

May 21, 2013

OSFA/FFELP #12-13:05

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](mailto:Reitha.scott@fldoe.org).

Sincerely,

Reitha Scott, Policy Manager  
Office of Student Financial Assistance



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# COMMON MANUAL UPDATES

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## 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-day 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Revised policy also eliminates language about TPD policies and processes that are no longer applicable, and makes other technical changes and updates to existing language.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	Default Aversion Assistance Request (DAAR)
	13.1.D	Claim File Documentation
	13.3	Claim Purchase or Discharge Payment
	13.6.A	Default Claims
	13.8.G	Total and Permanent Disability

Effective Date:	Total and Permanent Disability (TPD) discharge applications received by the loan holder on or after July 1, 2013.
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TPD notifications from the Department received by the loan holder on or after July 1, 2013.

Basis:	§682.402(c); §682.402(g)(1)(iv).
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Policy Information:	1288/Batch 195
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Guarantor Comments:	None.
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# COMMON MANUAL UPDATES

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## 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 HEROES Act Waivers  
Figure H-2

Effective Date: September 27, 2012.

Basis: *Federal Register*, Vol 77, Number 188, published September 27, 2012, pages 59311-59318.

Policy Information: 1289/Batch 195

Guarantor Comments: None.