

SLND-GUARANTOR BULLETIN

#6-06

December 28, 2006

1. Common Manual Updates

Batch 135 *Common Manual* policy changes include the topics of:

Effects of Consolidation Loan on New Stafford Loan Eligibility
Unpaid Refund

2. PLUS/SLS Variable Interest Rate for 2007 – “91-day Treasury Bill” Method

Some loans are subject to a calendar-year adjustment of the variable interest rate, based on the “91-day Treasury Bill” method that existed in statute prior to enactment of the Higher Education Technical Amendments Act of 1987.

The variable interest rate for calendar year 2007 is 8.52 percent [4.77 (the 91-day T-bill average) + 3.75%]

Please note that this rate applies only to PLUS/SLS promissory notes that provide for a calendar year adjustment based on the “91-day Treasury Bill” method.



Unified Student Loan Policy

Policy Changes Approved

Batch 135: Proposal 908 & 910

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update. These changes will also be incorporated into the *Integrated Common Manual*. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on Common Manual's website at www.commonmanual.org. Please carefully note the effective date of each policy change.

Effects of Consolidation Loan on New Stafford Loan Eligibility

The *Common Manual* has been revised to reflect a change in the treatment of the unallocated amount of a Consolidation loan by the National Student Loan Data System (NSLDS). The unallocated amount of a Consolidation loan is no longer included in the aggregate subsidized, unsubsidized, and outstanding principal balances on NSLDS. In addition, the financial aid administrator is no longer required to investigate whether an unallocated amount might impact a student's eligibility for additional Stafford loans, unless the school has information that conflicts with NSLDS data. If the school has conflicting information at the point at which it is certifying the loan, the school must resolve the conflict and must include the result of that resolution in the school's calculations regarding the student's eligible loan amount. The school is not required, at the point of loan delivery, to double-check NSLDS to determine if the financial aid history has changed. If, however, the school obtains conflicting information that may affect the student's eligibility in the interim between the loan certification and the delivery of funds, the school is required to resolve the conflicting information and adjust the loan amount, if necessary.

Affected Sections:	6.11.G Effects of Consolidation Loan on New Stafford Loan Eligibility
Effective Date:	January, 2006.
Basis:	DCL GEN-96-13, Q&A #13 and #14; NSLDS Newsletter Number 11, February 2006.
Policy Information:	908/Batch 135
Guarantor Comments:	None.

Unpaid Refund

The *Common Manual* has been revised to reflect that a borrower is no longer required to submit a separate sworn statement of declarations along with the Loan Discharge Application: Unpaid Refund form because the application includes that sworn statement of declarations.

Affected Section:	13.8.F Unpaid Refund
Effective Date:	Retroactive to the approval of the common Loan Discharge Application: Unpaid Refund.
Basis:	Loan Discharge Application: Unpaid Refund.
Policy Information:	910/Batch 135
Guarantor Comments:	None.