



# DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

## COMPLIANCE UPDATE – DECEMBER 2021

By Amy Hedrick, Policy Analyst

### **COMMON MANUAL BULLETIN – ACCEPTABLE DOCUMENTS FOR FIRST NAME CHANGES OR CORRECTIONS**

The Common Manual Governing Board recently approved a change to the list of acceptable documents for first name changes or corrections in accordance with U.S. Department of Education guidance issued in the July 30, 2021 Dear GA Director/CEO letter. This update allows FFELP lenders, servicers, and guarantors to align their process with the one used by DE’s servicers for first name changes made on or after July 30, 2021. Most notably, the change removes the use of an unexpired U.S. military ID since copying a military ID violates U.S. Code ([18 USC §701](#)). See the bulletin and memo below; see also the *Common Manual* [Approved Policies](#) webpage.

On November 18, 2021, the Governing Board approved policy proposal 1336 advanced to the Board from Batch 224. The changes made in the proposal will be incorporated into the *Common Manual* annual update. The change will also be incorporated into the Integrated *Common Manual* release, which is available on the *Common Manual* website at [www.commonmanual.org](http://www.commonmanual.org).

The common bulletin language is enclosed for all guarantors to use in publishing interim policy updates to schools and lenders.

The Plan for Maintaining and Updating the *Common Manual* adopted by the *Common Manual* guarantors states that:

“Participating guarantors shall publish all interim updates in their bulletins promptly (within 30 to 45 days) and without revision. However, nothing in the plan shall be construed as prohibiting participating guarantors from also publishing guarantor-specific policies in their bulletins provided such policies do not conflict with the provisions for guarantor-specific policies described in the Cooperative Agreement for Guarantors Participating in the *Common Manual*. Neither shall participating guarantors be prohibited from publishing their own procedures or other information in their bulletins.”

You may delete the policy reference numbers and proposal titles from the publication and may rearrange the order of the articles or combine articles that are related to the same

subject.

Industry participants that publish this information should include a statement directing any questions regarding the policy changes to the primary guarantor serving that reader.



*Unified Student Loan Policy*

## Policy Changes Approved

Batch: 224 Proposals 1336

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update. These changes will also be incorporated into the Integrated *Common Manual*. The Integrated *Common Manual* is available on several guarantor websites, and it is also available on the *Common Manual's* website at <http://commonmanual.org>. Please carefully note the effective date of each policy change.

### First Name Change

The Manual has been updated to align its list of acceptable documentation for making first name changes or corrections with guidance from the Department in Dear GA Director/CEO letter dated July 30, 2021. The guidance states that the Department is allowing guarantors and lenders participating in the FFEL program to align their processes with those used by the Department's federal servicers. The update combines two existing lists into one that contains the 12 types of acceptable documentation that can be used to support a request for a first name change or correction.

<b>Affected Section(s):</b>	3.5.F Reporting Social Security Number, Date of Birth, and First Name Changes or Corrections
<b>Effective Date:</b>	For first name changes made on or after July 30, 2021.
<b>Basis:</b>	Dear GA Director/CEO letter from Jerry Wallace dated July 30, 2021.
<b>Policy Information:</b>	1336/Batch 224
<b>Guarantor Comments:</b>	None.

## **TITLE IV GUIDANCE FOR ATHLETES RECEIVING NIL COMPENSATION**

[Dear Colleague Letter](#) GEN-21-08 provided guidance and clarity to financial aid administrators on awarding Title IV funds to athletes who receive compensation under name, image, and likeness (NIL) contracts. The National Collegiate Athletic Association (NCAA) announced an interim policy, effective July 1, 2021, based upon a recent Supreme Court decision that some student athletes may receive compensation under NIL contracts with third-parties. Students with NIL contracts will most likely be classified as independent contractors and will receive Form 1099s for monetary payments and/or in-kind compensation over \$600. Earnings on the Form 1099 are treated as taxable income and should be included in the student's adjusted gross income (AGI) for the applicable FAFSA<sup>®</sup> base year (prior-prior year). Please note that since the expected family contribution (EFC) of a dependent student is based upon the parental AGI, a student with a substantial NIL contract may still have a 0 EFC.

The DCL also stressed that NIL compensation counts as estimated financial assistance (EFA) *only* if it is not considered wages according to federal or state rules or is from need-based employment; if the compensation is considered a wage and not need-based, then it is treated as taxable income on the FAFSA<sup>®</sup>.

## **MISCELLANEOUS**

- [Volume 2 – School Eligibility and Operations \[2021-2022 Federal Student Aid Handbook\] \(EA GENERAL-21-74\)](#)
- [2022–23 Federal School Code List of Participating Schools \(November 2021\) \(EA APP-21-22\)](#)