

April 11, 2013

OSFA/FFELP #12-13:04

Dear Student Loan Participant:

On March 21, 2013, the *Common Manual* Governing Board approved one proposal from Batch 193 to modify the *Common Manual*. The changes will be incorporated into the *Common Manual* with the publication of the next quarterly integrated update. Enclosed are the following updates:

- **Income-Based Repayment - Married Borrowers Filing Jointly**

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

Income-Based Repayment – Married Borrowers Filing Jointly

The *Common Manual* is updated to clarify that, for eligible married borrowers who file federal income tax jointly, the annual payment must be calculated on each borrower individual, with these total added together to determine eligibility for PFH under the Income-Based Repayment plan. In addition, the PFH payment amount must be allocated between the two borrowers based on the percentage of the total eligible loan debt attributable to each individual borrower.

For married borrowers filing federal income taxes separately, AGI includes only the borrower's income. Married borrowers who file separately are not required to include their spouse's income and may not include their spouse's eligible debt when determining eligibility for PFH under the Income-Based Repayment plan. However, married borrowers who reside in community property states and file separately must divide all community income equally between each other when filing federal income taxes. As a result, such borrowers may state that their reported AGI does not reasonably reflect their own current income. In these cases, the Department encourages loan holders to request and use alternative documentation to determine the borrower's eligibility for PFH and the PFH payment amount.

Affected Sections:	10.8.D	Income-Based Repayment Schedule
Effective Date:	Income-based repayment (IBR) plan requests or renewals processed by the lender on or after July 1, 2010.	
Basis:	§682.215(a)(1), (a)((4)(ii), and (b)(ii); Final Rules published in the Federal Register dated October 29, 2009, p. 55982; Final Rules published in the Federal Register dated November 1, 2012, p. 66112.	
Policy Information:	1282/Batch 193	
Guarantor Comments:	None.	