











# Implementing Reauthorization Final Rules

## November 12, 2009

### Key

 <p>Update Policies and Procedures</p>	 <p>Information Dissemination</p>	 <p>Involves Other Campus Offices</p>	 <p>Early Implementation (at the discretion of the school, lender, guaranty agency, or servicer)</p>
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Provision	Comments/Impact	Notes
<b>Part 601 Definitions Section 601.2</b>		
<p><b>1. Education loan 601.2(b):</b> A Federal Family Education Loan (FFEL), Federal Direct Student Loan (Direct Loan), or private education loan.</p>	  	<p>The requirements of new Part 601, Lender and Institution Requirements Relating to Education Loans, impose new disclosure as well as other requirements governing the relationship between institutions and lenders related to providing education loans to students and their families.</p>
<p><b>2. Private education loan 601.2(b):</b> A non-Title IV loan that is issued expressly for postsecondary education expenses.</p> <p>Definition excludes the extension of credit:</p> <ul style="list-style-type: none"> <li>• Under an open end consumer credit plan, a reverse or residential mortgage or transaction, or any other loan secured by real property or a dwelling; or</li> <li>• By an educational institution (e.g., short-term loans) if:               <ul style="list-style-type: none"> <li>➢ The repayment period is 90 days or less; or</li> <li>➢ The institution does not charge interest and the repayment period is one year or less (even if the loan is repaid in more than four installments).</li> </ul> </li> </ul>	  	<p>The definition mirrors the definition of private education loan in section 12 CFR 226.46(b)(5) (i.e., the truth in lending regulations). Except for Title IV loans, it includes all federal loans for postsecondary expenses, such as those offered under Titles VII or VIII of the Public Service Health Act by the Department of Health and Human Services.</p>