

August 21, 2006

OSFA/FFELP #06-07:03

Dear Student Loan Participant:

During the Common Manual Governing Board's June 2006 meeting, the Governing Board approved the Policy Committee's request to retract the approval of proposal 867 in Batch 130 so that the Committee could thoroughly investigate concerns raised by a guarantor about the proposal's final language and develop a plan to address the concern. During the July meeting, the Governing Board approved the retraction of the language for proposal, and the removal of the final language of proposal 867 from the Integrated Common Manual so that the Policy Committee could establish a FFELP community workgroup to address issues related to this proposal.

The Florida Department of Education, Office of Student Financial Assistance provided a notification of this retraction in July 2006. Attached is the retraction notice from the Common Manual Governing Board and Policy Committee.

- **Special Common Manual distribution – Retraction of Proposal 867, Batch 130**

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

Special Common Manual distribution – Retraction of Proposal 867, Batch 130

Common Manual subsection 11.1.A has been revised to remove policy language inserted into the manual by proposal 867 in Batch 130; the *Common Manual* Governing Board has approved the retraction of the common bulletin language associated with this policy as well. Based on concerns received from the FFELP community with the final policy language, the Policy Committee has determined that it would be beneficial to develop a community workgroup to address the issues raised on proposal 867.

The manual's original policy language, as it existed before modifications made by proposal 867, remains. The manual now states that once a borrower is considered to be a "new borrower" in the applicable category, the borrower remains eligible for deferment in that category on all subsequent loans. Once the loans that qualified the borrower as a "new borrower" in one category are paid in full (except through consolidation), the borrower will be eligible for deferment based on the provisions effective for new loans he or she obtains.

Affected Sections: 11.1.A General Deferment Eligibility Criteria

Policy Information: 867/Batch 130