



IMPORTANT UPDATE

TO: Financial Aid Officers
Student Loan Officers

FROM: Jessie Cooper, Compliance Officer
Georgia Student Finance Corporation

DATE: October 11, 2005

SUBJECT: COMMON MANUAL, *Unified Student Loan Policy Bulletin 81*

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 # 832 – Cessation of Collection Activity
Reference # 833 – Eligibility for Additional Unsubsidized Loan Funds
Reference # 834 – Borrower Eligibility

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 2006. These changes will also be incorporated into the October 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.NCHELP.org in the e-library. Please carefully note the effective date of each policy change.

Please note that the Bulletin Language for Policy Proposal #831 Bankruptcy Filed Before First Disbursement Date has been moved to considered by the Policy Committee.

Cessation of Collection Activity

The *Common Manual* has been updated to remove language stating that a borrower is ineligible for a FFELP loan if he or she has had a prior FFELP loan partially or totally written off by the lender. A borrower whose prior FFELP loan has been partially or totally written off by a lender is not required to reaffirm the written-off loan as a condition of eligibility for a new FFELP loan.

Affected Sections: 5.3 Prior Loan Written Off
Effective Date: Retroactive to the implementation of the *Common Manual*
Basis: §682.201(a)(4); DCL 96-L-186, Q & A #4, #5, #7, and #8
Policy Information: 832/Batch 123
Guarantor Comments: None.

Eligibility for Additional Unsubsidized Stafford Loan Funds

The *Common Manual* has been revised to align information in this subsection with longstanding federal regulations. Revised language states that in order for a school to certify additional unsubsidized Stafford loan funds for a dependent student, the student's parent must be unable to obtain PLUS loan funds and the student's family must be otherwise unable to meet the expected family contribution (EFC).

Affected Sections: 6.15.D Additional Unsubsidized Stafford Loan Certification
Effective Date: Retroactive to the implementation of the *Common Manual*
Basis: §682.201(a)(3)
Policy Information: 833/Batch 1223
Guarantor Comments: None.

Borrower Eligibility

The *Common Manual* is revised to remove language indicating that a defaulted loan may be discharged because the parent borrower is unable to complete a program of study due to the school's closing. A PLUS loan may be discharged if the student for whom the parent borrowed a PLUS loan is unable to complete a program of study due to the school's closing.

Affected Sections: 5.2.E Prior Default
Effective Date: Retroactive to the implementation of the *Common Manual*.
Basis: None
Policy Information: 834/Batch 123
Guarantor Comments: None.