

Appendix C

Glossary

Definitions in this glossary taken from the *Common Manual Unified Student Loan Policy* published July 2000 and are marked at the end with (CM). These definitions may be altered in subsequent releases of the *Common Manual*. Definitions taken from the CommonLine® documentation are marked at the end with (CL). Those created for CAM are unmarked, as are cross-references.

academic period

A measured period of enrollment (e.g., a semester, trimester, quarter, or clock hours). (CM)

academic year

For the purposes of Title IV aid, a period that begins on the first day of classes and ends on the last day of classes or examinations and that consists of at least 30 weeks of instructional time during which an undergraduate, full-time student is expected to complete either of the following:

- At least 24 semester or trimester hours, or 36 quarter hours in an educational program that measures program length in credit hours.
- At least 900 clock hours in an educational program that measures program length in clock hours.

The Department may, at its option, reduce the minimum number of weeks in an academic year. (CM)

ACH

See **Automated Clearinghouse**.

additional unsubsidized Stafford loan

The additional amount of a student's eligibility for unsubsidized Federal Stafford loans. This amount is available only to independent undergraduate students, graduate/professional students, and dependent undergraduate students whose parents are unable to obtain a PLUS loan. See section 6.11. [of the Common Manual] for more information. (CM)

adjustment

A post-guaranty correction to loan application data.

administrative forbearance

A temporary suspension of, a reduction of, or an extension of time for making principal and/or interest payments on a Federal Stafford, SLS, PLUS, or Consolidation loan that is granted by the holder or lender, upon notice to the borrower or endorser, and that does not require a written request from the borrower or an agreement signed by the borrower before the forbearance is granted. See Chapter 11 [of the Common Manual] (CM)

aggregate loan limit

The borrower's maximum allowable unpaid principal amount throughout the student's academic career. Principal outstanding is calculated by adding the total outstanding amount guaranteed, after subtracting any refunds, payments to comply with the requirements for the return of Title IV funds, prepayments, payments, cancellations, funds discharged, or any other reductions to the principal. Capitalized interest or any collection costs that may have been added to the principal balance are not included in the borrower's aggregate loan limit. See subsection 6.11.B. [of the Common Manual]. (CM)

alternative loan

An education loan that is regulated by private consumer laws and is not regulated by the U.S. Department of Education (ED). Eligibility for an alternative loan is similar to that for a private, unsecured installment loan from a lending institution, typically based on the applicant's credit worthiness, net worth, assets, etc. (CL)

annual loan limit

The maximum loan amount a student may borrow for each academic year of study under the Federal Stafford Loan Program. (CM)

anticipated completion (graduation) date

The date on which a student is expected to complete an academic program. This date is provided by a school official when certifying the borrower's loan, and in subsequent enrollment status updates. (CM)

application

The form the borrower uses to apply for a Stafford, PLUS, or Consolidation loan. (CM)

applicable interest rate

The maximum annual interest rate (under the Higher Education Act) that a lender may charge on a loan. Sometimes referred to as the statutory interest rate. Past and present applicable interest rates for FFELP loans are included in section 7.4, and Appendix A [of the Common Manual]. (CM)

Automated Clearinghouse

Electronic Funds Transfer (EFT) method in which funds are available in an account one business day after disbursement. (CL)

award year

The period between July 1 of a given calendar year and June 30 of the following calendar year. (CM)

borrower

An individual to whom a FFELP loan is made. See chapters 5 and 15 [of the Common Manual] for more information about borrower eligibility requirements and types and amounts of FFELP loans. (CM)

branch campus

A permanent location of a school that is geographically apart and independent of the main campus; that offers courses leading to a degree, certificate, or other recognized educational credential; that has its own faculty and administration or supervision; and that has its own budgetary and hiring authority. A branch campus is one type of "additional location" at which schools may offer instruction to students. A school must establish eligibility for each of its locations. See subsection 4.1.A. and 4.1.C [of the Common Manual]. (CM)

cancellation (of a guaranty)

The revocation of a loan guaranty, which occurs if any of the following conditions exist:

- No loan proceeds were disbursed to the borrower.
- The lender's check(s) was never cashed.
- None of the loan proceeds were negotiated within 120 days of the date on which they were disbursed.
- EFT and master check loan proceeds in the school's account are not delivered to the borrower within 120 days after being transferred to the account.
- The loan is repaid in full within 120 days of final disbursement.

The guaranty is not lost on the remainder of the loan if one disbursement is canceled. (CM)

capitalization

An increase in the principal balance of a Stafford, SLS, PLUS, or Federal Consolidation loan that occurs when a lender adds the interest accrued on the loan to the outstanding principal balance. (CM)

capitalized interest

Accrued interest added to the borrower's outstanding principal. Subsequent interest accrues on the new total principal balance, which includes any capitalized interest. (CM)

certification

The act of attesting that something is true or meets a certain standard. For example, the school certifies the borrower's eligibility for a loan and, if applicable, interest benefits. The borrower completes an application, promissory note, or deferment form, thereby certifying that certain eligibility criteria have been met. (CM)

CFR

See **code of federal regulations**.

change

A post-guaranty modification to loan data. (CL)

check

A draft (drawn on a financial institution) that is payable on demand and that requires the personal endorsement or other written approval of the borrower to be cashed. (CM)

closed loan

A loan that was canceled, paid by the borrower, paid as a result of the borrower obtaining a Consolidation loan, paid by claim, or paid as a result of the loan being refinanced by another lender. A loan that has temporarily or permanently lost eligibility for insurance is also considered a closed loan.

COA

See **cost of attendance**.

code of federal regulations (CFR)

The collection of federal regulations promulgated by the U.S. government. The Department's regulations are codified in Volume 34. (CM)

cohort default rate

The percentage of Stafford and SLS loan borrowers who default before the end of the fiscal year following the fiscal year in which they entered repayment on their loans. The Department calculates this rate annually to determine the default experience of students who attended a particular school during a particular period of time. Unless otherwise noted, the cohort default rate pertains to the FFELP cohort default rate or the dual-program cohort default rate. See chapter 16 [of the Common Manual] for a full discussion of cohort default rates and the process for challenges, adjustments, and appeals. [CM]

comaker

One of two married individuals who jointly borrow a Federal Consolidation loan, each of whom is eligible and is held jointly and severally liable for the loan's repayment. The term also refers to one of two parents who were joint borrowers of a PLUS loan made prior to April 16, 1999. [§682.200(b)] (CM)

Common Application

A standardized application and promissory note developed by FFELP participants and approved by the Department by which a borrower applies for a FFELP loan. Different application forms are required for Federal Stafford and Federal PLUS loans. Common applications are periodically revised and approved to reflect major changes in FFELP regulations.

CommonLine®

Nationally recognized standard for FFELP and alternative loan application and disbursement processing.

consolidation loan

Loans to borrowers for the purpose of consolidating their repayment obligations, with respect to educational loans received while they were students.

consummated loan

A loan for which a disbursement check has been negotiated or EFT or master check funds have been delivered to the borrower. For example, the loan would be considered consummated if the borrower had cashed the check, if an individual check, or the school had applied the proceeds to the student's account, if included in a master check or EFT transmission before the school returned the proceeds to the lender. See **Unconsummated Loan**. (CM)

consummation

A loan is "consummated" when loan proceeds are accepted by the borrower (as defined below). Until such time as the consummation occurs, the lender may not bill for interest and special allowance on the associated loan funds. Once the funds are consummated, the lender may bill in accordance with the provisions governing restricted interest.

- For funds disbursed via individual borrower check, negotiation/cashing of the check is considered consummation of the loan funds.
- For funds disbursed via Electronic Funds Transfer (EFT) or master check, transferring the funds from the school's restricted account to the student's school account (or issuing a co-payable check from the restricted account to the borrower) is considered consummation of the loan funds. (CL)

cosigner

A signer of a promissory note who is secondarily liable for a loan obligation. This term is no longer used in federal regulations. See also **Endorser**. (CM)

cost of attendance (COA)

An estimate of the student's educational expenses for a period the loan period. See section 6.5 [of the Common Manual]. (CM)

cost of education

See **cost of attendance**.

cumulative loan limit

See **aggregate loan limit**.

Data Universal Numbering System (DUNS)

A unique 9-digit numeric value assigned to an entity by Dun & Bradstreet.

date condition occurred

See **delinquency date**.

DCO

Date condition occurred. See **delinquency date**.

default aversion assistance

The help provided to a lender by the guarantor in order to prevent a delinquent loan from defaulting. See section 12.5 [of the Common Manual]. (CM)

default aversion assistance request period

The period during which a lender/lender-servicer must submit a request for default aversion assistance from a guarantor. This period begins no earlier than the 60th day and ends no later than the 120th day of the borrower's delinquency. (CM)

deferral

A period of time during repayment in which the borrower, upon meeting certain conditions, is not required to make payments of loan principal. See chapter 11 [of the Common Manual]. (CM)

delinquency date

The day after the due date of a payment when the borrower fails to make the equivalent of one full payment.

delivery (of funds)

To credit the student's account (requiring written authorization), to deliver directly to the borrower via check (requiring borrower endorsement), to deliver cash (requiring a signed receipt from the borrower), or to transfer the funds via Electronic Funds Transfer (EFT) to the borrower's personal bank account (requiring written authorization from the borrower, i.e., direct deposit). (CL)

Department, the

The U.S. Department of Education or an official or employee of the Department acting for the Department under a delegation of authority. (CM)

disability

A medically determined condition that renders a person unable to work and earn money, or, in some cases, to attend school. A borrower (or his spouse or dependent) is considered to be *temporarily totally disabled* if the condition is expected to be of a short and finite duration (see section 11.15 [of the Common Manual]); a borrower is considered *totally and permanently disabled* if this condition is expected to continue for a long or indefinite period of time, or to result in death (see subsection 13.8.E [of the Common Manual]). (CM)

disbursement

The transfer of loan proceeds by individual check, master check, or electronic funds transfer (EFT) by a lender to a borrower, a school, or an escrow agent (see section 7.7 [of the Common Manual]). For a Consolidation loan, disbursement is the transfer of borrower loan proceeds from the consolidating lender to the current holder of the loan being consolidated (see section 15.4 [of the Common Manual]). (CM)

disbursement date

For a loan disbursed by check or draft, the date the check or draft is issued. For a loan disbursed by electronic funds transfer (EFT) or wire transfer, the date the funds are transferred from the lender to the school or escrow agent. (CM)

disbursement method

The options for disbursing funds to the school include individual borrower check (representing the loan proceeds for a single borrower); master check (representing the loan proceeds for multiple borrowers); EFT (an electronic funds transfer of loan proceeds representing either a single borrower or multiple borrowers). (CL)

disbursing agent

Any agent that disburses Federal Family Education Loan Programs (FFELP) or alternative loan funds (e.g., lender, escrow agent, central disbursing agent (CDA), etc.). (CL)

documentation

A written or printed paper, a supporting reference, or a record that can be used to furnish evidence, proof, or information. (CM)

DUNS number

See **Data Universal Numbering System**.

economic hardship

A period during which the borrower is working full time but is earning an amount that does not exceed the greater of the minimum wage or the poverty line for a family of two. Economic hardship also exists if a borrower's monthly payments on federal education loans are equal to or greater than 20 percent of the borrower's monthly income, as defined in FFELP regulations. (CM)

ED

See **U.S. Department of Education**.

EFA

See **estimated financial assistance**.

EFC

See **expected family contribution**.

EFT

See **electronic funds transfer**.

electronic funds transfer (EFT)

The electronic transfer of Stafford or PLUS loan proceeds from the lender to an account at the school or the school's financial institution. See subsection 7.7.D [of the Common Manual]. (CM)

eligible borrower

A borrower or potential borrower who meets federal eligibility criteria for a Federal Stafford loan or, in the case of a parent borrower, a Federal PLUS loan. See sections 5.1 and 5.2 [of the Common Manual] for specific criteria. (CM)

eligible school

A postsecondary institution of higher education or a postsecondary vocational school declared eligible by the U.S. Department of Education to participate in the FFELP. Some guarantors/guarantor-servicers may require schools to complete a separate agency-specific participation agreement. See section 4.1.

eligible student

A student who meets federal student eligibility criteria. See subsection 5.1.B [of the Common Manual] for specific criteria. (CM)

endorser

A signer of a promissory note who is secondarily liable for a loan obligation, i.e., who agrees to pay if the borrower does not. A lender may require a PLUS borrower with adverse credit to obtain a creditworthy endorser in order to receive the loan. (CM)

enrolled

The status of a student who has met either of the following requirements:

- Completed the registration requirements (except for the payment of tuition and fees) at the school the student is attending.
- Been admitted into an educational program offered predominantly by correspondence and has submitted one lesson, completed by the student after acceptance for enrollment and without the help of a representative of the school. (CM)

enrollment status code

See *Appendix A Code values*.

entity

For purposes of the Common Manual, any organization, institution, government agency, nonprofit corporation, or other group that participates in federal student financial aid programs. (CM)

escrow agent

A guarantor or other eligible lender that receives the proceeds of a FFELP loan as an agent of an eligible lender for the purpose of transmitting those proceeds to the borrower or the borrower's school. (CM)

estimated financial assistance (EFA)

The school's estimate of the amount of financial assistance from federal, state, institutional, or other sources that a student (or parent on behalf of a student) will receive for a period of enrollment. This may include veterans' and national service awards and benefits (except when determining eligibility for a subsidized Stafford Loan), scholarships, grants, financial need-based employment, or loans. EFA does not include Federal Perkins Loans or Federal Work-Study funds that the student has declined or certain loans used to replace the expected family contribution. See section 6.7 [of the Common Manual]. (CM)

expected family contribution (EFC)

The amount a student and the student's spouse or family are expected to pay toward the student's cost of attendance. The Federal Need Analysis Methodology must be used to calculate the EFC. See subsection 6.6 [of the Common Manual]. (CM)

FAT

See **financial aid transcript**.

FDLP

See **Federal Direct Loan Program**.

Federal Direct Loan Program (FDLP)

A student loan program authorized on July 23, 1992, by Title IV, Part D, of the Higher Education Act. The Federal Direct Loan Program offers Federal Direct (Subsidized) Stafford loans, Federal Direct Unsubsidized Stafford loans, Federal Direct Consolidation loans, and Federal Direct PLUS loans. The FDLP is similar to the FFELP, except that funding comes directly from the U.S. Treasury rather than from private lending institutions. (CM)

Federal Family Education Loan Programs (FFELP)

Loan programs authorized by Title IV, part B of the Higher Education Act of 1965, as amended, that includes the Federal Stafford, Federal PLUS, Federal SLS, and Federal Consolidation Loan Programs. These loan programs are funded by lenders, guaranteed by guarantors, and reinsured by the federal government. These programs are defined individually in 34 CFR 668. (CM)

FFELP

See **Federal Family Education Loan Program**.

financial aid transcript (FAT)

An official record of the federal financial aid a student has received at schools the student previously attended. The record is used to assess the amount of federal financial aid the student has received and to prevent the award of federal funds for which the student or the parent of a dependent student is not eligible. The record may be obtained from the National Student Loan Data System (NSLDS) or may be a paper report received from the previous schools. (CM)

financial need

The student's cost of attendance less the expected family contribution. In determining a student's eligibility for a subsidized Stafford loan and a FFELP borrower's total loan amount, the student's estimated financial assistance is also subtracted from the cost of attendance. (CM)

forbearance

A period of time during which the borrower is permitted to temporarily cease making payments or reduce the amount of the payments. The borrower is liable for the interest that accrues on the loan during the forbearance period. Some forbearances are entitlements for eligible borrowers; others are granted at the discretion of the lender. See section 11.18 [of the Common Manual]. (CM)

full-time student

A student enrolled in an institution of higher education (other than a student enrolled in a program of study by correspondence) who is carrying a full academic workload as determined by the school under standards applicable to all students enrolled in that student's particular program. The student's workload may include any combination of courses, work, research, or special studies, whether or not for credit, that the school considers sufficient to classify the student as a full-time student. See section 6.9 [of the Common Manual] for a detailed definition of a full-time student that includes credit- and clock-hour requirements. (CM)

funds

Any monies (including checks, drafts, or other instruments); any commitment to provide money; or any commitment of insurance that has been, or may be, provided under the guarantor's programs to a borrower enrolled at and attending a participating school, or a borrower accepted for enrollment at a participating school. (CM)

grace period

The period that begins the day after a Stafford loan borrower ceases to be enrolled at least half time at an eligible school, ends the day before the repayment period begins, and during which payments of principal are not required. For a borrower with a Stafford loan that has not yet entered repayment who also has an SLS loan, the grace period for the SLS loan is the equivalent of the grace period for the Stafford loan if the borrower requests grace on his or her SLS loan(s) (see section 10.3 [of the Common Manual]). (CM)

grade level

A student's academic class level, as certified by a school official. Undergraduate students are 01 (freshman/ first year) through 05 (fifth year/other undergraduate); graduate and professional students are A (first year) through D (fourth year and beyond). (CM)

guarantee

A conditional legal obligation, as defined in an agreement by and between a guarantor and a lender, for the guarantor to reimburse the lender for some portion of a loan that is not repaid by the borrower due to default, death, disability, bankruptcy, borrower ineligibility, false certification of borrower eligibility, or school closure. (CM)

guaranty fee

A fee charged by a guarantor for each loan it guarantees. In most cases, the lender reduces the amount of the loan proceeds by this amount, and the fee is remitted to the guarantor. The Higher Education Act limits this fee to no more than one percent of the principal. See section 7.8 [of the Common Manual]. (CM)

guarantor (or guaranty agency)

A state or private nonprofit organization that has an agreement with the U.S. Secretary of Education to administer a loan guaranty program under the Higher Education Act. (CM) In CAM documentation, may also refer to a guarantor-servicer. See **guarantor**.

half-time student

A student who is: (1) enrolled in a participating school; (2) carrying an academic workload that amounts to at least half of the workload of a full-time student, as determined by the school; and (3) not a full-time student. A student enrolled solely in an eligible program of study by correspondence is considered a half-time student. (CM)

holder

An eligible lender/lender-servicer owning a FFELP loan. A federal or state agency or an organization or corporation acting on behalf of such an agency and acting as a conservator, liquidator, or receiver of an eligible lender/lender-servicer may also be considered a holder. (CM)

ineligible borrower

A borrower who does not meet federal eligibility criteria for a Federal Stafford loan or, in the case of a parent borrower, a Federal PLUS loan. See subsection 5.1.A. [of the Common Manual] for specific eligibility criteria, and subsections 12.4.F and 13.6.B. [of the Common Manual] for more information. (CM)

in-school period

The time during which a student is enrolled on at least a half-time basis at a participating school. See section 10.2 [of the Common Manual]. (CM)

institution of higher education

A school that:

- Is located in a state (see **state**).
- Admits as a regular student only a person who has a certificate of graduation from a secondary school or a recognized equivalent or is beyond the age of compulsory school attendance in the state in which the school is physically located and has demonstrated the ability to benefit from the school's education or training program by passing a federally approved standardized test.
- Is legally authorized in each state in which it is physically located to provide, and provides within that state, a program of postsecondary education that awards an associate, bachelor's, graduate, or professional degree; or provides a program of not less than two years in length that is acceptable for full credit toward such a degree; or provides a training program of at least one academic year that leads to a certificate, degree, or other recognized credential and prepares students for gainful employment in a recognized occupation.
- Is a public or other nonprofit school and is accredited by a nationally recognized accrediting agency or association approved by the U.S. Department of Education for this purpose, or if not so accredited, is a school that the Department determines will meet the accreditation standards of such an agency or association within a reasonable period of time. (CM)

insurance premium

See **guaranty fee**.

interest

The charge made to a borrower for use of a lender's money. Past and present applicable interest rates for FFELP loans are included in section 7.4 [of the Common Manual]. (CM)

interim period

The period during which a Stafford loan borrower is in the in-school or grace period. If the borrower returns to school before the grace period is fully used, the borrower continues to qualify for in-school status and to be considered in the interim period. (CM)

invalid telephone number

For purposes of lender due diligence requirements in the collection of loans, a functioning telephone number that has been assigned to someone who has no knowledge of or relationship with the borrower. (CM)

last date of attendance

The last day the student was physically present in class, as confirmed by the student's attendance records. (CM)

late disbursement or delivery

A disbursement made by a lender or delivered by a school after the end of the loan period or the date on which the student ceased to be enrolled on at least a half-time basis. See subsections 7.7.G and 8.7.E [of the Common Manual]. (CM)

leave of absence

For purposes of the Common Manual, a leave of absence is a status in which the student is considered to be continuously enrolled for Title IV program purposes, as approved by the school. An approved leave of absence is a break in enrollment, not including a semester or spring break that is requested by the student and approved by the school based upon the school's published leave of absence policy. The student's request must be in writing and must include the reason for the leave. In an approved leave of absence, the student does not incur any additional charges. The total number of days of all approved leaves of absence may never exceed 180 days in any 12-month period.

For information on an unapproved leave of absence (i.e., a leave of absence that is not considered approved for Title IV purposes), see sections 9.3 and 9.4 [of the Common Manual]. (CM)

lender

The organization that funds the loan. Normally the lender disburses the funds to another party (i.e., disbursing agent) who will make the actual disbursement to the school on behalf of the funding lender. (CL) In CAM documentation, lender may also refer to a lender-servicer.

loan period

The period of time for which a loan application is certified. (CM)

loan proceeds

The amount of loan funds that have been guaranteed. (CM)

loan transfer

Any action that results in a change of the system used to monitor or conduct collection activities on the loan, such as a change in servicer. See subsections 3.4.B and 3.5.E [of the Common Manual]. (CM)

mandatory administrative forbearance

Forbearance that a lender is required to grant in certain cases. See section 11.21 [of the Common Manual] and Figure 11-2 [of the Common Manual] for comprehensive information about cases in which mandatory administrative forbearance is applicable, and a description of a lender's responsibilities in each case. (CM)

mandatory forbearance

Forbearance that a lender is required to grant in certain cases. See section 11.22 and Figure 11-2 [of the Common Manual] for comprehensive information about cases in which mandatory forbearance is applicable, and a description of a lender's responsibilities in each case. (CM)

master check

A single check issued from a lender or disbursing agent to a school that includes loan disbursements for two or more borrowers; a nonelectronic process for transferring funds that mirrors electronic funds transfer (EFT). (CM)

multiple disbursements

Disbursement at predesignated times of a Federal Stafford or PLUS loan—usually in two or more installments of approximately equal increments. See subsection 7.7.B [of the Common Manual]. (CM)

National Council of Higher Education Loan Programs (NCHELP)

A national organization that represents its members (including guaranty agencies, secondary markets, lenders, servicers, collection agencies, schools, and other organizations involved in FFELP administration) on public policy issues with the legislative, executive, and regulatory branches of the federal government.

National Student Loan Data System (NSLDS)

A database comprised of information from guarantors, schools, lenders, and the Department of Education which contains information on Title IV aid received by students. (CM)

NCHELP

See **National Council of Higher Education Loan Programs**.

non-ED branch ID

Proprietary code used to identify a branch location (for example, a branch campus).

nonsubsidized loan

A loan that is not eligible for federal interest benefits. The borrower is responsible for paying the interest on the outstanding principal balance of a nonsubsidized loan throughout the life of the loan. During in-school, grace, and deferment periods, these interest payments are normally made on a monthly or quarterly basis, or are capitalized. *Nonsubsidized loans were guaranteed by some guarantors before the introduction of unsubsidized Stafford loans.* (CM)

NSLDS

See **National Student Loan Data System**.

Office of Postsecondary Education Identification number (OPE ID)

See **school ID**.

origination fee

A fee charged to offset the cost of interest, special allowance, and reinsurance payments by the federal government on a FFELP loan. This fee, if charged to the borrower, may be subtracted from the borrower's loan proceeds. See section 7.9 [of the Common Manual] (CM)

overaward

Any amount of a student's total financial assistance (excluding Pell Grants) that exceeds the student's financial need. See section 8.6 [of the Common Manual]. (CM)

parent

A student's natural or adoptive mother, father, or court-appointed legal guardian.

partial cancellation

Cancellation of a disbursement or a portion of a disbursement rather than of an entire loan. (CM)

Pell grant

A federal need-based grant. (CM)

period of enrollment

As defined by federal regulation, the period for which a Stafford, or PLUS loan is intended. The period of enrollment must coincide with a bona fide academic term established by the school for which the school's charges are generally assessed, i.e., semester, trimester, quarter, length of the student's program or the school's academic year. The period of enrollment is also referred to as the loan period (see section 6.2 [of the Common Manual]). In addition, the term "period of enrollment" is commonly used by the financial aid community to refer to the period of time during an academic year when a student is enrolled at the school. [§682.200(b); §682.603(f) (1) and (2)] (CM)

post-withdrawal return

The difference between the amount the borrower paid toward institutional charges (including financial aid and/or cash paid) and the amount the school can retain under the appropriate refund policy. This "unearned" amount of institutional charges must be returned to student financial aid (SFA) programs on behalf of a student who received SFA funds and who has ceased attending school. See section 4.7 [of the Common Manual].

prepayment

A payment received when the borrower is not required to make either principal or interest payments; when a borrower is required to make interest payments, but previously authorized the lender to capitalize accruing interest; or when the borrower makes a payment that is greater than the amount of the borrower's regular installment or the amount due. See subsection 10.11.B [of the Common Manual] for more information on prepayments. (CM)

principal balance

The outstanding amount of the loan, on which the lender charges interest. As the loan is repaid, a portion of each payment is used to satisfy interest that has accrued, and the remainder of the payment is used to reduce the outstanding principal balance. (CM)

promissory note

A legally binding agreement the borrower signs to obtain a loan under the FFELP, in which the borrower promises to repay the loan, with interest, in periodic installments. The agreement also includes information about any grace period, deferment, or cancellation provisions and the student's rights and responsibilities with respect to the loan. (CM)

reallocation

Redistributing funds between Stafford subsidized and unsubsidized loans.

record set

A record set represents data for one person, or loan(s) for that person, who may be a student or a borrower. The student/borrower is identified by an SSN in the SSN field where present. A record set contains all records for a given person, and has as the first record a Record type 02 (Identifier Data) for the person to whom the rest of the records in the set pertain. Record type 02 (Identifier Data) is followed by all other record types for that person. Records are grouped within a record set according to record type, and there is only one Record type 02 (Identifier Data) in a record set (regardless of the number of other record types). Record sets should be sorted in SSN order. A submittal file can have more than one Record type 02 (Identifier Data) for an SSN.

Refund Due to the 1998 Reauthorization the term refund has now been revised to Post-Withdrawal Returns and references the amount of funds sent back to the lender from the school.

reinstatement

The reversal of a previous cancellation, either fully or partially.

refund

See **post-withdrawal return**.

reissue

- A full reissue occurs when a school returns to the disbursing agent the original loan amount received and requests that the same amount be disbursed at a later date.
- A partial reissue occurs when a school returns to the disbursing agent the original loan amount received and requests that a reduced amount be disbursed at a later date. (CL)

release of proceeds

Delivery of loan proceeds by the school to the borrower. Release of proceeds is not disbursement of proceeds by the lender.

See **disbursement**. (CM)

repayment period

The period during which payments of principal and interest are required. The repayment period follows any applicable in-school or grace period and excludes any period of authorized deferment or forbearance. See sections 10.4, 10.5, and 10.6 [of the Common Manual] for details on repayment. (CM)

repayment start date

The date the original repayment period begins. For Stafford loans, original repayment begins on the day following the last day of the grace period. For PLUS and SLS loans, original repayment begins on the date the loan is fully disbursed.

repurchase (of a claim)

The lender's purchase back from the guarantor of a defaulted loan for which the lender has already been reimbursed by the guarantor. (Please refer to section 13.5 [of the Common Manual] for the definition of repurchase (of a claim) for CCI purposes.) (CM)

SAR

See **student aid report**.

school code

See **school ID**.

school ID

The unique 8-digit Office of Post-secondary Education (OPE) identification number assigned by the U.S. Department of Education (ED) to the school. (Also, refer to DUNS Number.) (CL)

service provider

In the case of a lender or guarantor, a state, for-profit, or nonprofit organization or an individual that enters into a contract with the lender or guarantor to administer any aspect of the lender's or guarantor's Federal Family Education Loan Programs (FFELP) as required by statutory or regulatory provisions related to part B of Title IV of the Higher Education Act. In the case of a school, a state, for-profit, or nonprofit organization or an individual that enters into a contract with the school to administer any aspect of the school's participation in any Title IV program. (CL)

servicer (or third-party servicer)

An entity that enters into a contract with a program participant to administer any aspect of its participation in a Title IV program. (CM)

skip tracing

Diligent efforts to locate a borrower's telephone number or address when such information is unknown. See section 12.8 [of the Common Manual] for telephone skip tracing requirements and section 12.7 [of the Common Manual] for address skip tracing requirements. (CM)

SLSA

See **Student Loan Servicing Alliance**.

Social Security number (SSN)

The 9-digit number assigned to the borrower by the Social Security Administration. The SSN is used as an identifier for tracking the borrower's loan account(s), skip tracing, and reporting to the Department. A borrower must have an SSN in order to apply for a FFELP loan. (CM)

state

A state of the Union, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States (the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau). (CM)

statutory interest rate

The maximum annual interest rate (under the Higher Education Act) that a lender may charge on a loan. Past and present statutory interest rates for FFELP loans are included in sections 7.4 and 7.5 [of the Common Manual]. (CM)

student aid report (SAR)

The paper output record provided to the student by the Department's Central Processing System that includes information provided by the student on the Free Application for Federal Student Aid (FAFSA). The SAR also contained student's expected family contribution (EFC), and the results of federal database matches. The electronic version that is sent to the school is called an Institutional Student Information Record (ISIR). (CM)

Student Loan Servicing Alliance (SLSA)

A trade organization representing third-party service providers.

subsidized loan

A loan eligible for interest benefits paid by the federal government. The federal government pays the interest that accrues on subsidized loans during the student's in-school, grace, authorized deferment, and (if applicable) post-deferment grace periods, if the loan meets certain eligibility requirements. (CM)

teacher shortage area

A federally designated geographic area, grade level, or academic, instructional, subject matter, or discipline that has been classified as a shortage area as defined by the Department. See section 11.14 [of the Common Manual]. (CM)

third-party servicer

In the case of a lender or guarantor, a state or private for-profit or nonprofit organization or an individual that enters into a contract with the lender or guarantor to administer any aspect of the lender's or guarantor's FFELP as required by statutory or regulatory provisions related to part B of Title IV of the Higher Education Act. In the case of a school, a state or private for-profit or nonprofit organization or an individual that enters into a contract with the school to administer any aspect of the school's participation in any Title IV program. (CM)

Title IV

A section of the Higher Education Act of 1965, as amended, that authorizes federal loan, work, and grant education financial assistance programs. (CM)

unconsummated loan

Loan proceeds that the school returned to the lender prior to the borrower's having cashed the check, if an individual check, or the school having applied the proceeds to the student's account, if included in a master check or EFT transmission. This

includes checks that may have been released by the school but remain uncashed by the 120th day following disbursement and EFT and master check transactions that have not been completed by the 120th day following disbursement. (CM)

unknown telephone number

The lack of any telephone number assigned to a particular borrower, endorser, or reference. (CM)

unsubsidized loan

A non-need-based loan such as an unsubsidized Federal Stafford loan or a Federal PLUS loan. The borrower is responsible for paying the interest on an unsubsidized loan during in-school, grace, and deferment periods, in addition to repayment periods. (CM)

U.S. Department of Education (ED)

The U.S. Department of Education (ED) or an official or employee of ED acting under a delegation of authority. (CL)

variable interest rate

An interest rate that changes, usually annually, according to prescribed methods (see sections 7.4 and 7.5 [of the Common Manual]). (CM)

wire transfer

An Electronic Funds Transfer (EFT) method in which funds are immediately available in an account upon disbursement. (CL)

withdrawal date

The date the student withdraws, as determined by the school. The requirements that the school must follow for determining the student's withdrawal date depend upon whether the school is required to take attendance. See section 9.4 [of the Common Manual]. (CM)