

March 26, 2012

OSFA/FFELP #11-12:07

Dear Student Loan Participant:

On March 15, 2012, the *Common Manual* Governing Board approved one proposal from Batch 185 to modify the *Common Manual*. The changes will be incorporated into the *Common Manual* with the publication of the next annual update. Enclosed are the following updates:

- **Transition to Three-Year Cohort Default Rates**

For further information you may contact me at (850) 410-6846 or e-mail at Reitha.scott@fldoe.org.

Sincerely,

Reitha Scott, Policy Manager
Office of Student Financial Assistance

COMMON MANUAL UPDATES

Transition to Three-Year Cohort Default Rates

The *Common Manual* is being revised to conform to final rule changes published in the *Federal Register* dated October 28, 2009, outlining the transition from the two-year cohort default rates to three-year cohort default rate.

Affected Sections:

- 4.2 Administrative Capability Standards
- 16.1 Overview of Cohort Default Rates and Terminology
- 16.3 School Draft Cohort Default Rates and Challenges
- 16.4 School Official Cohort Default Rates, Adjustments, and Appeals
 - 16.4.B School Appeals
- 16.5 Consequences of High Official Cohort Default Rates For Schools

Effective Date: Expansion of the cohort default period from a two-year period to a three-year period beginning with fiscal year 2009.

Basis: HEA §435(a); §668.181; §668.200; §668.202; §668.204; §668.206; §668.214; *Federal Register* dated October 28, 2009, pp.55638-55639; 2011 Cohort Default Rate Guide.

Policy Information: 1263/Batch 185

Guarantor Comments: None.