



IMPORTANT UPDATE

TO: Financial Aid Officers
Student Loan Officers

FROM: Jessie Cooper, Compliance Officer
Georgia Student Finance Commission

DATE: February 1, 2007

SUBJECT: COMMON MANUAL, *Unified Student Loan Policy Bulletin 95*

The attached policy change summaries have been prepared by the nation's guarantors in order to clarify, revise or correct existing policies contained in the Common Manual. The effective date associated with each provision is noted at the end of each section.

The following summaries are listed in the order that the policy changes were passed:

Reference # 919 – FSA Administration Training Requirement
Reference # 920 – eZ-Audit Requirement
Reference # 921 – Closed School and the Transfer of Academic Credits or Clock Hours
Reference # 922 – Waiver for Rehabilitation of Defaulted Loans
Reference # 923 – Variable Interest Rate Consolidation Loans

If you have any questions about the attached 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. These changes will also be incorporated into the *Integrated Common Manual*. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on Common Manual's website at www.commonmanual.org. Please carefully note the effective date of each policy change.

FSA Administration Training Requirement

The *Common Manual* has been revised to include information on the Fundamentals of Title IV Administration Training Workshop offered by the Department. A school must send at least two representatives, including both its president or chief executive officer (CEO) and the financial aid administrator (FAA). Also, if a school changes ownership, structure, or governance, its representatives must attend the training. The training must be completed up to 12 months prior to but no later than 12 months after the school executes its Program Participation Agreement (PPA) or experiences a change in ownership, structure, or governance.

The CEO may designate another school executive-level officer to attend the training in lieu of the CEO. However, the attending FAA must be the person designated by the school to be responsible for administering the Title IV programs at the school. If the school uses a consultant to administer the Title IV programs, the consultant must attend the training as the school's FAA. However, the Department strongly recommends that a financial aid employee from the school attend the training along with the consultant.

The school may request from the Department a waiver of the training requirement for the FAA and/or the CEO. The Department may grant or deny the waiver for the required individual, require another official to take the training, or require alternative training.

Affected Sections:	4.2.B Financial Aid Administrator Training
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§ 668.13(a)(2) and (3); 1995-1996 <i>Federal Student Financial Aid Handbook</i> , Chapter 3, page 3-168.
Policy Information:	919/Batch 137
Guarantor Comments:	None.

eZ-Audit Requirement

The *Common Manual* has been revised to include the requirement for schools participating in a Title IV program to submit audited financial statements and compliance audits to the Department electronically through eZ-Audit. Non-profit and public schools must submit a copy of the A-133 report in writing to the Federal Audit Clearinghouse, in addition to submitting the A-133 to the Department through eZ-Audit.

Affected Section:	4.3.A General School Financial Responsibility Requirements
Effective Date:	Audited financial statements and compliance audits submitted by a school on or after June 16, 2003.
Basis:	2003-2004 <i>Federal Student Aid Handbook</i> , Volume 2, Chapter 11, page 2-334; 2006-2007 <i>Federal Student Aid Handbook</i> , Volume 2, chapter 12, p. 2-214.
Policy Information:	920/Batch 137
Guarantor Comments:	None.

Closed School and the Transfer of Academic Credits or Clock Hours

The *Common Manual* has been revised to include the statement that a borrower who transfers to another school all or a portion of the academic credits or clock hours earned at the closed school is not eligible for closed school loan discharge. Previous policy did not specifically state that the borrower is ineligible for discharge if he or she transfers only a portion of the previously earned academic credits or clock hours.

Affected Section: 13.8.B Closed School
Effective Date: Retroactive to the implementation of the *Common Manual*.
Basis: Preamble to final rules, *Federal Register* dated April 29, 1994, page 22466, discussion point number 20.
Policy Information: 921/Batch 137
Guarantor Comments: None.

Waiver for Rehabilitation of Defaulted Loans

Policy in section H.4, Statutory and Regulatory Waivers, item #20, is revised by updating the rehabilitation agreement requirements to reflect that a borrower must make nine payments received by the holder within 20 days of the due date during 10 consecutive months.

Affected Section: appendix H.4
Effective Date: Loan rehabilitation waivers granted on or after July 1, 2006.
A guarantor has the option of considering a borrower to have met the new rehabilitation standard if at least one of the borrower's payments under the rehabilitation agreement is made on or after July 1, 2006.
Basis: Higher Education Act of 1965, Section 428F(a)(1)(A), as amended by the Higher Education Reconciliation Act (HERA) of 2005; 34 CFR 682.405; *Dear Colleague Letter* GEN-06-02.
Policy Information: 922/Batch 137
Guarantor Comments: None.

Variable Interest Rate Consolidation Loans

The *Common Manual* has been updated by removing text in section 15.2 pertaining to Consolidation loan interest rates for applications received by the lender between November 13, 1997, and September 30, 1998, inclusive. This information appears in appendix H of the manual for historical purposes.

Affected Section: 15.2 Borrower Eligibility and Underlying Loan Holder Requirements
Effective Date: Upon approval by the Governing Board.
Basis: None.
Policy Information: 923/Batch 137
Guarantor Comments: None.