

(d)(3) as paragraph (d)(6), by redesignating the second paragraph (d)(4) as paragraph (d)(7), and by removing "(d)(2)(i)" in redesignated paragraph (6) and adding in its place "(d)(5)(i)".

22. Section 674.34 paragraphs (e)(4) and (e)(6)(ii) are amended by changing the reference to "(e)(8)" to read "(e)(9)"; the introductory text of paragraph (e)(6) is amended by adding "or (e)(5)" after "(e)(4)"; paragraph (e)(7) is amended by removing "or (4)" and adding in its place "(e)(4), or (e)(5)"; and by revising paragraph (e)(5) to read as follows:

§ 674.34 Deferment of repayment—Federal Perkins loans and Direct loans made on or after July 1, 1993.

* * * * *

(e) * * *

(5) Is working full-time and has a Federal education debt burden that equals or exceeds 20 percent of the borrower's total monthly gross income, and the borrower's income minus such burden is less than 220 percent of the amount calculated under paragraph (3) of this section.

* * * * *

23. Section 674.47 is amended by revising paragraph (g) and by adding a new paragraph (h) to read as follows:

§ 674.47 Costs chargeable to the fund.

* * * * *

(g) *Cessation of collection activity of defaulted accounts.* (1) An institution may cease collection activity on a defaulted account with a balance of less than \$25, including outstanding principal, accrued interest, collection costs, and late charges, if the borrower has been billed for this balance in accordance with section 674.43(a).

(2) An institution may cease collection activity on a defaulted account with a balance of less than \$200, including outstanding principal, accrued interest, collection costs, and late charges, if—

(i) The institution has carried out the due diligence procedures described in subpart C of the part with regard to this account; and

(ii) For a period of at least 4 years, the borrower has not made a payment on the account, converted the account to regular repayment status, or applied for a deferment, postponement, or cancellation on the account.

(h) *Write-offs of accounts of less than \$5.* (1) Notwithstanding any other provision in this subpart, an institution may write off an account with a balance of less than \$5, including outstanding principal, accrued interest, collection costs, and late charges.

(2) An institution that writes off an account under this paragraph may no

longer include the amount of the account as an asset of the Fund.

* * * * *

(Approved by the Office of Management and Budget under control number 1840-0581)

PART 675—FEDERAL WORK-STUDY PROGRAMS

Subpart A—Federal Work-Study Program

24. The authority citation for part 675 continues to read as follows:

Authority: 42 U.S.C. 2571-2756b, unless otherwise noted.

§ 675.2 [Amended]

25. Section 675.2, paragraph (a) is amended by adding in alphabetical order, the term "Full-time student".

26. Section 675.2, paragraph (b) is amended by removing the definitions of "Full-time graduate or professional student" and "Full-time undergraduate student".

§ 675.17 [Removed and Reserved]

27. Section 675.17 is removed and reserved.

28. Section 675.19 is amended by revising paragraph (c)(3) to read as follows:

§ 675.19 Fiscal procedures and records.

* * * * *

(c) * * *

(3) An institution may keep the records required in this section on microforms, optical disk, other comparable imaging technology, or in computer format. If an institution keeps its records in computer format, it shall maintain, in either hard copy, microforms, optical disk, or other comparable imaging technology, the source documents supporting the computer input.

* * * * *

(Approved by the Office of Management and Budget under control number 1840-0535)

Appendix B to Part 675—[Removed]

29. Appendix B—Model Off-Campus Agreement is removed.

PART 676—FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM

30. The authority citation for part 676 continues to read as follows:

Authority: 20 U.S.C. 1070b-1070-3, unless otherwise noted.

§ 676.2 [Amended]

31. Section 676.2, paragraph (a) is amended by adding in alphabetical order, the term "Full-time student".

32. Section 676.2, paragraph (b) is amended by removing the definition of "Full-time undergraduate student".

§ 676.17 [Removed and Reserved]

33. Section 676.17 is removed and reserved.

34. Section 676.19 is amended by revising paragraph (c)(3) to read as follows:

§ 676.19 Fiscal procedures and records.

* * * * *

(c) * * *

(3) An institution may keep the records required in this section on microforms, optical disk, other comparable imaging technology, or in computer format. If an institution keeps its records in computer format, it shall maintain, in either hard copy, microforms, optical disk, or other comparable imaging technology, the source documents supporting the computer input.

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(Approved by the Office of Management and Budget under control number 1840-0535)

PART 682—FEDERAL FAMILY EDUCATION LOAN (FFEL) PROGRAM

35. The authority citation for part 682 continues to read as follows:

Authority: 20 U.S.C. 1071 to 1087-2, unless otherwise noted.

36. Section 682.201, paragraph (b) is amended by removing "and" at the end of paragraph (b)(6); redesignating paragraphs (b)(1) through (b)(6) as paragraphs (b)(1)(i) through (b)(1)(vi), respectively; by designating the undesignated introductory text following "(b) Parent borrower." as the introductory text of paragraph (b)(1); by redesignating paragraphs (b)(7)(i) through (b)(7)(vi) as (b)(1)(vii)(A) through (b)(1)(vii)(F), respectively, and paragraphs (b)(7)(iii)(A) and (b)(7)(iii)(B) as (b)(1)(vii)(C)(1) and (b)(1)(vii)(C)(2), respectively; by redesignating paragraph (b)(8) as paragraph (b)(1)(viii) and removing the reference to "(7)(iii)" and adding, in its place "(b)(1)(vii)(C)"; and by adding a new paragraph (b)(2) to read as follows:

§ 682.201 Eligible borrowers.

* * * * *

(b) * * *

(2) For purposes of paragraph (b)(1) of this section, a "parent" includes the individuals described in the definition of "parent" in 34 CFR 668.2 and the spouse of a parent who remarried, if that spouse's income and assets would have been taken into account when calculating a dependent student's expected family contribution.