

## OGSLP Online News

October 9, 2002

OGSLP Online News is sponsored and operated by the Oklahoma Guaranteed Student Loan Program, a division of the Oklahoma State Regents for Higher Education. This electronic newsletter provides information to schools and lenders participating in the Federal Family Education Loan Program.

(405) 234-4329 or (800) 247-0420.

[Multiple Disbursement and Delayed Disbursement Exemptions Expired on September 30, 2002](#): Despite several efforts by the financial aid community, including letters from school associations, the disbursement exemption provisions for schools with cohort default rates of less than 10% for the three most recent fiscal years, expired on September 30, 2002.

[Revised Stafford MPN Approved](#): The Department of Education (ED) announced in GEN-02-07, the approval of the revised Stafford Master Promissory Note (MPN) by the Office of Management and Budget (OMB). The revised MPN is available for immediate use, although, it is not required until January 1, 2003.

[Special Allowance Rates](#): The U.S. Department of Education (ED) has released the special allowance rates for the quarter ending September 30, 2002. The average of the bond equivalent rates of the 91-day Treasury bills auctioned during this quarter ending is 1.67 percent. The average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in this quarter ending is 1.77 percent.

[New Lender Reporting System \(LaRS\) Update](#): The Department of Education (ED) announced that the new Lender Reporting System (LaRS) went live on October 1, 2002. As you will recall, LaRS is the new lender reporting system that replaced the ED Form 799.

[Electronic Cohort Default Rate Update](#): The Department of Education (ED) has announced that enrollment has begun for the new electronic cohort default rate notification process (eCDR). As discussed previously, this initiative will allow for instant delivery of the draft and official cohort default rate packages to schools instead of the current paper process.

[Mapping Your Future Chat Event on October 15, 2002](#): Following is a press release from the Oklahoma State Regents for Higher Education regarding an upcoming Mapping Your Future chat event on October 15, 2002.

[Common Manual Update](#): The September version of the Integrated Common Manual (ICM) is now available for downloading to your desktop. This version contains the most recent policy changes approved by the Governing Board.

## **Multiple Disbursement and Delayed Disbursement Exemptions Expired on September 30, 2002**

Despite several efforts by the financial aid community, including letters from school associations, the disbursement exemption provisions for schools with cohort default rates of less than 10% for the three most recent fiscal years, expired on September 30, 2002. Ultimately, the funding to allow these extensions was simply not available. OGSLP began following this issue in Spring, 2002. For more detailed information, you may view prior newsletter articles in [March](#), [August](#) and [September](#).

Schools that were utilizing the disbursement provisions will need to adhere to the new guidance provided by ED in [GEN-02-06](#). As a reminder, school customers need to be aware that OGSLP's database will not edit for these requirements/exemptions. Each school is responsible for making the determination within their individual certification processes.

OGSLP clarified in the last [newsletter](#) that schools that continued to actively participate in the Disbursements segment of the Experimental Sites Initiative are not affected. If you have additional questions, please contact OGSLP's Client Relations Department.

## **Revised Stafford MPN Approved**

The Department of Education (ED) announced in [GEN-02-07](#), the approval of the revised Stafford Master Promissory Note (MPN) by the Office of Management and Budget (OMB). The revised MPN is available for immediate use, although, it is not required until January 1, 2003.

The current MPN expired on 9/30/02 following a 30-day extension during the approval process of the new form. As part of its approval process, OMB extended the expiration date for an additional 90 days, making the existing stock of MPNs available for use until the end of the year. Beginning January 1, 2003, this is the only form to be distributed to borrowers. However, if a lender receives the prior version of the MPN after January 1, 2003, it will be acceptable.

Below, you may access the new forms and the Dear Colleague Letter [GEN-02-07](#) to obtain additional information concerning reproduction of these forms.

- [Federal Stafford Loan Master Promissory Note](#)
- [Federal Stafford Loan School Certification](#)
- [Federal Stafford Loan Plain Language Disclosure](#)

OGSLP is in the process of ordering the new forms and will advise you when they are available. However, if you would like to submit your order to OGSLP's Customer Service Department, your request can be held until the new forms are available.

If you have additional questions concerning the transition to the new forms, please contact OGSLP's Client Relations Department.

## **Special Allowance Rates**

The U.S. Department of Education (ED) has released the special allowance rates for the quarter ending September 30, 2002. The average of the bond equivalent rates of the 91-day Treasury bills auctioned during this quarter ending is 1.67 percent. The average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in this quarter ending is 1.77 percent.

Attached is a PDF memo from ED announcing the new rates for this ending quarter.

[ED Memo](#)

## **New Lender Reporting System (LaRS) Update**

The Department of Education (ED) announced that the new Lender Reporting System (LaRS) went live on October 1, 2002. As you will recall, LaRS is the new lender reporting system that replaced the ED Form 799.

A [previous article](#) included the procedures required before lenders can successfully access the system. Lenders must complete the following:

- Organizational Participation Agreement (OPA)
- Financial Management System (FMS) Security Form
- Lender Application Process (LAP) - earlier deadline of 9/6/02

Once these forms are completed, lenders can access the Financial Partners [portal](#) by clicking on the "FMS" icon.

Since our last article, OGSLP has learned that the new paper form, which replaces the prior ED Form 799, is now available. Like the LaRS process, the form includes the new "loan type" codes currently being used for NSLDS.


### ***Online Training Available***

Additionally, ED is providing online training for both the Lender Application Process (LAP) and the online Lender Reporting System (LaRS) via the FSA University web site. This online training option allows lenders to decide when to take the training and which portions of the training are applicable for their organization. The online training is easy and can be done at your convenience. Simply print the Quick Tips and follow the directions.

For more detailed information on the new process, you may refer to the previous OGSLP [online newsletter](#) or you may contact Kim Elston, OGSLP at (405) 225-9487 or Melissa Johnson, OGSLP at (405) 225-9341.

## Electronic Cohort Default Rate Update

The Department of Education (ED) has [announced](#) that enrollment has begun for the new electronic cohort default rate notification process (eCDR). As discussed [previously](#), this initiative will allow for instant delivery of the draft and official cohort default rate packages to schools instead of the current paper process. This electronic process will replace the paper notification process for all Title IV schools located within the United States. The new electronic notification process will begin in February, 2003.

According to ED, all domestic Title IV schools must sign up to participate in eCDR via the Student Aid Internet Gateway (SAIG) enrollment form, since it will be the method they will use to transmit the information to schools. The enrollment  form is available at [www.sfawebenroll.ed.gov](http://www.sfawebenroll.ed.gov). Schools will have until the end of this calendar year to enroll in this new program.

## Mapping Your Future Chat Event on October 15, 2002

Following is a press release from the Oklahoma State Regents for Higher Education regarding an upcoming Mapping Your Future chat event on October 15, 2002:

### *Managing Student Credit Card, Loan Debt Focus of Chat Event*

Studies show that college students are getting more and more in debt by the time they graduate, an issue that has become an increasing concern for the U.S. and its leaders.

To help students and parents interested in managing debt and learning about personal finance, the public service Website, Mapping Your Future, will be hosting a live chat session from 2 to 3 p.m. Oct. 15.

During the chat session, financial aid and career experts from across the country will answer questions from topics such as:

- managing credit card and student loan debt,
- warning signs of out-of-control finances,
- solutions to personal finance problems,
- consequences of default and bankruptcy, and
- other topics of interest.

"Managing debt is something that everyone should learn to do, including students," Chancellor Hans Brisch said. "Young college students may discover that their newly found freedoms, such as purchasing items on credit, can cost them dearly if they are not careful. This chat session should help provide them with some much-needed guidance in managing their financial resources."

Anyone with Internet access can join the chat by visiting the Mapping Your Future Website at [www.mappingyourfuture.org](http://www.mappingyourfuture.org). Simple instructions will show you how to join in on the discussion.

Mapping Your Future is a public service Website providing college, career, and financial aid information and services. The site is sponsored by the Oklahoma Guaranteed Student Loan Program (OGSLP) and guaranty agencies in other states that participate in the Federal Family Education Loan Program.

In Oklahoma, loans for higher education or post-secondary education made to students by private or public lending institutions are guaranteed by the federal government through OGSLP, which is administered by the Oklahoma State Regents for Higher Education.

## Common Manual Update

The September version of the Integrated Common Manual (ICM) is now available for downloading to your desktop. This version contains the most recent policy changes approved by the Governing Board. Attached is a link to the Common Manual section of our website, where you may download the newest version. Simply click on "OnLine Integrated Common Manual" to initiate the download process. ([ICM](#))

OGSLP will continue to advise clients each time the ICM is updated with new approved language. Updates typically occur on a monthly basis. Saving the downloaded file to your desktop will save you time, especially if you are using the search features.

### *Policy Modification*

The Common Manual Governing Board recently approved changes that modified policies contained in the July 2002 version of the Common Manual. These changes are identified in OGSLP's Common Manual Update (CM-68).