



“Putting Georgia Students First”

Student Loan Guarantor

IMPORTANT UPDATE

TO: Financial Aid Officers
Student Loan Officers

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

DATE: February 7, 2003

SUBJECT: COMMON MANUAL, *Unified Student Loan Policy Bulletin 61*

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.

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

Reference # 636 – Foreign Income for Economic Hardship Deferment
Reference # 637 – Treatment of Payments after Total and Permanent Disability Claim
Filing
Reference # 638 – Mandatory Administrative Forbearance
Reference # 639 – Applying for a Stafford Loan
Reference # 640 – Deferment Eligibility for Consolidation Loans

If you have any questions about the enclosed common bulletin, please contact Sarah Ergle by phone at 770-724-9139 or email at sarahe@mail.gsfc.state.ga.us.

COMMON BULLETIN 61
February 7, 2003

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 January 2003 *Integrated Common Manual*. The *Integrated Common Manual* is available on NCHELP's website at www.NCHELP.org in the e-library, and it is also available on several guarantor websites. However, these changes are effective before the next update is scheduled to be delivered.

Foreign Income for Economic Hardship Deferment

The *Common Manual* has been revised to clarify that a borrower may be eligible for an economic hardship deferment if documentation of the borrower's income is in foreign currency, provided that, after conversion to U.S. dollars, the borrower's income meets the deferment eligibility criteria applicable to poverty guidelines for the last state in which the borrower resided.

Affected Sections: 7.10.P
Effective Date: Retroactive to the implementation of the *Common Manual*.
Basis: Economic Hardship Deferment Request Form, Section 6, Bullet 7.
Policy Information: 636/Batch 100
Guarantor Comments: None.

Treatment of Payments after Total and Permanent Disability Claim Filing

The *Common Manual* is revised to standardize policy applicable to a lender's receipt of payments from or on behalf of a borrower after the lender has filed a total and permanent disability claim but before the lender receives the claim payment. The policy specifies that, under these circumstances, the lender must hold the borrower payment. After the lender receives the claim payment, the lender must forward the borrower payment to the guarantor and notify the borrower or other party who sent the payment that there is no obligation to make further payments, unless otherwise directed.

Affected Sections: 8.2.C, ^{CCI} 8.2.C
Effective Date: Borrower payments received by the lender on or after April 1, 2003, unless implemented earlier by the guarantor.
Basis: DCL GEN-02-03.
Policy Information: 637/Batch 100
Guarantor Comments: None.

Mandatory Administrative Forbearance

The *Common Manual* has been updated to clarify that a lender must grant a mandatory administrative forbearance due to a local or national emergency, disaster, or military mobilization until the Department or guarantor notifies the lender that the forbearance period no longer applies. For other situations requiring a mandatory administrative forbearance, the lender determines the ending date of the forbearance period.

Affected Sections: 7.11.D
Effective Date: Retroactive to the implementation of the *Common Manual*.
Basis: §682.211(i)(2)
Policy Information: 638/Batch 100
Guarantor Comments: None.

Applying for a Stafford Loan

The *Common Manual* has been updated to align subsection 2.2.A with existing policy language that clarifies that the Free Application for Federal Student Aid (FAFSA) is the only application a student may use to apply for a Stafford loan.

Affected Sections: 2.2.A
Effective Date: Retroactive to the implementation of the Master Promissory Note (MPN).
Basis: HEA 432(m)(1)(c); §682.102(a); *Federal Register* dated November 1, 1999.
Policy Information: 639/Batch 100
Guarantor Comments: None.

Deferment Eligibility for Consolidation Loans

A new footnote has been added to the Deferment Eligibility Chart to clarify that a borrower who obtains a Federal Consolidation loan that repaid a loan(s) made before July 1, 1987, for a period of enrollment beginning before July 1, 1987, is eligible for an in-school deferment only if the borrower is attending school full time. In addition, this deferment eligibility requirement will be added to appendix H.

Affected Sections: 7.9
Effective Date: Retroactive to the implementation of the *Common Manual*.
Basis: §682.210(b)(7)
Policy Information: 640/Batch 100
Guarantor Comments: None.