

FEDERAL STUDENT LOAN PROGRAMS FINAL REGULATIONS



FREQUENTLY ASKED QUESTIONS

LEGISLATIVE

When were the final regulations published in the *Federal Register*?

The final regulations for the federal student loan programs were published in the [Nov. 1, 2007 Federal Register](#).

Are the final regulations issued in November different than what was proposed in the June Notice of Proposed Rulemaking (NPRM)?

Since negotiators didn't reach consensus, the final regulations for some of the provisions are different than what was proposed in the June 12, 2007 NPRM. The [OGSLP Final Regulations Impact Summary](#) identifies the differences.

TOTAL & PERMANENT DISABILITY (TPD)

Was the reason for changing the TPD discharge process the result of fraud found in the program?

According to the NPRM and the final regulations, changes to the TPD process were necessary to address instances where borrowers have received otherwise disqualifying Title IV loans and earnings in excess of allowable levels after the date of the application, but also after the date of the borrower's retroactive final discharge.

Per the November 1, 2007 final regulations, at the Secretary's initial determination, the borrower's loans are placed in a conditional period of up to three years from the date the physician certifies the borrower's total and permanent discharge application.

CERTIFICATION OF ELECTRONIC SIGNATURES ON MPNS ASSIGNED TO ED

If the lender updates their Web pages, do they need to retain the screen prints of the prior version(s)?

Yes. If required to submit a certification, the lender or guarantor must provide screen prints of the borrower's progression through the e-sign process.

GRAD PLUS LOAN COUNSELING

Are the counseling documentation requirements for Grad PLUS loans different than for Stafford loans?

No.

MAXIMUM LOAN PERIOD

The elimination of the 12-month loan period maximum provides flexibility in rescheduling disbursements for students who take an official leave of absence ("stop out and return"), which can be up to 180 days long. How does the 180-day scenario play into a true drop out situation? When do you have to return the funds?

During an official leave of absence, the school is not allowed to disburse loan funds, but isn't required to perform an RT4 calculation unless the student officially withdraws or fails to return to school as scheduled.

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PROHIBITED INDUCEMENTS

Can lenders still perform outreach and financial literacy activities at the school?

Yes. A lender can support and participate in a school or guarantor's student aid and financial literacy-related outreach activities as long as the name of the entity that developed and paid for any materials is provided to the participants and the lender doesn't promote its student loan or other products. Lenders must not identify or represent themselves as an employee of the school and a lender can't perform in-person entrance or exit counseling.

A lender can provide meals, refreshments and receptions that are reasonable in cost and scheduled in conjunction with trainings, meetings or conference events that are open to all training, meeting or conference attendees.

PREFERRED LENDER LISTS (PLL)

Are schools required to have a Preferred Lender List?

No. The decision to develop a Preferred Lender List is made at the school's discretion.

HAVE QUESTIONS?

If you have additional questions about the Final Regulations, contact Policy, Compliance and Training at 405.234.4432 or pct@ogslp.org.