



**COMPLIANCE UPDATE**  
**By Kim Slote, policy analyst**

**COMMON MANUAL**

The Cooperative Agreement for Guarantors Participating in the *Common Manual* was initially approved Sep. 10, 1995, last amended Aug. 18, 2016. This agreement between guarantors that administer the Federal Family Education Loan Program was for the purpose of publishing a common policy manual to be used as a guide for their schools, lenders, secondary market and servicer clients. For 2016-2017, the *Common Manual* Governing Board has contracted with Great Lakes Higher Education Guaranty Corporation to facilitate the development and adoption of policies that are consistent with the requirements of Title IV of the Higher Education Act of 1965, as amended, applicable regulations and other guidance published by the United States Department of Education. Policy proposals are presented to the *Common Manual* Governing Board for consideration and approval, before being incorporated into the *Common Manual*.

Proposed policy updates and technical edits can be submitted by anyone in the FFELP community. In addition, comments on current proposals are welcomed by GLHEC on behalf of the *Common Manual* Governing Board. Instructions for how to submit comments or to submit policy proposals and technical edits for the *Common Manual* can be found at the following links.

- [Submit Policy Proposals/Tech Edits](#)
- [Submit Comments on Policy Proposals](#)

The *Common Manual* Governing Board approved policy changes proposed in Batch 210 March 16, 2017. Summaries of the most recent policy updates made to the Sep. 2016 reprint of the *Common Manual* will be posted to the *Common Manual* website at the following link <http://www.commonmanual.org> in the [Approved Policies](#) section. The common bulletin language for each policy change drafted by GLHEC is also provided at this link. The common bulletin language is attached to this compliance update, without revision, for your review. Changes made in the proposals will be incorporated into the *Common Manual* annual update. They will also be incorporated into the *Integrated Common Manual*, which is usually updated quarterly.

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 the *Common Manual's* website at <http://www.commonmanual.org>. Please carefully note the effective date of each policy change.

**Mandatory Administrative Forbearance for Borrower Defense Claim**

The *Common Manual* is being revised to include regulatory changes. New forbearance regulations require the lender to grant a mandatory administrative forbearance upon receipt of the Department's notification that the borrower has made a borrower defense claim related to a FFELP loan that the borrower intends to consolidate into the Direct Loan Program for purposes of seeking relief under the Direct Loan Borrower Defense regulations. The lender must grant forbearance in yearly increments or for a period designated by the Department until the FFELP loan is either consolidated or the lender is notified by the Department to discontinue the forbearance.

<b>Affected Section(s):</b>	11.23.E Borrower Defense Claim Figure 11-2 Forbearance Eligibility Chart
<b>Effective Date:</b>	For mandatory administrative forbearances granted on or after July 1, 2017, unless implemented earlier (on or after November 1, 2016) at lender's discretion.
<b>Basis:</b>	Final Rule published in November 1, 2016 Federal Register (81 FR 75926); §682.211(i)(7); Dear Colleague Letter (DCL) GEN-17-01, issued January 18, 2017
<b>Policy Information:</b>	1322/Batch 210
<b>Guarantor Comments:</b>	None.