

OGSLP Online News

July 2, 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.

[OGSLP 4th Annual School / Lender Conference A Smashing Success!](#): OGSLP would like to thank our many clients who attended this year's conference and helped make it a success. We had a great turn out with 124 attendees. Thank you for all the valuable comments and the overall consensus is that everyone had an enjoyable day and appreciated the information conveyed in our sessions. If you did not get a chance to comment, we would still like to hear from you. Your feedback will make next year's conference even better!

[Interest Rate Update](#): The U.S. Department of Education (ED) has re-issued their annual interest rate memo announcing new interest rates for FFELP loans for the period July 1, 2002 to June 30, 2003. This memo provides the new interest rates for all applicable categories including the rates for PLUS loans made before July 1998, that were unavailable in the May 29, 2002, memo from ED. For your reference, we have also included a link to an interest rate chart prepared by the National Council of Higher Education Loan Program Regulations Committee.

[Total and Permanent Disability Discharge Update](#): Beginning July 1, 2002, the new conditional discharge provisions went into effect for processing total and permanent disability discharge requests. As discussed in OGSLP's recent online newsletter (insert link to article on 6/05/02) and at our recent conference, loan holder determinations made on or after July 1, 2002, must be processed using the new conditional discharge provisions.

[OMB Extension of Deferment Forms](#): Please note the Office of Management and Budget (OMB) has issued a notice extending the expiration date of the FFELP Deferment forms from June, 2002 until September, 2002. This time is necessary to finalize a new set of deferment forms. OGSLP will keep you updated.

[Common Manual Update](#): The Common Manual Governing Board recently approved changes that modify policies contained in the July 2002 version of the Common Manual. These changes are identified in OGSLP's Common Manual Update (CM-64 Supplement).

[Approval of Four Loan Discharge Application Forms including: School Closure, False Certification, and Unauthorized Signature / Payment](#): The U.S. Department of Education (ED) announced in DCL GEN-02-05, that the revised OMB approved loan discharge application forms, for use in the Title IV student loan programs, are now available. These revised forms may be distributed for immediate

use. However, beginning August 14, 2002, only the new forms may be provided to borrowers. Please note that forms distributed prior to August 14, 2002, and submitted after this date are still eligible for processing. You may refer to the DCL for printing and reproduction instructions.

OGSLP offices will be closed July 4th, 2002 in observance of Independence Day. Have a Great Holiday!!!

OGSLP 4th Annual School / Lender Conference A Smashing Success!

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Interest Rate Update

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Total and Permanent Disability Discharge Update'

Beginning July 1, 2002, the new conditional discharge provisions went into effect for processing total and permanent disability discharge requests. As discussed in OGSLP's recent online [newsletter](#) and at our recent conference, loan holder determinations made on or after July 1, 2002, must be processed using the new conditional discharge provisions.

Since our last article, the U.S. Department of Education (ED) has released the new discharge form, Loan Discharge Application: Total and Permanent Disability, in [DCL GEN-02-04](#). This form is the only one that should be **distributed** for total and permanent disability discharge requests on or after July 1, 2002.

Although, the prior form, Total and Permanent Disability Cancellation Request, may still be **processed** by loan holders after July 1, 2002, the new conditional discharge standards and procedures for loan holder determinations made on or after July 1, 2002, must be followed.

Loan holders should refer to the NCHelp Total and Permanent Disability Discharge Implementation Date Recommendation for specific information regarding how to document the date of determination. Loan holders should refer to [DCL GEN-02-03](#) for notification requirements after the claim is paid.

To assist loan holders in this transition, NCHelp has prepared the following Questions & Answers (Q & As) document in response to DCL GEN-02-03 . In addition, there is a supplement to the [Common Manual Update 64 \(CM-64 Supplement and chart\)](#), which revises the effective date/trigger event to conform to the new ED guidance.

For additional background information, you may want to refer to the following ED guidance as well:

- [Federal Register - Final Regulations - November 1, 2000](#)
- [DCL GEN-99-36](#) - November 1999

If you have any questions regarding these new provisions, you may contact OGSLP's Claims Review Department at (405) 234-4332 or (800) 247-0420.


If you were unable to attend the Disability Discharges session at OGSLP's School and Lender Conference and would like a copy of the handouts, please contact OGSLP's Client Relations Department at (405) 234-4329 or (800) 247-0420.

OMB Extension of Deferment Forms

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Common Manual Update

Policy Modification

 The Common Manual Governing Board recently approved changes that modify policies contained in the July 2002 version of the *Common Manual*. These changes are identified in OGSLP's *Common Manual Update (CM-64 Supplement and [chart](#))*. This update is also included as a reference in the article titled "Total and Permanent Disability Discharge Update".

Approval of Four Loan Discharge Application Forms including: School Closure, False Certification, and Unauthorized Signature / Payment

The U.S. Department of Education (ED) announced in [DCL GEN-02-05](#), that the revised OMB approved loan discharge application forms, for use in the Title IV student loan programs, are now available. These revised forms may be distributed for immediate use. However, beginning August 14, 2002, only the new forms may be provided to borrowers.

Please note that forms distributed prior to August 14, 2002, and submitted after this date are still eligible for processing. You may refer to the DCL for printing and reproduction instructions.

The new forms are as follows:

[Loan Discharge Application: School Closure](#) - Used by borrowers who were unable to complete their program of study because their school closed.

[Loan Discharge Application: False Certification of Ability to Benefit](#) - Used by borrowers whose ability to benefit was falsely certified by their school.

[Loan Discharge Application: False Certification \(Disqualifying Status\)](#) - Used by borrowers whose eligibility was falsely certified by their school due to a disqualifying status or condition of the student.

[Loan Discharge Application: Unauthorized Signature/Unauthorized Payment](#) - Used by borrowers when there was an unauthorized signature/endorsement or unauthorized payment by the school.