







Industry Series

Sources of rules

Constitution

Statute

Regulation

ED Guidance

Common Manual

Guarantor Policy

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The law

The Higher Education Act of 1965, as amended (HEA):

- Primary law that governs FFELP and other FSA programs
- Think of the HEA as the basic framework upon which more specific rules are based

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What is reauthorization?

Congressional review of the HEA

- Approximately every 5 years

Congress decides whether parts of the HEA should be:

- Renewed
- Removed
- Revised

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Bookmark resources

- www.tgslc.org/policy
- Left-click on "Favorites" in the top navigation bar
- Left-click on "Add to favorites" in the pop-down menu
- Name the page — something you'll remember
- Click OK

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Get the resource — HEA Legislation

TG Online | Schools | Policies and Regulations

- HEA Legislation
- 111th Congress (2009-2011)
- Ctrl + F to search almost any Web page

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H.R. 3221 integrated into HEA

HEA, Title IV, Part B, Section 427A, Subsection (l)

(1) IN GENERAL.—Notwithstanding subsection (h), with respect to any loan made, insured, or guaranteed under this part (other than a loan made pursuant to section 428B or 428C) for which the first disbursement is made on or after July 1, 2006, and before July 1, 2010, the applicable rate of interest shall be 6.8 percent on the unpaid principal balance of the loan.

(2) PLUS LOANS.—Notwithstanding subsection (h), with respect to any loan under section 428B for which the first disbursement is made on or after July 1, 2006, and before July 1, 2010, the applicable rate of interest shall be 8.5 percent on the unpaid principal balance of the loan.

(3) CONSOLIDATION LOANS.—With respect to any consolidation loan under section 428C for which the application is received by an eligible lender on or after July 1, 2006, and that was disbursed before July 1, 2010, the applicable rate of interest shall be at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

(A) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of 1 percent; or

(B) 8.25 percent.

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Structure in statute

- Title — IV
- Part — B
- Subpart — [6]
- Section — 427A
- Subsection — (I)
- Paragraph — (1)
- Subparagraph — (A)
- Division — (ii)
- Clause — (V)

*Generally, noted as "HEA, Sec. 427A(I)(1)(A)(ii)(V)"

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Get the resource — Integrated HEA

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- Higher Education Act
- Integrated HEA Title IV (BDGI)
 - Title IV covers the administration of the federal student financial aid programs
 - Part B: FFELP
 - Part D: FDLP
 - Part G: General provisions relating to student assistance

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Federal regulations — purpose

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- Regulations are developed to convey the requirements found in the law
- Regulations provide detailed FFELP guidance for schools, lenders, servicers, and guarantors

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Federal regulations — negotiated rulemaking

- Unless impracticable, unnecessary, or contrary to the public interest
- Spring meetings with negotiators
- Proposed rules – community comments
- Final rules by November 1
- Effective July 1

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Master calendar

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Federal regulations — structure

- Title — 34
- Part — 682
- Subpart — A
- Section — 100
- Subsection — (b)
- Paragraph — (2)
- Subparagraph — (i)
- Division — (B)
- Clause — (1)

*Generally, noted as “§682.100” or “34 CFR 682.100”

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Federal regulations — most relevant parts

- Part 600 — Institutional Eligibility
- Part 668 — General Provisions
- Part 682 — FFELP
- Part 685 — FDLP

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Get the resource — Integrated regulations

TG Online | Schools | Policies and Regulations

- Integrated Regulations
- Page 148 / 291
- Press enter
- Color coded text indicates which negotiating team amended the language; legend is in the footer
- Enter "family size" in the Find field
- Press enter

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ED guidance — *Federal Student Aid Handbook*

TG Online | Schools | Policies and Regulations

- *Federal Student Aid Handbook*
 - The Application and Verification Guide
 - Volume 1 - Student Eligibility
 - Volume 2 - School Eligibility and Operations
 - Volume 3 - Calculating Awards and Packaging
 - Volume 4 - Processing Aid and Managing FSA Funds
 - Volume 5 - Overawards, Overpayments, and Withdrawal Calculations
 - Volume 6 - Campus-Based Program
-

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ED guidance – Letters

Purpose

- To provide information concerning changes in the law
- To provide interim guidance on policies and procedures until regulations can be issued
- To provide a more detailed explanation of a specific policy

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ED guidance – Letters

Types

- Electronic Announcements
- Dear Colleague Letters (DCL)
 - General Distribution (GEN): GEN-09-11
 - Training Announcement (ANN)
 - Campus-based (CB)
 - Pell Grant (P)
 - Financial Partners (FP)
 - Guarantors (G)
 - Lenders (L)

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Common Manual – purpose

- Comprehensive FFELP resource for schools and lenders
- Designed to train and assist industry professionals in finding answers about regulations and guarantor policies

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Common Manual — history

- Originally issued in November 1995
- *Integrated Common Manual* developed in January 2000
- “Integrated” — shows changes made
 - Underline = new text
 - ~~Strikethrough~~ = deleted text
- PDF: easy to search

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Get the resource — *Common Manual*

TG Online | Policies and Regulations

- *Integrated Common Manual*
- Right-click on *Integrated Common Manual*
- Save Target As — save to desktop
- Summary of changes
- Search features and hyperlinks

Timing is everything!

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Additional *TG Online* resources

- tg.custhelp.com | Ask TG™ — FAQ database
- Schools | TG publications — newsletters, fact sheets, and various reports
- Lenders | Forms — all of the common forms
- Borrowers: Forbearance, Repayment and IBR calculators — helps a borrower select the best option

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Questions?

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contact cust.assist@tgslc.org,
or visit tg.custhelp.com | Ask TG™

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