

February 11, 2007

OSFA/FFELP #06-07:11

Dear Student Loan Participant:

On January 18, 2007, the *Common Manual* Governing Board approved five proposals from Batch 137 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:

- **FSA Administration Training Requirement**
- **EZ-Audit Requirement**
- **Closed School and the Transfer of Academic Credits or Clock Hours**
- **Waiver for Rehabilitation of Defaulted Loans**
- **Variable Interest Rate Consolidation Loans**

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

FSA Administration Training Requirement

The *Common Manual* has been revised to include information on the Fundamentals of Title IV Administration Training Workshop offered by the Department. A school must send at least two representatives, including both its president or chief executive officer (CEO) and the financial aid administrator (FAA). Also, if a school changes ownership, structure, or governance, its representatives must attend the training. The training must be completed up to 12 months prior to but no later than 12 months after the school executes its Program Participation Agreement (PPA) or experiences a change in ownership, structure, or governance.

The CEO may designate another school executive-level officer to attend the training in lieu of the CEO. However, the attending FAA must be the person designated by the school to be responsible for administering the Title IV programs at the school. If the school uses a consultant to administer the Title IV programs, the consultant must attend the training as the school's FAA. However, the Department strongly recommends that a financial aid employee from the school attend the training along with the consultant.

The school may request from the Department a waiver of the training requirement for the FAA and/or the CEO. The Department may grant or deny the waiver for the required individual, require another official to take the training, or require alternative training.

Affected Sections: 4.2.B Financial Aid Administrator Training

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

Basis: §668.13(a)(2) and (3); 199501996 *Federal Student Financial Aid Handbook*, Chapter 3, page 3-168.

Policy Information: 919/Batch 137

Guarantor Comments: None.

COMMON MANUAL UPDATES

EZ-Audit Requirement

The *Common Manual* has been revised to include the requirement for schools participating in a Title IV program to submit audited financial statements and compliance audits to the Department electronically through eZ-Audit. Non-profit and public schools must submit a copy of the A-133 report in writing to the Federal Audit Clearinghouse, in addition to submitting the A-133 to the Department through eZ-Audit.

Affected Sections: 4.3.A General School Financial Responsibility Requirements

Effective Date: Audited financial statements and compliance audits submitted by a school on or after June 16, 2003.

Basis: 2003-2004 *Federal Student Financial Aid Handbook*, Volume, 2, chapter 12, page 2-214.

Policy Information: 920/Batch 137

Guarantor Comments: None.

COMMON MANUAL UPDATES

Closed School and the Transfer of Academic Credits or Clock Hours

The *Common Manual* has been revised to include the statement that a borrower who transfers to another school all or a portion of the academic credits or clock hours earned at the closed school is not eligible for closed school loan discharge. Previous policy did not specifically state that the borrower is ineligible for discharge if he or she transfers only a portion of the previously earned academic credits or clock hours.

Affected Sections: 13.8.B Closed School

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

Basis: Preamble to final rules, *Federal Register* dated April 29, 1994, page 22466, discussion point number 20.

Policy Information: 921/Batch 137

Guarantor Comments: None.

COMMON MANUAL UPDATES

Waiver for Rehabilitation of Defaulted Loans

Policy in section H.4, Statutory and Regulatory Waivers, item #20, is revised by updating the rehabilitation agreement requirements to reflect that a borrower must make nine payments received by the holder within 20 days of the due date during 10 consecutive months.

Affected Sections: Appendix H.4ed School

Effective Date: Loan rehabilitation waivers granted on or after July 1, 2006.
A guarantor has the option of considering a borrower to have met the new rehabilitation standard if at least one of the borrower's payments under the rehabilitation agreement is made on or after July 1, 2006.

Basis: Higher Education Act of 1965, Section 428F(a)(1)(A), as amended by the Higher Education Reconciliation Act.
(HERA) of 2005; 34 CFR 682.405; *Dear Colleague Letter* GEN-06-02.

Policy Information: 922/Batch 137

Guarantor Comments: None.

COMMON MANUAL UPDATES

Variable Interest Rate Consolidation Loans

The *Common Manual* has been updated by removing text in section 15.2 pertaining to Consolidation loan interest rates for applications received by the lender between November 13, 1997, and September 30, 1998, inclusive. This information appears in Appendix H of the manual for historical purposes.

Affected Sections: 15.2 Borrower Eligibility and Underlying Loan Holder Requirements

Effective Date: Upon approval by the Governing Board.

Basis: None.

Policy Information: 923/Batch 137

Guarantor Comments: None.