



Sonny Perdue
GOVERNOR



Georgia Student Finance Commission
Georgia Student Finance Authority
Georgia Higher Education Assistance Corporation
GAcollege411

TO: Financial Aid Officers
Student Loan Officers

FROM: Richard M. Hawkshead *RMH*
Vice President, Internal Audit and Compliance

DATE: February 5, 2010

SUBJECT: COMMON MANUAL, *Unified Student Loan Policy Bulletin 123*

The attached policy change summary has been prepared by the nation's guarantors in order to clarify, revise or correct existing policy contained in the Common Manual. The effective date of the provision is noted at the end of policy change.

Reference #1159 – Defining an Academic Year
Reference #1160 – Low Cohort Default Rate Exemptions from Multiple Disbursement and Delayed Delivery Requirements
Reference #1161 – Mandatory Administrative Forbearance Eligibility for Internship or Residency
Reference #1162 – Historic Special Allowance Information

If you have any questions about the attached bulletin, please contact Jessie Cooper at 770-724-9139 or jessiec@gsfc.org or me at 770-724-9012.

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.

Defining an Academic Year

The *Common Manual* has been updated to provide more explicit guidance concerning the definition of an academic year.

A school must define a program's academic year and, for a credit-hour program, how the program is structured – whether it is offered in standard terms (i.e., semesters, trimesters, or quarters), nonstandard terms, or no terms. For the purposes of Title IV aid, a clock-hour program, including such a program with terms, is treated as non-term-based. The academic year is defined in weeks of instructional time and, for an undergraduate program, credit or clock hours.

A program's academic year need not coincide with the program's academic calendar. For example, a school may choose to define the academic year for a term-based credit-hour program differently from the academic year for a non-term-based credit-hour program. In addition, a school may treat multiple versions of the same program (e.g., the day and night versions) as separate programs and define a different academic year for each version. If a school defines different academic years for different versions of the same program and the school permits a student to enroll in coursework from both versions of the program, the school must determine the version in which the student is actually enrolled. A student must be taking at least 50% of his or her coursework from a particular version of the program in order for the school to consider the student enrolled in that version of the program.

A school must use the same academic year definition for all students enrolled in a particular program. The school must document the academic year definition for each of its academic programs. The academic year definition for the program, or the version of the program, in which the student is enrolled determines the frequency of Stafford annual loan limits, the minimum and maximum Stafford and PLUS loan periods, payment periods, and the timing of loan disbursements and deliveries.

The glossary definition of "academic year" has been updated to align with Manual text in Subsection 6.1.A, clarifying that for a graduate or professional program, an academic year is a period of at least 30 weeks of instructional time. There is no statutory minimum number of hours that a student must complete within the academic year for a graduate or professional program.

Affected Sections:	6.1 Defining an Academic Year Appendix G
Effective Date:	Publication date of the 95-96 FSA Handbook for the requirement to use the same academic year for all students enrolled in a particular program. Publication date of the 04-05 FSA Handbook for: <ul style="list-style-type: none">• The treatment of a student taking courses from two different versions of a program with different academic year definitions.• The treatment of a clock-hour program, including such a program with terms as non-term-based.
Basis:	95-96 FSA Handbook, Chapter 3, p. 25; 04-05 FSA Handbook, Volume 3, pp. 3-1 and 3-4.
Policy Information:	1159/164
Guarantor Comments:	None.

Low Cohort Default Rate Exemptions from Multiple Disbursement and Delayed Delivery Requirements

The *Common Manual* has been updated to consistently state that exemptions from the delayed delivery and multiple disbursement requirements apply to a school with an *official* cohort default rate of less than 10% for each of the three most recent fiscal years for which data are available. These exemptions also apply to a school with an *official* cohort default rate of less than 5% for the most recent fiscal year for which data is available in the case of a student who will receive course credit at the school for enrollment in a study-abroad program. Such a school may begin certifying loans based on these exemptions when it receives from the Department its official cohort default rate notification letter, or notification of a successful adjustment or appeal. In all cases when a school qualifies for a multiple disbursement and delayed delivery exemption, the Manual explains that a school must cease certifying loans based on the applicable exemption no later than 30 days after the date it receives notification from the Department of an *official* cohort default rate that causes the school to no longer meet the qualifications for an exemption.

Affected Sections:	6.4.A Multiple Disbursements and Exceptions 8.7.D Delayed Delivery
Effective Date:	Disbursements made on or after February 8, 2006, for multiple disbursement and delayed delivery exemptions at a school with an official cohort default rate of less than 10% for the three most recent fiscal years. Disbursements received by the school on or after October 1, 1998, for the multiple disbursement and delayed delivery exemptions for a student enrolled in a study-abroad program at a school with an official cohort default rate of less than 5% for the most recent fiscal year.
Basis:	HEA §428G(a)(3), (b)(1), and (e); §682.603(i)(1)(i) and (2); §682.604(c)(5)(i) and (ii); §682.604(c)(8)(i) and (ii); August 2006 <i>Cohort Default Rate Guide</i> , Part 2, Chapter 2.4, p. 2.4-2.
Policy Information:	1160/164
Guarantor Comments:	None.

Mandatory Administrative Forbearance Eligibility for Internship or Residency

The *Common Manual* has been revised to clarify that the eligibility requirements for an internship/residency deferment apply also to the mandatory administrative forbearance for an internship or residency, except that the borrower does not need to be a new borrower before July 1, 1993, to qualify for the forbearance.

Affected Sections:	11.24.B Internship or Residence
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.211(h).
Policy Information:	1161/164
Guarantor Comments:	None.

Historic Special Allowance Information

The *Common Manual* has been revised to remove from Subsection A.2.B references to special allowance provisions for unconsummated loans predating October 1992, and to insert a reference to those provisions in the history appendix.

Affected Sections:	A.2.B Termination of Special Allowance Appendix H
Effective Date:	Upon approval by the <i>Common Manual</i> Governing Board.
Basis:	None.
Policy Information:	1162/164
Guarantor Comments:	None.