

Proposed Amendatory Language – Crosswalk

Entrance Counseling for Grad/PLUS borrowers (FFEL/DL 2)

§682.603 Certification by a participating school in connection with a loan application

- Page 47, line 7 through 21—Redesignates paragraphs, clarifies language
- Page 48, line 7 through page 49, line 7—Requirements for counseling graduate/professional PLUS student borrowers prior to loan certification

§682.604 Processing the borrower’s loan proceeds and counseling borrowers.

- Page 50, line 5 through page 52, line 13—Entrance and exit counseling requirements

§685.301 Origination of a loan by a Direct Loan Program school.

- Page 60, line 21 through page 62, line 16—Requirements for counseling graduate/professional PLUS student borrowers prior to loan origination
- Page 63, line 4 through page 64, line 11—Entrance and exit counseling requirements.

Maximum Length of Loan Period (FFEL/DL 4)

§682.401 Basic Program Agreement

- Page 26, line 6 through 8 —Deletes the 12-month maximum period from guaranty agency annual loan guarantee policy and clarifies the term academic year for these purposes.
- Page 26, line 19 through page 27, line 3 revising the paragraph

§682.603 Certification by a participating school in connection with a loan application

- Page 48, line 4 through 5 – Deletes the 12- month maximum for a loan period.

§685.301 Origination of a loan by a Direct Loan Program school.

- Page 62, line 17 through page 63, line 2 – Deletes the 12-month maximum for a loan period.

Frequency of Capitalization (FFEL/DL 7)

§682.202 Permissible Charges by lenders to borrowers

- Page 21, line 11 through 15 —New language on the frequency of capitalization of interest for FFELP consolidation loans.

§685.202 Charges for which Direct Loan Program borrowers are responsible.

- No changes

Simplification of Deferment Granting Process (FFEL/DL 9)

§674.38 Deferment Procedures

- Page 4, line 6 through page 5, line 17—Establishes simplified deferment process for Perkins Loans

§682.210 Deferment

- Page 22, line 10 through page 24, line 12—Establishes simplified deferment process for FFEL loans.

§685.204 Deferment

- Page 53, line 10 through page 54, line 23—Establishes simplified deferment process for Direct Loans

Eligible Lender Trustee (FFEL 1)

§682.200 Definitions

- Page 19, line 23 through page 20, line 18 – Restrictions on ELTs
- Page 20, line 21 through page 21, line 2 – Definition of “school affiliated organization”

§682.602 Rules for a school or school-affiliated organization that makes or originates loans through an ELT (new)

- Page 46, line 5 through page 47, line 5 – Restrictions on schools & school-affiliated organizations

Institutional Preferred Lenders (FFEL2)

§682.212 Prohibited transactions.

- Page 24, line 14 through 15, line 20 through page 26, line 3—deletes obsolete SLMA references and adds new requirements related to a school’s use of a preferred or recommended list of FFEL lenders.

§682.603 Certification by a participating school in connection with a loan application

- Page 47, line 8 through 13, line 18 through page 48 line 2—clarifying technical changes related to PLUS loan that are available to both student and parent borrowers and subsidized Stafford loans.

Prohibited Inducements (FFEL 3)

§682.200 Definitions

- Page 14, line 19 through page 19, line 21—Revises the definition of Lender by specifying prohibited activities that are inducements to secure loans as well as permitted activities and adds a definition of a school-affiliated organization.

§ 682.401 Basic Program Agreement

- Page 27, line 5 through page 33, line 21—Adds new language specifying activities that represent prohibited inducements by a guaranty agency as well as permitted activities.

True and Exact copy of death certificates (FFEL/DL/Perkins1)

§674.61 Discharge for Death or Disability

- Page 8, line 9 through 13—Adds another acceptable document format for death discharges.

§682.402 Death, disability, closed school, false certification, unpaid refunds, and bankruptcy payments.

- Page 34, line 9 through 21—Adds another acceptable document format for death discharges.

§685.212 Discharge of a loan obligation.

- Page 55, line 4 through 22—Adds another acceptable document format for death discharges.

Total and Permanent Disability (FFEL/DL/Perkins2)

§674.61 Discharge for death or disability

- Page 8, line 15 through page 14, line 10 -- Restructured regulations to implement prospective TPD conditional discharge period in the Perkins Loan Program

§682.402 Death, disability, closed school, false certification, unpaid refunds, and bankruptcy payments

- Page 34, line 23 through page 43, line 8 – Restructured regulations to implement prospective TPD conditional discharge period in the FFEL Program

§685.213 Total and Permanent Disability

- Page 56, line 1 through page 60, line 19 – Restructured regulations to implement prospective TPD conditional discharge period in the Direct Loan Program

NSLDS Reporting Timeframe (FFEL/Perkins1)

§674.16 Making and disbursing loans.

- Page 2, line 8 through 11—Requires school to report and update data to the Secretary’s NSLDS in a timely manner.

§682.208 Due diligence in servicing a loan

- Page 21, line 22 through page 22, line 8—Adds a deadline for lenders to report updated enrollment information to the guaranty agency or Secretary.

§682.401 Basic program agreement

- Page 26, lines 11 and 12—Reduces a guaranty agency’s reporting time to its lenders for status changes.

§682.414 Records, reports, and inspection requirements for guaranty agency programs.

- Page 45, line 22 through page 46, line 2—Adds a deadline for guaranty agencies to report updated enrollment information to the Secretary’s NSLDS.

Retention of Records Supporting Disbursements to Students (FFEL/Perkins2)

§674.19 Fiscal procedures and records

- Page 3, line 6 through page 3, line 11 – Requires retention of disbursement records in the Perkins Loan Program
- Page 3, line 18 through page 3, line 24 – Requires retention of Perkins Loan program disbursement records until the loan is satisfied

§674.50 Assignment of defaulted loans to the United States

- Page 6, line 15 through page 6, line 18 – Gives Secretary option to require submission of disbursement records upon assignment of a defaulted Perkins Loan

§682.406 Conditions for claim payments from the Federal Fund and for reinsurance coverage

- Page 43, line 17 through page 43, line 19 – Requires lender to provide records of school’s delivery of loan disbursements when filing a claim

§682.409 Mandatory assignment by guaranty agencies of defaulted loans to the Secretary

- Page 44, line 18 through page 44, line 19 – Requires GA to submit records of schools’ deliveries of loan disbursements when assigning defaulted loans to ED

§682.610 Administrative and fiscal requirements for participating schools

- Page 52, line 20 through page 53, line 2 – Requires schools to report delivery of disbursements to the lender

MPNs: Lender Certification of Electronic Signatures (FFEL/Perkins 3)

§674.19 Fiscal procedures and records

- Page 2, line 23 through page 3, line 5 – Requires submission of e-signature certification when assigning defaulted Perkins Loan
- Page 3, line 12 through page 3, line 24 – Requires institution to maintain and retain certification of e-signature process until loan is satisfied

§674.50 Assignment of defaulted loans to the United States

- Page 6, line 19 through page 6, line 24 – Gives Secretary the option of requiring the institution to submit certification of e-signature upon assignment

§682.406 Conditions for claim payments from the Federal Fund and for reinsurance coverage

- Page 43, line 20 through page 44, line 2 – Requires lender to submit certification of e-signature process to GA when filing a claim

§682.409 Mandatory assignment by guaranty agencies of defaulted loans to the Secretary

- Page 44, line 20 through page 45, line 2 – Requires GA to submit lender’s certification of e-signature process on an assigned loan

§682.414 Records, reports, and inspection requirements for guaranty agency programs

- Page 45, line 14 through page 45, line 19 – Requires GAs to maintain certification supporting lender’s electronic signature process

Child or Family Service Loan Cancellation (Perkins 1)

§674.56 Employment cancellation—Federal Perkins, NDSL, and Defense loans.

- Page 7, line 2 through page 8, line 4—Clarifies eligibility requirements for child or family service cancellations

“Reasonable” collection costs (Perkins 2)

§674.45 Collection procedures

- Page 5, line 18 through page 6, line 5—Caps collection costs at 24%.

Mandatory assignment of defaulted loans (Perkins 3)

§674.8 Program participation agreement

- Page 1, line 9 through page 2, line 3—Conditions for mandatory assignment of defaulted Perkins Loans

§ 674.50 Assignment of defaulted loans to the United States

- Page 6, line 8 through 11—Allows mandatory assignment of defaulted Perkins Loans without Social Security Numbers