May 21, 2013

Dear Student Loan Participant:

On May 16, 2013, the *Common Manual* Governing Board approved three proposals from Batch 195 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:

- Administrative Forbearance under Income-Based Repayment (IBR)
- Revised Total and Permanent Disability (TPD) Discharge Process
- HEROES Waivers Update

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

#### Administrative Forbearance Under Income-Based Repayment (IBR)

The *Common Manual* has been revised to include a new administrative forbearance that a lender may grant under income-based repayment. The lender may grant this forbearance if all of the following apply:

- The lender received the borrower's income information more than 10 days after the specified annual deadline.
- The borrower's monthly payment amount is recalculated to the permanent-standard amount.
- The new income-based monthly payment amount is zero or is less than the borrower's previously calculated income-based monthly payment amount.

When permitted, the lender may grant an administrative forbearance with respect to payments that are overdue or would be due at the time the new calculated income-based monthly payment amount is determined. The lender may not capitalize interest that accrues during the portion of this administrative forbearance period that covers payments due after the end of the prior annual payment period.

Affected Sections:	11.21 Figure 11-2	Administrative Forbearance
Effective Date:	repayment prov	tive forbearances granted under the income-based visions, on or after July 1, 2013, unless implemented o earlier than November 1, 2012.
Basis:	§682.211(f)(16	); §682.215(e)(9); §682.221(f)(9).
Policy Information:	1287/Batch 19	5
Guarantor Comments :	None.	

# **COMMON MANUAL** UPDATES

#### Revised Total and Permanent Disability (TPD) Discharge Process

The *Common Manual* has been revised to describe the new policies and processes by which the Department will make future determinations of a borrower's, endorser's, or comaker's eligibility for a loan discharge based on total and permanent disability. Revised policy describes how lenders will refer all borrower inquiries and correspondence regarding the TPD process to the Department, and how the Department will instruct the lender when to suspend collection activity and when to file a claim with the guarantor. Revised policy amends the claim documentation requirements and explains the 45-day claim payment time frame for all TPD claims. Previously only TPD claims based on a determination by the Veterans Administration were held to a 45-dday claim payment time frame.

Revised policy adds to the TPD documentation process the use of certain disability determination made by the Social Security Administration. A borrower may be considered totally and permanently disabled for purposes of the FFELP if the borrower submits documentation from the Social Security Administration that includes a notice of award for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits. The letter must include a statement that the borrower's next scheduled disability review will occur within 5 to 7 years.

Revised policy also eliminates language about TPD policies and processes that are no longer applicable, and makes other technical changes and updates to existing language.

Effected Sections:	12.5.A 13.1.D 13.3 13.6.A 13.8.G	Default Aversion Assistance Request (DAAR) Claim File Documentation Claim Purchase or Discharge Payment Default Claims Total and Permanent Disability
Effective Date:	Total and Permanent Disability (TPD) discharge applications received by the loan holder on or after July 1, 2013.	
	TPD notification on or after July	ns from the Department received by the loan holder 1, 2013.
Basis:	§682.402(c); §682.402(g)(1)(iv).	
Policy Information:	1288/Batch 19	5
Guarantor Comments:	None.	

### **COMMON MANUAL** UPDATES

### **HEROES** Waivers Updates

The *Common Manual* has been revised to reflect the extension of the HEROES Act provisions and changes to those provisions that were included in the September 27, 2012, *Federal Register*.

Revisions remove the requirement that a school eliminate from its calculation of the amount of funds it returns as "unearned funds," the amount of any charges that the school is required to cover, and has covered, with non-Title IV sources of aid.

Also, lenders no longer may waive certain requirements related to the Armed Forces deferment option because amended deferment rules provide for more expansive deferment options under other deferment types.

However, lenders must waive the annual reevaluation documentation requirement for borrowers repaying under an income-based repayment plan if the borrower cannot document income or family size due to his or her status as an affected individual. The lender must maintain the payment amount determined under the most recent PFH calculation for any affected individual if the borrower's status as an affected individual results in his or her inability to provide documentation of updated income and family size. The waiver persists for a three-year period followed by a three-month transition period.

Affected Sections:	H.4.B Figure H-2	HEROES Act Waivers
Effective Date:	September 27, 2	2012.
Basis:	Federal Registe 59311-59318.	r, Vol 77, Number 188, published September 27, 2012, pages
Policy Information:	1289/Batch 195	5
Guarantor Comments:	None.	