



## IMPORTANT UPDATE

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

**FROM:** Jessie Cooper, Compliance Officer  
Georgia Student Finance Corporation

**DATE:** March 14, 2005

**SUBJECT:** COMMON MANUAL, *Unified Student Loan Policy Bulletin 77*

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 # 812 – Loan Origination  
Reference # 816 – Date of Determination of a Student's Withdrawal at Schools Required To Record Attendance  
Reference # 817 – Inadvertent Overpayments  
Reference # 818 – Student Enrollment Status Reporting Requirements for Foreign Schools  
Reference #819 – Multiple School Enrollment

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](mailto: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 February 2005 *Integrated Common Manual*. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on NCHHELP's website at [www.NCHHELP.org](http://www.NCHHELP.org) in the e-library. Please carefully note the effective date of each policy change.

**Loan Origination**

The *Common Manual* has been updated to incorporate guidance initially provided by the Department in the 2002-03 *Federal Student Aid Handbook* that allows a borrower to grant power of attorney to a third party to sign an MPN on his or her behalf. In this case, the school must obtain a separate written authorization from the borrower to credit loan funds to the student's school account. When a third party using power of attorney signs the MPN on the borrower's behalf, the school must pay any credit balance to the student or parent borrower, as applicable, using a check or other instrument that requires the borrower's endorsement. If power of attorney is used to sign the MPN, the MPN is valid for only one loan. If the MPN is submitted through the school, the school must retain a copy of the original power of attorney and either the school or the individual with power of attorney must provide a copy of the power of attorney document to the lender—a photocopy or fax of the document is acceptable.

<b>Affected Sections:</b>	6.16 Applying for Federal Stafford and PLUS Loans Figure 8-1 FFELP Written Notification/Authorization Requirements
<b>Effective Date:</b>	Information permitting the use of power of attorney is effective July 1, 2002, unless implemented earlier by the guarantor. Information restricting a Master Promissory Note (MPN) signed under power of attorney to a single loan is effective October 1, 2004, unless implemented earlier by the guarantor.
<b>Basis:</b>	2002-2003 <i>Federal Student Aid Handbook</i> , Volume 8, Chapter 4, page 8-38; 2004-2005 <i>Federal Student Aid Handbook</i> , Volume 4, Chapter 1, page 4-2.
<b>Policy Information:</b>	812/Batch 118
<b>Guarantor Comments:</b>	None.

**Withdrawal Determinations at Schools Required to Record Attendance**

The *Common Manual* has been updated to reflect revised guidance provided by the Department in DCL GEN-04-12. Previously, a school that was required to record attendance was required to make a determination of whether a student withdrew no later than one week after the student's last date of academic attendance as determined from the school's attendance records. Revised guidance changes the date of determination of the student's withdrawal from one week to 14 days after the student's last date of academic attendance as determined from the school's attendance records.

<b>Affected Sections:</b>	4.6 Withdrawal Dates
<b>Effective Date:</b>	Withdrawal determinations made by the school on or after November 17, 2004.
<b>Basis:</b>	DCL GEN-04-12.
<b>Policy Information:</b>	816/Batch 119
<b>Guarantor Comments:</b>	None.

**Inadvertent Overpayments**

The *Common Manual* has been updated to include a new subheading and information pertaining to inadvertent overpayments. An inadvertent overpayment exists when a school delivers loan funds to a student who is no longer in attendance. When the school completes a return of Title IV funds calculation,

an inadvertent overpayment must be included as “aid that could have been disbursed.” The student must qualify for a late disbursement to be eligible to retain funds that were delivered as an inadvertent overpayment. If the student is ineligible for all or a portion of the inadvertent overpayment, the school must return the ineligible amount to the lender within 30 days of the date of the school’s determination that the student withdrew.

**Affected Sections:** 4.7.A Return Amounts for Title IV Grant and Loan Programs  
**Effective Date:** Any student who withdraws on or after February 13, 2004.  
**Basis:** DCL GEN-04-03; 2004-05 *Federal Student Aid Handbook*, Volume 5, Chapter 2, page 5-47.  
**Policy Information:** 817/Batch 119  
**Guarantor Comments:** None.

### **Student Enrollment Status Reporting Requirements for Foreign Schools**

The *Common Manual* has been updated to reorganize information in section 4.8 and to include student enrollment status reporting requirements for foreign schools. In most cases, foreign schools receive a request for enrollment information from the guarantor. The school must review the report, update the student enrollment information, and return the report to the guarantor within 30 days of the date it receives the guarantor’s request. If the foreign school has the capability of reporting electronically, the school will receive Enrollment Reporting information from the NSLDS electronically or on tape. In this case, the school must update the enrollment information and return the updated file to the NSLDS within 30 days of the date it receives the guarantor’s request. Foreign schools that do not respond to Enrollment Reporting requests within 30 days are not in compliance with Enrollment Reporting requirements.

**Affected Sections:** 4.8 Student Enrollment Status Reporting  
**Effective Date:** Retroactive to the implementation of the *Common Manual*.  
**Basis:** *Student Financial Aid Handbook for Foreign Schools*.  
**Policy Information:** 818/Batch 119  
**Guarantor Comments:** None.

### **Multiple School Enrollment**

Section 5.14 has been renamed "Multiple School Enrollment" and the current section 5.14 has been re-designated as section 5.15. A student who is enrolled simultaneously on at least a half-time basis in more than one school may be eligible to receive a Stafford loan—and the parent may be eligible to receive a PLUS loan—at both schools for the same payment period or period of enrollment. If one school has already certified a loan for the student, the other school is required to take the following actions:

- Eliminate the student's living costs from the cost of attendance (COA) because those costs were included in the COA at the first school.
- Ensure that the student does not receive loan funds in excess of annual loan limits at that school and that the total amount of the loans received by the student for enrollment at both schools does not exceed the student's highest applicable annual loan limit.

If neither school is aware of the student's simultaneous enrollment in two different schools until after both schools have certified Stafford loans and the student receives loan funds in excess of his or her highest applicable annual Stafford loan limit, the schools must coordinate with each other to adjust the student’s aid package at one or both schools to eliminate the excess loan amount. If neither school is able to eliminate the excess loan amount, the excess loan amount must be reported to the lender. Refer to subsection 6.11.D for information regarding borrowers who exceed annual loan limits.

**Affected Sections:** 5.14 Ineligible Borrowers  
5.14.A Ineligibility Based on Borrower Error  
5.14.B Ineligibility Based on School Error  
5.14.C Ineligibility Based on Lender Error  
**Effective Date:** Loans certified by the school on or after July 1, 2003.  
**Basis:** 2004-05 *Federal Student Aid Handbook*, Volume 3, Chapter 4, page 3-57.  
**Policy Information:** 819/Batch 119  
**Guarantor Comments:** None.