

IMPORTANT UPDATE

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

**FROM:** Ruth T. Vincent, Director  
Guaranteed Loan Division

**DATE:** October 10, 2003

**SUBJECT:** COMMON MANUAL, *Unified Student Loan Policy Bulletin 66*

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 #699 – National Student Loan Data System (NSLDS) Enrollment Reporting  
Reference #700 – Child Care Provider Loan Forgiveness Forbearance  
Reference #702 – Definition of Lender Expanded  
Reference #703 – Lender Reporting of Status Changes and Enrollment Changes  
Reference #704 – Forbearance Definitions

If you have any questions about the enclosed common bulletin, please contact Sarah Baumhoff by phone at 770-724-9139 or email at [sarahe@gsfc.org](mailto:sarahe@gsfc.org).

Attachment



## Georgia Student Finance Commission

**Policy Changes Approved September 18, 2003**  
Batch 106: Proposals 699-700 & 702-704

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update in July 2004. These changes will also be incorporated into the September 2003 *Integrated Common Manual*. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on NCHELP's website at [www.NCHELP.org](http://www.NCHELP.org) in the e-library. Please carefully note the effective date of each policy change.

### **National Student Loan Data System (NSLDS) Enrollment Reporting**

The National Student Loan Data System (NSLDS) no longer requires a school to report directly to the NSLDS any changes to student identifiers including a student's name, date of birth, and Social Security Number (SSN), or changes to the student's permanent address. Instead, the school must report these changes to the guarantor. *Common Manual* text has also been eliminated indicating that guarantors will forward updated student identifiers or permanent address information received from the NSLDS to lenders or servicers. In addition, a revision was made to clarify that the school must report to the guarantor any change in a parent borrower's SSN.

<b>Affected Sections:</b>	4.4 Reporting Social Security Number Changes 4.8.A National Student Loan Data System (NSLDS) Enrollment Reporting
<b>Effective Date:</b>	March 8, 1999, for address changes and April 1, 2002, for changes to student identifier information.
<b>Basis:</b>	U.S. Department of Education Technical Update, GA-1999-03; <i>NSLDS Enrollment Reporting Guide</i> , April 1, 2002, section 3.2.2, page 72.
<b>Policy Information:</b>	699/Batch 106
<b>Guarantor Comments:</b>	None.

### **Child Care Provider Loan Forgiveness Forbearance**

The *Common Manual* has been revised to add forbearance under the Child Care Provider Loan Forgiveness Program to the list of criteria that qualify a borrower for mandatory forbearance. A lender must grant this type of forbearance to a borrower who is performing a service that would qualify the borrower for forgiveness under the Child Care Provider Loan Forgiveness Program, unless the borrower has been granted a deferment for the service period. Before granting this forbearance to a borrower, the lender must receive a completed FFELP Child Care Provider Loan Forgiveness Forbearance Form.

For additional information, refer to pages 39263-39265 of the *Federal Register* dated July 27, 2001, and pages 55385-55387 of the *Federal Register* dated August 29, 2002.

General information for this forbearance type is summarized in revisions to Figure 10-2, the Forbearance Eligibility Chart (see attached).

<b>Affected Sections:</b>	10.22.C National Service, Loan Forgiveness, or Department of Defense Repayment Chapter 10, Figure 10-2 Forbearance Eligibility Chart
<b>Effective Date:</b>	Child care provider loan forgiveness forbearance granted by a lender to initial applicants on or after July 27, 2001, and renewal applicants on or after

**Basis:** August 29, 2002.  
Eligibility criteria and procedures published in Part IV of the *Federal Register*, pages 39263-39265, on July 27, 2001, and in Part I of the *Federal Register*, pages 55385-55387, on August 29, 2002.

**Policy Information:** 700/Batch 106

**Guarantor Comments:** None.

### Definition of Lender Expanded

The *Common Manual* glossary definition of “lender” has been expanded to include the types of institutions that may be eligible to participate as a lender in the Federal Family Education Loan Program (FFELP). In addition, the redundant definition of “eligible lender” has been eliminated.

**Affected Sections:** appendix G

**Effective Date:** Retroactive to the implementation of the *Common Manual*, with the exception of a consumer finance company subsidiary of a national bank, which is retroactive to October 7, 1998.

**Basis:** HEA 435(d); §682.200(b).

**Policy Information:** 702/Batch 106

**Guarantor Comments:** None.

### Lender Reporting of Status Changes and Enrollment Changes

The *Common Manual* has been revised to remove incorrect language from subsection 3.5.D, Reporting Loan Status Changes, regarding lender enrollment reporting requirements. Current guidance on reporting enrollment changes is located in subsection 9.1.B, and specifies that a lender should notify a guarantor of actual changes to a student’s enrollment status or dates of attendance. A lender is not required to report the continued enrollment of a student. In addition, the regulatory reference to 34 CFR 682.414(a)(4)(ii)(E) in subsection 9.1.B has been deleted. This regulation addresses recordkeeping requirements rather than reporting requirements.

**Affected Sections:** 3.5.D Reporting Loan Status Changes  
9.1.B Lender Reporting of Enrollment Changes

**Effective Date:** Enrollment status changes reported by a lender on or after January 1, 2004, unless implemented earlier by the guarantor.

**Basis:** None.

**Policy Information:** 703/Batch 106

**Guarantor Comments:** None.

### Forbearance Definitions

The *Common Manual* glossary definitions of “mandatory administrative forbearance” and “mandatory forbearance” have been revised to clarify that the definitions are not intended to provide an all-inclusive list of cases in which a lender is required to grant those types of forbearance. Revised policy retains the current cross-references to sections 10.21 and 10.22, respectively, and adds a cross-reference in each definition to Figure 10-2 to indicate where comprehensive information may be obtained about each of these forbearances.

**Affected Sections:** appendix G

**Effective Date:** Retroactive to the implementation of the *Common Manual*.

**Basis:** §682.211.

**Policy Information:** 704/Batch 106

**Guarantor Comments:** None.

Type	Length
<b>Discretionary</b>	
Financial difficulties due to personal problems when the borrower is unable to make regularly scheduled payments <sup>1</sup>	The period established in the terms on the written forbearance agreement (not to exceed 12-month increments); no maximum
Reduced Payment Forbearance <sup>1</sup>	
<b>Mandatory</b>	
Medical or dental Internship/ Residency <sup>2, 3, 4</sup>	12 month increments (or a lesser period equal to actual period during which the borrower is eligible); no maximum
Department of Defense Student Loan Repayment Programs <sup>3,4</sup>	
National Service <sup>2,3,4</sup>	
Child Care Providers Loan Forgiveness <sup>2,9</sup> — <i>Note: Contingent upon funding by Congress</i>	Period while borrower maintains forgiveness eligibility. 12-month increments
Debt Exceeds Monthly Income <sup>4,5</sup>	12 month increments; 3 years maximum
Teacher Loan Forgiveness <sup>2,3,4</sup>	Period while borrower maintains forgiveness eligibility. 12-month increments; 5 years maximum
<b>Mandatory Administrative</b>	
Local or National Emergency <sup>7</sup>	Period specified by the Department or guarantor plus 30 days following the period
Military Mobilization <sup>8</sup>	
Designated Disaster Area <sup>7</sup>	
Repayment Accommodation	3-year maximum for variable interest rate; 5-year maximum for income-sensitive repayment
Unpaid Refund Discharge	60 days from date application sent to borrower if application is not received by lender, and from date guarantor receives documentation to date of determination  The period during guarantor review and ending on the date lender receives the guarantor's determination for a borrower who requests a review of a denial determination
Death	Date lender receives reliable notification of death to date lender receives death certificate or other acceptable documentation, not to exceed 60 days
Teacher Loan Forgiveness <sup>2, 6</sup>	The period while the lender is awaiting a completed forgiveness application, not to exceed 60 days
	Date lender receives a completed loan forgiveness application to date the lender receives either a denial or the loan forgiveness amount from the guarantor
<b>Administrative</b>	
Borrower Ineligible for Deferment <sup>6</sup>	Beginning date to ending date of the ineligible deferment

Delinquency before a Deferment or Certain Forbearances <sup>6</sup>	First date of overdue payment to the day before the beginning date of deferment or other forbearance type
Late Notification of Out-of-School Dates <sup>6</sup>	Date borrower should have entered repayment to date first or next payment was established
Bankruptcy Filing <sup>6</sup>	The earlier of the first date of overdue payment or receipt of reliable information that the borrower has filed bankruptcy to date of discharge determination or-repurchase
Total and Permanent Disability <sup>6</sup>	Date lender receives reliable information to date lender receives acceptable documentation, not to exceed 60 days
	Date lender receives physician letter requesting additional time to date lender receives acceptable documentation, not to exceed 60 days
Repurchase of a Non-Bankruptcy Claim <sup>6</sup>	The period that the loan was held by the guarantor due to a claim purchase
Death	Date after mandatory administrative forbearance due to reliable notification of death ends to date lender receives death certificate or other acceptable documentation, not to exceed 60 days
Closed School	Period of unofficial closure notice as specified by guarantor
Closed School or False Certification <sup>6</sup>	60 days from date application sent to borrower if application is not received by lender, and from date guarantor receives documentation to date of determination
Delinquency after Deferment or Mandatory Forbearance <sup>6</sup>	Deferment or mandatory forbearance end date to establishment of next due date
Documentation Collection and Processing <sup>6</sup>	Date borrower requests deferment, forbearance, change in repayment plan, or loan consolidation to date supporting documentation is processed by lender, not to exceed 60 days
Unpaid Refund <sup>6</sup>	End date of initial 60-day mandatory administrative forbearance to receipt of completed discharge request and during period of determination of discharge eligibility
New Out-of-School Dates <i>after</i> Conversion <sup>6</sup>	Original repayment start date to adjusted start date
Loan Sale or Transfer <sup>6</sup>	First date of delinquency to date loan is sold or transferred, if the loan is less than 60 days delinquent
Ineligible Summer Bridge Extension <sup>6</sup>	Day after expiration of borrower's last in-school deferment to the 30 <sup>th</sup> day after fall classes begin
Cure <sup>6</sup>	Date of earliest unexcused violation to date lender receives a full payment or new signed repayment agreement
Natural Disasters <sup>6</sup>	From date borrower affected, not to exceed 3 months for each occurrence
Repayment Alignment-SLS/Stafford <sup>4</sup>	First payment due date to last day of the longest applicable Stafford Loan grace period

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

<sup>1</sup> Lender must document the borrower's request, the reason for the forbearance, and the terms of the forbearance agreement.

<sup>2</sup> For borrowers only.

<sup>3</sup> A request, supporting documentation from the authorized official(s) indicating the beginning and ending dates, and written agreement are required.

<sup>4</sup> A request is required.

<sup>5</sup> A request and supporting documentation of monthly income and monthly payments on Title IV education loan obligations, and written agreement are required.

<sup>6</sup> Lender must notify the borrower (or endorser, if applicable) and document the beginning and ending dates and reason for the forbearance in borrower history record.

<sup>7</sup> Notice from Department or guarantor is required.

<sup>8</sup> Documentation showing borrower is subject to a military mobilization is required.

<sup>9</sup> A request and a completed FFELP Child Care Provider Loan Forgiveness Forbearance Form are required.