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ED Revises PLUS Application Forms

The Department of Education (ED) recently announced the approval of revised Federal PLUS loan application materials in Dear Guarantee Agency Director letter GEN-99-28 published in September 1999.

Revisions

The application materials include both an Application and Promissory Note and the Endorser Addendum. Instructions and a statement of the borrower's rights and responsibilities accompany both forms.

The PLUS application materials were revised... to incorporate suggestions made by the financial aid community in response to ED's May 1999 request for comments.

The PLUS application materials were revised to include changes made to the Federal Family Education Loan Program (FFELP) by the 1998 Amendments to the Higher Education Act of 1965 as well as to incorporate suggestions made by the financial aid community in response to ED's May 1999 request for comments. There were no changes made to the data collection items. Substantive revisions to the material are listed below:

- The expiration date has been extended to July 31, 2001.
- The control number of the Office of Postsecondary Education (OPE) has

been converted to a Student Financial Assistance (SFA) control number.

The SFA control number is 1845-0009.

- The definition of parent no longer includes legal guardian. The application instructions now state that the legal guardian of a student may no longer borrow a PLUS loan on the student's behalf.
- The references to repayment now include information that a borrower may be eligible for an extended repayment plan.
- The refund of origination and guarantee fees includes funds that are returned by the school.
- The grant programs reflect current names of those programs.
- The definition of default reflects the current definition (270 days).
- The disbursements made for a school without academic terms are made at the beginning and midpoint of enrollment unless the school is exempt from this requirement, e.g., due to a low cohort default rate.
- The loan cancellation eligibility information was revised to include the portion of a loan that should have been refunded by the school to the lender, if the school failed to make such a refund.
- Students are no longer eligible for half time in-school deferment if no outstanding FFELP loan(s) were disbursed before July 1, 1987, for a period of enrollment beginning before July 1, 1987.

See PLUS on page 2.



CLOSED SCHOOL CORNER

NEWLY REPORTED CLOSURES

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	UNOFFICIAL CLOSURE DATE	ED'S OFFICIAL CLOSURE DATE
006516000	St. Vincent Medical School of Nursing	2201 Cherry St. Toledo, OH 43608	N/A	05/16/1999
011854000	University of Central Texas	1901 S. Clear Creek Rd. Killeen, TX 76540	N/A	07/30/1999

ED CLOSED DATE REVISIONS

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	UNOFFICIAL CLOSURE DATE	ED'S OFFICIAL CLOSURE DATE
022545000	Career Institute	5720 Bandera, Ste. 22 San Antonio, TX 78238	10/10/1989	10/10/1990

PLUS (Continued from page 1)

- The OPE address that was on the old form has been replaced with the address for the Office of Student Financial Assistance, 400 Maryland Ave. S. W., Washington, D.C. 20202-5449.

Transition and Printing

ED and Texas Guaranteed Student Loan Corporation (TG) encourage schools and lenders to use the new form and accompanying material as soon as possible. However, the new application materials must be used for applications issued on or after March 1, 2000. Completed old PLUS forms received by lenders after that date may be processed.

The new forms are available in Portable Document Format (PDF) on *TGWorks Online* at www.tgslc.org under Resources for Schools and Lenders, More Resources. Customers may order printed supplies from TG in late November.

Changes to, deletions from, or additions to the prescribed language in the application materials are not permitted. However, information and/or logos identifying the guaranty agency, lender, or program may be printed in the boxes provided in the upper right-hand corner of the application form and the endorser addendum and the front page of the application and endorser addendum instructions. Bar coding is

permitted on the side or bottom of the form as long as the general layout of the form is not altered.

The Borrower's Rights and Responsibilities statement may be enhanced by printing in color.

The Borrower's Rights and Responsibilities statement may be enhanced by printing in color. The other documents must be printed with black ink on white paper, except for the identifying information that is printed in the boxes mentioned above.

PLUS MPN

The PLUS application materials have been approved for a two-year period because the FFELP community is currently drafting a multi-year PLUS application and promissory note for ED's review. After the multi-year application materials are approved by ED, they will replace the single-year PLUS application materials.

Questions

For questions about the revised PLUS forms, call TG's Customer Support Group at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

TG November Regional Training

Texas Guaranteed Student Loan Corporation (TG) Customer Services (CS) has scheduled November regional training events designed to meet the needs of proprietary and community colleges. Four sites and dates have been scheduled for early November:

- November 2 — Houston, Visible Changes University
- November 4 — Dallas, Parker Chiropractic College
- November 9 — San Antonio, to be determined
- November 10 — El Paso, El Paso Community College

The tentative agenda will include information about

- TG Solutions and Tools
- The Master Promissory Note,
- Default aversion activities, and
- Best practices.

Questions

For questions about the training events, contact your CS Regional Consultant at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

ED Extends Federal Stafford MPN

The Department of Education (ED) approved an extension of the Federal Stafford Loan Master Promissory Note (MPN) in a September 1999 Dear Guaranty Agency Director letter, GEN-99-30. Changes made to the form and accompanying material include a new expiration date, a new Office of Management and Budget (OMB) control number, and a new address.

Revisions

- The forms had an (OMB) expiration date of September 30, 1999. The expiration date has been extended to August 31, 2002.
- The control number of the Office of Postsecondary Education (OPE) has been converted to a Student Financial Assistance (SFA) control number. The SFA control number is 1845-0006.
- The OPE address that was on the old form has been replaced with the address for the Office of Student Financial

Assistance, 400 Maryland Ave. S. W., Washington, D.C. 20202-5449.

Transition and Printing

ED and Texas Guaranteed Student Loan Corporation (TG) encourage schools and lenders to use the new form as soon as possible. However, schools and lenders must begin using the new form no later than March 1, 2000. Completed old forms received by lenders after that date may continue to be processed.

The new forms are available in Portable Document Format (PDF) on *TGWorks Online* at www.tgslc.org under Resources for Schools and Lenders, More Resources. Customers may order printed forms from TG in early December.

ED does not permit changes to, deletions from, or additions to the language in the revised forms. Printing instructions remain the same as when the Stafford MPN originally was distributed to the community.

Questions

For questions about the extension of the Stafford MPN, call TG's Customer Support Group at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

Y2K Claim Schedule

Texas Guaranteed Student Loan Corporation (TG) is encouraging lenders and servicers to file default claims as soon after the 270th day of delinquency as possible. This action will help TG process as many outstanding claims as possible prior to December 31, 1999.

TG has made a slight modification to its claim payment schedule because of the approaching millennium. On December 20, 1999, TG Claims will issue payment for all authorized claims originally scheduled for payment on December 20, December 27, January 3, and January 10. Due to this adjustment, after the December 20 payment, there will be *no claim payments issued* until January 18, 2000.

TG does not expect any difficulties with its mainframe from Y2K. However, the modifications are being implemented as a precaution to avoid undue stress on TG's mainframe during the critical Y2K timeframe.

Questions

For questions regarding the Y2K Claims payment schedule, contact Rinn Harper at (800) 252-9743, ext. 4612, or Ron Stroud at ext. 4779. Questions may also be sent by e-mail message to rinn.harper@tgslc.org or ron.stroud@tgslc.org. ★

Upcoming TG Holiday Closings

Texas Guaranteed Student Loan Corporation (TG) offices will be closed because of employee holidays on the following days:

- Thursday, November 11
- Thursday and Friday, November 25 and 26
- Thursday and Friday, December 23 and 24
- Thursday, December 30, (offices close at noon)
- Friday, December 31
- Monday, January 17
- Monday, February 21

TG will close at noon on December 30 to allow ample time for regularly scheduled end-of-month and quarterly processing before the critical Y2K deadline.

Questions

For questions regarding end-of-month and quarterly processing, contact your Customer Services Regional Consultant at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org.

For questions regarding TG's Y2K preparations, contact Melissa Rayburn at (800) 252-9743, ext. 4688, or send an e-mail message to melissa.rayburn@tgslc.org. ★

FY 2000 Chat Nights Calendar Announced

Following the success of its October 12 Chat Event, *Mapping Your Future* (MYF) is happy to announce the schedule for four additional chat events during FY 2000.

The events coincide with those times of the year when students are preparing college and financial aid applications and seeking summer or full-time employment.

Volunteer counselors are needed to provide advice to students and their families about college admissions and financial aid.

The Chat Calendar for the remainder of the year includes the following national chat events:

- December 7, 1999
FAFSA and Financial Aid

- February 1, 2000
FAFSA and Financial Aid
- March 14, 2000
Careers, Summer Jobs, and Internships
- June 13, 2000
Non-traditional Students

Volunteer counselors are needed to provide advice to students and their families about college admissions and financial aid. If you would like to serve as a counselor, send an e-mail message to cathy.mueller@tgslc.org.

MYF is a public service web site sponsored by 32 guaranty agencies from across the United States, including Texas Guaranteed Student Loan Corporation. Several MYF sponsors are planning state or regional chat events that will be organized and promoted by their agencies and hosted by MYF.

Questions

If your agency is interested in conducting a chat event for your area in the coming year or for questions about the chat events or MYF, call Cathy Mueller at (417) 649-0357 or send an e-mail message to cathy.mueller@tgslc.org. ★

ED Approves New Loan Deferment Forms

The Department of Education (ED) has approved new Federal Family Education Loan Program Deferment Forms for use when providing deferment applications to borrowers on or after November 1, 1999. For details and comments about the changes, see the insert included with this issue of *Shoptalk*.

Transition and Printing

ED and Texas Guaranteed Student Loan Corporation (TG) encourage schools and lenders to use the new forms as soon as possible. However, lenders receiving completed old forms after November 1, 1999, may continue to process them.

The new forms are available in Portable Document Format (PDF) on *TGWorks Online* at www.tgslc.org under Resources for Schools and Lenders, More Resources.

ED does not permit changes to, deletions from, or additions to the language in the revised forms.

Questions

For questions about the new Deferment Request Forms, call TG's Customer Support Group at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

Common Manual Updates Correction

Common Manual language published in the September 1999 *Shoptalk*, "Conditions for Authorized Deferment," incorrectly stated, "A lender may now grant an in-school deferment to a borrower based on student status information that documents the borrower's enrollment at least half-time."

The correct bulletin language should read "A lender *must* grant an in-school deferment to a borrower based on student status information that documents the borrower's enrollment of at least half-time."

Questions

For questions about this correction, contact TG Customer Services at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

Increased Unsubsidized Stafford Eligibility for Health Profession Students

Current *Common Manual* policy does not address the eligibility of certain health profession students for increased annual and aggregate unsubsidized Stafford loan limits that exceed the current maximums.

Subsection 5.7.H. of the manual has been updated to reflect that increased unsubsidized loan limits are available to certain health profession students who are unable to borrow under the Health Education Assistance Loan (HEAL) program due to budgetary constraints on the program and its gradual phaseout.

A new subsection 5.7.I. has been added to provide guidance on increased annual and aggregate unsubsidized loan limits for eligible health profession students. The previous subsection 5.7.I., Interest Subsidy on Stafford Loans, has been redesignated subsection 5.7.J.

For loan periods beginning on or after May 1, 1999, all institutions offering eligible health profession programs are eligible to award the increased unsubsidized loan amounts regardless of past participation in the HEAL program. Eligible health profession programs include:

- Allopathic medicine programs accredited by the Liaison Committee on Medical Education.
- Osteopathic medicine programs accredited by the American Osteopathic Association, Bureau of Professional Education.
- Dentistry programs accredited by the American Dental Association, Commission on Dental Accreditation.
- Veterinary medicine programs accredited by the American Veterinary Medical Association, Council on Education.
- Optometry programs accredited by the American Optometric Association, Council on Optometric Education.
- Podiatric medicine programs accredited by the American Podiatric Medical Association, Council on Podiatric Medical Education.
- Pharmacy programs accredited by the American Council of Pharmaceutical Education.
- Public health programs accredited by the Council on Education for Public Health.
- Chiropractic medicine programs accredited by the Council on Chiropractic Education, Commission on Accreditation.
- Health administration graduate programs accredited by the Accrediting Commission on Education for Health Services Administration.
- Clinical psychology programs accredited by the American Psychological Association, Committee on Accreditation.

To be eligible for unsubsidized Stafford loans exceeding standard annual loan limits, a health profession student must meet the following criteria:

- The student must be eligible for an unsubsidized Stafford loan.
- The student must be enrolled full time.
- The student must not receive a HEAL program loan for any portion of the same loan period as the increased unsubsidized Stafford loan amount.
- The student must be enrolled in an eligible program at an eligible school, as defined above.

The 5-year Bachelor of Pharmacology Program is the only undergraduate program eligible for additional unsubsidized funding under these provisions. In addition to meeting all other eligibility requirements set forth in subsection 5.7.I., a health profession student enrolled in this program must be in the fourth or fifth year of the program; and must be independent, or be a dependent student whose parent is unable to borrow a PLUS loan.

The annual unsubsidized Stafford loan limits for eligible health profession students are in addition to the regular Stafford loan limit the student would be eligible to receive in the same loan period, and cannot exceed the lesser of the student's cost of attendance less other financial aid; or the student's regular unsubsidized Stafford loan maximum plus the student's applicable HEAL loan maximum.

Schools must follow HEAL proration requirements and other HEAL program restrictions when awarding students increased unsubsidized Stafford loans, except that the HEAL program needs test is not required for the student to receive the increased unsubsidized Stafford loan amount.

Health profession students who are eligible for increased unsubsidized Stafford loans may receive an aggregate amount of \$189,125. Subsidized Stafford loans may comprise no more than \$65,500 of this amount.

Undergraduate 5-year pharmacy students may receive an aggregate amount of \$70,625. Subsidized Stafford loans may comprise no more than \$23,000 of this amount.

Affected Sections: 5.7.H., 5.7.I., and 5.7.J.

Effective Date: Loan periods beginning on or after May 15, 1998

Policy Information: Reference #331

Guarantor Comments: Generally, school profiles that reside on the TG System (for a school that offers eligible health profession programs) have been updated to show HEAL eligibility unless the school specified that they did not want this designation.

TG performed a survey of Texas schools to ensure that each school understood the significance of such designation, and each school communicated its choice. If a school is designated as "HEAL eligible" on TG's system, then each and every application received with this school

See COMMON MANUAL UPDATES on page 6.

COMMON MANUAL UPDATES (Continued from page 5)

code for a student enrolled in any program (health and non-health) will be subject to the increased aggregate and annual loan limits.

Definition of Parent

A legal guardian is no longer considered a parent for purposes of taking out a PLUS loan. Federal publications and forms for the 1999-2000 award year, including the Free Application for Federal Student Aid, exclude legal guardians from the definition of parent for student financial aid purposes. As a result, the *Common Manual* has been updated to remove the legal guardian definition and the reference to legal guardians in the definition of a parent.

Affected Sections: 2.1.B., 5.4, and Appendix G.

Effective Date: Loans certified by the school for periods of enrollment beginning on or after July 1, 1999

Policy Information: Reference #340

Guarantor Comments: None

Unauthorized Signing of Loan Documents by a School

The *Common Manual* has been revised, for purposes of clarification, to include a new heading of "Discharge Approvals" and to relocate the current bulleted list of actions guarantors and lenders must take upon a determination that a loan is dischargeable due to the school's endorsement of a borrower's loan check without the borrower's authorization. Guarantors and lenders must also take these actions upon a determination that a loan is dischargeable due to a school signing the EFT or master check authorization without the borrower's permission. The revisions include an additional bulleted list of actions to be taken upon a determination that the loan is dischargeable due to the school signing an application or promissory note without the borrower's authorization, or the

school improperly determining the student's ability to benefit from the school's training.

The revised policy clarifies that a guarantor will not pay a lender claim based solely on a determination that a school endorsed the borrower's name on a loan check without the borrower's permission. The revised policy also clarifies that a guarantor will pay, within 30 days of approving the borrower's discharge, a lender claim based on either of the following guarantor determinations (not merely on borrower assertions):

- That the school (not any other person, but specifically the school) signed the borrower's name on the promissory note or the authorization for electronic funds transfer (EFT) or master check without the borrower's permission.
- That the school failed to properly determine the student's ability to benefit from the school's training.

The revisions do not alter current policies regarding the criteria for determining eligibility for discharge of a loan based on false certification.

Affected Sections: 8.2.H. and CCI 8.2.H.

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

Policy Information: Reference #351

Guarantor Comments: None

Regulatory Technical Corrections

The *Common Manual* has been revised to incorporate the provisions of the regulatory Technical Corrections published in the *Federal Register* on April 16, 1999. The following updates reflect modifications needed to reflect these regulatory changes.

Borrower and Student Eligibility Requirements

Each student borrower seeking a Stafford loan, each parent borrower seeking a PLUS loan, and each student for whom a PLUS loan is being obtained must not have

property subject to a judgment lien for a debt owed to the United States.

Affected Sections: 5.2.A.

Effective Date: Provisions regarding PLUS borrowers are effective for loans certified by the school on or after April 16, 1999.

Provisions regarding students are effective for loans certified by the school on or after July 1, 1996

Policy Information: Reference #341

Guarantor Comments: None

Copayable Checks

Current *Common Manual* policy states that a guarantor or a lender may require an individual check to be made copayable to the student and the school. Also, current policy does not address Federal PLUS loan disbursements for a student who attends a foreign school. Revised *Common Manual* policy states that a Federal PLUS loan disbursed by an individual check must be made copayable to the parent borrower and the school. The lender must send individual checks for Stafford and PLUS loan borrowers directly to the school (except in the case of a student enrolled at an eligible foreign school). Revised policy also deletes the reference that a lender or guarantor may require individual checks to be made copayable. A school, lender, or guarantor may choose to require this.

A Federal PLUS loan for a student enrolled in an eligible foreign school must be disbursed by an individual check that is made copayable to the parent borrower and the school. The check must be sent directly to either the parent borrower or the school.

Affected Sections: 6.2.C. and 6.2.E.

Effective Date: Loan proceeds disbursed by individual checks on or after April 16, 1999

Policy Information: Reference #344

Guarantor Comments: None

See COMMON MANUAL UPDATES on page 7.

COMMON MANUAL UPDATES (Continued from page 6)

Borrower Authorization for Release of EFT or Master Check Disbursements

Schools are no longer subject to the 30-day time restriction regarding when they must obtain EFT or master check authorizations on forms other than the common application and promissory note. Regulations no longer require that schools obtain such authorizations 30 days prior to the first day of classes for the period of enrollment for which the loan is intended.

For Stafford loans made using a Master Promissory Note (MPN), the school is not required to obtain separate borrower authorization to permit the transfer of loan proceeds received by EFT or master check to the student's account. For Stafford and PLUS loans made using a common application and promissory note, the school continues to be required to obtain written authorization from the borrower to permit the release of loan proceeds received by EFT or master check from the school's account. The authorization may be obtained on the common application and promissory note or a separate form, and it must be obtained at or before the release of the loan's first disbursement.

Affected Sections: 6.3.C.

Effective Date: EFT or master check disbursements delivered by the school on or after April 16, 1999

Policy Information: Reference #345

Guarantor Comments: None

Credit Balances

A school may hold a borrower's Stafford or PLUS loan proceeds as a fiduciary for the benefit of not only the student but also the guarantor and the Department, if those proceeds represent a credit balance that would otherwise have been paid directly

to the student or parent borrower. This revision does not apply to schools that are prohibited by the Department, under reimbursement payment method provisions, from holding credit balances.

Affected Sections: 6.3.F.

Effective Date: Credit balances held by a school on or after April 16, 1999

Policy Information: Reference #346

Guarantor Comments: None

Deferments after Default

A borrower's defaulted loan is not eligible for a deferment that begins after the date of default, unless the borrower makes payment arrangements acceptable to the lender that resolve the default prior to the payment of a default claim by the guarantor. Prior guidance was borrower-specific with respect to deferment of a defaulted loan prior to claim payment.

Affected Sections: 7.9.E.

Effective Date: Deferment requests of defaulted loans granted by the lender on or after April 16, 1999

Policy Information: Reference #348

Guarantor Comments: None

Forbearance Eligibility

For borrowers who are jointly liable for repayment of a PLUS loan or Consolidation loan, a lender may grant forbearance on repayment of the loan only if the ability of each individual to make scheduled payments has been impaired based on the same or differing conditions.

Affected Sections: 7.11

Effective Date: Forbearance granted by the lender on or after April 16, 1999

Policy Information: Reference #349

Guarantor Comments: None

Forbearance of Defaulted Loans

Lenders may grant forbearance to a borrower or endorser to permit the resumption of payments following the date of default only if the forbearance is granted prior to the lender's receipt of the claim payment.

Affected Sections: 7.11.E

Effective Date: Forbearance granted by the lender on or after April 16, 1999

Policy Information: Reference #350

Guarantor Comments: None ★

SHOP TALK

Texas Guaranteed Student Loan Corporation
P.O. Box 201725
Austin, Texas 78720-1725
(800) 252-9743 • (512) 219-5700
(512) 219-4560 *speech and hearing impaired*
www.tgslc.org

Shoptalk is published by Texas Guaranteed Student Loan Corporation (TG). Unless specifically noted, the policies and procedures outlined in *Shoptalk* apply only to loans made under TG's guarantee and not to loans underwritten by other guarantors.

To ask questions about the articles in *Shoptalk*, subscribe or order additional copies, please contact Communications at (800) 252-9743, ext. 2878 or communications@tgslc.org

Contributors to this month's edition:

Michelle Anderson
Darron Grussendorf
Rinn Harper
Laura Kowalski
Laura Lavergne
Cynthia Mayberry
Catherine Mueller
Ron Stroud

Edited and designed by TG Communications.

Online copies of *Shoptalk* are available at www.tgslc.org.

Deferment Request Forms

General Comments:

July 1999 — Approval of new FFELP Loan Deferment Forms (OMB #1845-0005; expiration date June 30, 2002). These new forms must be used when providing deferment applications to borrowers on or after November 1, 1999. Other deferment applications may still be processed after that date. Forms can be downloaded from *TG Works Online* under Resources for Schools and Lenders/Forms.

Deferment Request Form	Change(s)	Comments
In-School (SCH) Effective Date: 11/1/99	<p>The provision that a borrower with an outstanding balance on a FFELP loan made prior to 7/1/93 must receive another loan in order to qualify for a half-time student deferment has been deleted.</p> <p>PLUS borrower eligibility is no longer included on the SCH form. A new PLUS deferment form has been developed.</p>	<p>Pre-1987 borrowers are still not eligible to receive this type of deferment while enrolled as a half-time student.</p> <p>Note: Effective 10/1/98, lenders can determine eligibility for deferment based on the receipt of:</p> <ul style="list-style-type: none"> • A request from the borrower along with documentation of eligibility; • A newly completed loan application that documents eligibility; or • Student status information received by the lender that documents the borrower is enrolled at least half time.
Economic Hardship (HRD) Effective Date: 11/1/99	<p>This form replaces the Economic Hardship (New HRD).</p> <p>Item (3) is new. Borrowers serving as Peace Corp volunteers are now eligible for HRD deferment.</p> <p>New optional worksheets (A and B) have been revised and are provided to help borrowers determine whether they qualify for deferment under item (5) or (6) of the HRD deferment.</p>	<p>4/99 — Economic Hardship form (New HRD) previously updated to reflect new poverty level amounts per HHS.</p> <p>8/99 — Typographical error corrected on optional Worksheet B (Step 4, line 2). ED advised that forms that have already been printed may still be used.</p> <p>9/99 — Typographical error corrected on optional Worksheet B (Step 3, item 2). ED advised that forms that have already been printed may still be used.</p>
Education Related (EDU) Effective Date: 11/1/99	<p>PLUS borrower eligibility is no longer included on the EDU form. A new PLUS deferment form has been developed.</p> <p>All other eligibility qualifications are the same.</p>	<p>The previous Education Related (New EDU) form is replaced with EDU form (graduate fellowship and rehabilitation training programs) and SCH (half-time student) form.</p>
Unemployment (UNEM) Effective Date: 11/1/99	<p>Item (B) is new. If the borrower is eligible for unemployment benefits, he or she does not have to complete (C) or (D) that require the borrower to:</p> <ul style="list-style-type: none"> • List the employment agency he or she is registered with; and • List six employer contacts within the last six months. <p>This change eliminates duplicate paperwork for the borrower.</p>	<p>Note: As in the past, if this is the borrower's first unemployment deferment request, he/she is also not required to list the information in (C) or (D).</p> <p>Note: If a borrower is receiving unemployment benefits, the borrower does not have to request an unemployment deferment in writing.</p>

Deferment Request Form

Change(s)

Comments

Temporary Total Disability (TDIS)
Effective Date: 11/1/99

The previous Temporary or Permanent Total Disability Certification (DIS) form is replaced with two separate forms.

This new form is *only* used for temporary disabilities. The option for the physician to certify a borrower's permanent disability has been deleted.

Effective 8/1/99, a new Total and Permanent Disability Cancellation Request form replaces the previous discharge form (ED Form 1172).

Note: VA physicians are now allowed to sign the FFELP TDIS forms and the Total and Permanent Disability Cancellation Request forms.

Public Service (PUB)
Effective Date: 11/1/99

No changes.

Parental Leave/Working Mother (PLWM)
Effective Date: 11/1/99

This form replaces the Family Deferment Request (FAM).
No changes.

PLUS Borrower with Dependent Student (PLUS)
Effective Date: 11/1/99

New form.
This form combines the PLUS borrower eligibility criteria that were previously included on the SCH and EDU forms.

A PLUS borrower is eligible for this deferment while the student for whom he or she borrowed a PLUS loan is dependent and is:

- Enrolled full-time at an eligible school;
- Enrolled at least half-time at an eligible school; or
- Engaged full-time in a rehabilitation training program.

Note: The qualification for a PLUS borrower to receive a deferment while the student for whom the parent borrows a PLUS loan is enrolled in a graduate fellowship program is deleted from the new PLUS deferment form. By definition, a graduate student is an independent student [See HEA 480(d)(4)]. Therefore, a PLUS borrower would not be entitled to a deferment based on the student's enrollment in a graduate fellowship program [See 682.210 (6)(i)].

If a parent borrower was enrolled in a graduate fellowship program, he or she would be entitled to a deferment on a PLUS loan, and would use the EDU to apply for such a deferment.

Return Service Requested

MONEY MATTERS

The average of the bond equivalent rates of 91-day Treasury bills auctioned during the quarter ending September 30, 1999 is 4.82%.

SPECIAL ALLOWANCE RATES

<i>Eligible Loans</i>	<i>Applicable Interest Rate (%)</i>	<i>Annual Special Allowance Rate</i>	<i>Special Allowance for Quarter Ending 6/30/99</i>
Loans made prior to 10/1/81	7	.01375	.003438
Tax exempt loans made on or after 10/1/80, but prior to 10/1/81	7	.025	.00625
	9	.005	.00125
Loans made on or after 10/1/81, but prior to 11/16/86	7	.0132	.003300
	8	.0032	.000800
Tax exempt loans made on or after 10/1/81	6	.035	.00875
	6.32 (Var.)	.0318	.007950
	7	.025	.00625
	6.92 (Var.)	.0258	.006450
	7.12 (Var.)	.0238	.005950
	8	.015	.00375
	7.72 (Var.)	.0178	.004450
	7.72 (Var.)	.0178	.004450
	7.87 (Var.)	.0163	.004075
	7.98 (Var.)	.0152	.003800
Subsidized Stafford loans made on or after 10/17/86, but prior to 10/1/92, and unsubsidized Stafford loans made prior to 10/1/92, for periods of enrollment beginning on or after 10/1/92, and Consolidation loans made on or after 11/16/86, but prior to 10/1/92	7	.0107	.002675
	8	.0007	.000175
	7.72 (Var.)	.0035	.000875
	7.87 (Var.)	.002	.000500
Subsidized and unsubsidized Stafford and Consolidation loans made on or after 10/1/92	6	.0192	.004800
	7	.0092	.002300
	8	.00	.00
	7.72 (Var.)	.002	.000500
	7.72 (Var.)	.002	.000500
Subsidized Stafford loans and unsubsidized Stafford loans made on or after 7/1/95, but prior to 7/1/98, only during the in-school, grace, and deferment periods.	7.12 (Var.)	.002	.000500
Subsidized Stafford loans and unsubsidized Stafford loans made on or after 7/1/98, but prior to 7/1/03, only during the in-school, grace, and deferment periods.	6.32 (Var.)	.007	.001750
Subsidized Stafford loans and unsubsidized Stafford loans made on or after 7/1/98, but prior to 7/1/03, except during the in-school, grace, and deferment periods.	6.92 (Var.)	.007	.001750