



IMPORTANT UPDATE

TO: Financial Aid Officers
Student Loan Officers

FROM: Jessie Cooper, Lender Client Relations and Compliance Specialist
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DATE: October 5, 2004

SUBJECT: COMMON MANUAL, *Unified Student Loan Policy Bulletin 74*

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 # 803 – Student Enrollment Status Reporting
Reference # 804 – Reinstatement of Title IV Eligibility
Reference # 805 – Due Diligence Requirements for Loans with Monthly Repayment Obligations and with Repayment Obligations Less Frequent than Monthly
Reference # 806 – Due Diligence with a Rolling Delinquency or Special Occurrence for Loans with Repayment Obligations Less Frequent than Monthly

If you have any questions about the enclosed common bulletin, please contact Jessie Cooper by phone at 770-724-9139 or e-mail at jessiec@gsfc.org.

Attachment

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 2005. These changes will also be incorporated into the September 2004 *Integrated Common Manual*. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on NCHelp's website at www.NCHELP.org in the e-library. Please carefully note the effective date of each policy change.

Student Enrollment Status Reporting

The *Common Manual* has been updated to provide consistency with the *NSLDS Enrollment Reporting Guide*, which requires a school to report enrollment information whenever the enrollment status changes for an individual student. Changes that must be reported include any change that the school is required to report through enrollment reporting, previously called the Student Status Confirmation Report (SSCR). Examples of enrollment changes that a school is required to report include a change from full-time to half-time status, half-time to less than half-time status, a withdrawal, a graduation, or an approved leave of absence that complies with Title IV requirements. If a student's enrollment status changes and the school does not expect its NSLDS enrollment reporting to be completed within the next 60 days, the school must submit an ad hoc report within 30 days.

Affected Sections: 4.8 Student Enrollment Status Reporting
Effective Date: Enrollment reporting by schools beginning in September 1996.
Basis: *NSLDS Enrollment Reporting Guide*.
Policy Information: 803/Batch 116
Guarantor Comments: None.

Reinstatement of Title IV Eligibility

The *Common Manual* has been revised to state that a borrower with one or more defaulted Title IV loans, or defaulted Title IV loans for which a judgment has been obtained, who wants his or her Title IV eligibility reinstated must request reinstatement from the holder of each defaulted loan or from the holder of each defaulted loan from which a judgement has been obtained.

Affected Sections: 5.2.E Prior Default
Effective Date: Retroactive to the implementation of the *Common Manual*.
Basis: §682.401(b)(4).
Policy Information: 804/Batch 116
Guarantor Comments: None.

Due Diligence Requirements for Loans with Monthly Repayment Obligations and with Repayment Obligations Less Frequent than Monthly

Footnote 3 in Figure 11-1, Due Diligence Requirements for Loans with Monthly Repayment Obligations and with Repayment Obligations Less Frequent than Monthly, addressed only loans with monthly repayment obligations. The footnote has been revised to reflect the fact that the timing of the collection activities must ensure that no gaps of greater than 45 days occur through the 330th day of delinquency for loans with repayment obligations less frequent than monthly.

Affected Sections: Figure 11-1
Effective Date: Loans on which the first day of delinquency on the oldest outstanding due date is on or after July 1, 1996, unless implemented earlier by the guarantor.
Basis: §682.411(b)(2) and §682 Appendix D.
Policy Information: 805/Batch 116

Guarantor Comments: None.

Due Diligence with a Rolling Delinquency or Special Occurrence for Loans with Repayment Obligations Less Frequent than Monthly

Figure 11-3 addresses due diligence requirements for loans with repayment obligations less frequent than monthly. Footnote 1 of the figure previously referenced day 270 as the default date for these loans. Footnote 1 has been corrected to state that the timing of the collection activities must ensure that no gaps of greater than 45 days occur through the 330th day of delinquency.

Affected Sections: Figure 11-3

Effective Date: Loans on which the first day of delinquency on the oldest outstanding due date is on or after July 1, 1996, unless implemented earlier by the guarantor.

Basis: §682.411(b)(2) and §682 Appendix D.

Policy Information: 806/Batch 116

Guarantor Comments: None.