

April 7, 2006

OSFA/FFELP #05-06:06

Dear Student Loan Participant:

On March 16, 2006, the *Common Manual* Governing Board approved three proposals from Batch 128 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:

- **Suspending Collection Activity on a Consolidation Loan That Is Partially Eligible For Unpaid Refund Discharge or Teacher Loan Forgiveness**
- **Title IV Credit Balances**
- **Unpaid Refund Loan Discharge**

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

Suspending Collection Activity on a Consolidation Loan That Is Partially Eligible For Unpaid Refund Discharge or Teacher Loan Forgiveness

The *Common Manual* has been revised to align policies for suspending collection activity and granting an administrative forbearance on a Consolidation loan when a portion of the loan may be eligible for unpaid refund discharge or teacher loan forgiveness with existing policies on partial Consolidation loan discharge due to school closure, false certification, or the death of a student for whom an underlying PLUS loan was made. Revised policy states that a lender must suspend collection activity and grant an administrative forbearance on the entire Consolidation loan while awaiting documentation and during a guarantor's review of a portion of the loan's eligibility for unpaid refund discharge or teacher loan forgiveness. In addition, revised policy removes outdated information, stating that forbearance does not require the written request of the borrower, from subsection 11.19.P. References to a borrower's discharge "request" or "request form" have been replaced, as appropriate, with references to a loan discharge or forgiveness application. Lastly, revised policy aligns with existing text in subsections 13.8.B and 13.8.D to acknowledge that a lender may learn of a borrower's potential eligibility for loan discharge or forgiveness from a guarantor, or the Department, or another source (such as a telephone call or letter from the borrower).

Affected Sections: 11.19.C Closed School or False Certification
 11.19.P Unpaid Refund Discharge
 11.21.D Teacher Loan Forgiveness
 13.8.B Closed School
 13.8.D False Certification
 13.8.F Unpaid Refund
 13.9.B Teacher Loan Forgiveness Program

Effective Date: Unpaid refund discharge or teacher loan forgiveness request from the borrower, or notifications from the guarantor or the Department, received by a consolidating lender on or after July 1, 2006.

Basis: None.

Policy Information: 855/Batch 128

Guarantor Comments: None.

COMMON MANUAL UPDATES

Title IV Credit Balances

The *Common Manual* has been updated to clarify that a Title IV credit balance occurs when the total amount of Title IV funds credited to the student's account exceeds tuition and fees, contracted room and board, and other authorized school charges.

Affected Sections: 8.8 Managing Credit Balances
 8.8.A Delivering Credit Balances

Effective Date: Retroactive to the implementation of the *Common Manual*.

Basis: §668.164(e).

Policy Information: 856/Batch 128

Guarantor Comments: None.

COMMON MANUAL UPDATES

Unpaid Refund Loan Discharge

Subsection 13.8.F, Unpaid Refund, has been reorganized to more closely mirror the formatting of the Closed School and Falsar Certification subsections for consistency. Several subheadings and sub-subheadings have been revised as follows:

- Procedures for Discharging Loans has been changed to Suspending Collection Activity,
- Processing the Borrower's Request has been changed to Processing the Discharge Application,
- Discharge Approvals has been changed to Processing an Approved Discharge, and
- Discharge Denials has been changed to Denying the Discharge.

Also, two paragraphs previously placed under Processing the Borrower's Request have been moved to Suspending Collection Activity for better placement of the language. Further, when the term "request" is used to describe the discharge application, the term is changed to "application" or "discharge application" as appropriate.

Affected Sections: 13.8.F Unpaid Refund

Effective Date: Retroactive to the implementation of the *Common Manual*.

Basis: None.

Policy Information: 857/Batch 128

Guarantor Comments: None.