



**June 21, 2006**

**Headline News Links**

[Single-Holder Rule Repealed](#)

**NCHELP Publishes Frequently Asked Questions on HERA**

The National Council of Higher Education Loan Programs (NCHELP) recently issued a table of frequently asked questions about the Higher Education Reconciliation Act of 2005. This guidance includes “best practices” responses that are endorsed by NCHELP, EFC and SLSA. >> [Click here to read more on best practices.](#)

[Draft Study Abroad & Foreign School Form](#)

[HERA Update](#)

**Default Fee Update**

Do you want to know which lenders are buying down origination and/or default fees for student borrowers? If so, you are in luck because OLAC recently updated its spreadsheet to identify the Oklahoma market lenders who are paying the origination and/or federal default fees on behalf of borrowers. >> [Click here to view spreadsheet and learn how the default fee is reported on NOLGs.](#)

[Revised CCI Forms](#)

[New Brochures!](#)

[NSLDS News](#)

**New Interest Rates for Federal Stafford and PLUS Loans**

Effective July 1, 2006, the new interest rates on federal student loans are as follows. >> [Click here to read more on new interest rates.](#)

[Do You Know the Answer?](#)

**People News**

**OGSLP's Annual Conference a Success!**

The mission is complete! The OGSLP Annual Conference was held on June 1 at the Reed Center in Midwest City. Many thanks to everyone who joined us for this action-packed mission! >> [Click here to read more on conference and view photos.](#)

[SWOSU Staff Changes](#)

[\[ ARCHIVES \]](#)

**Tuesday, July 4, 2006**

OGSLP will be closed on Tuesday, July 4, for Independence Day. Our offices will resume business as usual on Wednesday, July 5.

OGSLP Online News is sponsored and operated by the Oklahoma Guaranteed Student Loan Program, a division of the Oklahoma State Regents for Higher Education. OGSLP Online News provides information to schools and lenders participating in the Federal Family Education Loan (FFEL) Program. For more information contact us at 405-234-4440 (OKC), 800-247-0420, fax 405-234-4390, e-mail [gslcommunications@ogslp.org](mailto:gslcommunications@ogslp.org), or send mail to P.O. Box 3000 Oklahoma City, OK 73101-3000. E-mail newsletters are sent to members of the OGSLP school and lender network. Copyright 2003-2008. [Disclaimer.](#)



06/21/2006

**Single-Holder Rule Repealed for Consolidation Loans**

President Bush signed into law H.R. 4939, the "Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006." The Act includes a provision repealing the single-holder rule for consolidation loans. Regardless of the holder of the loans, borrowers may consolidate their loans with any consolidation lender. This is effective for consolidation applications received on or after June 15, 2006.

Additionally, the language regarding FFELP borrowers obtaining a Direct Consolidation loan was changed back to the language it was before HERA. Borrowers may continue to obtain a Direct Consolidation loan if the the borrower is unable to obtain a consolidation loan with income-sensitive repayment terms that are acceptable to the borrower.

Click here to access the press release. OGSLP will continue to keep you updated as more information develops.





06/21/2006

**Need Comments on Draft Study Abroad and Foreign School Authorization Form**

The OGSLP Foreign School Authorization form is being modified to include a "study abroad" category. The current form is used for the additional activities required for a foreign school requesting disbursements directly to a borrower. The new, "draft" version adds the Higher Education Reconciliation Act of 2005 (HERA) provision for study abroad students. A study abroad student can request direct disbursement of loan funds. The borrower's enrollment will be verified by OGSLP. The form has been renamed, Study Abroad and Foreign School Authorization Form.

The "draft" Study Abroad and Foreign School Authorization form is included for your review and comment. Some of you may recognize this form from the OGSLP annual conference. There has been a modification made to the instructions. Please review and if you have any suggestions regarding the form or instructions, please contact Lisa Hale, Loan Services Supervisor at [lhale@ogslp.org](mailto:lhale@ogslp.org) or at 405.234.4384 by June 27, 2006. We appreciate and value your input.





06/21/2006

**HERA Update**

**HERA Checklist**

The "[HERA Checklist](#)" has been developed as an "at-a-glance" tool for schools and lenders to use as a source of quick information and was recently highlighted at OGSLP's annual conference. (This checklist has been updated.) The checklist includes topic and effective date, OGSLP HERA Impact Summary reference numbers, and potential impacts and actions to consider.

**HERA Resource Page**

The [OGSLP HERA Resource Page](#) has been updated to include the HERA Checklist, an updated version of the HERA Impact Summary and recent Dear Colleague Letters (DCLs).

The most recent DCL added is [GEN-06-10](#). The letter provides guidance on changes made by HERA, related to estimated financial assistance, cost of attendance, expected family contribution calculations, and student eligibility for the 2006-2007 award year.

We hope you find this information handy and useful.



06/21/2006

**Revised CCI Forms**

Revised Common Claim Initiative (CCI) forms are now available that include HERA related provisions. The borrower's email address was also added to the demographic section of the form. Even though this change is not HERA related, it was added as an effort to strengthen the industry's default prevention efforts. These forms are available for immediate use, and have an effective date of July 1, 2006. The revised forms are located on [NCHHELP's Web site](#).



06/21/2006

**New Brochures Coming Your Way!**

Soon, you'll receive two new brochures describing Default Prevention and Early Assistance products and services available to the financial aid community. These brochures were provided in our conference packets. However, if you were unable to attend our conference, don't worry! We are in the processing of mailing a copy of both brochures to all of our school clients.

If you have any questions about our available services, including these brochures, please contact Wayne Sparks, our Default Prevention/Early Assistance Manager, at [wsparks@ogslp.org](mailto:wsparks@ogslp.org) or at 405.234.4358.



06/21/2006

**Updated NSLDS Lender Manifest PC Application**

NCHELP updated the [Lender Manifest PC Application](#) to accommodate HERA changes. However, if you utilize DOS, there is a possibility of losing your existing database when installing the Lender Manifest PC Version 2.1 Full Program. This can be addressed by retaining a copy of your most recent created export file that can be re-imported and reorganized in order to ensure your existing database is available. Please refer to the READ ME file for more detailed information regarding this process.



06/21/2006

**Do You Know the Answer?**

**A question was asked regarding the "P" Code on NSLDS. Sometimes there is a "P" Code and sometimes there is not one when there should be one on NSLDS. Does anyone know why this happens and how to fix it?**

The answer, according to NSLDS, is that the "P" Code (Additional Unsubsidized PLUS denial) is assigned to FFEL loans if the following conditions are met:

- Student is considered to be dependent
- Undergraduate loan
- D1, D2, SF, SU & SN (FFEL Stafford Non-subsidized) loans have the same Period Begin & End dates as the SU loan being considered and the Summed Loan Amounts are:
  - Academic Level 1 > \$2,625
  - Academic Level 2 > \$3,500
  - Academic Level 3 through 5 > \$5,500

In addition, the May 3, 2006, News from NASFAA has an article alerting the financial aid community of an NSLDS aggregate calculations issue that affected the consolidation loan breakdown information for some 2006-2007 applications. Additional unsubsidized loans identified by the NSLDS system as being from a PLUS Loan denial ("P" Code) were considered as unallocated consolidation loans during the underlying loan breakdown, rather than as unsubsidized loans. This system error was corrected on April 17, 2006.

If you have questions regarding NSLDS, please contact Mary Heid, NSLDS Supervisor, by email at [mheid@ogslp.org](mailto:mheid@ogslp.org) or at 405-225-9489.



06/21/2006

**People News**

**Staff Changes at Southwestern Oklahoma State University**

Kim Cook  
Financial Aid Director (Weatherford)

Ron Kistler  
Financial Aid Director (Sayre)

Rhonda Waters  
Loan Coordinator (Weatherford)

Jannet Dobrinski  
Senior Counselor (Weatherford)

Carol Wichert  
Counselor I (Weatherford)



06/21/2006

**NCHELP Publishes Frequently Asked Questions on HERA**


The National Council of Higher Education Loan Programs (NCHELP) recently issued a table of frequently asked questions about the Higher Education Reconciliation Act of 2005. This guidance includes “best practices” responses that are endorsed by NCHELP, the Education Finance Council (EFC) and the Student Loan Servicing Alliance (SLSA). OGSLP staff participated in this effort and endorses these best practices for HERA implementation. Thanks to NCHELP for coordinating this effort. [Click here to view table of frequently asked questions.](#)




06/21/2006

**Default Fee Update**

**Updated OLAC Lender Fee Spreadsheet**

Do you want to know which lenders are buying down origination and/or default fees for student borrowers? If so, you are in luck because the Oklahoma Lender Advisory Council (OLAC) recently updated its spreadsheet to identify the Oklahoma market lenders who are paying the origination and/or federal default fees on behalf of borrowers. Thanks to OLAC for providing this useful tool. Click here to view this spreadsheet. 

**Need Comments on Draft Notice of Loan Guarantees (NOLGs) Insert**

OGSLP needs your input on a "draft" insert to be used with Notice of Loan Guarantees (NOLGs). This insert will be mailed to borrowers when the fees that are paid by lenders on behalf of borrowers are not reflected correctly. Please review and provide any comments that you may have to [Penny Gandy](#) or [Lisa Hale](#). 



06/21/2006

**New Interest Rates for Federal Stafford and PLUS Loans**

Effective July 1, 2006, the new interest rates on federal student loans are as follows:

**Loans first disbursed on or after July 1, 2006 – New Fixed Rate Category**

- 6.80 percent for students who are currently enrolled, within the six-month grace period or in deferment
- 6.80 percent for Federal Stafford borrowers in repayment
- 8.50 percent for Federal PLUS loan borrowers

**Loans first disbursed between July 1, 1998 and June 30, 2006 – Variable Rate**

- 6.54 percent for students who are currently enrolled, within the six-month grace period or in deferment
- 7.14 percent for Federal Stafford borrowers in repayment
- 7.94 percent for Federal PLUS loan borrowers

*Please note:* Interest rates on Stafford and PLUS loans disbursed before July 1, 1998, are calculated using different statutory formulas and or percentage add-ons. These rates will be announced later in June.

For additional information, please refer to the Department of Education's June 2, 2006 memo at [www.ifap.ed.gov/ffelvarrates/0607FFELVarRate.html](http://www.ifap.ed.gov/ffelvarrates/0607FFELVarRate.html).



06/21/2006

**OGSLP's Annual Conference a Success!**

The mission is complete! The OGSLP Annual Conference was June 1 at the Reed Center in Midwest City. We had a great time learning and even found a secret agent (a.k.a Jerome Wichert) in our midst! Many thanks to Jerome and to everyone who joined us for this action-packed mission!

We also want to thank those who were willing to share their professional expertise during interest sessions: Linda Bates-Platt College, Scott Carr-Oral Roberts University, Jason Foster-Oklahoma City University, Lee Kanakis-Oklahoma Wesleyan University, Caryn Pacheco-Cameron University, and Mendy Schmerer-University of Oklahoma Health Sciences Center.

In addition, thank you to the following for presenting their products: Lori Brown-Sallie Mae, Ron Hancock-Nelnet, and Donya Johnson-ELM Resources.

The day of learning included important information regarding HERA, Grad PLUS, deferment and loan forgiveness options, communicating effectively with Generation Y students and much more. This is just a sampling of the sessions held at our conference. If you were unable to attend the conference and would like to receive a CD that includes all of the session presentations, please contact Client Solutions at 405.234.4329 or 800.247.0420. You can also view the presentations online on OGSLP's Web site. 