

Archived Information

FINAL QUICK FIX AGENDA 2002 NEGOTIATED RULEMAKING LOAN ISSUES COMMITTEE (COMMITTEE I)

14 Issues

| Quick Fix | Origin | Regulatory Cite | Statutory Cite | Suggested Change | ED Notes |
|-----------|---------------------------------------|--|----------------|---|----------|
| Yes | ED Proposed 12/14/2001 | Perkins Transfer of Fund 674.17 | | Clarify the existing requirement that institutions ending their participation in the Perkins Program must assign Perkins Funds to the Department, not to other institutions. | |
| Yes | FED UP – Additional Agenda Item | Perkins Coordinating Multiple Monthly Repayments for Perkins Loans 674.33(b)(2) 674.42(a)(11) | | For those students who received Perkins loans from more than one school, the student must initiate a request for an alternate calculation of the minimum monthly payment | |
| Yes | ED Proposed 12/14/2001 | Perkins Economic Hardship for Borrowers 674.34(e)(10) | | Allow schools to base economic hardship deferment calculations on a borrower's actual repayment schedule, rather than a 10-year repayment schedule. | |
| Yes | FED UP #13 | Perkins Promissory Notes 674.42(a)(10) | | Revise the current regulations that require an institution to provide a copy of the note as part of its repayment information or during the exit interview. The institution would only need to provide the borrower with contact information for requesting a copy of the note. | |
| Yes | FED UP #21 | Perkins Credit Bureau Reporting 674.45(a)(i) | | To avoid perceived conflict between regulatory provisions, revise the regulations to clarify when a borrower's default status is to be reported to at least one national credit bureau. | |

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| Yes | ED Proposed 12/14/2001 | Perkins Assignment of Cancelled Loans 674.50(e)(4) | | Allow schools to assign loans that have been granted disability discharges on or after July 1, 2002 to the Department. | |
| Yes | ED Proposed 12/14/2001 | Perkins Reimbursement to the Fund 674.50(g)(2) | | Permit but do not require the Secretary to instruct an institution to reimburse the Fund if an assigned loan is unenforceable because of an act or omission by the school. | |
| Yes | FED UP #4 | FFEL Eligible Lender 682.200(b) | | Revise the definition of lender to provide that loans held in trust are not considered part of a lender’s consumer credit function in determining whether the lender has exceeded the limit of one-half of the lender’s combined consumer credit portfolio in the regulations. | |
| Yes | FED UP #25 | FFEL Repayment - First Payment Due Date 682.209(a) | | Allow the first payment due on all loan types to be up to 60 days from the repayment begin date. | |
| Yes | FED UP #27 | FFEL Borrower Repayment Terms 682.209(a)(8)(iv) | | Delete the requirement that a borrower who has a repayment term of less than five years must submit a “written notice” to extend the repayment term beyond five years. | |

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| Yes | ED – Additional Agenda Item | FFEL Sovereign Immunity – Proofs of Claim 682.402(f)(4) | | Revise regulations so that a state GA need not file proof of a claim on a defaulted loan already held by the GA in order to qualify for ED reimbursement on complement of reinsurance. Allow GAs that intend to hold loans acquired through bankruptcy claims to notify their lenders not to file proofs of claim. | |
| Yes | FED UP #54 | FFEL Copies of Promissory Notes 682.402(g)(1)(i) | | Remove the requirement that a lender must “certify” that a note is a “true and exact” copy as part of its claim submission. | |
| Yes | 1/7/02 Suggestion | DL Definition of Default 668.183(c)(iii) | | Change the definition of default for cohort default rate purposes for borrowers using the income contingent repayment plan option. | |
| Yes | ED – Additional Agenda Item | DL Master Promissory Note 685.102(b) | | Revise the Direct Loan MPN expiration date provisions to reflect how we will determine an MPN's expiration date under Common Origination and Disbursement (COD) beginning with the 2003-2004 program year. | |