



**For Immediate Release**  
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## **TG to continue to subsidize federal default fee on behalf of students**

**Round Rock, TX** — TG announced today that it will continue to pay the one percent federal default fee on behalf of its borrowers for federal Stafford and PLUS loans for the 2009-2010 award year.

The fee will be paid on behalf of all borrowers whose loans are guaranteed by TG, regardless of which postsecondary school a student attends or which financial institution issues the loan.

“Subsidizing the federal default fee provides a direct benefit to borrowers,” said Sue McMillin, TG’s president and CEO. “This decision reflects TG’s commitment to help reduce expenses for students and families, many of whom may be facing challenges regarding college affordability during this current economic downturn.”

This is the fourth consecutive year that TG will subsidize the federal default fee. TG has helped approximately 2.3 million borrowers through its waiver and subsidization of guarantee and federal default fees since 1999.

“We are very cognizant of how this decision directly affects students. It is one of many benefits TG provides throughout some important stages of a student’s education,” said McMillin. “TG has also worked to create a wide range of resources to help put borrowers first, including comprehensive default aversion and financial literacy programs.”

The Deficit Reduction Act (Public Law 109-171) requires guarantors to deposit one percent of the amount of loans guaranteed and disbursed on or after July 1, 2006, into the federal fund. The federal fund is owned by the federal government and covers the risk associated with student loan default.

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*TG is a public, nonprofit corporation that helps create access to higher education for millions of families and students through its role as an administrator of the Federal Family Education Loan Program (FFELP). Its vision is to be the premier source of information, financing, and assistance to help all families and students realize their educational and career dreams. Additional information about TG can be found online at [www.tgslc.org](http://www.tgslc.org). This press release can be downloaded from [www.tgslc.org/newsroom/](http://www.tgslc.org/newsroom/).*