the amount of work performed is equal to the academic workload of a full-time student.
- ~~In an educational program using both credit and clock hours, any combination of credit and clock hours in which the sum of the following fractions is equal to or greater than one:~~

For a program using a semester, trimester, or quarter system:

$$\frac{\text{number of credit hours per term}}{12} + \frac{\text{number of clock hours per week}}{24}$$

For a program not using a semester, trimester, or quarter system:-

$$\frac{\text{number of semester or trimester hours per academic year}}{24} + \frac{\text{number of quarter hours per academic year}}{36} + \frac{\text{number of clock hours per week}}{24}$$

The school's definition of half-time enrollment for an undergraduate program must include at least half of the academic workload of the applicable regulatory minimum full-time enrollment standard for that program, as outlined above.

[§668.2(b)]

Revise Appendix G, page 9, column 2, paragraph 5, as follows:

Full-Time Student: An enrolled student (other than a student enrolled in a program of study by correspondence) who is carrying a full academic workload as determined by the school under standards applicable to all students enrolled in the same program of study. The student's workload may include any combination of courses, work, research, or special studies, ~~whether or not for credit~~, that the school considers sufficient to classify the student as a full-time student. Non-credit and reduced-credit remedial courses must be included when determining enrollment status if the student qualifies for aid for the remedial courses. See Section 6.9 for a detailed definition of a full-time student that includes credit- and clock-hour requirements.

PROPOSED LANGUAGE - COMMON BULLETIN:

Defining Enrollment Status

The *Common Manual* has been revised to include new standards for determining full-time enrollment status for a student enrolled in a nonstandard term-based, credit hour program or in correspondence coursework, as required by the final regulations published November 1, 2007. The policy also deletes obsolete formulas for determining full-time enrollment status for students enrolled in a program using both credit and clock hours .

In addition, revised policy clarifies that non-credit and reduced-credit remedial courses *must* be included when determining a student's enrollment status, if the student qualifies for aid for the remedial courses.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A borrower enrolled in a nonstandard term-based, credit hour program or in correspondence coursework will be subject to a new standard for determining enrollment status, which may affect loan eligibility.

School:

A school must ensure that the student's enrollment status is properly determined, based on the type of program in which the student is enrolled.

Lender/Service:

None.

Guarantor:

A guarantor may be required to amend program review procedures.

U.S. Department of Education:

The Department may be required to amend program review procedures.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

February 5, 2008

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:

CM Policy Committee

CM Guarantor Designee

Interested Industry Groups and Others

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: July 25, 2008

X	DRAFT	Comments Due	Aug 15
	FINAL	Consider at GB meeting	
	APPROVED	with changes/no changes	

SUBJECT: **Stafford Annual and Aggregate Loan Limit Increases for Undergraduate Students**

AFFECTED SECTIONS: **6.11.A Stafford Annual Loan Limits**
6.11.B Stafford Aggregate Loan Limits
Figure 6-4

POLICY INFORMATION: **1052/Batch 151**

EFFECTIVE DATE/TRIGGER EVENT: Stafford loans first disbursed on or after July 1, 2008, for loan periods that include or begin on or after July 1, 2008.

BASIS:

Ensuring Continued Access to Student Loans Act (ECASLA) of 2008 (P.L. 110-227); DCL GEN-08-08.

CURRENT POLICY:

Current policy does not include increases in the unsubsidized Stafford annual loan limits for certain undergraduate students, or the increase in the combined Stafford aggregate loan limit for all undergraduate students.

REVISED POLICY:

Revised policy incorporates increases in the unsubsidized Stafford annual loan limits for certain undergraduate students and the increase in the combined Stafford aggregate loan limit for all undergraduate students.

REASON FOR CHANGE:

This change is necessary to incorporate increases in the unsubsidized Stafford annual loan limits, and the combined Stafford aggregate loan limit, for undergraduate students authorized by the ECASLA.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 6.11.A of the July 2008 *Common Manual*, page 23, column 1, paragraph 3, as follows:

6.11.A Stafford Annual Loan Limits

The amount of Stafford loan funds that a student may borrow for each academic year—the annual loan limit—is based on whether the student is enrolled in an undergraduate, graduate, or professional program of study. For an undergraduate student, the annual loan limit varies according to several factors:

- The student's dependency status, as defined in Section 6.8.
- For a dependent student, the student's enrollment in undergraduate or graduate preparatory coursework, or teacher certification or recertification coursework (see Figure 6-4).
[DCL GEN-08-08]
- The year of study in which the student is enrolled (first, second, third, fourth, or subsequent year).
- The length of the undergraduate program of study, regardless of how long it takes the student to complete the program.

- The length of the student's program or final period of enrollment, expressed as a proportion of the school's academic year.

[§682.204(i)]

Revise Subsection 6.11.A, page 24, column 2, by adding a new bullet 2, as follows:

In determining the appropriate Stafford annual loan limit for an undergraduate student, including a transfer student or a student who has completed a program of study at the same school or a different school, schools and lenders must adhere to the following additional parameters:

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- A dependent student who is enrolled as a regular student in an eligible undergraduate degree or certificate program and whose parent has *not* been determined to be unable to obtain a PLUS loan is eligible to borrow the base Stafford annual loan limit applicable to the student's current grade level plus an additional \$2,000 in unsubsidized Stafford loan funds (see Figure 6-4). Such a student who is enrolled in preparatory coursework necessary for the student to enroll in an undergraduate or graduate program, or teacher certification or recertification coursework, is eligible to borrow only the base Stafford annual loan limit (see below).
HEA §428H(d)(3)(A); DCL GEN-08-08

- A dependent student who has a bachelor's degree and is enrolled or accepted for enrollment in coursework necessary for a professional credential or certification from a state that is required for employment as a teacher in an elementary or secondary school in that state is eligible to borrow the base Stafford annual loan limit of \$5,500. An independent student, or a dependent student whose parent is ~~not eligible for~~ unable to obtain a PLUS loan ~~(because the parent has adverse credit or other exceptional circumstances that are documented by the FAA)~~, is eligible to borrow a combined subsidized and unsubsidized Stafford annual loan limit of up to \$12,500. Of the total amount borrowed for the year, no more than \$5,500 may consist of subsidized Stafford loan funds (see Figure 6-4). The loan limits for this category of student are not prorated.
[HEA §428H(d)(2)(A)(iii); §682.204(a)(7) and (d)(6)(iii); DCL GEN-08-08]

- A dependent student who is taking preparatory coursework that the school has determined and documented to be necessary for the student to enroll in an undergraduate program is eligible to borrow the base Stafford annual loan limit of \$2,625. An independent student, or a dependent student whose parent is ~~not eligible for~~ unable to obtain a PLUS loan ~~(because the parent has adverse credit or other exceptional circumstances that are documented by the FAA)~~, is eligible to borrow a combined subsidized and unsubsidized Stafford annual loan limit of up to ~~\$6,625~~ \$8,625. Of the total amount borrowed for the year, no more than \$2,625 may consist of subsidized Stafford loan funds (see Figure 6-4). A student is eligible for loans for one

period of 12 consecutive months beginning on the first day of the loan period for which the student is enrolled. The loan limits for this category of student are not prorated if the coursework is less than an academic year.

[HEA §428H(d)(4)(A)(iii); §682.204(a)(6)(i) and (d)(6)(i); 07-08 FSA Handbook, Volume 3, Chapter 4, p. 3-94; DCL GEN-08-08]

- A dependent student who is taking preparatory coursework that the school has determined and documented to be necessary for the student to enroll in a graduate or professional program is eligible to borrow the base Stafford annual loan limit of \$5,500. An independent student, or a dependent student whose parent is ~~not eligible for~~ unable to obtain a PLUS loan (because the parent has adverse credit or other exceptional circumstances that are documented by the FAA), is eligible to borrow a combined subsidized and unsubsidized Stafford annual loan limit of up to \$12,500. Of the total amount borrowed for the year, no more than \$5,500 may consist of subsidized Stafford loan funds (see Figure 6-4). Preparatory coursework required for admission into a graduate or professional program may be taken at a school that is not generally permitted to certify loans at the fifth-year undergraduate loan level. A student is eligible for loans for one period of 12 consecutive months beginning on the first day of the loan period for which the student is enrolled. The loan limits for this category of student are not prorated.

[HEA §428H(d)(2)(A)(ii); §682.204(a)(6)(ii) and (d)(6)(ii); DCL GEN-98-2; DCL GEN-08-08]

...

Revise Figure 6-4, page 26, as indicated in the attached chart.

Revise Subsection 6.11.B, page 27, column 1, paragraph 3, as follows:

...

A Stafford aggregate loan limit also does not include the amount of any PLUS loan borrowed by the student or his or her parents. A borrower who has reached the ~~FFELP~~ Stafford aggregate loan limit and whose principal is paid in part through refunds, returned funds, prepayments, payments, cancellations, discharge, or other reductions in principal regains eligibility up to the lesser of the applicable annual loan limit or the aggregate amount.

...

Revise Subsection 6.11.B, page 27, column 2, paragraph 2, as follows:

Undergraduate Students

A dependent undergraduate student borrower is eligible to borrow up to a combined subsidized and unsubsidized base Stafford aggregate loan ~~amount limit of up to \$23,000~~ \$31,000 (including all ~~SLS~~ and Direct Stafford loans received or any portion of an outstanding Consolidation loan that fully repaid such loans). Subsidized Stafford loans may comprise no more than \$23,000 of the total amount borrowed. If a ~~student borrower~~ student borrower is ineligible for subsidized Stafford loan funds, ~~the student he or she~~ he or she may borrow up to the ~~entire \$23,000~~ \$31,000 Stafford aggregate loan limit in unsubsidized Stafford loan funds. If the borrower has not reached the \$31,000 limit, the borrower may be eligible for the Stafford annual loan limit applicable to his or her current grade level. To calculate the borrower's remaining Stafford aggregate loan eligibility, subtract the subsidized and unsubsidized Stafford loan amounts the borrower has received from the combined Stafford aggregate loan limit of \$31,000.

[HEA §428(b)(1)(B)(i); §428H(d)(3)(B); DCL GEN-08-08]

An independent undergraduate student borrower or a dependent student borrower whose parent is unable to obtain a PLUS loan (because the parent has adverse credit or other exceptional circumstances that are documented by the FAA) is eligible to borrow up to a combined subsidized and unsubsidized Stafford aggregate loan amount limit of up to \$46,000 \$57,500 (including all SLS and Direct Stafford loans received or any portion of an outstanding Consolidation loan that fully repaid such loans). Subsidized Stafford loans may comprise no more than \$23,000 of the total amount borrowed. If a student borrower is ineligible for subsidized Stafford loan funds, the student he or she may borrow up to the entire \$46,000 \$57,500 Stafford aggregate loan limit in unsubsidized Stafford loan funds. If the borrower has not reached the \$46,000 \$57,500 limit, the borrower may qualify be eligible for the Stafford annual loan amount limit applicable to his or her current grade level. To calculate the borrower's remaining Stafford aggregate loan eligibility, subtract the subsidized and unsubsidized Stafford loan amounts the borrower has received from the combined Stafford aggregate loan limit of \$46,000 \$57,500.

[HEA §428(b)(1)(B)(ii); HEA §428H(d)(4)(B); DCL GEN-97-3; DCL GEN-08-08; 07-08 FSA Handbook, Volume 3, Chapter 5, p. 3-96]

PROPOSED LANGUAGE - COMMON BULLETIN:

Stafford Annual and Aggregate Loan Limit Increases for Undergraduate Students

The July 2008 annual update of the *Common Manual* has been revised to incorporate increases in the unsubsidized Stafford annual loan limit for certain undergraduate students, and increases in the undergraduate Stafford aggregate loan limit authorized by the Ensuring Continued Access to Student Loans Act (ECASLA) of 2008.

Annual loan limits for all undergraduate students, including those that did not increase as the result of the ECASLA, are as follows:

- **Preparatory Coursework for Undergraduate Program**
 - Base Stafford eligibility (subsidized and unsubsidized): \$2,625
 - Additional unsubsidized Stafford eligibility (dependent student): N/A
 - Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan): \$6,000
- **First-Year Undergraduates**
 - Base Stafford eligibility (subsidized and unsubsidized): \$3,500
 - Additional unsubsidized Stafford eligibility (dependent student): \$2,000
 - Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan): \$6,000
- **Second-Year Undergraduates**
 - Base Stafford eligibility (subsidized and unsubsidized): \$4,500
 - Additional unsubsidized Stafford eligibility (dependent student): \$2,000
 - Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan): \$6,000
- **Third-, Fourth-, and Fifth-Year Undergraduates**
 - Base Stafford eligibility (subsidized and unsubsidized): \$5,500

- Additional unsubsidized Stafford eligibility (dependent student): \$2,000
- Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan): \$7,000
- **Teacher Certification Coursework or Preparatory Coursework for Graduate or Professional Program**
 - Base Stafford eligibility (subsidized and unsubsidized): \$5,500
 - Additional unsubsidized Stafford eligibility (dependent student): N/A
 - Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan): \$7,000

A school that does not repackage students who have already received financial aid awards for the 2008-09 academic year must notify students who are eligible for additional unsubsidized Stafford loan amounts that the student may have additional loan eligibility.

The ECASLA increased the Stafford aggregate loan limit for all categories of dependent students to \$31,000, of which no more than \$23,000 may be comprised of subsidized Stafford loan funds. The Stafford aggregate loan limit for an independent student, and for a dependent student whose parent is unable to borrow a PLUS loan, increased to \$57,500, of which no more than \$23,000 may be comprised of subsidized Stafford loan funds.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

An undergraduate borrower may be able to receive additional unsubsidized Stafford loan funds in place of private loan funds that may be more costly over the life of the loan. In addition, because the Stafford aggregate loan limits have increased, an independent student, or a dependent student whose parent is unable to borrow a PLUS loan, may be able to take advantage of his or her full annual loan eligibility for a five-year program of study.

School:

A school may be required to revise student consumer information and financial aid policies and procedures to reflect changes in the Stafford annual and aggregate loan limits for undergraduate students. A school that does not repackage students who have already received financial aid awards for the 2008-09 academic year must notify students who are eligible for additional unsubsidized Stafford loan amounts that the student may have additional loan eligibility.

Lender/Service:

A lender may need to update consumer information for students and parents. A lender that edits for Stafford annual and aggregate loan limits may be required to make system changes.

Guarantor:

A guarantor may need to train its program participants on the new Stafford annual and aggregate loan limits, update consumer information for students and parents, and revise school program review policies. A guarantor that edits for annual and aggregate loan limits may be required to make system changes.

U.S Department of Education:

The Department may need to train federal student loan program participants on the new Stafford annual and aggregate loan limits, update consumer information for students and parents, revise school program review policies, make systems changes to accommodate loans originated at the higher annual and aggregate limits, and facilitate coordinating changes to NSLDS.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

May 19, 2008

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:

CM Policy Committee

CM Guarantor Designees

Interested Industry Groups and Others

jcs/edited-kk

Stafford Undergraduate Annual and Aggregate Loan Limits for Undergraduate Students
Figure 6-4

Length of Program or Final Period of Enrollment			
	Program of study of at least a full academic year in length	One-year program of study with less than a full academic year remaining	Program of study of less than one academic year
Preparatory Coursework for Undergraduate Program			
Base Stafford eligibility (subsidized and unsubsidized)	\$2,625	N/A	N/A
<u>Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Additional unsubsidized Stafford eligibility (<u>independent student or dependent student whose parent is unable to obtain a PLUS loan</u>)	\$4,000 \$6,000	N/A	N/A
First-Year Undergraduates			
Base Stafford eligibility (subsidized and unsubsidized)	\$3,500	Proportional Proration Calculation #1	Proportional Proration Calculation #2
<u>Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)</u>	<u>\$2,000</u>	<u>Proportional Proration Calculation #1</u>	<u>Proportional Proration Calculation #2</u>
Additional unsubsidized Stafford eligibility (<u>independent student or dependent student whose parent is unable to obtain a PLUS loan</u>)	\$4,000 \$6,000	Proportional Proration Calculation #1	Proportional Proration Calculation #2
Length of Program or Final Period of Enrollment			
	Program of study of at least an academic year in length	Program of study with less than a full academic year remaining	
Second-Year Undergraduates			
Base Stafford eligibility (subsidized and unsubsidized)	\$4,500	Proportional Proration Calculation #1	
<u>Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)</u>	<u>\$2,000</u>	<u>Proportional Proration Calculation #1</u>	
Additional unsubsidized Stafford eligibility (<u>independent student or dependent student whose parent is unable to obtain a PLUS loan</u>)	\$4,000 \$6,000	Proportional Proration Calculation #1	
Third-, Fourth-, and Fifth-Year Undergraduates			
Base Stafford eligibility (subsidized and unsubsidized)	\$5,500	Proportional Proration Calculation #1	
<u>Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)</u>	<u>\$2,000</u>	<u>Proportional Proration Calculation #1</u>	
Additional unsubsidized Stafford eligibility (<u>independent student or dependent student whose parent is unable to obtain a PLUS loan</u>)	\$5,000 \$7,000	Proportional Proration Calculation #1	

Teacher Certification Coursework or Preparatory Coursework for Graduate or Professional Program

Base Stafford eligibility (subsidized and unsubsidized)	\$5,500	Proportional Proration Calculation #1
<u>Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to obtain a PLUS loan)</u>	<u>N/A</u>	<u>N/A</u>
Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan)	\$7,000	N/A

Proportional Proration Calculation #1

Multiply the following ratio by the applicable Stafford annual loan limit for a full academic year:

$$\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled}}{\text{Number of semester, trimester, quarter, or clock hours in academic year}}$$

[§682.204(a)(ii) and (d)(ii)]

Proportional Proration Calculation #2

Multiply the lesser of the following ratios by \$3,500 for base Stafford annual loan limit, and by ~~\$2,000~~ (for a dependent student) or ~~\$4,000~~ \$6,000 (for an independent student or a dependent student whose parent is unable to obtain a PLUS loan) for additional unsubsidized Stafford annual loan limit:

$$\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled}}{\text{Number of semester, trimester, quarter, or clock hours in academic year}}$$

or

$$\frac{\text{Number of weeks enrolled in program}}{\text{Number of weeks in academic year}}$$

[§682.204(a)(iii) and (d)(iii)]

Dependent Undergraduate Students

The total amount of subsidized and unsubsidized Stafford loans made for any academic year to a dependent undergraduate student enrolled in undergraduate or graduate preparatory coursework, or teacher certification coursework, may not exceed the “base Stafford eligibility” specified above for that student’s grade level. The total amount of subsidized and unsubsidized Stafford loans made for any academic year to a dependent, first- through fifth-year undergraduate student may not exceed the “base Stafford eligibility” specified above for that student’s grade level plus an “additional unsubsidized Stafford eligibility” amount of \$2,000. A dependent undergraduate student’s unpaid principal amount of subsidized and unsubsidized Stafford loans (including all Direct Stafford loans received or any portion of an outstanding Consolidation loan that paid in full a Stafford or Direct Stafford loan) may not exceed ~~\$23,000~~ \$31,000, with subsidized Stafford loans comprising no more than \$23,000 of the total limit.

[HEA §428(b)(1)(B)(i); HEA §428H(d)(3); §682.204(b)(1) and (c)(1); DCL GEN-08-08]

If a dependent undergraduate student’s parent is unable to obtain a PLUS loan (because the parent has adverse credit or other exceptional circumstances exist that are documented by the FAA), the total amount of subsidized and unsubsidized Stafford loans for any academic year may not exceed the “base Stafford eligibility” plus the “additional unsubsidized Stafford eligibility” specified above for that student’s grade level. Only one parent need be unable to obtain a PLUS loan for the student to be eligible for the additional loan funds. See Subsection 6.15.D for more information.

[HEA §428H(d)(4)(A); §682.204(d); DCL GEN-08-08]

The student’s aggregate unpaid principal amount of all Stafford loans (including all ~~SLS loans~~ and Direct Stafford loans received or any portion of any outstanding Consolidation loan that paid in full a Stafford, SLS, or Direct Stafford loan) may not exceed ~~\$46,000~~ \$57,500 for undergraduate study, with subsidized Stafford loans comprising no more than \$23,000 of the total limit. See Section 6.11 for more information.

[HEA §428(b)(1)(B)(ii); HEA §428H(d)(4)(B); §682.204(b)(1) and (e)(1); DCL GEN-08-08]

Independent Undergraduate Students

The total amount of subsidized and unsubsidized Stafford loans for any academic year may not exceed the “base Stafford eligibility” plus the “additional unsubsidized Stafford eligibility” specified above for that student’s grade level. An independent undergraduate student’s unpaid principal amount of all Stafford loans (including all SLS and Direct Stafford loans received or any portion of an outstanding Consolidation loan that paid in full a Stafford, SLS, or Direct Stafford loan) may not exceed ~~\$46,000~~ \$57,500 for undergraduate study, with subsidized Stafford loans comprising no more than \$23,000 of the total limit. See Section 6.11 for more information.

[HEA §428(d)(4); HEA §428H(d)(4)(B); §682.204(b)(1) and (e)(1); DCL GEN-08-08]

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: July 25, 2008

X	DRAFT	Comments Due	Aug 15
	FINAL	Consider at GB Meeting	
	APPROVED	With Changes / No Changes	

SUBJECT: Special Aggregate Stafford Loan Limits for Graduate and Professional Health Profession Students

AFFECTED SECTIONS: 6.11.D Increased Unsubsidized Stafford Loan Limits for Health Profession Students

POLICY INFORMATION: 1053/Batch 151

EFFECTIVE DATE/TRIGGER EVENT: Effective on April 18, 2008.

BASIS:
DCL GEN-08-04.

CURRENT POLICY:
Current policy states that the Stafford aggregate loan limit for a graduate or professional health profession student is \$189,125.

REVISED POLICY:
Revised policy states that the Stafford aggregate loan limit for a graduate or professional health profession student is \$224,000.

REASON FOR CHANGE:
This change is necessary to coordinate the Manual's text with an increase in the Stafford aggregate loan limit that the Department authorized for graduate and professional health profession students in GEN-08-04.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 6.11.D of the July 2008 *Common Manual*, page 29, column 2, paragraph 6, as follows:

Special Aggregate Stafford Aggregate Loan Limits

Graduate and professional health Health profession students who are eligible for increased unsubsidized Stafford loans may receive an aggregate amount of ~~\$189,125~~ \$224,000 (including all SLS and Direct Stafford loans received or any portion of an outstanding Consolidation loan that fully repaid such loans). 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~~ \$224,000 aggregate loan limit in unsubsidized Stafford loan funds.

Undergraduate 5-year Bachelor of Pharmacology students may receive an aggregate amount of \$70,625 . . .

PROPOSED LANGUAGE - COMMON BULLETIN:

Special Stafford Aggregate Loan Limits for Graduate and Professional Health Profession Students

The July 2008 version of the *Common Manual* has been updated to reflect an increase in the Stafford aggregate loan limit for graduate and professional health profession students who are eligible for increased unsubsidized Stafford loans, from \$189,125 to \$224,000. The aggregate amount of subsidized Stafford loan funds that a graduate or professional health profession student may receive remains unchanged at \$65,000.

GUARANTOR COMMENTS:
None.

IMPLICATIONS:*Borrower:*

A graduate or professional health profession student who reached the prior Stafford aggregate loan limit of \$189,125 will qualify for additional unsubsidized Stafford loan funds, up to the new aggregate loan limit of \$224,000. A graduate or professional health profession student who inadvertently exceeded the prior Stafford aggregate loan limit of \$189,125 is ineligible for additional unsubsidized Stafford loan funds until the borrower repays the excess amount in full, or makes arrangements satisfactory to the holder of the loan to repay the excess amount.

School:

A school may determine how to implement the increase in the Stafford aggregate loan limit for graduate and professional health profession students. A school may need to revise its student consumer information and financial aid policies and procedures that address Stafford aggregate loan limits for graduate and professional health profession students who qualify for higher, unsubsidized Stafford loan limits.

Lender/Service:

A lender that edits for Stafford aggregate loan limits may be required to make systems changes.

Guarantor:

A guarantor that edits for Stafford aggregate loan limits may be required to make system changes. A guarantor may also be required to revise school program review procedures.

U.S. Department of Education:

The Department may be required to revise school program review procedures.

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

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

April 29, 2008

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

CM Policy Committee
CM Guarantor Designee
Interested Industry Groups and Others

jcs/edited - kk

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: July 25, 2008

X	DRAFT	Comments Due	Aug 15
	FINAL	Consider at GB Meeting	
	APPROVED	With Changes / No Changes	

SUBJECT: FFELP Delivery to Transfer Students

AFFECTED SECTIONS: 8.7.G Delivery to Transfer Students

POLICY INFORMATION: 1054/Batch 151

EFFECTIVE DATE/TRIGGER EVENT: Eligibility determinations made on or after July 1, 2007, unless implemented earlier by the school.

BASIS:
§668.19(a)(3).

CURRENT POLICY:
Current policy states that, prior to delivering FFELP loan proceeds to, or on behalf of, a transfer student, the school must determine the amount of any Pell grant awarded and previously delivered in the award year.

REVISED POLICY:
Revised policy adds that, prior to delivering FFELP loan proceeds to, or on behalf of, a transfer student, the school must also determine the amount of any ACG or National SMART grants awarded and previously delivered in the award year.

REASON FOR CHANGE:
The *Common Manual* is being revised to reflect a regulatory change made by the HERA Interim Final Rule, published July 3, 2006.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 8.7.G of the July 2008 *Common Manual*, page 14, column 1, paragraph 3, as follows:

The school may not deliver Stafford or PLUS loan proceeds to a student or parent of a student who previously attended another eligible school until the school the student is attending determines, from information obtained through the National Student Loan Data System (NSLDS) or its successor system, all of the following:

- The student is not in default on any Title IV program loan.
[§668.19(a)(1)]
- The student does not owe an overpayment on any Title IV program grant or Federal Perkins loan.
[§668.19(a)(2)]
- For the award year for which a Federal Pell grant, an Academic Competitiveness Grant, or a National SMART grant is requested, the student's scheduled Federal Pell grant, ~~disbursement~~ ACG, or National SMART grant award and the amount of any Federal Pell grant, ACG, or National SMART grant funds already ~~disbursed~~ delivered to the student.
[§668.19(a)(3)]
- The outstanding principal balance of loans made to the student under each of the Title IV loan programs.
[§668.19(a)(4)]

- The amount of, and loan period for, loans made to the student under each of the Title IV loan programs for the academic year for which Title IV aid is requested.
[§668.19(a)(5)]

PROPOSED LANGUAGE - COMMON BULLETIN:

FFELP Delivery to Transfer Students

The *Common Manual* has been revised to reflect a regulatory change regarding a school's examination of a transfer student's financial aid history, made by the HERA Interim Final Rule, published July 3, 2006. The school must determine the amount of any ACG or National SMART grants awarded and delivered during the award year for the transfer student prior to the delivery of FFELP funds.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A borrower's financial aid history must be examined for previous ACG and National SMART grant awards prior to the delivery of FFELP funds to a transfer student.

School:

A school must determine any ACG or National SMART grants awarded and disbursed during the award year for a transfer student prior to the delivery of FFELP funds.

Lender/Service:

None.

Guarantor:

A guarantor may be required to amend program review procedures.

U.S. Department of Education:

The Department may be required to amend program review procedures.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

April 24, 2008

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:

CM Policy Committee

CM Guarantor Designee

Interested Industry Groups and Others

ke/edited - kk

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: July 25, 2008

X	DRAFT	Comments Due	Aug 15
	FINAL	Consider at GB meeting	
	APPROVED	with changes/no changes	

SUBJECT: NSLDS Enrollment Reporting

AFFECTED SECTIONS: 9.2.A National Student Loan Data System (NSLDS) Enrollment Reporting

POLICY INFORMATION: 1055/Batch 151

EFFECTIVE DATE/TRIGGER EVENT: Publication date of the October 2006 NSLDS Enrollment Reporting Guide.

BASIS:

NSLDS Enrollment Reporting Guide, October 2006, Chapter 1, Section 1.2.2, p. 4, Chapter 3, Section 3.2.3, p. 59 and Section 3.2.4, p. 72, and Appendix A, p. 82.

CURRENT POLICY:

Current policy states that schools that fail to return their Submittal File within 30 days of the date it was created will receive a series of overdue letters during the 60- to 65-day period following the Submittal File return deadline.

REVISED POLICY:

Revised policy states that a school that fails to return its Submittal File to the NSLDS within 30 days of the date the NSLDS created the school's Enrollment Reporting Roster File will receive a series of overdue letters from the NSLDS. The first letter is sent to the financial aid administrator (FAA) and registrar if the Submittal File is 4 days late. The second letter is sent to the president or chief executive officer (CEO), registrar, and FAA if the Submittal File is more than 18 days late. The third and final demand letter is sent to the president or CEO, the registrar, and the FAA if the Submittal File is more than 28 days late. Revised policy also clarifies that, for a school that uses a servicer for NSLDS enrollment reporting, the NSLDS does not send overdue letters to the school's servicer.

Revised policy also provides further information about the date that NSLDS "created" the school's Enrollment Reporting Roster File. This date is located in a date and time stamp that NSLDS enters into the Enrollment Reporting Roster File's header record.

REASON FOR CHANGE:

This change is necessary to update the Manual with current Departmental guidance on notices NSLDS generates when a school is overdue in returning its Enrollment Reporting Submittal File to the NSLDS.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 9.2.A of the July 2008 *Common Manual*, page 3, column 2, paragraph 2, as follows:

The NSLDS transmits an electronic Roster File to the school or the school's designated servicer on the day of the month designated by the school's Enrollment Reporting Schedule. For each student listed on the enrollment Roster File, a school must confirm or update the enrollment status and return the updated roster—called the Submittal File—to the NSLDS within 30 days of the date the Roster File was created. The date the Roster File was created is located in a date and time stamp that the NSLDS enters into the Roster File's header record. To reduce response time, schools that employ third-party servicers may opt to synchronize the transmittal of the NSLDS roster with the delivery of the school file to the third-party servicer. Schools may also complete responses to the Roster File online, eliminating the need to return a Submittal File.

...

~~A Schools school~~ that fails to return ~~their its~~ Submittal File to the NSLDS within 30 days of from the date it ~~was created~~ the NSLDS created the school's Enrollment Reporting Roster File will receive a series of overdue letters during the 60 to 65 day period following the Submittal File return deadline from the NSLDS, as follows:

- The first letter is sent to the financial aid administrator (FAA) and registrar if the Submittal File is 4 days late; i.e., the first letter is sent 34 days (30 days plus 4 days) after the Enrollment Reporting Roster File was created.
- A second letter is sent to the president or chief executive officer (CEO), registrar, and financial aid administrator if the Submittal File is more than 18 days late; i.e., the second letter is sent 48 days (30 days plus 18 days) after the Enrollment Reporting Roster File was created.
- A third and final demand letter is sent to the president or CEO, registrar, and financial aid administrator if the Submittal File is more than 28 days late; i.e., the third letter is sent 58 days (30 days plus 28 days) after the Enrollment Reporting Roster File was created.

If the school uses a servicer to submit the Enrollment Reporting files, the school remains responsible for timely and accurate reporting. The NSLDS does not send overdue letters to a school's servicer. A Schools school that does not comply with the Submittal File return requirements may lose eligibility for Title IV ~~student~~ aid or may have fines imposed. [NSLDS Enrollment Reporting Guide, October 2006, Chapter 1, Section 1.2.2, p. 4]

...

**PROPOSED LANGUAGE - COMMON BULLETIN:
NSLDS Enrollment Reporting By Schools**

The July 2008 version of the *Common Manual* has been updated concerning notices generated by the NSLDS when a school fails to return timely its Enrollment Reporting Submittal File.

Revised policy states that a school that fails to return its Submittal File to the NSLDS within 30 days from the date the NSLDS created the school's Enrollment Reporting Roster File will receive a series of overdue letters from the NSLDS, as follows:

- The first letter is sent to the financial aid administrator (FAA) and registrar if the Submittal File is 4 days late; i.e., the first letter is sent 34 days (30 days plus 4 days) after the Enrollment Reporting Roster File was created.
- A second letter is sent to the president or chief executive officer (CEO), registrar, and financial aid administrator if the Submittal File is more than 18 days late; i.e., the second letter is sent 48 days (30 days plus 18 days) after the Enrollment Reporting Roster File was created.
- A third and final demand letter is sent to the president or CEO, registrar, and financial aid administrator if the Submittal File is more than 28 days late; i.e., the third letter is sent 58 days (30 days plus 28 days) after the Enrollment Reporting Roster File was created.

If the school uses a servicer to submit Enrollment Reporting files, the school remains responsible for timely and accurate reporting. The NSLDS does not send overdue letters to a school's servicer.

Revised policy also provides further information about the date that NSLDS “created” the school’s Enrollment Reporting Roster File. The date the Roster File was created is located in a date and time stamp that the NSLDS enters into the Roster File’s header record.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A borrower may experience a more timely conversion or reconversion to repayment based on the school’s response to the NSLDS’s prompt notice of an overdue Submittal File.

School:

A school may be required to modify its procedures for populating its Enrollment Reporting Submittal File to ensure a timely response, thereby avoiding the overdue letters the NSLDS generates, and to respond promptly in the event that it receives an overdue letter. A school that uses a servicer to submit its Enrollment Reporting Submittal File may need to review its procedures to ensure an effective method of communication with the servicer if the school receives an overdue letter from the NSLDS, and determine the servicer’s response to such a letter.

Lender/Servicer:

A lender may receive more timely enrollment status change information based on a school’s response to the NSLDS’s prompt notice of an overdue Submittal File.

Guarantor:

A guarantor may receive more timely enrollment status change information based on a school’s response to the NSLDS’s prompt notice of an overdue Submittal File. A guarantor may also be required to modify school program review standards to document a school’s response to the revised schedule of overdue letters the NSLDS generates.

U.S. Department of Education:

The Department may receive more timely enrollment status change information based on a school’s response to the NSLDS’s prompt notice of an overdue Submittal File. The Department may be required to modify school program review standards to document a school’s response to the revised schedule of overdue letters the NSLDS generates.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

April 8, 2008

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:

CM Policy Committee
CM Guarantor Designees
Interested Industry Groups and Others

jcs/edited-kk

COMMON MANUAL - CORRECTION POLICY PROPOSAL

Date: July 25, 2008

X	DRAFT	Comments Due	Aug 15
	FINAL	Consider at GB meeting	
	APPROVED	with changes/no changes	

SUBJECT: Ineligibility for Title IV Aid Due to Prior Default on a Title IV Loan

AFFECTED SECTIONS: 5.2.D NSLDS Data Match

POLICY INFORMATION: 1056/Batch 151

EFFECTIVE DATE/TRIGGER EVENT: Retroactive to the implementation of the *Common Manual*.

BASIS:

§682.201(b)(1)(iv); §668.35(a); 08-09 FSA Handbook, Volume 1, Chapter 3, p. 1-47-1-48 and Chapter 7, p. 1-74.

CURRENT POLICY:

Current policy states that a prospective Stafford or PLUS loan borrower is ineligible for a FFELP loan if he or she, or the student for whom a parent borrower is seeking a PLUS loan, has an outstanding, unresolved default on any Title IV loan.

REVISED POLICY:

Revised policy clarifies that an individual who is in default on any Title IV loan is ineligible to receive any Title IV aid, including the benefit of a parent PLUS loan, until the default is resolved. However, a parent's unresolved default on a Title IV loan, including a PLUS loan, does not adversely impact a dependent student's eligibility for other Title IV aid.

REASON FOR CHANGE:

This change is necessary to clarify that a student who has an unresolved default on any Title IV loan is ineligible to receive any Title IV aid (including a parent PLUS loan), and that a parent's unresolved default on a Title IV loan (including a PLUS loan) does not adversely impact the dependent student's eligibility for Title IV aid other than a parent PLUS loan.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 5.2.D of the July 2008 *Common Manual*, page 6, column 2, paragraph 4, as follows:

Prior Default

~~A prospective Stafford or PLUS loan borrower is ineligible for a FFELP loan if he or she, or the student for whom a parent borrower is seeking a PLUS loan, has an outstanding, unresolved default on any Title IV loan (a FFELP loan, FDLP loan, Federal Perkins loan, or Federal Insured Student Loan) obtained for attendance at any school. An individual who is in default on any Title IV loan is ineligible to receive any Title IV aid, including the benefit of a parent PLUS loan, until the default is resolved in one of the ways described below. However, a parent's unresolved default on a Title IV loan, including a PLUS loan, does not adversely impact a dependent student's eligibility for other Title IV aid.~~

[08-09 FSA Handbook, Volume 1, Chapter 3, p. 1-47-1-48 and Chapter 7, p. 1-74]

In determining whether the student or parent borrower has ever defaulted on any Title IV loan, a school may rely on the information provided by the student or parent borrower during the loan process and on NSLDS financial aid history information unless the school receives conflicting information. The school must reconcile all conflicting information before delivering any Title IV funds to a student or parent borrower who has an unresolved default on a Title IV loan, and must retain documentation that clearly substantiates its determination that the student or

parent borrower's prior default was resolved. Documentation stating that the reporting entity has "no record" of the student or parent borrower's default is not considered adequate. [§668.19; DCL GEN-96-13; DPL GEN-00-12; DPL GEN-00-18]

A student or parent borrower who has defaulted on any Title IV loan is eligible for a new FFELP loan only if each defaulted loan has been resolved. A defaulted FFELP loan may be resolved in one of the following ways:

- The defaulted loan ~~has been~~ is paid in full. [§668.35(a)(1)]
- The defaulted loan ~~has been~~ is discharged or determined to be dischargeable in a bankruptcy action. [§668.35(h)]
- The borrower's eligibility for Title IV funds ~~has been~~ is reinstated as a result of the borrower making satisfactory repayment arrangements with the loan holder (see "Reinstatement of Title IV Eligibility after Default" later in this subsection). [§668.35(a)(2)]
- The defaulted loan ~~has been~~ is rehabilitated as a result of the borrower making nine voluntary, on-time, full monthly payments of a reasonable and affordable amount, during a period of 10 consecutive months, and each loan ~~has been~~ is purchased by a lender. For more information on loan rehabilitation, see Section 13.7. [HEA §428F(a)(1)(A)]
- The defaulted loan ~~has been~~ is discharged because the student for whom the Stafford or PLUS loan was obtained was unable to complete the program of study due to the school's closing. [§682.405(a)(2)]
- The defaulted loan ~~has been~~ is discharged ~~by the Department~~ because the borrower's eligibility for the loan was falsely certified by the school. [§682.402(e)]
- The borrower ~~has made~~ makes satisfactory repayment arrangements on the defaulted loan and ~~consolidated~~ consolidates that loan, or the borrower ~~has agreed~~ agrees to repay a Consolidation loan under an income-sensitive repayment schedule. For more information on consolidating defaulted loans, see Section 15.2. [§682.201(c)(1)]

...

PROPOSED LANGUAGE - COMMON BULLETIN:

Ineligibility for Title IV Aid Due to Prior Default on a Title IV Loan

The July 2008 version of the *Common Manual* has been updated to clarify that an individual who is in default on any Title IV loan is ineligible to receive any Title IV aid, including the benefit of a parent PLUS loan, until the default is resolved. However, a parent's unresolved default on a Title IV loan, including a PLUS loan, does not adversely impact a dependent student's eligibility for other Title IV aid.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

None.

School:
None.

Lender/Service:
None.

Guarantor:
None.

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:
December 7, 2007

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 - CORRECTION POLICY PROPOSAL

Date: July 25, 2008

X	DRAFT	Comments Due	Aug 15
	FINAL	Consider at GB Meeting	
	APPROVED	With Changes / No Changes	

SUBJECT: Eligibility Amounts for PLUS Loans

AFFECTED SECTIONS: 6.11 Loan Limits
6.11.C PLUS Loans for Graduate and Professional Students
6.15.C PLUS Loan Certification

POLICY INFORMATION: 1057/Batch 151

EFFECTIVE DATE/TRIGGER EVENT: Retroactive to the implementation of the *Common Manual*.

BASIS:

07-08 FSA Handbook, Volume 3, Chapter 5, p. 3-78; Student Financial Aid Handbook for Foreign Schools, Chapter 1, p. 1-7; DCL GEN-92-21.

CURRENT POLICY:

Current policy does not explicitly state that there is no annual or aggregate loan limit for a parent or graduate/professional PLUS loan borrower.

REVISED POLICY:

Revised policy states that there is no annual or aggregate loan limit for a parent or Grad PLUS loan. A PLUS loan may not exceed the cost of attendance minus estimated financial assistance for the student.

REASON FOR CHANGE:

This change is necessary to clarify existing policy, which does not prescribe an annual or aggregate loan limit for a PLUS loan.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Section 6.11 of the July 2008 *Common Manual*, p. 23, column 1, paragraph 1, as follows:

6.11 Loan Limits

Based on all information available, a school is responsible for certifying a loan amount that ensures a borrower does not receive a loan in excess of the Stafford annual or aggregate loan limits. A PLUS loans may not exceed the cost of attendance (COA) minus estimated financial assistance (EFA) for the student. Unlike a Stafford loan, there is no annual or aggregate loan limit for a PLUS loan.
[§682.506(a); §682.603(e)(2)(i); DCL GEN-92-21; 07-08 FSA Handbook, Volume 3, Chapter 5, p. 3-78]

For more information on Stafford annual and aggregate loan limits, schools should refer to Subsections 6.11.A and 6.11. B, Figure 6-4, and the guidelines issued by the Department in the 07-08 FSA Handbook, Volume 3, Chapter 5, pp. 3-77 to 3-87.

Revised Subsection 6.11.C, p. 28, column 1, paragraph 3, as follows:

**6.11.C
PLUS Loans for Graduate and Professional Students**

A graduate or professional student is eligible to borrow Grad PLUS loan funds not to exceed his or her cost of attendance (COA) minus the student's estimated financial assistance (EFA). There is no annual or aggregate loan limit for a Grad PLUS loan. A graduate or professional PLUS loan borrower must meet the student eligibility criteria set forth in Subsections 5.1.A and 5.1.B and the graduate or professional PLUS loan borrower eligibility criteria set forth in Subsection 5.1.C.
[§682.204(h); DCL GEN-92-21; 07-08 FSA Handbook, Volume 3, Chapter 5, p. 3-78]

Revise Subsection 6.15.C, p. 34, column 2, paragraph 3, as follows:

6.15.C
PLUS Loan Certification

...

Parent Borrowers

...

A school determines a parent borrower's maximum eligibility for a parent PLUS loan by subtracting from the cost of attendance (COA) the estimated financial assistance (EFA) that ~~both the student, and the parent on behalf of the student, are~~ is expected to receive for the loan period. There is no annual or aggregate loan limit for a parent PLUS loan.
[§682.204(h); DCL GEN-92-21; 07-08 FSA Handbook, Volume 3, Chapter 5, p. 3-78]

...

Revise Subsection 6.15.C, p. 35, column 1, paragraph 1, as follows:

Graduate and Professional Student Borrowers

...

A school determines a student borrower's maximum eligibility for a Grad PLUS loan by subtracting from the cost of attendance (COA) the estimated financial assistance (EFA) that the student is expected to receive for the loan period. There is no annual or aggregate loan limit for a Grad PLUS loan.
[§682.204(h); DCL GEN-92-21; 07-08 FSA Handbook, Volume 3, Chapter 5, p. 3-78]

...

PROPOSED LANGUAGE - COMMON BULLETIN:

Eligibility Amounts for PLUS Loans

The July 2008 *Common Manual* update has been revised to state explicitly that there is no annual or aggregate loan limit for a parent or Grad PLUS loan. A PLUS loan may not exceed the cost of attendance minus estimated financial assistance for the student.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

None.

School:

None.

Lender/Service:

None.

Guarantor:

None.

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:

December 7, 2007

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

PROPOSAL DISTRIBUTED TO:

CM Policy Committee

CM Guarantor Designee

Interested Industry Groups and Others

jcs/edited - kk

COMMON MANUAL - CORRECTION POLICY PROPOSAL

Date: July 25, 2008

X	DRAFT	Comments Due	Aug 15
	FINAL	Consider at GB Meeting	
	APPROVED	With Changes / No Changes	

SUBJECT: Delivering Loan Funds

AFFECTED SECTIONS: 8.7 Delivering Loan Funds at Eligible Schools

POLICY INFORMATION: 1058/Batch 151

EFFECTIVE DATE/TRIGGER EVENT: Retroactive to the implementation of the *Common Manual*.

BASIS:

§682.604(b)(2)(i), (iii) and (iv).

CURRENT POLICY:

Current policy states that a school may deliver loan proceeds only if it determines that the student has maintained continuous eligibility for the loan period certified by the school.

REVISED POLICY:

Revised policy clarifies that there are three exceptions to the general rule that a student must maintain continuous eligibility for the loan period certified, and provides cross-references to explanations of those exceptions.

REASON FOR CHANGE:

The *Common Manual* is being revised to clarify that there are three exceptions to the general rule that a student must maintain continuous eligibility for the loan period certified, and to provide cross-references to explanations of those exceptions.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Section 8.7 of the July 2008 *Common Manual*, page 7, column 1, paragraph 3, as follows:

A school must ensure that it does not deliver the proceeds of a Stafford loan or a Grad PLUS loan to a student who has lost his or her eligibility to receive the loan, or for whom the school never certified a loan. A school also must ensure that it does not deliver the proceeds of a parent PLUS loan to a student (to whom the parent borrower authorized the delivery of proceeds) if the student and/or the parent borrower has lost his or her eligibility to receive the loan, or if the school never certified a loan.

Generally, a school may deliver the proceeds of any loan disbursement only if it determines that the student has maintained continuous eligibility for the loan period certified by the school. See Subsections 8.7.E (Late Delivery), 8.7.F (Delivery to Borrowers in Special Circumstances, subheading "Temporary Change in Enrollment Status") and 8.11.A (Exceptions to Delivery Restrictions at Ineligible Schools) for exceptions to this general rule.
[§668.164(b); §682.604(b)(2)(i), (iii) and (iv)]

PROPOSED LANGUAGE - COMMON BULLETIN:

Delivering Loan Funds

The *Common Manual* has been revised to clarify that there are three exceptions to the general rule that a student must maintain continuous eligibility for the loan period certified, and to provide cross-references to explanations of those exceptions.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

None.

School:

None.

Lender/Service:

None.

Guarantor:

None.

U.S. Department of Education:

None.

To be completed by the Policy Committee

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CM Policy Committee

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Interested Industry Groups and Others

ke/edited - kk

COMMON MANUAL - CORRECTION POLICY PROPOSAL

Date: July 25, 2008

X	DRAFT	Comments Due	Aug 15
	FINAL	Consider at GB Meeting	
	APPROVED	With Changes / No Changes	

SUBJECT: Diligent Effort

AFFECTED SECTIONS:

- 12.4.A Due Diligence Requirements for Loans with Monthly Repayment Obligations
- 12.4.B Due Diligence Requirements for Loans with Repayment Obligations Less Frequent Than Monthly
- 12.4.D Contact by Telephone
- 12.4.E Endorser Due Diligence
- 12.7.C Required Address Skip Tracing Activities
- 12.8.A Telephone Skip Tracing Activities
- Appendix G

POLICY INFORMATION: 1059/Batch 151

EFFECTIVE DATE/TRIGGER EVENT: Retroactive to the implementation of the *Common Manual*.

BASIS:
§682, Appendix D, Q & A #1.

CURRENT POLICY:
Current policy states that a diligent effort for telephone contact is one successful contact or two unsuccessful attempts to contact the borrower or endorser by telephone.

REVISED POLICY:
Revised policy states that a diligent effort for telephone contact is one successful contact or two attempts to contact the borrower or endorser by telephone. The attempts must be made on different days and at different times.

REASON FOR CHANGE:
The *Common Manual* is being revised to align with regulations in §682, Appendix D to clarify that if an attempt to contact the borrower or endorser by telephone is not successful, the lender must make a second attempt to call the borrower or endorser on a different day and at a different time.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 12.4.A of the July 2008 *Common Manual*, page 5, column 2, paragraph 1, as follows:

16-180 days delinquent

If there is no rolling delinquency and no special occurrences exist on the account, the lender must perform the following activities:

- Make at least four diligent efforts (~~each consisting of one successful contact or two unsuccessful attempts~~) to contact the borrower by telephone. Each effort consists of one successful contact or two attempts to contact the borrower on different days and at different times. At least one diligent attempt to contact the borrower by telephone must occur on or before the 90th day of delinquency, and another must occur after that date (see Subsection 12.4.D).
[§682.411(d)(1); §682, Appendix D, Q&A #1; DCL 96-L-186/96-G-287, Q&A #53]

- ...

Revise Subsection 12.4.A, page 6, column 2, paragraph 3, as follows:

Due Diligence with a Rolling Delinquency or Special Occurrence

If a rolling delinquency or special occurrence (see Subsection 12.3.E and 12.3.F) exists on the account, the lender must perform the requirements applicable to the time frames noted:

- ...
- If the account is 16-90 days delinquent as a result of a rolling delinquency or at the time of a special occurrence, the lender must make two diligent efforts to contact the borrower by telephone before the 181st day of delinquency (not applicable if the borrower's telephone number is invalid). Each diligent effort must involve one successful contact or two ~~unsuccessful~~ attempts to contact the borrower by telephone on different days and at different times. Please note that the requirement to perform one diligent telephone effort on or before the 90th day of delinquency does not apply. If, despite these efforts, the lender is unable to contact the borrower by telephone, the lender must send at least two forceful collection letters. If the lender's telephone efforts result in only a single contact with the borrower, the lender must send at least one forceful collection letter.
[§682.411(d)(3)(i); §682, Appendix D, Q&A #1; DCL 96-L-186/96-G-287, Q&As #50 and #51, and May 1996 supplement to the DCL]
- If the account is 91-120 days delinquent as a result of a rolling delinquency or at the time of a special occurrence, the lender must make one diligent effort to contact the borrower by telephone before the 181st day of delinquency (not applicable if the borrower's telephone number is invalid). This diligent effort must involve one successful contact or two ~~unsuccessful~~ attempts to contact the borrower by telephone on different days and at different times. If, despite these efforts, the lender is unable to contact the borrower by telephone, the lender must send at least one forceful collection letter.
[§682.411(d)(3)(ii); §682, Appendix D, Q&A #1; DCL 96-L-186/96-G-287, Q&As #50 and #51, and May 1996 supplement to the DCL]
- ...

Revise Subsection 12.4.B, page 11, column 2, paragraph 1, as follows:

16-240 days delinquent

If there is no rolling delinquency and no special occurrences exist on the account, the lender must perform the following activities:

- Make at least four diligent efforts ~~(each consisting of one successful contact or two unsuccessful attempts)~~ to contact the borrower by telephone. Each effort consists of one successful contact, or two attempts to contact the borrower on different days and at different times. At least one diligent effort to contact the borrower by telephone must occur on or before the 120th day of delinquency, and another must occur after that date (see Subsection 12.4.D).
[§682.411(d)(1); §682, Appendix D, Q&A #1; DCL 96-L-186/96-G-287, Q&A #53]
- ...

Revise Subsection 12.4.B, page 12, column 2, paragraph 2, as follows:

Due Diligence with a Rolling Delinquency or Special Occurrence

If a rolling delinquency or a special occurrence (see Subsections 12.3.E and 12.3.F) exists on the account, the lender must perform the requirements applicable to the time frames noted:

- ...
- If the account is 16-120 days delinquent as a result of a rolling delinquency or at the time of a special occurrence, the lender must make two diligent efforts to contact the borrower by telephone before the 241st day of delinquency (not applicable if the borrower's telephone number is invalid). Each diligent effort must involve one successful contact or two ~~unsuccessful~~ attempts to contact the borrower by telephone on different days and at different times. Please note that the requirement to perform one diligent telephone effort on or before the 120th day of delinquency does not apply. If, despite these efforts, the lender is unable to contact the borrower by telephone, the lender must send at least two forceful collection letters. If the lender's telephone efforts result in only a single contact with the borrower, the lender must send at least one forceful collection letter.
[§682.411(d)(3)(i); §682, Appendix D, Q&A #1; DCL 96-L-186/96-G-287, Q&As #50 and #51, and May 1996 supplement to the DCL]
- If the account is 121-180 days delinquent as a result of a rolling delinquency or at the time of a special occurrence, the lender must make one diligent effort to contact the borrower by telephone before the 241st day of delinquency (not applicable if the borrower's telephone number is invalid). This diligent effort must involve one successful contact or two ~~unsuccessful~~ attempts to contact the borrower by telephone on different days and at different times. If, despite these efforts, the lender is unable to contact the borrower by telephone, the lender must send at least one forceful collection letter.
[§682.411(d)(3)(ii); §682, Appendix D, Q&A #1; DCL 96-L-186/96-G-287, Q&As #50 and #51, and May 1996 supplement to the DCL]
- ...

Revise Subsection 12.4.D, page 13, column 2, paragraph 2, as follows:

...

Federal regulations define a diligent effort as any one of the following:

- One successful telephone contact with the borrower.
[§682.411(m)(1)(i)]
- At least two ~~unsuccessful~~ attempts to contact the borrower by telephone on different days and at different times, at a number that the lender reasonably believes to be the borrower's valid telephone number.
[§682.411(m)(1)(ii); §682, Appendix D, Q&A #1]
- An unsuccessful effort to obtain the valid telephone number for a borrower—including, but not limited to, a directory assistance inquiry as to the borrower's telephone number—and a diligent effort to contact each comaker, endorser, reference, relative, individual, or entity identified on the borrower's most recent loan records for a loan held by the lender. For more information on skip tracing to obtain a valid telephone number, see Section 12.8.
[§682.411(m)(1)(iii)]

Revise Subsection 12.4.E, page 14, column 1, paragraph 2, as follows:

Endorser Due Diligence Activities

The following collection efforts must be performed for any endorser on a FFELP loan. Endorser due diligence may be performed concurrently with borrower due diligence. Before filing a default

claim on a loan with an endorser, the lender must:

- Make at least one diligent effort ~~consisting of one successful contact or two unsuccessful attempts~~ to contact the endorser by telephone. Each effort consists of one successful contact or two attempts to contact the endorser on different days and at different times. See Subsection 12.4.D.
[§682.411(n)(1)(i); §682, Appendix D, Q&A #1]

- ...

Revise Subsection 12.7.C, page 22, column 1, paragraph 1, as follows:

A lender's address skip tracing efforts must include, but are not limited to, the following activities:

- Sending a letter to or making a diligent effort ~~(consisting of one successful contact or two unsuccessful attempts)~~ to contact by telephone each of the following. Each effort consists of one successful contact or two attempts to contact the endorser on different days and at different times.
[§682, Appendix D, Q&A #1]
 - Each comaker, endorser, relative, reference, individual, and entity (any prior holders of the loan) identified in the borrower's loan file.
 - The schools in the borrower's loan file. This contact should be with the financial aid administrator or other school official who may reasonably be expected to know the borrower's address.
- Other effective commercial skip tracing activities that the lender would conduct in pursuit of information on any other loan in its consumer loan portfolio.

Revise Subsection 12.8.A, page 24, column 1, paragraph 1, as follows:

If a lender discovers that it does not have a valid telephone number for a delinquent borrower, the lender must attempt to obtain the borrower's number using all available resources, including the following:

- Inquiring of directory assistance or a comparable service to obtain the borrower's telephone number.
- Sending a letter or making a diligent effort ~~(one contact or two unsuccessful attempts)~~ to contact by telephone each comaker, endorser, reference, relative, or individual identified on the most recent loan record or school certification for that borrower. Each effort consists of one successful contact or two attempts to contact the endorser on different days and at different times.
- Contacting, either in writing or by telephone, the school identified on the most recent school certification. This contact should be with the financial aid administrator or other school official who may reasonably be expected to know the borrower's telephone number or address.
[§682.411(m)(1)(iii); §682, Appendix D, Q&A #1]

Revise Appendix G, page 6, column 1, 4th definition, as follows:

Diligent Effort: An attempt to perform a required activity in a matter that complies with federally mandated procedures and requirements. See Chapter 102.

PROPOSED LANGUAGE - COMMON BULLETIN:

The *Common Manual* has been revised to specify that a diligent effort is one successful contact or two attempts to contact the borrower or endorser by telephone. Each effort consists of one successful contact or two attempts to contact the borrower or endorser on different days and at different times.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

None.

School:

None.

Lender/Service:

None.

Guarantor:

None.

U.S. Department of Education:

None.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

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Interested Industry Groups and Others

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