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Administration Budget Bill

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Monday, July 4, 2005

All Oklahoma State Regents offices (including OGSLP and OTAG) will be closed on Monday, July 4, for Independence Day. Our offices will resume business as usual on Tuesday, July 5.


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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, 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.](#)



06/30/2005

Common Manual News

The release of the 2005 electronic version of the Common Manual Unified Student Loan Policy is now available on OGSLP's Web site. This update reflects federal regulations and guarantor policies in effect as of July 1, 2005. 

The 2005 electronic version includes expanded hyperlinks as a result of the Policy Committee's recently completed project cite sweep. This project included a complete review of the Manual and more citations and links were added to expand the use of the Common Manual as a reference tool.

In the near future, this newest version of the Common Manual will be available in paper and as part of the e-Collection CD. OGSLP will mail a copy of the 2005 e-Collection to Oklahoma schools and lenders. We are mailing one CD to each institution or organization. If you are unable to network the CD for multiple users within your office, you may contact OGSLP at 405.234.4440 or 1.800.247.0420 for additional copies.

In addition to the Common Manual, e-Collection includes the Federal Student Aid Handbook along with other useful resources:

- 2005 Electronic Common Manual
- Federal Student Aid Handbook
- Common Forms
- Higher Education Act (HEA) as amended
- National Council of Higher Education Loan Programs (NCHELP) Integrated HEA
- NCHELP Integrated Regulations - Parts 600, 668, and 682
- NCHELP Topical Index of the HEA and Regulations
- Loan Industry Dear Colleague/Partner Letters
- ED Announcements

If you have questions about any of the recent Common Manual activities, please contact Laura Weiss, OGSLP's Policy Specialist at 405.234.4261 or lweiss@ogslp.org.



06/30/2005

ED Announces Additional Interest Rates

As mentioned in our June 1 NewsFlash, additional interest rate information would be available at the end of June for a few categories of older PLUS and SLS loans with interest rates based on the one-year constant maturity Treasury yield.

Following are the resulting interest rates for these older PLUS and SLS loans, which are effective July 1, 2005, through June 30, 2006. As you will note, this group of PLUS borrowers will see higher interest rates on their student loans.

- 6.10 percent for loans first disbursed on or after October 1, 1992, but before July 1, 1994
- 6.50 percent for loans first disbursed on or after July 1, 1994, but before July 1, 1998 (PLUS only)

Additionally, the 91-day T-bills auctioned for the quarter ending June 30 established the HEAL portion of the Federal consolidation loan interest rate at 5.94 percent.

As a reminder, effective July 1, 2005, the new interest rates for Federal Stafford and Federal PLUS loans (variable rate loans first disbursed on or after July 1, 1998) are as follows:

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

If you need additional information, you may view [ED's memo](#) regarding the new interest rates.



06/30/2005

New Disability System Enhancement for NSLDS

The addition of the Conditional Disability Discharge Tracking System (CDDTS) will enhance the process for determining student eligibility. This new system began reporting to NSLDS on April 8, 2005. Below is additional information about CDDTS:

- There are two disability loan statuses:
 - DS- Disability
 - DI- Defaulted, then Disabled
- A conditional discharge will be reported if the loans are in DI or DS status and there is an outstanding principal balance. NSLDS will display the conditional disability discharge warning icon with loans in this status.
 - Reminder: Beginning July 1, 2002, loan holders were required to assign loans to the Department when the borrower requested a disability discharge. These regulations also impact the borrower's eligibility for subsequent loans.
- When CDDTS issues the final disability discharge, the tracking system will report a zero balance on the loan. The loan status (DS or DI) will not change. However, since the outstanding principal balance is zero, NSLDS will change the warning icon to "Permanent."
- If CDDTS denies the borrower a final disability discharge, the loans will be reinstated. Reinstated defaulted loans will be serviced by the Department's Debt Collection Service and reinstated non-defaulted loans will be serviced by CDDTS Repayment Servicing.

For more detailed information, please see [NSLDS Newsletter #10 dated May 2005](#)



06/30/2005

Enrollment Reporting Tips for Schools

This is a good time for schools to review NSLDS enrollment reporting schedules. ED recommends schools schedule at least five reporting dates per year. When choosing your reporting dates, be sure to match the dates with activities in your academic calendar such as after your add/drop period at the beginning of a semester. Also remember to synchronize your schedule with your school terms. Between academic terms, report only on students who have graduated or will not return on an at least half-time basis. Schools that use National Student Clearinghouse for enrollment reporting should synchronize enrollment reporting to the Clearinghouse with your NSLDS roster schedule.

If for some reason your reporting schedule was out of sync and students were reported as "X" (never attended) or "Z" (no record found), these students will need to be manually added to your roster via NSLDS online access to ensure proper enrollment tracking.

To learn more about enrollment reporting, you may view ED's [NSLDS Enrollment Reporting Guide](#). Schools that use the National Student Clearinghouse should also read the Operations Guide (PDF). For OGSLP staff assistance, please contact [Mary Heid](#) at 405.225.9489.



06/30/2005

In-School Consolidation is now an Option for FFELP Borrowers

OGSLP posted the following information to the OASFAA listserv on May 19.

FFELP borrowers now have the option of consolidating their student loans while they are enrolled in school. However, this will require borrowers to request to enter repayment early. Clarification of this guidance was recently released in [Dear Colleague Letter \(DCL\) GEN-05-08](#).

In order to accomplish an in-school consolidation, borrowers must request the following from the lender:

- Request to enter repayment early - Borrowers must request that the lender allow them to enter repayment early. This requires that borrowers permanently forfeit their grace period on the loans affected. Note: Lenders are not required to grant a borrower's request to enter repayment status early.
- Request to be placed in an "in-school" deferment status – Borrowers who also request to be placed in a deferment status are eligible for a deferment interest rate for the set of loans being consolidated. This rate is the same as an in-school rate and can be used by the lender as they calculate the weighted average interest rate for the consolidation loan.

Since interest rates are expected to rise after July 1, many borrowers may wish to take advantage of this opportunity. However, they will need to carefully determine if consolidation is the best choice. Potential disadvantages of this option include:

- Loss of six-month grace period: When the student borrower graduates or drops to less than half-time status, he or she must begin making immediate payments on the consolidation loan.
- Impact on benefits and other loan deferment/discharge options: As with any consolidation decision, borrowers should carefully consider the impact of extended repayment on the total interest paid over the life of the loan as well as any potential loss of deferment or discharge options.

Additional information on this topic can be found in [GEN-05-08](#). The letter also includes a set of Questions and Answers regarding permitting borrowers to enter repayment early. If you have further questions, you may contact [OGSLP's Policy Implementation, Training & Communications division](#) or you may view [OGSLP's Web site](#) regarding consolidation.



06/30/2005

Product Corner
WhizKid Update

Sallie Mae recently announced that WhizKid has been upgraded to accept, send and process the new industry CommonRecord: CommonLine format. Sallie Mae will also continue to support CommonLine 4 and CommonLine 5 formats. WhizKid will continue to be supported by Sallie Mae.

This summer, Sallie Mae will be participating in an industry-wide beta test of CommonRecord: CommonLine. WhizKid will play a large part in this industry beta testing. The primary goals of the beta test are to identify and correct any issues with the CommonRecord: CommonLine implementation guide and schema and to make certain that implementations are uniform throughout the industry.

To ensure Sallie Mae is providing the best quality possible, they are delaying shipment of WhizKid 10.0 until after the industry beta test is complete. Sallie Mae anticipates shipment to occur in fall 2005.

If you have questions concerning CommonRecord: CommonLine or WhizKid in general, please contact Electronic Services at 800.348.4606 or you may also contact OGSLP's Client Solutions department at 405.234.4329 or 800.247.0420.



06/30/2005


OGSLP's Annual Conference a Success!

OGSLP wants to thank all of you who joined us in the Amazing FFELP Race at our annual conference on June 16. We had a splendid time!

Attendees learned how to get through the race from the starting line to finish by exploring the life of the loan; taking a journey towards Common Record; learning more about NSLDS and TERP; observing that there are no hurdles with Teacher Loan Forgiveness; discussing delinquency prevention strategies and practice; equipping for the race with research tools; witnessing how borrowers can vault out of default; and seeing what can happen to consumers without a compass in the world of financial literacy, and lastly, learned more about borrower initiated scenarios for PLUS and alternative loans.

Thank you to Randy Mertens at Nelnet for presenting Common Record: CommonLine. We want to also thank those who were willing to share their professional expertise during interest sessions: Donya Johnson-ELM, Jeremy Cooper-Nelnet, and Lori Brown-Sallie Mae. In addition, we want to thank the following for demonstrating their products: ELM, Mapping Your Future, Nelnet and Sallie Mae.

Congratulations to Lee Kanakis at Oklahoma Wesleyan College and Jason Foster at Oklahoma City University for winning the drawings for completed evaluations! A special thank you to Mapping Your Future for donating one of the evaluation prizes. We received positive feedback from the evaluations and are already looking forward to planning next year's conference! One attendee said, "Personally speaking you guys went way outside the box on this conference!" Another said, "The Amazing Race really introduced members from different schools, lenders, etc. to come together."

If you were unable to attend the conference and would like to receive a CD that includes 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. 



06/30/2005

OGSLP Implements Total Enrollment Reporting Process (TERP)

OGSLP is excited to announce that it is participating in the National Student Clearinghouse Total Enrollment Reporting Process (TERP). Our participation will benefit our lender and servicer partners in the following ways:

- Channeling enrollment data through a single source, eliminating redundant enrollment reporting from multiple sources and formats.
- Delivering enrollment data faster for schools not participating in the Clearinghouse.
- Eliminating duplicate enrollment records.
- Improving the customer service that lenders and servicers can provide to their borrowers and school customers by having the most accurate enrollment information, reducing the likelihood of premature conversion and processing in-school deferments more timely.

Through its participation in TERP, OGSLP will direct to the Clearinghouse applicable enrollment data that OGSLP receives. This data includes weekly NSLDS enrollment updates and enrollment updates provided directly to OGSLP by schools, including foreign schools.

TERP centralizes enrollment reporting at the Clearinghouse, creating a single, reliable source for student-enrollment information. In turn, the Clearinghouse will collect, check and distribute the enrollment data to participating Clearinghouse lenders and servicers. This eliminates the need for Clearinghouse participants to process the enrollment data historically sent by OGSLP via the Loan Transaction Statement, Common Account Maintenance file or Enrollment Activity Report. Lenders that receive data from OGSLP via tape exchange or electronically (Loan Transaction Statement or CAM) should note that these files may include other data, (for example, borrower demographics) that the lender must continue to consider when servicing OGSLP-guaranteed loans.

Lenders and servicers who receive enrollment updates directly from the Clearinghouse, and process that information, should notify Janice Stepp at OGSLP by email at jstepp@ogslp.org or 405.234.4353, if you wish the current enrollment reports coming directly from OGSLP to cease.



Lenders and servicers may direct questions regarding OGSLPs' participation in TERP by e-mail at mheid@ogslp.org or by calling Mary Heid at 405.225.9489.

Lenders and servicers that do not currently partner with the Clearinghouse will continue to receive enrollment information from OGSLP through the current process. To learn more about joining the Clearinghouse, visit its [Web site](#), send [e-mail to the Clearinghouse](#), or call (703) 742-7791.



06/30/2005

Higher Education Act Reform Amendments of 2005 (Administration Budget Bill)

Last week, the Administration submitted to the Congress its proposals for reauthorization of the Higher Education Act. Thanks to NCHELP for providing a summary of some of the proposals that relate to the following programs:

- Federal Pell Grant
- FFELP and Direct Loan
- Federal Perkins Loan
- Federal Work-Study

You can find the latest information about Reauthorization on [NCHELP's Web site](#) including [ED's document](#) regarding the proposals.