

October 14, 2005 OSFA/FFELP #05-06:02

Dear Student Loan Participant:

On September 15, 2005, the *Common Manual* Governing Board approved three proposals from Batch 123 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:

- **Cessation of Collection Activity**
- **Eligibility for Additional Unsubsidized Stafford Loan Funds**
- **Borrower Eligibility**

For further information you may contact Reitha Scott, Policy Manager at (850) 410-6846 or e-mail at reitha.scott@fldoe.org.

Sincerely,

Janie Westberry, Bureau Chief
Office of Student Financial Assistance

COMMON MANUAL UPDATES

Cessation of Collection Activity

The *Common Manual* has been updated to remove language stating that a borrower is ineligible for a FFELP loan if he or she has had a prior FFELP loan partially or totally written off by the lender. A borrower whose prior FFELP loan has been partially or totally written off by a lender is not required to reaffirm the written-off loan as a condition of eligibility for a new FFELP loan.

Affected Sections: 5.3 Prior Loan Written Off

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

Basis: §682.201(a)(4); DCL 96-L-186, Q & A #4, #5, #7, and #8.

Policy Information: 832/Batch 123

Guarantor Comments: None.

COMMON MANUAL UPDATES

Eligibility for Additional Unsubsidized Stafford Loan Funds

The *Common Manual* has been revised to align information in this subsection with longstanding federal regulations. Revised language states that in order for a school to certify additional unsubsidized Stafford loan funds for a dependent student, the student's parent must be unable to obtain PLUS loan funds and the student's family must be otherwise unable to meet the expected family contribution (EFC).

Affected Sections: 6.15.D Additional Unsubsidized Stafford Loan Certification

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

Basis: §682.201(a)(3)

Policy Information: 833/Batch 123

Guarantor Comments: None.

COMMON MANUAL UPDATES

Borrower Eligibility

The *Common Manual* is revised to remove language indicating that a defaulted loan may be discharged because the parent borrower is unable to complete a program of study due to the school's closing. A PLUS loan may be discharged if the student for whom the parent borrowed a PLUS loan is unable to complete a program of study due to the school's closing.

Affected Sections: 5.2.E Prior Default

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

Basis: None

Policy Information: 834/Batch 123

Guarantor Comments: None.