



*"Putting Georgia Students First"*

Student Loan Guarantor

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IMPORTANT UPDATE!

**TO:** Financial Aid Officers  
Student Loan Officers

**FROM:** Ruth T. Vincent, Chief Administrator  
Guaranteed Loan Division

**DATE:** December 11, 2002

**SUBJECT:** COMMON MANUAL, *Unified Student Loan Policy* **Bulletin 59**

Each policy statement included in this package represents clarification, revision, or correction to an existing policy. The retroactive effective date associated with each provision is noted at the end of each section.

Below you will find the following, according to the order in which the policies were passed:

Reference # 626 – Loan Discharge  
Reference # 627 – PLUS Loan Limits  
Reference # 628 – Third Party Servicer Audits  
Reference # 629 – Exemptions from the Consequences of High Official Cohort Default Rates  
Reference # 630 – Three Year Rule

If you have any questions about the following Common Bulletin, please contact Sarah Ergle by phone at 770-724-9139 or email at [sarahe@mail.gsfc.state.ga.us](mailto:sarahe@mail.gsfc.state.ga.us).

**COMMON BULLETIN 59**

December 11, 2002

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 2003. These changes will also be incorporated into the November 2002 *Integrated Common Manual*. The *Integrated Common Manual* is available on the NCHELP website at [www.NCHELP.org](http://www.NCHELP.org) in the e-library, and it is also available on several guarantor websites. However, all of the following changes are effective before the next update is scheduled to be delivered.

**Borrower Eligibility for Closed School and False Certification Loan Discharges**

The *Common Manual* has been updated to clarify that a borrower may be eligible for closed school or false certification discharge of the entire loan if the borrower (or the student for whom a parent obtained a PLUS loan) received any part of the proceeds of a FFELP loan on or after January 1, 1986.

<b>Affected Sections:</b>	8.2.G, 8.2.H, <sup>CCI</sup> 8.2.G, <sup>CCI</sup> 8.2.H
<b>Effective Date:</b>	Retroactive to the implementation of the <i>Common Manual</i> .
<b>Basis:</b>	§682.402(d)(3)(ii)(A) and §682.402(e)(3)(ii)(A) as updated in the April 29, 1994, <i>Federal Register</i> .
<b>Policy Information:</b>	626/Batch 98
<b>Guarantor Comments:</b>	None.

**PLUS Loan Limits**

*Common Manual* policy has been revised to state that only Stafford loans are subject to annual and aggregate loan limits.

<b>Affected Sections:</b>	5.8.A
<b>Effective Date:</b>	Retroactive to the implementation of the <i>Common Manual</i> .
<b>Basis:</b>	None.
<b>Policy Information:</b>	627/Batch 98
<b>Guarantor Comments:</b>	None.

### **Third-Party Servicer Audits**

The *Common Manual* has been revised to remove outdated information in subsection 3.8.B that addressed the period to be covered in an initial audit by a lender servicer. This dated information has been moved to appendix H.

**Affected Sections:** 3.8.B  
**Effective Date:** Third-party servicer audits submitted on or after June 1, 1997.  
**Basis:** None.  
**Policy Information:** 628/Batch 98  
**Guarantor Comments:** None.

### **Exemptions from the Consequences of High Official Cohort Default Rates**

The *Common Manual* has been revised to remove redundant information (*Common Manual* subsection 10.4.B, page 11, column 1, paragraphs 2 and 3) related to eligibility criteria and procedures for schools that qualify for relief from the consequences of high official cohort default rates. This information is being retained under the more appropriate subheading "Exemptions from Consequences of High Official Cohort Default Rates," in section 10.5.

**Affected Sections:** 10.4.B  
**Effective Date:** Cohort default rates calculated on or after July 1, 2001.  
**Basis:** §668.198  
**Policy Information:** 629/Batch 98  
**Guarantor Comments:** None.

### **Three Year Rule**

The *Common Manual* has been updated by deleting the term "Three Year Rule" and its definition from appendix G because the term is not used within the text of the manual.

**Affected Sections:** appendix G  
**Effective Date:** Retroactive to the implementation of the *Common Manual*.  
**Basis:** None.  
**Policy Information:** 630/Batch 98  
**Guarantor Comments:** None.