



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

August 3, 2009

TO: Independent Public Accountants

SUBJECT: Amendment No. 1 to the *Agreed-Upon Procedures (AUP) Attestation Engagement Guide for the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA) Asset-Backed Commercial Paper (ABCP) Conduit Put Program for Seller's and Eligible Direct Issuer's Compliance with Selected Criteria for Puttable Loans* (the Guide).

This notice makes the following amendments to the subject Guide, issued April 22, 2009.

Background

The Guide provides for AUP engagements of Seller's and Eligible Direct Issuer's compliance with selected criteria for Puttable Loans pursuant to the rules and provisions of the ECASLA ABCP Conduit Put Program.

Description of Amendments

The Guide is hereby amended to incorporate the revised AUP at §3.4(E). The revision is being made to accommodate instances where (1) the Original Lender ID number is not contained on the promissory note or (2) the Original Lender ID on the promissory note does not agree to the Original Lender ID on the Loan Schedule. In addition, a conforming change is made to the Illustrative Agreed-Upon Procedures and Results contained in Attachment 2 of the Guide.

Effective Date

These changes are effective for all engagement reports submitted to the Conduit on or after August 31, 2009. Early implementation is permitted and encouraged.

Specific Changes to the Guide

To reflect this amendment, the following changes are made to the Guide:

AUP at §3.4(E) on page 18.

Replace AUP at §3.4(E) with the following:

3.4(E). For each loan in the sample, obtain a hardcopy or electronic copy of the signed promissory note from the Seller, Eligible Direct Issuer, or third-party servicer. Compare the following information contained in the promissory note to the Loan Schedule:

- 1) Borrower First Name *
- 2) Borrower Last Name *
- 3) Borrower SSN
- 4) Original Lender ID**
- 5) Loan Type (i.e. Stafford or PLUS)

*Note: The borrower's first and/or last name listed on the promissory note may not agree with the information contained in the Loan Schedule due to changes in the borrower's name (e.g. changes due to marriage). In these instances, the practitioner shall compare the Borrower SSN contained on the Loan Schedule to the borrower's SSN contained in the applicable loan servicing system and inspect the related borrower name to see if a change to the borrower name on the loan servicing system matches the Borrower First Name and Borrower Last Name on the promissory note.

**Note: There may be instances where (1) the Original Lender ID number is not contained on the promissory note or (2) the Original Lender ID on the promissory note does not agree to the Original Lender ID on the Loan Schedule. In these instances, the practitioner shall perform the following alternative procedures concerning the Original Lender ID number:

- i) On the *Lender ID and Name List*¹ that accompanies this notice, look up the Original Lender ID number listed on the Loan Schedule to obtain the name of the original lender associated with the Original Lender ID number.

Note: For beneficial holders that utilize an Eligible Lender Trustee (ELT) to hold legal title to loans, the lender name shown on the *Lender ID and Name List* indicates both the beneficial holder and ELT.

- ii) Compare the lender name contained on the promissory note to the lender name obtained at step (i), above.

Note: For lender names consisting of an ELT and beneficial holder, the ELT named on the promissory note and the ELT name obtained at step (i) must agree for purposes of this AUP.

¹ The *Lender ID and Name List* is available in an electronic format and can be downloaded from the OIG's website at <http://www.ed.gov/about/offices/list/oig/nonfed/sfa.html>, under Lender/Lender Servicer Audits, item number 13b.

Attachment 2, AUP at §3.4(E) on page 31.

Replace AUP and Results at §3.4(E) with the following:

Agreed-Upon Procedures	Results
<p>3.4(E). For each loan in the sample, obtain a hardcopy or electronic copy of the signed promissory note from the Seller, Eligible Direct Issuer, or third-party servicer. Compare the following information contained in the promissory note to the Loan Schedule:</p> <ol style="list-style-type: none"> 1) Borrower First Name * 2) Borrower Last Name * 3) Borrower SSN 4) Original Lender ID** 5) Loan Type (i.e. Stafford or PLUS) <p>*Note: The borrower’s first and/or last name listed on the promissory note may not agree with the information contained in the Loan Schedule due to changes in the borrower’s name (e.g. changes due to marriage). In these instances, the practitioner shall compare the Borrower SSN contained on the Loan Schedule to the borrower’s SSN contained in the applicable loan servicing system and inspect the related borrower name to see if a change to the borrower name on the loan servicing system matches the Borrower First Name and Borrower Last Name on the promissory note.</p> <p>**Note: There may be instances where (1) the Original Lender ID number is not contained on the promissory note or (2) the Original Lender ID on the promissory note does not agree to the Original Lender ID on the Loan Schedule. In these instances, the practitioner shall perform the following alternative procedures concerning the Original Lender ID number:</p> <ol style="list-style-type: none"> i) On the <i>Lender ID and Name List</i> that accompanies this notice, look up the Original Lender ID number listed on the Loan Schedule to obtain the name of the original lender associated with the Original Lender ID number. Note: For beneficial holders that utilize an Eligible Lender Trustee (ELT) to hold legal title to loans, the lender name shown on the <i>Lender ID and Name List</i> indicates both the beneficial holder and ELT. ii) Compare the lender name contained on the promissory note to the lender name obtained at step (i), above. Note: For lender names consisting of an ELT and beneficial holder, the ELT named on the promissory note and the ELT name obtained at step (i) must agree for purposes of this AUP. 	<p>The practitioner obtained copies of the promissory notes and information contained in the promissory notes supports (i.e., agrees to) the Loan Schedule.</p> <p>Or</p> <p>For [specify number] loans, the promissory notes were not provided. For [specify number] loans the promissory note did not support (i.e., agree to) the data contained in the Loan Schedule. For specific details, see Schedule of Findings (Attachment 5), Finding No. [specify].</p>

Questions

Questions about this amendment may be sent to Hugh M. Monaghan, Director, Non-Federal Audits, by email to hugh.monaghan@ed.gov or by fax at 215-656-6397.

Sincerely,

/s/

Keith West
Assistant Inspector General for Audit