



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

AUDIT SERVICES

DATE: September 23, 2020

Dear Colleague:

This letter transmits the *Guide for Financial Statement Audits and Compliance Attestation Engagements of Lender Servicers Administering Federal Family Education Loan Program Loans* (Guide). This Guide supersedes the January 2011 edition of the Audit Guide, *Lender Servicer Financial Statement Audit and Compliance Attestation Guide for Lender Servicers that Service Federal Family Education Loan Program Loans*. The Guide is effective for fiscal years ending on or after June 30, 2021. Early implementation is permitted. The Guide is also available on our website at: <https://www2.ed.gov/about/offices/list/oig/nonfed/lender.html>.

A servicer that contracts with a lender to administer any aspect of the lender's programs must at least annually have an audit of its financial statements (34 C.F.R. § 668.23(d)(4)) and a compliance audit of the servicer's administration of the FFEL program loan portfolio (34 C.F.R. § 682.416(e)). A servicer is required to have a compliance audit unless (1) the servicer contracts with only one lender, and (2) the audit of that lender's FFEL programs involves every aspect of the servicer's administration of those FFEL programs (34 C.F.R. § 682.416(e)(1)). To satisfy the compliance audit requirement, this Guide requires an examination-level attestation engagement.

The guidance and requirements in this Guide apply to the financial statement audits and compliance attestation engagements of all lender servicers, except those servicers that are exempt under 34 C.F.R. § 682.416(e)(1), as described above, and those servicers that are State, local, or nonprofit organizations subject to single audits in accordance with Subpart F—Audit Requirements of Title 2 of the C.F.R., Chapter II, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, provided that the single audit covers the portfolios of the lenders the servicer has contracted with.

We hope this guide will assist you as you fulfill your responsibilities for audits and compliance attestation engagements of lender servicers. If you have any questions about this guide, please contact the Non-Federal Audit team at oinon-federalaudit@ed.gov.

Respectfully,

/s/

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