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Distribution authorized to the Department of Education and its Private Collection Agency contractors only. Other requests shall be referred to the Federal Student Aid Acquisitions Group.

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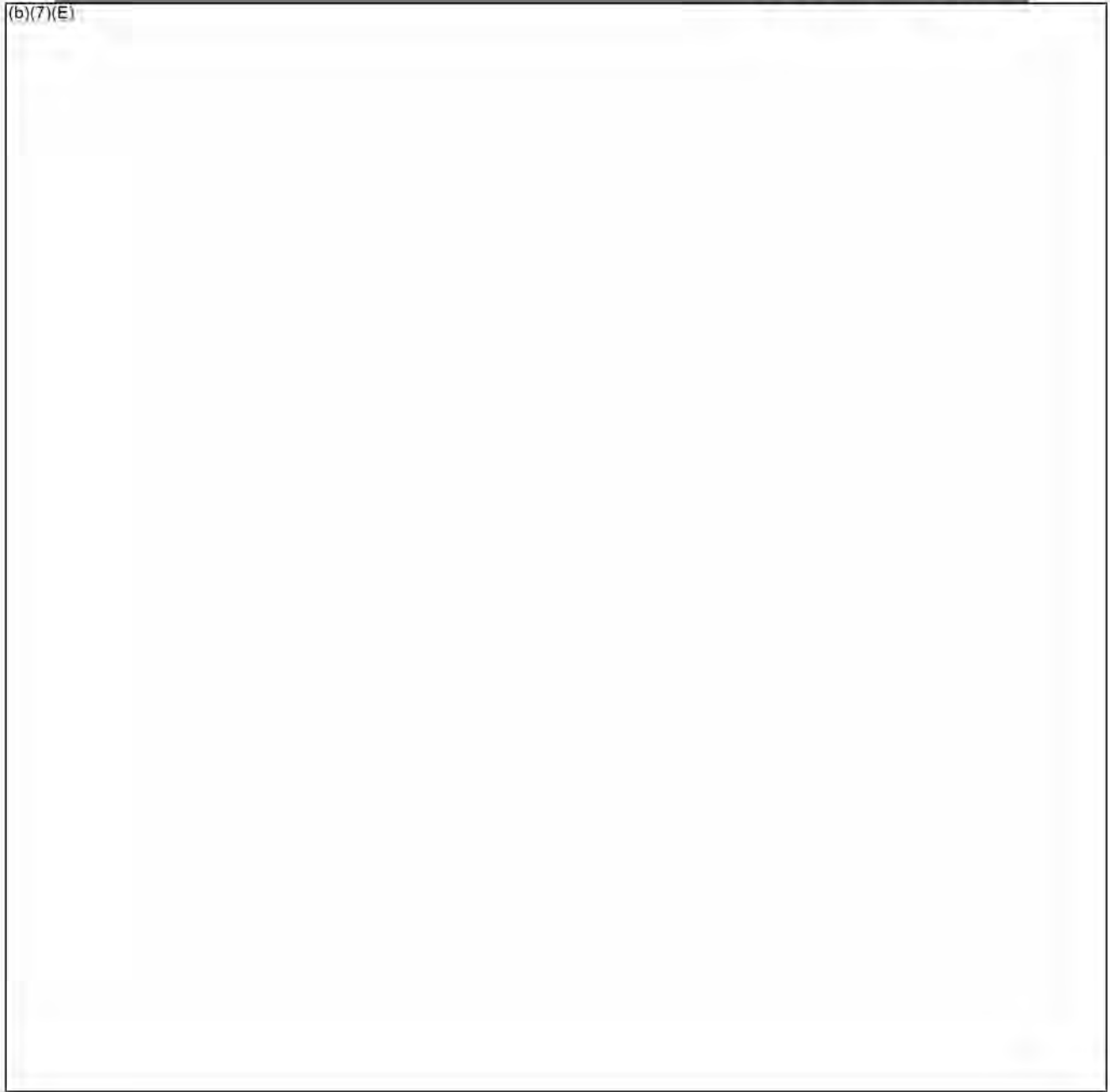
Underfunding Correction Request Form

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[Redacted content]

Today's Date: _____

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**CHAPTER 11:
LOCATING PROMISSORY NOTES**

Promissory notes can be a very important tool, often enabling a PCA to reach account resolution. Notes may aid in dispute resolution, payment negotiations, borrower location, and/or borrower research.

The following information is designed to assist PCAs to determine how, when and with whom to locate promissory notes.

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I. PROGRAM DETERMINATION

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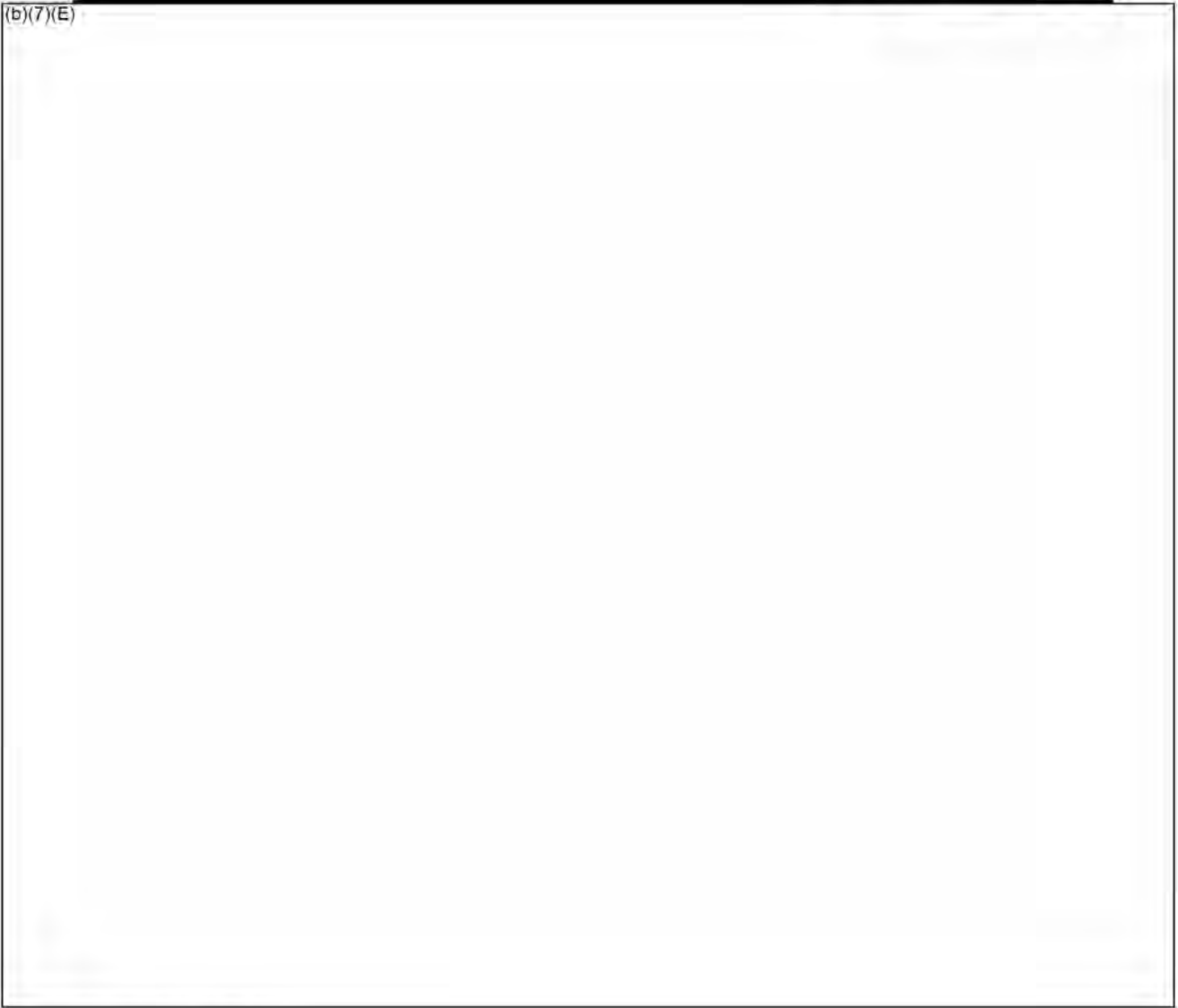
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2.

DIRECT LOANS

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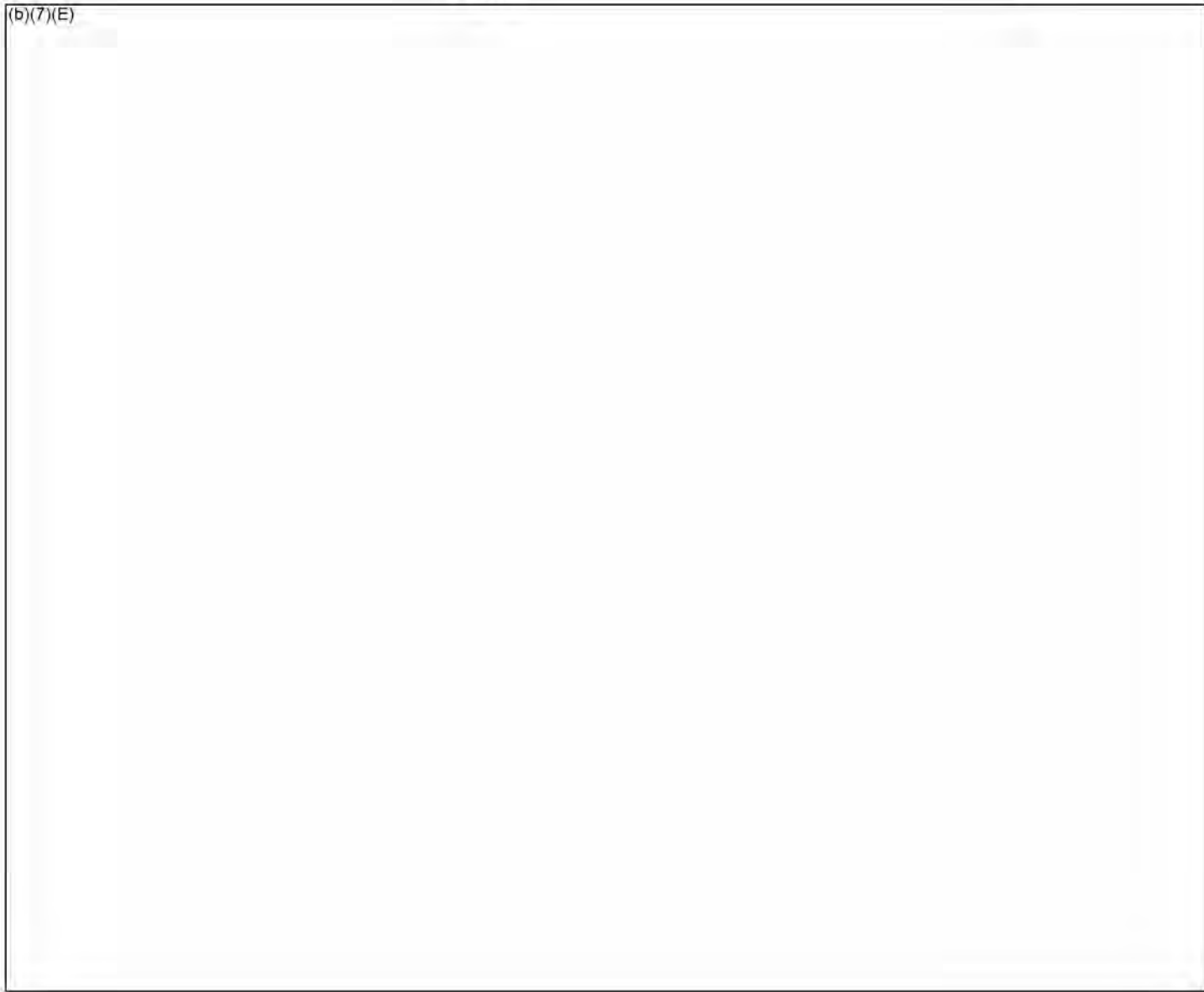
C. On-Line IMF

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3. FISLs

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C. CSB Panagon Non-Image Search

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➤ Turnaround time:

- If the requested documents have not been received within 10 days of the original request

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- If the debt was loaded less than six months ago, the collateral may have been received at Greenville but not yet imaged.

■

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■

D. On-Line IMF

- If the desired PNote is not found

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submit an on-line IMF request to locate the missing promissory note.

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4.

NDSLs/PERKINS LOANS

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➤ Turnaround time:

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C. On-Line IMF

➤ If the desired PNote is not found (b)(7)(E)

(b)(7)(E)

submit an on-line IMF request to locate the

missing promissory note.

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5. FFELs GUARANTEED BY NEW YORK AND HEAF

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(b)(7)(E)

[Redacted content]

➤ Turnaround time:

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[Redacted content]

(b)(7)(E)

[Redacted content]

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C. On-Line IMF

▶ (b)(7)(E)

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missing promissory note.

○ (b)(7)(E)

6. FEELS (NOT GUARANTEED BY NEW YORK OR HEAF)

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B. On-Line IMF



If the desired PNote is not found

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submit an

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7. LOCATING PROMISSORY NOTES - CHECKLIST

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[Redacted content]

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8.

APPENDICES

Appendix A - Panagon Common Retrieval Navigation

Logging On



Enter your CSB Panagon Common Retrieval user ID and password, then password has expired, contact the CSB Help Desk at 888-291-2160.

Searching for Documents

PCA ID: ED0291

Document Class:

Click here to get Microfilm, Microfiche or Paper Documents:

Click here to Print Panagon Images when "Submit" is chosen:

Please Enter At Least One (1) Key Value:

SSN

Debt ID

Optional fields for Microfilm, Microfiche or Paper:

Document Required

Request Type

Debt Type

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Viewing Documents Listed in Search Results

Optional fields for Microfilm, Microfiche or Paper:

Document Required

Request Type

Debt Type

Send To

Street Addr1

Street Addr2

City

State

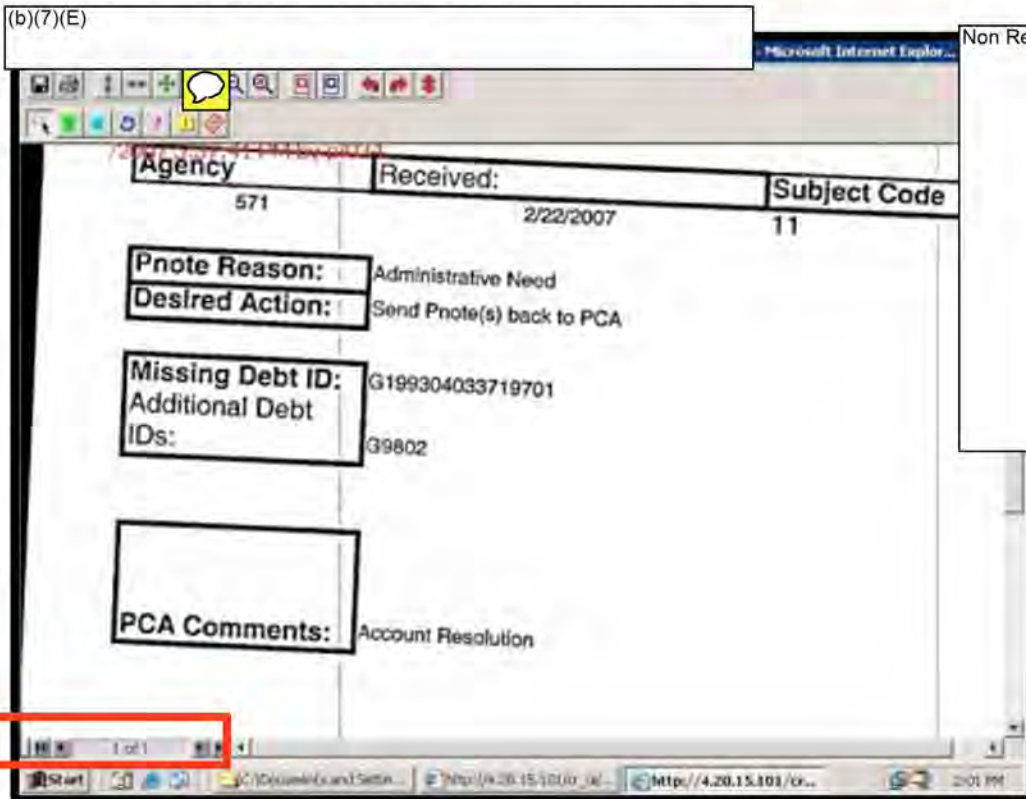
ZIP

Non Responsive

1 Item(s) Found

Doc ID	SSN	Doc Type	Debt ID	Receipt Date	Company ID	Case ID	image_id	Auxiliary 1	Ac
2193767758	(b)(6)	corr		2/22/2007	DCSICO				

The available imaged documents for the account will display at the bottom of the page. Click on the “Doc ID” hyperlink for each document to view it.

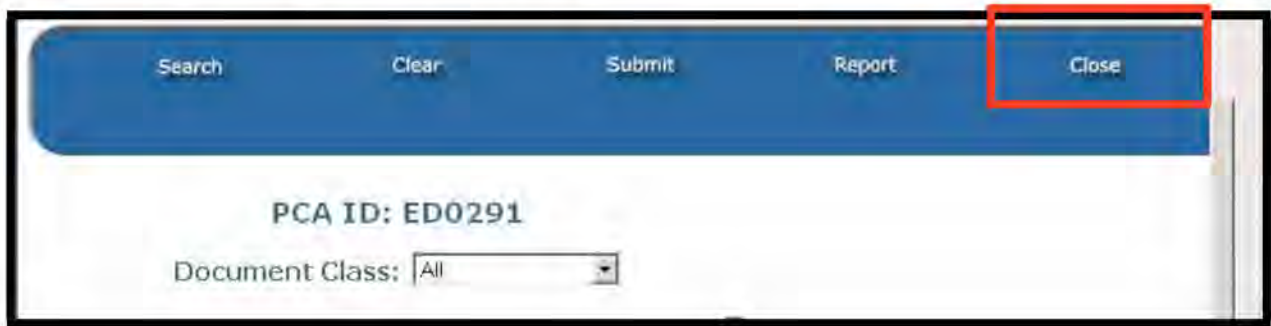


The document viewer will open in a separate window. Note the page navigation buttons at the bottom of the document viewer—review every page of the document, since the desired document(s) may be buried anywhere.

Close the document viewer by clicking on the close (X) button in the upper right corner of the viewer window.

Logging Out of CSB Panagon Common Retrieval

Click “Close” from the menu at the top of the screen.



Requesting Non-Imaged Documents

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ents.”

The debts will be listed at the bottom of the screen. Do not select individual debts. To request all debts, click “Submit” on the menu at the top of the screen.

Search Clear Submit Report Close

PCA 10:ED0291

Document Class: All

Appendix B - Program Overpayment (POVR) Debt Standard Language

Program overpayment (POVR) debts are grant overpayments, not loans. These types of debts do not have promissory notes. These debts are incurred either because the student failed to satisfactorily complete the course(s) for which the grant was issued (i.e., the student withdrew or failed the course), or because the school initially miscalculated the grant amount for which the student was eligible. The PCA should send the POVR assignment form (if available in the Panagon Common Retrieval System) along with a cover letter explaining how grant overpayments occur (see standard language below). (b)(7)(E)

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Standard Language for Explaining POVRs:

"Overpayment" is a term used when the amount of a grant awarded to a student is greater than the amount the student is entitled to receive. An overpayment can occur for a variety of reasons. These can include:

- corrections or updates to applicant information which may result in a lower award after a grant payment is disbursed;
- a student becomes ineligible after a payment is disbursed (for example, he or she is determined not to be making satisfactory academic progress or never attends any classes); and
- at term based schools, a student does not begin or continue the program of study after a payment is disbursed.

The student must repay these overpayments. If a school cannot collect an overpayment, the school may refer the debt to the Department of Education for collection.

Appendix C - On-Line IMF's for Missing Promissory Note Searches

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Logging In



Non Responsive

Enter your “AG” number and password (this will be the standard password used for protecting sensitive information transmitted to ED). Then click the “Login” button.

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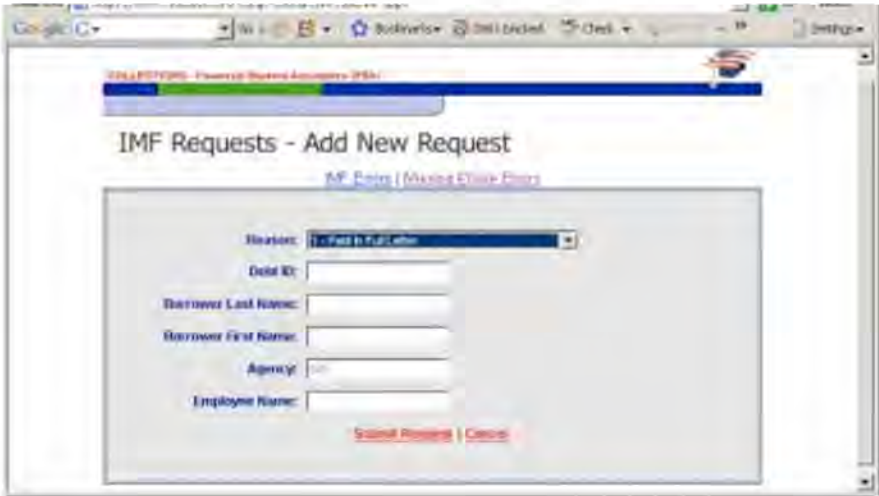
Nonresponsive

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Once all fields have been populated, click “Submit Request” hyperlink at the bottom of the form.

Viewing Erroneous Prom Note Requests



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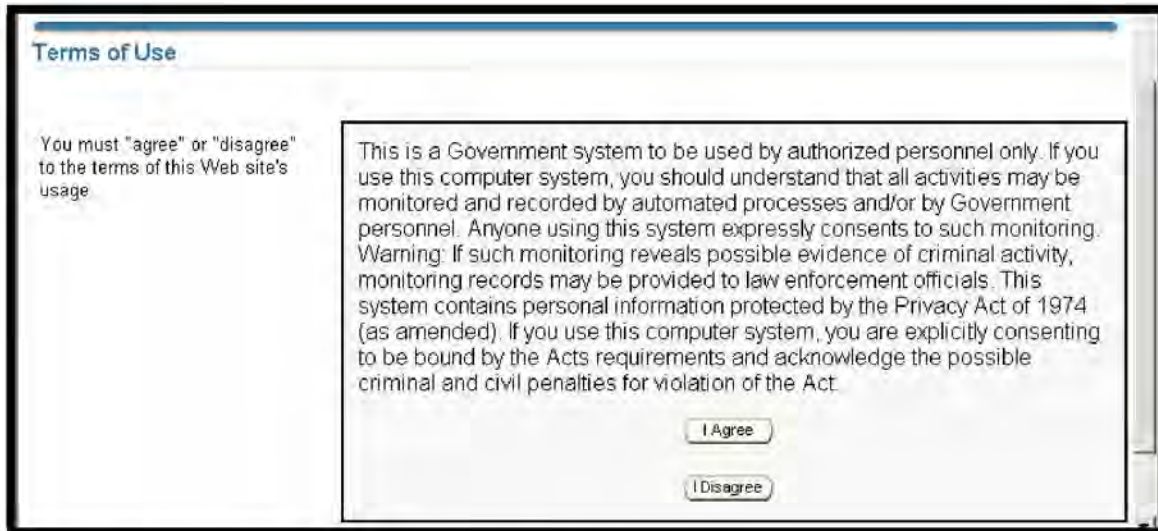


Appendix D : Direct Loan Image Retrieval Website

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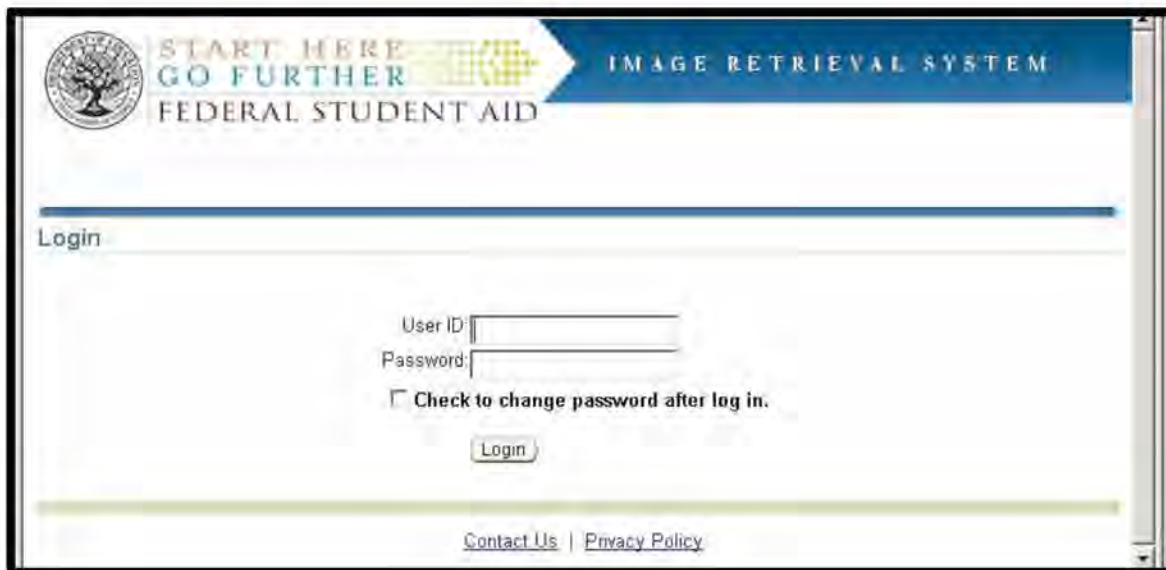
This web [redacted] ins images of most Direct Loan promissory notes not found in Panagon. For access to this site, contact FSA Security (Gregory Plenty).

Terms of Use



Click the "I agree" button to advance to the logon page.

Logging On:



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1. Click on “SSN Search”

2. Enter the SSN, then click “Submit”

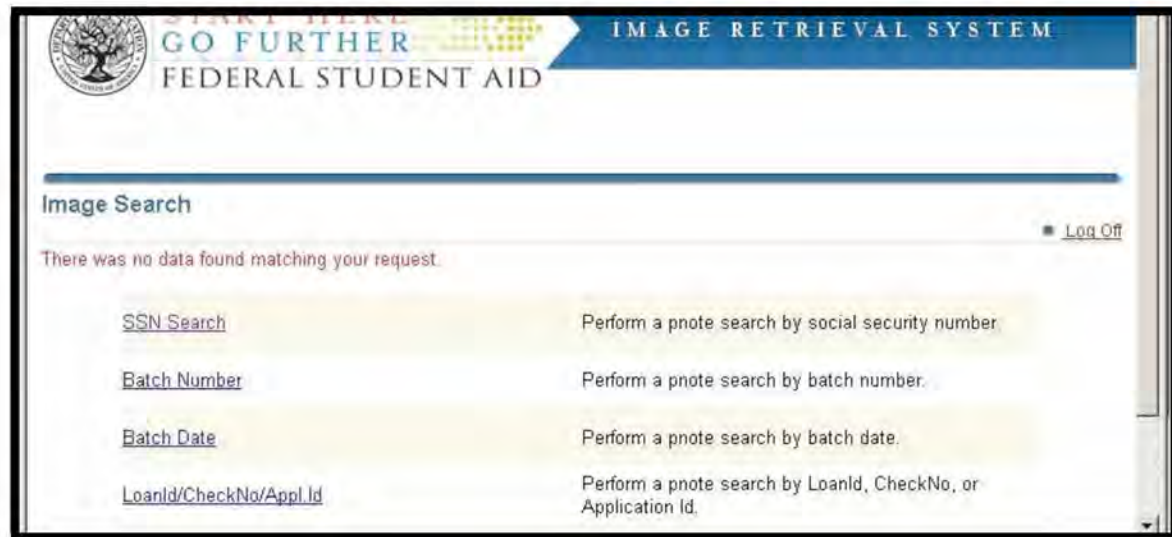
Select and View Images



1. Click on the PDF icon for the document you wish to view

2. Scroll down to view the document in PDF format

No Documents Found



If there are no images on file for the SSN, the error message “there was no data found matching your request” will display.

CHAPTER 12:
Account Returns & Administrative Resolutions

EFT (Electronic File Transfer) processing consists of two categories: Account Returns and Administrative Resolutions. (b)(7)(E)

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Reference: SOW 3.4

1. GENERAL REQUIREMENTS

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A. SSU/Manifest

- Along with any required supporting documentation, PCAs will submit a Single Sheet Update (SSU) form or an electronic manifest generated by the PCA’s system for all account returns and administrative resolutions except INA/UNL returns
 - The SSU form/manifest must contain for each account, the borrower’s name, Social Security Number and one debt ID number
 - SSU Form is NOT required for INA/UNL accounts
 - PCAs will only submit a transmittal form with the number and type of accounts
- Supporting Documentation for Administrative Resolutions become part of a borrower’s file and must be attached to the Single Sheet Update Form (SSU)
 - Documentation must be securely clipped or bound separately with each individual EFT submission
 - Same Debt ID number for individual accounts must be written in the top right hand corner of each page of documents
- If the SSU contains different types of accounts (death, incarcerations, etc.), please group accounts by category.

- (b)(7)(E) PCAs must also include the current account balances.

- SSU form must include:
 - ED Office submitted to
 - Name & Phone number of PCA Contact Person
 - Agency Number-PCA Location Code
 - ED System User ID of PCA Contact
 - Date Submission being sent to ED
- SSU form located in Section 8, Appendix A of this Chapter

B. Transmittal Form

- Along with an SSU form and any supporting documentation, PCAs will also submit an EFT transmittal form for formal approval/rejection of EFT records

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- The EFT Transmittal form is used to identify the number and type of records approved by ED that are being transmitted electronically to the DMCS for resolution

- Accounts to be returned may be grouped on a transmittal form within the following categories:

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-
-
-

- Limit number of accounts per EFT Transmittal form to 30 Accounts

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-

- A signed and approved EFT Transmittal Form must be submitted for each EFT file.
 - The electronic file must NOT be submitted UNTIL the corresponding signed/approved EFT Transmittal Form is faxed to ACS.
 - Once the signed transmittal form is recieved, the PCA should electronically transmit the EFT file and fax the signed EFT Transmittal form to:

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- (b)(7)(E)
-

- The number of accounts approved on the EFT Transmittal form must correspond to number of accounts included in the EFT return file transmission.

- In addition, to facilitate matching of EFT files and EFT Transmittal forms, the date the file is transmitted must be put in the “File Transmission Date” on the transmittal form prior to faxing
- ACS (DMCS Contractor) must be able to match the file and the EFT Transmittal form

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- EFT Transmittal Form must include the following:
 - File Transmission Date (filled in when file transmitted)
 - File Creation Date
 - Agency Number
 - Type and Number of Accounts being returned
 - Signature & Date of ED Monitor indicating Approval
 - PCA Contact Information: name, phone number & fax number

- Transmittal Form located in Section 8, Appendix B of this Chapter

C. ED Monitor Review

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D. Appeals

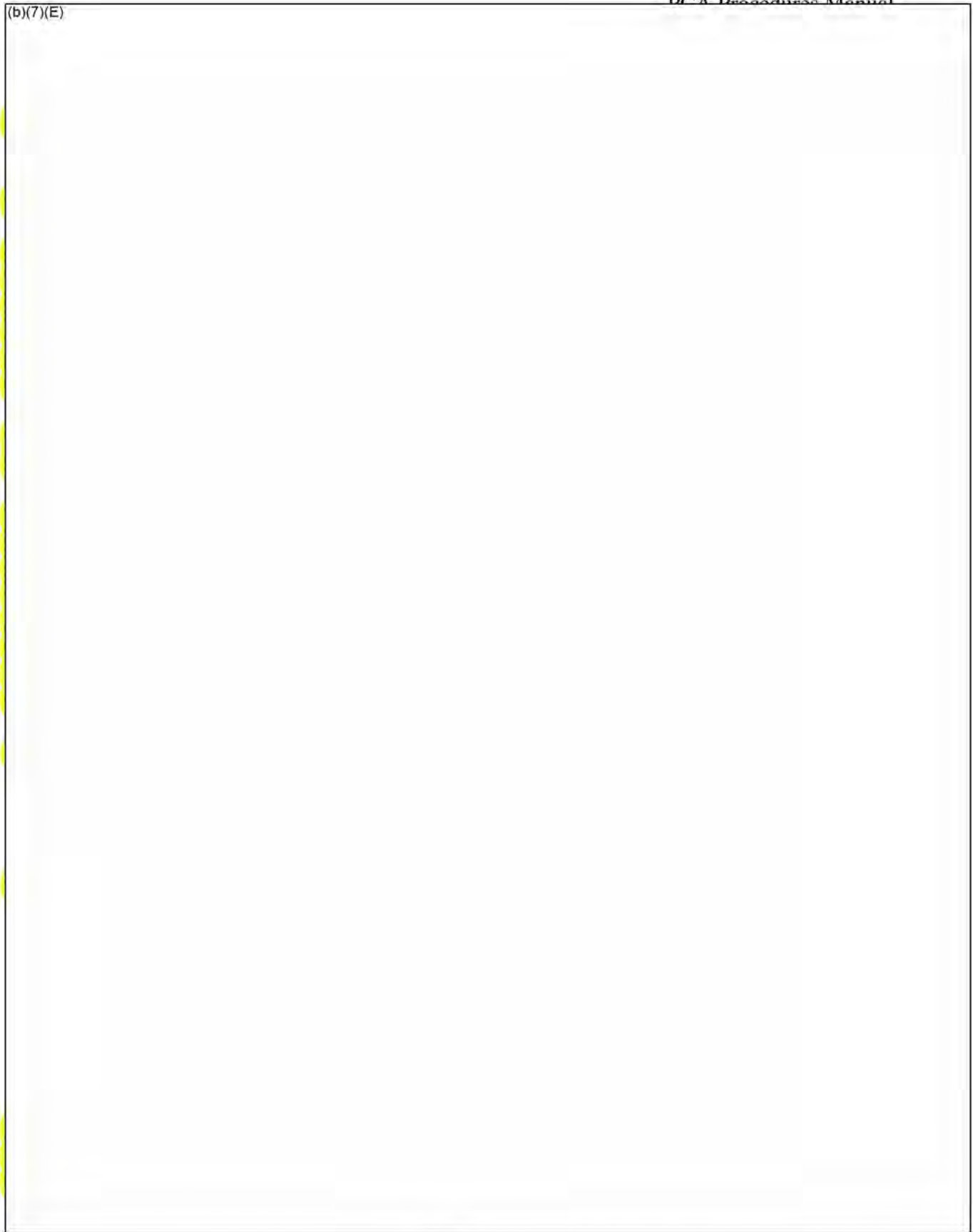
(b)(7)(E)

2.

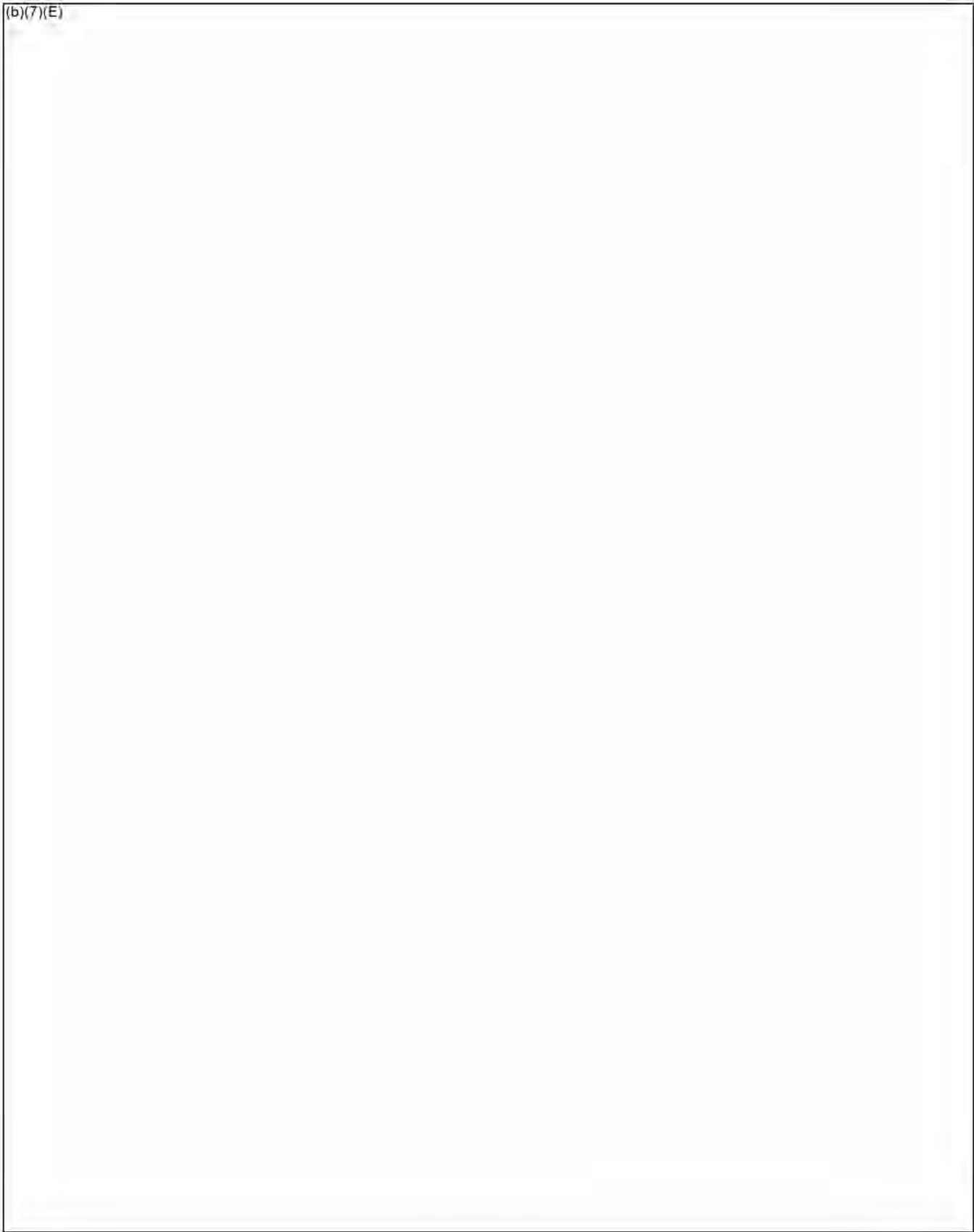
ACCOUNT RETURNS

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3. **DEATH ACCOUNTS**

A. **Required Documentation**

Borrower's death must be documented by:

- An original or certified copy of a death certificate OR
- An accurate and complete photocopy of an original or certified copy of the death certificate.
 - Any photocopies must be legible
 - Any documents that appear altered will be rejected

Additional documentation may include:

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References: 34 CFR 674.61(a); 34 CFR 682.402(b); 34 CFR 685.212(a)

B. **PLUS Loans**

PLUS Loans are loans taken out by parents on behalf of their children. If the holder of a PLUS dies (parent), then the loan can be discharged under normal death discharge procedures.

However, in addition to the loan holder, if the student, for whom the parent received a PLUS loan dies, the obligation of the borrower (and any endorser) to make further payments on the loan is discharged. In these situations the PCA must:

- Obtain the required death certificate of the student (child)

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C. Processing Death Accounts

PCAs should conduct the following steps when reviewing possible death accounts:

- Obtain appropriate death documentation.

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- Document DMCs (b)(7)(E) notepad as follows:

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- Submit complete Death EFT package to the Atlanta Regional Office for review and approval

D. Resolving Mismatching Information

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E. ED Death Letters

The following letters are provided to aid the PCAs in obtaining acceptable death documentation. In no case may the PCA use photocopied letters with the signature of an ED staff member, nor should the name of any ED staff member be typed on these letters.

- Standard Prime Contractor Request



To Whom It May Concern:

(Collection Agency Name) has been retained by the U.S. Department of Education to resolve Federal student loan obligations held by the Department. Pursuant to the Higher Education Act (HEA) of 1965, as amended, and Federal regulations 34 CFR 682.402(b), 674.61 and 685.212 in order to verify an individual's death and discharge any Federal student loan obligations, the Department of Education requires the original death certificate, a certified copy of the death certificate, or an accurate and complete photocopy of an original or certified copy of the death certificate.

With regards to these requirements, the Department of Education has authorized **(Collection Agency Name)** to request and obtain information regarding the individual listed below that has been reported as deceased.

Name of Deceased:
 Social Security number: **(Last four digits acceptable)**
 Date of Birth (if known):

Please send the death certificate to:

This information is needed for official U.S. government business. Federal statutes and regulations require that the U.S. Department of Education and its representatives use the information you provide only for official authorized government purposes.

Distribution authorized to the Department of Education and its Private Collection Agency contractors only. Other requests shall be referred to the Federal Student Aid Acquisitions Group.

Your assistance with the death verification process is greatly appreciated.

Sincerely,

U.S. Department of Education
Federal Student Aid, Business Operations

STATE OF GEORGIA

On this ____ day of _____, 2XXX, personally appeared _____, satisfactorily identified as the person stating that this document is his official act and deed with the full understanding of the penalty of law if applicable.

Notary Public

My Commission Expires: _____

61 Forsyth St., Rm 19T89
Atlanta, GA 30303
www.FederalStudentAid.ed.gov
1-800-4-FED-AID

FEDERAL STUDENT AID  START HERE. GO FURTHER.

- Request with Prime and Subcontractor relationship



(DATE)

To Whom It May Concern:

(Collection Agency Name) has been retained by the U.S. Department of Education to resolve Federal student loan obligations held by the Department. Pursuant to the Higher Education Act (HEA) of 1965, as amended, and Federal regulations 34 CFR 682.402(b), 674.61 and 685.212 in order to verify an individual's death and discharge any Federal student loan obligations, the Department of Education requires the original death certificate, a certified copy of the death certificate, or an accurate and complete photocopy of an original or certified copy of the death certificate.

(Collection Agency Name) has authorized **(Subcontractor Name)**, acting on behalf of **(Collection Agency Name)**, to obtain information regarding the individual named below, who has been reported as deceased.

Name of Deceased:

Social Security number: **(Last four digits acceptable)**

Date of Birth (if known):

Please send the death certificate to: **(may insert subcontractor address and phone number)**

(In addition, may want to insert Collection Agency contact information in case of further questions)

This information is needed for official U.S. government business. Federal statutes and regulations require that the U.S. Department of Education and its representatives use the information you provide only for official authorized government purposes. Your assistance with the death verification process is greatly appreciated.

Sincerely,

U.S. Department of Education
Federal Student Aid, Business Operations

STATE OF GEORGIA

On this ____ day of _____, 2XXX, personally appeared _____, satisfactorily identified as the person stating that this document is his official act and deed with the full understanding of the penalty of law if applicable.

Notary Public

My Commission Expires: _____

61 Forsyth St., Rm 19T89
Atlanta, GA 30303
www.FederalStudentAid.ed.gov
1-800-4-FED-AID

FEDERAL STUDENT AID → START HERE. GO FURTHER.

4. BANKRUPTCIES

Bankruptcy is a court procedure established by Federal statute to help borrowers who are unable to meet their financial obligations as they become due. The goal is to give the borrower a “fresh start”. There are two basic types of bankruptcies:

- **Liquidation:** distributes all of the borrower’s assets, if any, among the creditors with the understanding that this partial payment closes the book on the debts.
 - Chapter 7 Bankruptcy (BK7) is a liquidation bankruptcy. It is sometimes called a “personal bankruptcy” and usually takes 4 to 6 months to complete.
 - The BK7s received by ED are usually BK7s with no assets for distribution.

- **Reorganization:** sets up a new extended payment schedule, within the borrower’s means, under which the borrower pays all or only a portion of the debt. It gives the borrower a fresh start by allowing extra time to pay the debt from earnings or wages rather than from liquidating the borrower’s estate.
 - Chapter 13 Bankruptcy (BK13) is a reorganization bankruptcy. It is sometimes called a “wage earner bankruptcy” and usually takes 3 to 5 years to complete.
 - Chapter 11 Bankruptcy (BK11), sometimes called a “business bankruptcy” and Chapter 12 Bankruptcy (BK12), sometimes called a “farmer’s bankruptcy” are also reorganization bankruptcies, but ED rarely sees these bankruptcies for student loan borrowers.

A. Cease Collection

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B. Bankruptcy Terminology

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- Date Petition Filed
 - The date that the borrower files a bankruptcy petition in U.S. Bankruptcy Court.
- Date of Filing
 - Date last document/report was filed with the court; does not impact earlier dates of discharge, dismissal, etc.
- Dismissal
 - An action taken by the bankruptcy court to reject a petition for relief in bankruptcy. After a petition is dismissed, the debts listed in that bankruptcy's schedule are treated as if the bankruptcy never existed. These debts are then due and payable.
- General (or Final) Discharge Order
 - This is sometimes called an Order for Discharge or Discharge of Borrower. The order entered by the bankruptcy court giving the borrower relief in bankruptcy. By this order, those debts that are dischargeable are discharged. It does not necessarily discharge all scheduled (listed) debts, particularly student loans.
 - A discharge order does not in most cases relieve the borrower of personal liability for non-dischargeable student loan debts even if those debts were listed in the bankruptcy schedule.
- List of Creditors
 - This is sometimes called a Schedule A-3 or Schedule of Debts. This list is composed by the borrower and filed with the bankruptcy court. The list itemizes all of the creditors and debts that the borrower seeks to have discharged in the bankruptcy.
- Non-Dischargeable in Bankruptcy
 - A student loan that does not meet the requirements for discharge under 11 U.S.C. 523(a)(8)(A) when a general discharge order is entered in the bankruptcy by the court. Collection of the student loan debt may then resume.
- Notice of First Meeting of Creditors
 - The Notice sent by the bankruptcy court to listed creditors advising that a bankruptcy has been filed. Along with other bankruptcy information, it contains

the name and SSN of the borrower(s), the location of the court, the bankruptcy case number, and the date the bankruptcy petition was filed.

- Proof of Claim (POC)
 - A document prepared by a creditor and filed in the court in an asset or wage earner bankruptcy. Its purpose is to state the amount of the outstanding debt and the basis for the debt owed to the creditor as of the bankruptcy date.
- Summons and Complaint to Determine Dischargeability
 - A document indicating that the borrower has filed an adversary action in court petitioning the bankruptcy judge to grant a special order specifically discharging the borrower's student loans. The receipt of such a document is to be considered a priority requiring expedited transfer to ED Litigation Branch:

U.S. Department of Education
Borrower Services
Chief, Litigation Support
50 Beale St #8629
San Francisco, CA 94105

- Terminated
 - Bankruptcy closed

C. Bankruptcy Documentation

The following documents may be received from the borrower or the Bankruptcy Court or from a web service such as PACER:

- New BKs**
1. Order for First Meeting of Creditors, stapled to the
 2. List of Creditors or to a Bankruptcy Court Envelope.
 - If you receive an Order for First Meeting document directly from the bankruptcy court in a court envelope, it means that the addressee is already listed with the Court as a creditor. In that case, additional List of Creditors information will not be necessary.
- Old BKs**
3. Discharge of Borrower (in addition to 1 and 2 above)

Currently, ED is also accepting bankruptcy documentation obtained from Banko, Pacer and Lexis/Nexis. This documentation must specifically list the borrowers name and at least the last four digits of the SSN as a petitioner.

If using PACER, PCAs should review the "Case Summary" screen/page within PACER to find termination, discharge and dismissal dates. No values in these date fields indicate that the bankruptcy is still open.

D. Bankruptcy Notification

Immediately upon becoming aware of a bankruptcy case, the PCA will:

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- Take the appropriate steps as outlined below depending on the filing dates and types of bankruptcies

E. ALL Bankruptcies filed before October 8, 1998:

If the court has issued a Final Discharge AND a determination of dischargeability has not been made and entered on the (b)(7)(E) screen by a Department employee or an employee of ECMC, the PCA should:

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F. Chapter 7 Bankruptcies filed after October 8, 1998

Title IV student loans and grants are not dischargeable in bankruptcy if the petition is filed on or after October 8, 1998 without the debtor filing an adversary proceeding and an express finding of hardship by the court.

Immediately upon becoming aware of the BK7 case, the PCA will:

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G. “Active” BK13 Cases Filed on or after October 8, 1998

Immediately upon becoming aware of an active BK13 case (or BK11, BK12), the PCA will:

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H. BK13 Cases Filed on or after October 8, 1998 for which the Court has issued an Order of Discharge or a Dismissal Order

Title IV student loans and grants are not dischargeable in bankruptcy if the petition is filed on or after October 8, 1998 without the debtor filing an adversary proceeding and an express finding of hardship by the court. When a BK13 is dismissed by the USBC, the debts become due and payable.

Upon receipt of the Bankruptcy Discharge or Dismissal document, the PCA should (assuming they still have the account):

- Send the appropriate letter and resume collection activity.
- Annotate the (b)(7)(E)
 - “BK13 filed (filing date), Case #, _____, USBC, (District in which case is filed), discharged (discharge date) {dismissed (dismissal date)}, ltr to borr, resume collection. (1st initial, last name)”

**** If, at any time, you are unsure about a bankruptcy determination, submit all documentation on an IMF to the Atlanta Regional Office (see Chapter 5 for more information).** (b)(7)(E)

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5. INCARCERATIONS

If the PCA determines that a borrower is incarcerated, the PCA shall obtain verification from a prison official of the borrower’s earliest possible release date. Incarcerations are treated as an administrative resolution and are submitted to the Atlanta Regional Office as an EFT by the PCA.

Incarcerations are divided into two categories based on the length of the borrower’s sentencing.

- **INC** (b)(7)(E)
 -
 -

- **INW** (b)(7)(E)
 -

A. Verification Documentation

Verification documentation must contain at least the following information:

- Borrower's full name
- Full DOB.
- Earliest release date (parole date)
 - This date may be classified under different terms such as a parole hearing date. As long as the date is the earliest possible indication of when the prisoner may be released and uses verbiage that supports release date information, the date should be acceptable
 - In the event that the earliest release date has passed and the only other date is the maximum sentence date, the PCA needs to obtain more clarifying/concrete information.
 - This should indicate if there is a new updated early release date or confirm that the earliest release date is now the maximum sentence date.
- Prison facility/institution address

The SSN is encouraged but not required, since most official websites will not provide the SSN.

Acceptable incarcerated documentation from the PCA must be in one of the following three forms:

1) The printed page of verification information from an official prison/state Website.

- Must indicate the borrower the full name and full DOB
 - (b)(7)(E)
- Possible websites are listed in subsection E of this Section

2) Written verification from a prison on the institution's letterhead or the ED incarceration verification letter completed by a prison official (See subsection D of this Section for a copy of the letter)

- The ED Incarceration Letter only needs to be sent in for ED signature if required by the prison/state; unsigned letters with the appropriate information may accepted by some institutions

- If a signature is required for the institution to release information, a original signature must be obtained on each letter

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- 3) Copy of an email from the prison official verifying the borrower's incarceration status
- Identifying information must include the borrower's name and complete DOB.

Exception: Computer printouts from a state/prison database. Some PCAs (b)(7)(E) are able to obtain incarceration data directly from a state or prison data system. However, since the format or information may be unknown or not easily identifiable, the following statement must be provided on the computer printout or attached:

- "The above information was obtained from the INSERT STATE AND/OR PRISON SYSTEM database provided to INSERT SUBCONTRACTOR or CONTRACTOR NAME for verification purposes. The information provided is, to the best of our knowledge, true and accurate to the individual's current incarceration status."
- If using a subcontractor, below this statement there must be two signature blocks, one for the subcontractor and one for the PCA.
 - If no subcontractor, then just the PCA certification is necessary
- The PCA must also notarize the statement.
 - The subcontractor is not required to notarize
 - If unable to notarize two signatures, the PCA may notarize the statement on a separate copy

The minimum identifying information that must appear as part of the verification record includes the borrower's full name (at least first and last name) and the borrower's full date of birth (month/day/year).

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(b)(7)(E) If the agency obtains the verification from an online source and the identifying information is not present or complete on the verification, but the agency used personal identifying information to access the incarceration record (i.e. entered borrower SSN), then the agency needs to write on the online record the process used to obtain the record. However, if no personal identifying information is used to obtain the record and the online record is incomplete (i.e. no DOB only borrower age), then the agency must obtain verification through another acceptable format.

If identifying factors are incomplete or inconclusive, the monitor may reject the account or request additional supporting information from the PCAs.

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B. DMCS Documentation

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- The PCA must also **update the borrower address** with the prison address (b)(7)(E)
 - Prison address must include the following format:
 - Prison Name
 - Prison Street/PO BOX Address Inmate#
 - City, State Zip Code
 - If inmate numbers are not used, the PCA must document this fact on the (b)(7)(E)
 - PCA does NOT need to provide supporting documentation for actual prison address as long as updated properly on L103
 - **Exception:** if borrower gave (b)(7)(E)
 - Notation to this effect (b)(7)(E)

C. Processing Incarcerations

PCAs should conduct the following steps when reviewing possible incarceration accounts:

- Obtain appropriate incarceration documentation.
- Verify borrower’s incarceration by matching at least date of birth (DOB), and full name
- Document DMCS appropriately (b)(7)(E)
- Submit complete incarceration EFT package to the Atlanta Regional Office for review and approval

D. ED Incarceration Verification Letters

➤ Standard Prime Contractor Request



(Date)

The U.S. Department of Education has retained **(Collection Agency Name)** to provide services in connection with a personal business matter regarding an individual we believe is currently incarcerated at your facility. The information you provide is needed for official U.S. Government business. Pursuant to the Privacy Act, the Department and its representatives, including **(Collection Agency Name)** and any employees who receive this information, may use the information you provide only for official government purposes authorized under the Privacy Act and Department regulations.

Please complete the information listed below and fax back to: () _____.

If you do not have access to a fax you can mail this form to: **(May include phone number)**

Your prompt response is appreciated. Thank you for your assistance in this manner.

Name of incarcerated individual:

Social Security Number: **(last four digits acceptable)**

Birth Date:

Inmate number:

Release date or parole eligibility date (**whichever is earlier**): _____

Name, title, and phone number (if available) of individual verifying this information:

Signature of verifying official: _____

Sincerely,

U.S. Department of Education

Distribution authorized to the Department of Education and its Private Collection Agency contractors only. Other requests shall be referred to the Federal Student Aid Acquisitions Group.

Federal Student Aid/Business Operations

61 Forsyth St., Rm 19T89
Atlanta, GA 30303
www.FederalStudentAid.ed.gov
1-800-4-FED-AID

FEDERAL STUDENT AID → START HERE. GO FURTHER.

➤ Request with Prime and Subcontractor relationship



(Date)

The U.S. Department of Education has retained (**Collection Agency Name**) to provide services in connection with a personal business matter regarding an individual thought to be incarcerated at your facility. (**Collection Agency Name**) has authorized (Subcontractor Name), acting on behalf of (**Collection Agency Name**), to obtain the information listed below to determine the individual's incarceration status.

The information you provide is needed for official U.S. Government business. Pursuant to the Privacy Act, the Department and its representatives, including (**Collection Agency Name, Subcontractor Name**) and any employees who receive this information, may use the information you provide only for official government purposes authorized under the Privacy Act and Department regulations.

Please complete the information listed below and fax to: () _____.

If you do not have access to a fax you can mail this form to: (**may insert subcontractor address/phone number**)

(**In addition, may want to insert Collection Agency contact information in case of further questions**)

Your prompt response is appreciated. Thank you for your assistance in this manner.

Name of incarcerated individual:
Social Security Number: (**last four digits acceptable**)

Distribution authorized to the Department of Education and its Private Collection Agency contractors only. Other requests shall be referred to the Federal Student Aid Acquisitions Group.

Birth Date:
Inmate number:

Release date or parole eligibility date (**whichever is earlier**): _____

Name, title, and phone number (if available) of individual verifying this information:

Signature of verifying official: _____

Sincerely,

U.S. Department of Education
Federal Student Aid/Business Operations

61 Forsyth St., Rm 19T89
Atlanta, GA 30303
www.FederalStudentAid.ed.gov
1-800-4-FED-AID

FEDERAL STUDENT AID → START HERE. GO FURTHER.

E. Possible Incarceration Websites

State	Website
FEDERAL	www.bop.gov
Alabama	www.doc.state.al.us/inmate_search.htm
Arizona	www.adc.state.az.us/lsearch.htm
Arkansas	www.arkansas.gov/doc/inmate_info
California	www.corr.ca.gov/CDC/Inmate_Locator.asp
Colorado	https://www.cbirecordscheck.com/Index.asp
Connecticut	www.ctinmateinfo.state.ct.us
Florida	www.dc.state.fl.us/activeinmates
Georgia	www.dcor.state.ga.us
Idaho	www.accessidaho.org/public/corr/offender/search.html
Illinois	http://www.idoc.state.il.us
Iowa	www.doc.state.ia.us/OffenderInfo.asp
Kansas	http://docnet.dc.state.ks.us
Kentucky	www.corrections.ky.gov/kool/loffdisclaimer.htm
Maine	www.state.me.us/corrections/VictimServices/default.htm
Maryland	www.dpscs.state.md.us/inmate
Massachusetts	www.vinelink.com

Michigan	http://mi-mall.michigan.gov/ichat
Minnesota	http://info.doc.state.mn.us/publicviewer/main.asp
Mississippi	www.mdoc.state.ms.us
Montana	http://app.discoveringmontana.com/conweb/index.html
Nebraska	www.corrections.state.ne.us
Nevada	www.doc.nv.gov/ncis/search.php
New Jersey	www.state.nj.us/corrections/index.shtml
New Mexico	http://corrections.state.nm.us/offenders/search.php
New York	http://nysdocslookup.docs.state.ny.us/kinqw00
North Carolina	www.doc.state.nc.us/offenders
Ohio	www.drc.state.oh.us/search2.htm
Oklahoma	www.doc.state.ok.us/docs/offender_info.htm
Oregon	www.vinelink.com
Pennsylvania	www.cor.state.pa.us/docapps/locator.asp
Rhode Island	www.vinelink.com
South Carolina	http://sword.doc.state.sc.us
South Dakota	www.state.sd.us/corrections/adult_corrections.htm
Tennessee	www.tennesseeanytime.org/foil/search.jsp
Texas	www.tdcj.state.tx.us/offender_information.htm
Utah	www.cr.ex.state.ut.us/community/victimservices/vine.html
Vermont	www.doc.state.vt.us/offender
Virginia	www.vadoc.state.va.us/offenders/default.htm
Washington	https://watch.wsp.wa.gov
Wisconsin	www.wi-doc.com

(b)(7)(E)



7. TOTAL AND PERMANENT DISABILITIES

Total and permanent disability is defined as a situation where a person is unable to work and earn money because of an injury or illness that is expected to continue indefinitely or result in death or a person that has been determined by the U.S. Department of Veterans Affairs to be unemployable due to a service-connected condition.

Eligible borrowers may have their Federal Family Education Loans, Federal Perkins Loans, Federal Direct Loans, or Teacher Education Assistance Grants (converted to loans) discharged.

PLEASE NOTE: *Pell and SEOG Grant overpayments (POVR) are not eligible for disability discharges (Please see Subsection F)*

References:

- SOW 3.4 B
- Public Law 110-315 (HEOA)
- 34 CFR 682.402; 674.61; 685.213

A. Required Documentation for NON-Veterans*

**veterans that do NOT meet the conditions listed in Subsection E, will follow the procedures for regular borrowers listed below.*

➤ **1845 Form**

- If a borrower claims to be disabled, the PCA will advise the borrower that a "Discharge Application: Total and Permanent Disability" (OMB No. 1845), must be completed by a doctor of medicine or a doctor of osteopathy legally authorized to practice in a "state"

(b)(7)(E)

- PCAs will review the application and corresponding documentation to determine the borrower's eligibility for discharge

(b)(7)(E)

▪

▪

**

(b)(7)(E)

➤ **Credit Bureau Report (CBR)**

○ (b)(7)(E)

➤ **Medical License Verification**

(b)(7)(E)

➤ **Disability Cover Sheet**

- When submitting a disability application to ED for review, the agency must also submit a cover sheet on PCA letterhead with the following information

(b)(7)(E)

➤ **Additional Medical or 1845 clarification documents**

(b)(7)(E)

- Documentation **clarifying medical information** provided by the physician (illegible/missing information in Section 4 questions) should be appended by the physician on the original 1845

(b)(7)(E)

- **P**

(b)(7)(E)

➤ **ED Original Documents Verification/Explanation Form**

(b)(7)(E)

➤ **Veteran's Administration Medical Letters***

*For veterans that do not meet the special requirements listed in Subsection E

(b)(7)(E)

- The physician must also state in the attachment that he believes the borrower's condition prevents the borrower from being able to work in any capacity and that they anticipate the condition to continue indefinitely.
- Please write on the application, “**see attached.**”

B. 1845 Review

After the 1845 is returned, the PCA will review the form to determine the borrower’s eligibility for discharge.

➤ **Section 1** (Applicant Identification)

- Borrower and/or PCA may fill in this section (dark ink)
- If no phone number is available, write NONE or N/A
- Information may be written, typed, or stamped (stamps on the left-hand side)
- Pseudo SSN may not be used
- Name on application must match name in DMCS

➤ **Section 2** (Instructions for completing the form)

- Key points include:
 - Type or print in dark ink
 - PCAs should list their address and phone number at the bottom of page one to indicate where to send the completed form and the number to call with questions

(b)(7)(E)

➤ **Section 3** (Borrower certification)

- The borrower (or Representative) signature must be an original signature
 - If the form does not contain an original borrower signature it must be certified as a true and exact copy of the original
 - A borrower may print their name in the signature block if that is the borrower's method for his/her signature
 - PCAs need to provide clear documentation supporting this signature method
- For representatives, all the applicable line items must be filled in (address, printed name, borrower relationship)

- (b)(7)(E)

➤ (b)(7)(E)

➤ **Sections 5 - 8**

- These sections include definitions, ED review process, discharge periods, eligibility requirements and important notices

(b)(7)(E)

C. Disability Submission Process for NON-Veterans*

*veterans that do NOT meet the conditions listed in Subsection E, will follow the procedures for regular borrowers listed below.

Once the PCA has gathered all the required documentation noted above, verified its completeness, and determined initial eligibility, the PCA may proceed with the disability submission process:

Submission documentation includes at a minimum:

- SSU Sheet
- Disability Cover sheet*
- Disability Application*
- Medical License Verification*
- Credit Bureau Report*

*for each individual borrower

Additional documentation may include:

- Medical or 1845 clarification documentation
- ED Original Documents Verification/Explanation Form
- Veteran’s Administration Medical Letter

Once the required documents have been assembled the agency will:

➤ **Update the DMCS**

- (b)(7)(E)

- The following information must be notated

(b)(7)(E)

- **Borrower Date of Birth**

- The borrower's date of birth is necessary for the Conditional Disability Discharge unit to load the borrower's account to their system. If the borrower's date of birth is not present on the DMCS, PCAs must obtain the borrower's date of birth for any disability packages that they submit.
- Requests to have the date of birth entered on our system should be sent to Atlanta via IMF (See Chapter 5).
- Documentation to enter a DOB includes:
 - valid state driver's license or other state-issued identification that
 - shows date of birth
 - birth certificate
 - passport (if date of birth is shown)
 - military orders or documents that list the borrower's date of birth

- **Collector Number**

- (b)(7)(E)

➤ **Submission Package**

- Organize all required documentation by individual borrower and place in order according to the accounts listed on the SSU sheet
- All documents corresponding to a particular borrower must be bound securely (stapled, etc.)
- The entire package must also be bound securely

➤ **Mailing**

- All disability packages must be sent to the Atlanta Regional Office (see Chapter 20 for address information)

○ (b)(7)(E)

D. ED Review Process

Once the Atlanta Regional Office receives the PCA disability submission, ED staff will review account submissions for completeness, accuracy, and proper DMCS documentation.

➤ **Accounts Approved:**

- If approved, the monitor will update the ED notepad with:

(b)(7)(E)

- The account will be recalled from the PCA and an administrative fee paid

➤ **Accounts Rejected:**

- If rejected, the monitor will update the ED notepad with:

(b)(7)(E)

- A copy of the SSU form will be faxed back to the PCA with the rejected accounts crossed off
- The original 1845 form and all accompanying documents will be returned to the PCA

E. Veteran Review Process

➤ **Eligibility**

Legislation was enacted in 2008 that allows ED to discharge the student loans of veterans if the Department of Veterans Affairs (VA) has determined the veteran to be unemployable due to a service-connected condition. These provisions became effective August 14, 2008 for the FFEL and Direct Loan programs, and July 1, 2008 for the Perkins Loan Program.

PLEASE NOTE: Veterans that do NOT meet the criteria listed below must complete the normal disability process listed in Subsections A, B, and C of this section.

(b)(7)(E)

➤ **PCA Review and Submission Process:**

- Accounts eligible for discharge under this new standard will be processed separately
- (b)(7)(E)
- PCAs must notate their agency number (AGXXX) at the top of the 1845 in RED
- Accounts Forwarded to the Atlanta Regional Office in a separate envelope to the attention of the "VA Disability Discharge Unit".

- ED notepad must be documented as follows depending on the VA determination:

(b)(7)(E)

- Eligible applications should be sent to Atlanta on a daily basis

➤ **ED Review Process:**

■ **If approved:**

- Accounts will be recalled from the PCAs
- PCAs paid an administrative fee
- ED notepad updated with:

(b)(7)(E)

■ **If rejected:**

- The monitor will update the ED notepad with:

(b)(7)(E)

- The original 1845 form and all accompanying documents will be returned to the PCA

F. Additional Guidance

■ **Accounts with POVRs (grants)**

- If an account has loan(s) AND a POVR and meets all the requirements for disability, submit through the disability process
- If the borrower only has a POVR(s), do NOT submit

■ **Accounts No Longer with a PCA**

- If a disability application comes in after the account has already been recalled or returned to ED, PCAs will forward the application to the Atlanta Regional Office. (See Chapter 20 for contact information)

G. Disability Letters and Forms

➤ **Disability Cover Sheet**

Your letterhead

Account SSN: _____

The attached 1845, “Discharge Application: Total and Permanent Disability” was received on*:

(PCAs can write the date in, just make sure that it is large, clearly legible and in black ink)

*Date is the initial date application is received by EITHER ED/Vangent or the PCA. The ED/Vangent date would be the date notated on the ED notepad indicating an original 1845 had been received by ED.

THE PHYSICIAN CERTIFIED THE BORROWER’S TOTAL AND PERMANENT DISABILITY ON:

(PCAs can write the date in, just make sure that it is large, clearly legible and in black ink)

➤ **Original Documents Verification/Explanation Form**

Original Documents Verification/Explanation Form

Account # _____

We certify that at the time of processing the enclosed disability discharge request, a component of the U.S. Department of Education had received the original application/doctor certification (1845 form).

- Attached L102 notepad documents original 1845 received by ED

Agency Representative _____ (Signature)
Printed Name of Representative

PCA Name/Agency Code

8. Appendix (FORMS)

A. Single Sheet Update (SSU) Form

SINGLE SHEET UPDATE (SSU)
 FFEL OPTICAL IMAGING DATABASE
 SLPC, GREENVILLE, TEXAS

ORIGINATION INFO:		
REGIONAL OFFICE: _____	NAME/PHONE #: _____	
USER I.D.: _____	AGENCY #: _____	DATE: _____

Contents of this package separated by Borrower/Debt ID/SSN - all documents included will be imaged and **DESTROYED**

	NAME	DEBT I.D. #	SSN
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Revised 1112008

DO NOT ALTER OR REVISE THIS FORM

B. Transmittal Form

EFT TRANSMITTAL FORM

File Transmission Date: _____

TO: EFT PROCESSING AREA
U.S. DEPARTMENT OF EDUCATION
FAX: (903) 454-5398

CREATION DATE:

TAPE NUMBER OF VOLSER
SHOULD EQUAL INTERNAL LABEL:

DATA SET NAME: GSL CARRET **AGENCY NO:** _____

TYPE OF RECORDS ON EFT: (Circle type of EFT Submitted)
BAN BNK CAN DEA INC INW INA/UNL CPR/PIF/CER

SIGNATURE & DATE OF ED REGIONAL CONTRACT MONITOR:

EFT APPROVED: _____ EFT REJECTED: _____

OF RECORDS:

STANDARD LABEL:

LRECL:

BLOCK SIZE:
BPI:

RETURN EFT TO:

CONTACT _____ PERSON:
TELEPHONE _____ NUMBER:
FAX: _____

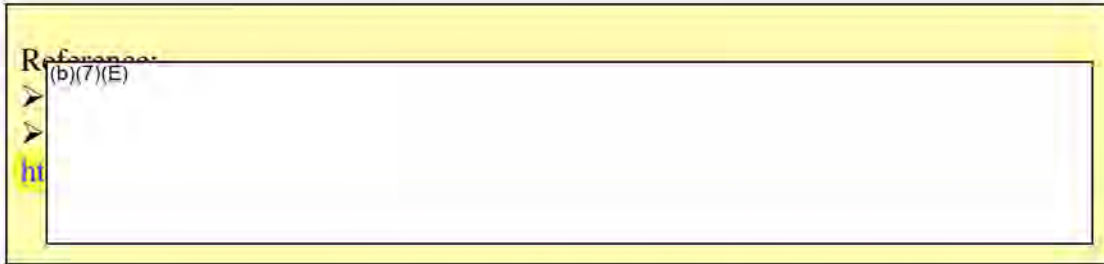
Revised 11-08

DO NOT ALTER OR REVISE THIS FORM

CHAPTER 13: Involuntary Payment Programs (AWG & Litigation)

Unfortunately, borrowers do not always voluntarily repay their Education debt. Aside from Treasury Offset Payments (See Chapter 8) that are ED initiated, there are two involuntary payment programs initiated by PCAs. The two programs are Administrative Wage Garnishment (AWG) and Litigation. Both programs are seen as last resort efforts and should not be taken lightly by PCAs.

Both sections in this Chapter only provide a brief overview and only discuss basic initiation procedures within AWG and Litigation. For more detailed information, please review the specific program training manuals.



1. ADMINISTRATIVE WAGE GARNISHMENT

A. Authority



ED implemented Administrative Wage Garnishment on a pilot basis in 1992-1993 for in-house accounts which was later expanded as a pilot with the PCAs in 1994. Due to the success of these pilots, AWG has become an important part of our collection program.

B. AWG Initiation

AWG should be considered one of the final dispositions for an account; however, accounts should be evaluated for AWG prior to litigation.

The PCAs identify accounts to be moved into the AWG process. If during your contact with the borrower, you determine that the borrower has the ability to but no intention of paying, the borrower may be a candidate for AWG.

C. Minimum Account Requirements

(b)(7)(E)



D. Verification Requirements

Prior to initiating AWG, the PCA must:

- ▶ (b)(7)(E)
- ▶
- ▶
- ▶
- ▶
- ▶

(b)(7)(E)

(b)(7)(E)

(b)(7)(E)

te

E. DMCS Process

➤ The PCA will use the (b)(7)(E) the ED-DMCS to move an account into the AWG program.

- (b)(7)(E)
-

➤ After entering the information (b)(7)(E) the (b)(7)(E) program will look at the account and, if the account passes all (b)(7)(E) edits, will create the NOTICE OF PROPOSED WAGE GARNISHMENT (T12) with enclosure “REQUEST FOR HEARING” form to be mailed to the borrower

○ Borrower status changed to (b)(7)(E)

(b)(7)(E)

➤ The system then sets a follow-up date for (b)(7)(E) and if no new status code is input on (b)(7)(E) program will automatically move the account into a

- The Atlanta Regional Office will review the account and approve or reject the validation order.
- If approved, the FINAL NOTICE OF WAGE GARNISHMENT FOR DEBT OWED TO U.S. GOVERNMENT (b)(7)(E) is sent to the borrower and the ORDER FOR WITHHOLDING OF EMPLOYEE WAGES FOR DEBT OWED TO U.S. GOVERNMENT (b)(7)(E) sent to the employer and sets follow-up for (b)(7)(E)
 - If there is no response from the employer, the GDAWG program automatically moves the account to OW2 status code and sends a reminder notice to the employer, (b)(7)(E) and sets follow-up for (b)(7)(E)
 - If there is no payment from the employer, the account moves into status NCE (non-compliant employer). See Section 1, subsection I of this Chapter for more information

F. AWG Voluntary Payments

After the initial Notice of Proposed Garnishment (T12) is mailed, the borrower has (b)(7)(E) from the date of the letter to contact the PCA and set up repayment. (b)(7)(E)

(b)(7)(E)

(b)(7)(E)

G. AWG Hearing Process

All borrowers subjected to AWG, have the opportunity to challenge the AWG order or have the garnishment payments stopped or reduced through a formal AWG hearing process.

(b)(7)(E)

If the borrower had a hearing resulting in a voluntary reduced payment plan (b)(7)(E) the PCA is required to follow up at 6 months by requesting a (b)(7)(E) Notice. If the hearing resulted in a 6-month suspension (status HR2), the PCA is required to follow up with a (b)(7)(E) Notice at the end of the 6-month period. These notices (b)(7)(E) must be requested (b)(7)(E)

The Chicago Regional Office (Region 5) handles all AWG Hearing requests. Any questions or concerns about the AWG Hearing process should be directed to the (b)(7)(E)

(b)(7)(E) When calling the main number, please ask to speak to an AWG Hearing Official.

(b)(7)(E)

H. New Debts

An account can have subsequently assigned debts subjected to wage garnishment action. However, the entire wage garnishment notification and hearing process must be repeated for each new debt assigned to the account.

If an account was previously identified as an AWG account and a (b)(7)(E) notice was issued, the system will not automatically send another (b)(7)(E) Notice to the borrower. The new debt letter (b)(7)(E) sent to the borrower that explains that a new debt has been assigned to ED also provides information regarding AWG and the hearing process.

I. Non-Compliant Employers

Employers are not as familiar with an AWG order as compared to a judicial order, and as a result, they frequently ask the same or similar questions. The cooperation from employers has contributed and will continue to contribute to the significant results in this program. ED has created a Website for employers to address their frequently asked questions and developed an employer procedures guide for complying with the order for withholding.

(b)(3);44 USC § 3541,(b)(7)(E)

ED will assist employers in understanding how to comply with procedural aspects of the AWG order, and provide limited guidance on legal matters. As a final compliance effort, the branch also reviews and approves referral of the non-compliant employer to the Department of Justice (DOJ) for compliance enforcement.

(b)(7)(E)

2. LITIGATION

A. Overview

If the PCA is unable to recover funds through available collection tools, debts may be referred for litigation.

The following is an overview of the requirements and restrictions for litigation submissions – more detailed instructions and sample forms are provided in the Litigation Package Manual.

(b)(7)(E)

(b)(7)(E)

(b)(7)(E)

(b)(7)(E)

(b)(7)(E)

C. Requirements for Litigation Packages

The following documentation will be prepared by the PCA and submitted in the litigation package forwarded to the San Francisco Litigation Branch:

- One complete litigation file.
- Two copies of Litigation Package Cover Sheet.
- Completed Claims Collection Litigation Report (CCLR).
- Completed Certificate of Indebtedness (COI).
- CBR within 30 days.
- Computer printouts of account collection records within 30 days.

➤ (b)(7)(E)

D. Quality Control of Cases Prior to Submission

Prior to submission of the case by the PCA, the following items (at a minimum) should be reviewed for completeness and accuracy:

- Review Certificates of Indebtedness. All COI(s) must be error free. All dates must reflect data as contained in the printouts provided. COI(s) must be original. Use interest formula to determine daily accrual. Different interest rates and lenders require separate COI(s) and a CCLR page 1.
- Review the CCLR for accuracy.
- Review CBR for open bankruptcy.
- Review cover sheet to determine if DOJ location code is correct.
- Review ED’s database to assure payments have not posted within 60 days and the account is not paid in full.

➤ (b)(7)(E)