Common Manual
Policy Change Announcement

October 18, 2012

These policy changes modify the November 2012 edition of the Common Manual
Batch 189: Proposals 1279-1280

Below are the latest policy changes approved by the Common Manual Governing Board on October 18, 2012. Please note the effective dates for these approved policy changes. These changes will appear in the Manual’s next annual update. These changes will also be incorporated into the Integrated Common Manual (ICM), available on the AES website.

Common Mandatory Forbearance Forms
The Common Manual is being revised to include information regarding use of the Department’s common mandatory forbearance request forms. One form is the Mandatory Forbearance Request: Student Loan Debt Burden and the other is the Mandatory Forbearance Request: Medical or Dental Internship/Residency Program; National Guard Duty; Department of Defense Loan Repayment Program. Lenders may distribute these forms to borrowers on and after July 30, 2012, but must distribute only these forms on and after December 31, 2012. Lenders may continue to process any version of the mandatory forbearance forms received by the lender on or after December 31, 2012.

Affected Sections: 2.3.C Common Forms
11.20.J Establishing Repayment after Forbearance
11.24 Mandatory Forbearance

Effective Date: Distribution of the Department’s mandatory forbearance request forms to a borrower on and after December 31, 2012, unless implemented by a lender no earlier than July 30, 2012.

Basis: DCL GEN-12-14

Policy Information: 1279/Batch 189

Guarantor Comments: None.

Title IV Credit Balances
The Common Manual is being reorganized by adding to Section 8.8, Managing Credit Balances the guidance regarding the treatment of credit balances for a school that assesses all program costs upfront. This information is currently only found in Subsection 8.7.I, Delivery Methods.

Affected Section: 8.8 Managing Credit Balances
Effective Date: Prior-year charges paid by a school with current-year funds on or after September 8, 2009.

Basis: DCL GEN-09-11; 12-13 FSA Handbook, Volume 4, Chapter 1, pp. 4-19 to 4-21.

Policy Information: 1280/Batch 189

Guarantor Comments: None.