those elements of student eligibility are established.

Subpart I—Immigration-Status Confirmation

Section 668.133 Conditions Under Which an Institution Shall Require Documentation and Request Secondary Confirmation

Currently, in the absence of a data match with the Immigration and Naturalization Service (INS) confirming a student as an eligible noncitizen, institutions are required to use the secondary confirmation process to determine if a student is an eligible noncitizen in accordance with section 484(a)(5) of the HEA. Secondary confirmation requires institutions to mail requests for immigration status information to the INS and to use INS responses (also by mail) in determining the student's noncitizen eligibility. This determination has been required for each award year that the student applies for title IV, HEA assistance. The NPRM proposed to delete secondary confirmation requirements, in most cases, if the student produces immigration status documents that are identical to documents received by the institution in a previous award year. In response to comments received, this section is further revised to eliminate the need for the student to produce immigration status documents in subsequent award years if the documents previously submitted by the student remain valid.

Subpart K—Cash Management

Section 668.163 Requesting Funds

The Secretary amends this section to require that for any request for cash, an institution must identify the title IV, HEA program under which it requests funds by its Catalog of Federal Domestic Assistance (CFDA) number and the total amount of funds for each CFDA number included in that request.

Section 668.164 Maintaining Funds

In response to public comment, this section is revised to exclude all public institutions from the UCC-1 filing requirement.

Section 668.165 Disbursing Funds

In response to public comment, this section is revised to clarify that if an institution provides an electronic notice to a student or parent that title IV, HEA loan program funds were credited to the student's account, it must request confirmation from the student or parent of the receipt of that notice and maintain a record of that confirmation. In addition, this section is revised to provide that an institution may consider prior-year charges that do not exceed \$100 to be minor charges.

Federal Perkins Loan Program

Section 674.5 Definitions

The definition of "satisfactory arrangements to repay the loan" for purposes of the Federal Perkins Loan Program will be amended to include those loans that are "paid in full." This change allows an institution to exclude a defaulted loan that has been paid in full from the institution's cohort default rate.

Section 674.31 Promissory Note

The proposal to provide "sample" Federal Perkins loan promissory notes to participating institutions has been removed. A national promissory note will be maintained for the Federal Perkins Loan Program. Institutions may make only nonsubstantive changes to these notes.

Section 674.47 Costs Chargeable to the Fund

The September 21, 1995 NPRM offered a proposal to allow an institution to cease collection activity on a defaulted account with a balance of less than \$25. In an effort to reduce administrative burden on institutions that are handling defaulted accounts with balances larger than \$25, the cessation of collection activity provision has been modified. Institutions will be allowed to cease collection activity on a defaulted account with a balance of less than \$200, if all due diligence has been performed in attempting to collect the defaulted account and there has not been any activity on the account for at least four years.

Analysis of Comments and Changes

In response to the Secretary's invitation in the NPRM, 74 parties submitted comments on the proposed reform and relief regulations. An analysis of the comments and of the changes in the regulations since publication of the NPRM follows. Major issues are discussed under the section of the regulations to which they pertain. Technical and other minor changes and suggested changes the Secretary is not legally authorized to make under applicable statutory authority—are not addressed.

Comments and Responses

Regulatory Reform and Relief Effort

Comments: Numerous commenters indicated support for the Secretary's efforts to eliminate unnecessary regulations and to improve the existing regulations. However, some commenters stated that more needs to be done to streamline the regulations for the title IV, HEA programs.

Discussion: The Secretary is encouraged by the expression of support from the public for the reform and relief regulation activities that are part of the Department's reinvention effort. The Secretary realizes that additional amendments to the regulations for the title IV, HEA programs are possible. The amendments in this regulatory package represent only one part of a planned series of regulatory reform and relief amendments for the student financial assistance regulations. The Secretary restates his plans to propose additional reform and relief regulatory changes for the title IV, HEA programs in the upcoming months.

Changes: None.

Part 668—Student Assistance General Provisions

Subpart B—Standards for Participation in Title IV, HEA Programs

Section 668.19 Financial Aid Transcript

Comments: Most commenters supported the Secretary's proposal to allow use of the National Student Loan Data System (NSLDS) in lieu of the financial aid transcript when the NSLDS becomes operational. A few commenters were concerned about the accuracy of the NSLDS and urged the Secretary to fully test the system before requiring its use and suggested the National Student Loan Clearinghouse as an acceptable alternative while the testing takes place. One commenter requested sufficient notice before the NSLDS is placed into operation to allow institutions with limited computer resources to obtain the necessary equipment and expertise. One commenter questioned the frequency with which the Secretary would require institutions to access the NSLDS, and expressed concern that NSLDS inquiries would be required at the time of each disbursement. Several commenters suggested that the terms "loan period or period of enrollment for which the loan is made" be used in lieu of "award year" as it pertains to FFEL and Direct Loans because annual loan limits are not based on award years. They also suggested that annual loan limits could be affected by loans made in the preceding award year, and that the financial aid transcripts should include this information. One commenter was concerned about obtaining information from institutions that are unable to use, or fail to meet requirements for providing information to, the NSLDS. One commenter asked whether an