

# SLGFA E-Updates

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**E-UPDATES** is an electronic newsletter sponsored and operated by the Student Loan Guarantee Foundation of Arkansas (SLGFA) to provide program information to schools and lenders participating in the Federal Family Education Loan Program (FFELP).

## IN THIS ISSUE:

### 1. Lender of Last Resort Program

As financial market conditions continue to shake up the economy and the student loan industry, guarantors may be asked to implement their Lender of Last Resort (LLR) options. The U.S. Department of Education is monitoring the events surrounding the student loan industry and has asked guarantors to be ready to initiate their LLR program if necessary. LLR programs are authorized by the Higher Education Act (HEA) and regulated by Federal regulations and guidance published by the U.S. Department of Education.

The Student Loan Guarantee Foundation of Arkansas (SLGFA), along with other guarantors and industry partners, is reviewing its current policy to ensure that there is no disruption in services to students and schools. To ensure compliance with [recent guidance](#), SLGFA will work with our lender partners to determine the needs for the State of Arkansas.

If you have additional questions, please contact SLGFA Policy and Compliance Division Manager Becky Collins by phone at 800-622-3446, ext. 638 or via e-mail at [bcollins@slgfa.org](mailto:bcollins@slgfa.org).

### 2. Compliance Corner: New Requirements for Schools with Preferred Lender Lists

The final rules published on November 1, 2007, contain new requirements for schools that wish to use a preferred lender list. The regulations specifically state that if a school chooses to make such a list available that the list may not contain fewer than three lenders that are not affiliated with each other and that will make loans to borrowers or students attending the school.

Does this mean the first three lenders on the list cannot be affiliated, or does the term affiliated apply to all the lenders on the list? Click on the following link for the response to this question:

<http://www.slgfa.org/slgfa/pubs/updates/compliancecorner/CC040408.asp>

### 3. PLUS MPN Expiration Date Extended

The current version of the PLUS Master Promissory Note (MPN) expired on March 31, 2008. However, according to guidance from the U.S. Department of Education, the PLUS MPN remains valid until the approval of a new form is received from the Office of Management and Budget. To view or download the PLUS MPN, click on the following link: [http://www.slgfa.org/slgfa/download/ffelp\\_forms/PLUSMPN.asp](http://www.slgfa.org/slgfa/download/ffelp_forms/PLUSMPN.asp)

### 4. Deactivated Lenders Spreadsheet

To assist schools in keeping abreast of the current activities surrounding the student loan industry, SLGFA will now provide information on the lenders that have requested to be deactivated from the SLGFA guarantor system since July 1, 2007. The spreadsheet lists the lender name, lender code, and the date they were deactivated from our guarantor system. The Excel spreadsheet can be sorted as desired and is available at the following link: <http://www.slgfa.org/slgfa/schools/DeactivatedLenders.xls>

### 5. SLGFA's Participating Lender List

The Participating Lender List has been updated and is available on SLGFA's website. Click on the provided link to access the list: <http://www.slgfa.org/slgfa/students/PLL.pdf>

Disclaimers: <http://www.slgfa.org/slgfa/e-updates/f-print.asp>.

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