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Common Claim Initiative Standardizes Preclaim and Claim Forms

After several years of collaborative effort by participants in the Federal Family Education Loan Program (FFELP), the *Common Manual* guarantors, including Texas Guaranteed Student Loan Corporation (TG), are pleased to introduce the new Common Claim Initiative (CCI). The CCI standardizes the method lenders and guarantors use in the default prevention and claim filing process. The CCI becomes effective for all preclaim actions on or after September 1, 1999, and all claims and supplemental claims filed on or after March 1, 2000. However, some of the data required for the new forms must be *collected on loans disbursed on or after September 1, 1998*.

The CCI establishes new, standard formats for lenders to use when requesting preclaim assistance and when filing claim and supplemental claim reimbursement requests.

The *Common Manual* guarantors have adopted a common *Preclaim Request Form*, *Claim Form*, and *Supplemental Claim Form* with related common policies for each. The formats were designed to permit a lender to file requests for preclaim assistance and claim reimbursement in the same format with any guarantor. By using a common format, lenders and servicers that have relationships with more than one guarantor can improve operational efficiencies.

Background

The 1992 reauthorization of the Higher Education Act required the student loan community to produce common forms that

would streamline processes and thus contribute to a more efficient FFELP administration. TG actively participated in the CCI efforts in association with the National Council of Higher Education Loan Programs (NCHERP) and other FFELP industry participants as a way of meeting statutory requirements and to improve the FFELP process for TG customers.

The results are new forms, simple instructions for completing the forms, and edit tables to assist lenders in implementing the new filing procedures.

New Forms and Policies

This edition of *Shoptalk* includes information about the new forms and related *Common Manual* policy updates related to the preclaim and claim filing process, as well as samples of the forms. Lenders can download a master copy of the form for reproduction by visiting *TG Works Online* at www.tgslc.org under "Resources for Schools & Lenders."

Detailed due diligence and claim filing policies, as they relate to the CCI, are included in a new chapter (CCI 8) in the 1998 *Common Manual* update.

(If you have not yet received the 1998 edition of the *Common Manual*, please call TG Customer Services at (800) 252-9743, ext. 4546.)

Electronic formats for filing requests are currently being developed through NCHERP as

See CCI on page 10.



COMMON MANUAL UPDATES

INFORMATION ON REVISIONS TO THE COMMON MANUAL

Preclaim Request Form Adopted by Guarantors

To standardize the preclaim assistance request process for lenders, the *Common Manual* guarantors worked with representatives from lenders, servicers and student loan industry groups to adopt the common *Preclaim Request Form*. A lender must use this form or an equivalent electronic format to request preclaim assistance. The new form is effective for preclaim assistance requests filed by the lender on or after September 1, 1999, unless implemented earlier by the guarantor. However, lenders should note that some data on the new *Preclaim Request Form* must be collected and reported for loans first disbursed on or after September 1, 1998, for any preclaim assistance request filed under the new format.

The *Preclaim Request Form* is designed to be used by a lender as a request for preclaim assistance. On the basis of this request, the guarantor also will initiate supplemental preclaim assistance, unless otherwise notified by the lender. All loans included on the *Preclaim Request Form* must have the same loan type, due date, and interest-paid-through date. Subsidized and unsubsidized Stafford loans that have been combined into one repayment schedule may be combined in one preclaim request.

The form and instructions, and associated policies are provided here to assist lenders and servicers in planning and implementing the new aspects of the standard preclaim assistance request process. Each lender is advised to work closely with its guarantor to ensure a clear understanding of the procedures required to implement the new process.

The following list will help lenders determine what information must be provided on the *Preclaim Request Form*. Detailed descriptions of each field are located in the *Preclaim Request Form* instructions included on the form.

Information to be Provided for *Preclaim Request Form* or Equivalent Electronic Format

Lenders *must provide* the following information on the *Preclaim Request Form* for all loans reported:

- Type of preclaim assistance requested
- Date the preclaim assistance request was generated
- Borrower's social security number
- Borrower's last name, first name, and middle initial
- Borrower's last known address
- Name of the last-known eligible school attended by the borrower or attended by the student for a PLUS loan
- Loan type for each loan identified on the preclaim assistance request
- Loan ID for each loan identified on the preclaim request (e.g., the loan identifier code, file number, guarantee date, or amount, as indicated by the guarantor)
- First disbursement date for each loan identified on the preclaim request, as defined in the lender's records
- Current principal balance (including all reinsured and unreinsured capitalized interest) due on the date of the preclaim assistance request for each loan identified in the request
- Accrued interest due on the date of the preclaim assistance request for each loan identified in the request
- Date the loan sold (as applicable)
- Date on which the current servicer assumed responsibility for servicing the loan for each loan identified on the preclaim assistance request (as applicable)
- Payment due date of the borrower's first unmet payment
- Payment amount of the borrower's currently scheduled installment
- Total amount delinquent on the date the preclaim assistance request was generated

- Number of days delinquent on the date the preclaim assistance request was generated
 - Lender or servicer name and address. If the account is being serviced, only the servicer name and address must be provided
 - Lender's six-digit lender ID assigned by the Department and, as applicable, four-digit non-Department suffix
 - Contact and telephone number to whom the borrower should be referred (e.g., Customer Servicer Department, Collection Department)
 - Telephone number and name of the person or unit responsible for answering questions about information provided on the form
- The lender must provide the following information *if it is available*. The lender may or may not have this information in its servicing records. A lender that cannot provide this information is not required to establish a reporting mechanism.
- AKA (previous or alternative name used by the borrower)
 - Validity of the borrower's address
 - Address effective date
 - Borrower's home telephone number, work number, other number, and validity of the telephone numbers
 - Name, telephone number, and address of the borrower's place of employment
 - *Stafford loans* — the date the student is last enrolled at least half-time, before any grace period and the initial conversion to repayment.
PLUS/SLS loans — the date the student or borrower ceased eligibility for an in-school deferment (for immediately deferred loans only).
Consolidation loans and PLUS/SLS loans not immediately deferred — the latest disbursement date. For Consolidation loans, the latest disbursement date on the beginning

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loan balance should be used if the lender did not establish a new due date when an add-on was accomplished. If the lender established a new due date with the add-on loan, the disbursement date for the add-on should be provided.

- Six- or eight-digit code assigned by the Department for the last-known eligible school attended by the student
- Validity of the references' address(es)
- Relationship of each reference to the borrower
- Home telephone numbers, work numbers, other numbers, and validity of the telephone numbers for each reference
- Amount of the most recent payment received and the date received
- Total number of deferment and/or discretionary forbearance months granted to the borrower for each specific deferment or discretionary forbearance identified on the preclaims request

The lender must provide the following information for all loans first disbursed on or after September 1, 1998, when requesting preclaim assistance on the *Preclaim Request Form* or in an equivalent electronic format. For loans with first disbursements prior to September 1, 1998, if the lender has the information, it must be provided on the *Preclaim Request Form* or in an equivalent electronic format.

- Address and last name, first name, and middle initial of two references
- Full name of the endorser, comaker, or PLUS student and identifying code
- Endorser's, comaker's, or PLUS student's social security number
- Endorser's, comaker's, or PLUS student's last-known complete address and validity of the address

- Endorser's, comaker's, or PLUS student's home telephone number and validity of the number
- Servicer's six-digit servicer ID assigned by the Department

If a lender submits a request for preclaim assistance on which any required information is missing, incomplete, or inaccurate, the guarantor may attempt to obtain the necessary information from its own system or request the information from the lender. The lender must provide any requested information or resubmit any rejected preclaim request within the time frame established by the guarantor. If a lender is unable to provide the requested information within the guarantor's established time frames, the loan may be subject to an interest penalty if a claim is later filed and paid.

A new section to accommodate the new form is being added to chapter 8 — section 8.11, and appendix F of the *Common Manual* will include the new *Preclaim Request Form* and instructions.

Claim Form and Policies Adopted by Guarantors

The *Common Manual* guarantors, working with representatives from lenders, servicers, and student loan industry groups, have developed common policies and a common form to standardize the claim filing process. The *Claim Form* is designed to permit a lender to file a claim reimbursement request in a single format with any guarantor, and to improve operational efficiencies for lenders and servicers that have relationships with more than one guarantor. The form must be used for all claims filed by the lender on or after March 1, 2000, unless implemented earlier by the guarantor. However, lenders should note that some data on the new *Claim Form* must be collected and reported for loans first

disbursed on or after September 1, 1998, for any claim reimbursement request filed by the lender in the new format.

The form and instructions, and associated policies are provided here to assist lenders and servicers in planning and implementing the new aspects of the standard claim process. Each lender is advised to work closely with its guarantors to ensure a clear understanding of the procedures required to implement the new claim process.

The following list will help lenders determine what information must be provided on the *Claim Form*. Detailed descriptions of each field are located in the *Claim Form* instructions included on the form.

Information to be Provided for *Claim Form* or Equivalent Electronic Format

Lenders *must provide* the following information on the *Claim Form* for all loans reported:

- Type of claim being submitted
- Date condition occurred
- Borrower's social security number
- Borrower's last name, first name, and middle initial
- Borrower's last known address
- Loan type for each loan identified on the *Claim Form*
- Loan ID for each loan identified on the *Claim Form* (e.g., the loan identifier code, file number, guarantee date, or amount, as indicated by the guarantor)
- Date the loan sold (as applicable)
- Date on which the current servicer assumed responsibility for servicing the loan for each loan identified on the *Claim Form* (as applicable)
- First disbursement date for each loan identified on the claim request

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- Interest rate, interest rate type, and the date loan converted to a variable rate for each loan identified
- Amount of cure interest capitalized and unpaid cure interest not capitalized for each loan claimed
- PLUS student's social security number, and name
- Full name of the endorser, comaker, and the identifying code
- Original out-of-school date (i.e., the date the Stafford loan borrower ended enrollment on at least a half-time basis, or the Consolidation, PLUS, SLS borrower's latest disbursement date, or the date the PLUS, SLS borrower ceased eligibility for an in-school deferment)
- Date the lender was notified of the original out-of-school date
- Note whether the original out-of-school date changed after the account entered repayment
- Due date of the first monthly installment
- Total amount of principal and interest payments made by or on behalf of the borrower
- Number of months due date advanced by payments made by or on behalf of the borrower
- Number of regular monthly installments deferred or forborne
- Number of months account was out of guarantee
- Total number of noncontinuous individual periods of deferment and forbearance
- Number of reconversion months
- Due date of the first unmet installment of the borrower's delinquency
- Date through which interest was last paid
- Total original principal value disbursed to the borrower for the loans claimed

- Total amount of interest capitalized
- Total principal repaid on the borrower's account before and after entering repayment
- Total principal value of the borrower's debt which is used to compute the interest claimed
- Amount of interest capitalized not eligible for claim payment
- Total principal value of the claim
- Amount of unpaid cure interest not capitalized
- Amount of outstanding reinsured interest claimed and the date through which it was accrued
- Amount of any other reinsured costs incurred on the account
- Lender's six-digit lender ID assigned by the Department and, as applicable, four digit nondepartment suffix
- Current servicer's name and address
- Preparer's name and telephone number
- Borrower, endorser, and comaker collection activity codes and dates the activities were performed

The lender must provide the following information *if it is available*. The lender may or may not have this information in its servicing records. A lender that cannot provide this information is not required to establish a reporting mechanism.

- AKA (previous or alternate name used by the borrower)
- Validity of the borrower's address
- Borrower's home telephone number, work number, other number, and validity of the telephone numbers
- Name, telephone number, and address of the borrower's place of employment
- Current principal balance (including all reinsured and unreinsured capitalized interest) due for each loan identified on the date of the claim request

- Claim review status for which the lender currently qualifies

The lender must provide the following information on the *Claim Form* or in an equivalent electronic format for all loans first disbursed on or after September 1, 1998. For loans with first disbursements prior to September 1, 1998, if the lender has the information, it must be provided.

- Endorser's or comaker's social security number (SSN)
- Endorser's or comaker's last known complete address and the validity of the address
- Endorser's or comaker's home telephone number and the validity of the number
- Servicer's six-digit servicer ID assigned by the Department

A new section to accommodate the new form is being added to chapter 8 — section 8.12, and appendix F of the *Common Manual* will include the new *Claim Form* and instructions.

Policies to Implement the *Claim Form* and Instructions

The *Common Manual* guarantors approved policies that will incorporate the *Claim Form* and its instructions into the *Common Manual*. Unless noted otherwise, these new policies are effective for claims filed by the lender on or after March 1, 2000. These policies are provided to assist lenders and servicers in planning and implementing the new aspects of the standard claim process. Each lender is advised to work closely with its guarantors to ensure a clear understanding of the procedures required to implement the following policies.

Timely Filing Guidelines Clarified

Current *Common Manual* policy encourages a lender to file a default claim

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after the 210th day of delinquency, and requires that the claim not be filed before the 180th day or after the 270th day of delinquency. However, current policy does not address the time frame in which a default claim should be filed on a loan with installments that are due less frequently than monthly. The manual will be revised to clarify that, for a delinquent account scheduled for repayment in installments less frequent than monthly (such as quarterly), a lender is strongly encouraged to file a default claim after the 270th day of delinquency. A default claim may not be filed before the 240th day or after the 330th day of delinquency for loans with installments due less frequently than monthly. Failure to submit a default claim by the 330th day for a loan with installments due less frequently than monthly will result in a timely filing violation and the cancellation of the guarantee on the loan.

This change is retroactive to the effective date of the *Common Manual*. Subsection 8.2.A. will be revised to reflect this change.

Lender Claim-Filing Statuses

The *Claim Form* and instructions include three separate claim-filing statuses: *Exceptional Performer Status*, *Standard Review Status*, and *Program Review Status*. The claim-filing status the guarantor or Department assigns determines both the method by which the lender's claims will be reviewed and paid, and the documentation and information the lender will be required to provide in the claim file.

The three claim review statuses are defined as follows:

- The *Exceptional Performer Status* is defined in regulation and assigned by the Department. Lenders achieving this status may file claims using documentation requirements outlined in subsection 8.3.B. Such claims are not subject to additional review for

due diligence, conversion to repayment, or timely filing requirements — except as determined to be necessary by the guarantor or the Department as part of the general program oversight responsibility.

- The *Standard Review Status* is applicable to a lender for whom the guarantor has identified no significant servicing deficiencies. Lenders under this status may file claims using documentation requirements as outlined in subsection 8.3.B.
- The *Program Review Status* is applicable to a lender for whom the guarantor has identified significant servicing deficiencies. For lenders assigned this claim filing status, the guarantor may require additional information and documentation to support the claim.

This information will be added to subsection 8.3.B. of the *Common Manual*.

Revised Claim File Documentation

When filing a claim under the new standard process, the lender must provide all required data elements on the *Claim Form*, which includes an accurate and legible record of the collection history. The lender must submit the Form and all required documentation as defined by the new policies. Documents listed below without additional explanation have not changed from their current definition in the *Common Manual*, as noted in subsection 8.3.B. Note also that guarantors may require lenders to provide additional information or documentation, for example if the borrower disputes the loan amount or a school disputes its cohort default rate.

- **Original Application and Promissory Note.**
- **Assignment of the Promissory Note.** The claim file must contain the holder's original assignment of the promissory note. This assignment may

be stamped, typed, or written directly on the back of the note, or, if the guarantor permits, may be in the form of a letterhead assignment submitted on the current holder's letterhead, or may be incorporated on the *Claim Form*.

- **Out-of-School Date Information.** Documentation supporting the lender's out-of-school date must be included as part of the claim documentation *only* if the lender is aware that its out-of-school date is different from the out-of-school date in the guarantor's records.
- **Curing Instrument.** The lender is required to submit the curing instrument (or a legible copy of a curing instrument) as part of the claim file documentation if that documentation was not previously provided to the guarantor. Examples of curing instruments include a new repayment agreement signed by the borrower, a copy of a payment check, or, in the case of an ICA location cure, acceptable evidence that the borrower has been located as required in subsection 8.8.L.
- **Death or Disability Documentation** (if applicable).
- **Bankruptcy Documentation** (if applicable). For a bankruptcy claim, the lender must submit notification of the bankruptcy filing, such as the Notice of the First Meeting of Creditors or other confirmation received directly from the bankruptcy court or from another source; a copy of the Proof of Claim filed by the lender, if required; an original assignment of the Proof of Claim, if required; and all other pertinent documents sent to or received from the bankruptcy court.

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- **Ineligible Borrower Documentation** (if applicable). For an ineligible borrower claim, the lender must provide documentation of the month, day, and year the final demand due to the determination of ineligibility was sent along with reasonable documentation supporting the borrower's ineligibility for the loan, such as an affidavit or letter from the school or a statement from the lender clearly stating the facts and allegations.
- **Closed School and False Certification Claim Documentation** (if applicable).

Subsection 8.3.B. will be revised to specify the required documentation to be submitted with the *Claim Form*.

Closed School and False Certification Claim Requirements and Terminology Modified

Under the new standardized process, a lender must provide the total amount of payments made by or on behalf of the borrower for the loan(s) on the *Claim Form*. If the total amount of payments made by or on behalf of the borrower is not available, the lender must clearly explain why this information is not provided on the *Claim Form*. If the lender is aware of having received payments from a third-party source (such as a tuition recovery program), these amounts must be included in the total amount of principal repaid on the *Claim Form*, but must *not* be included in the total amount of payments made by or on behalf of the borrower. Subsections 8.2.G. and 8.2.H. will be revised to reflect these changes.

Incomplete Payment Information

Lenders will be required to provide payment information on the new *Claim Form* rather than in a separate, detailed payment history. As a result, the *Common*

Manual will be revised to indicate that the guarantee on a loan may be lost due to a lender's failure to provide accurate payment information required on the *Claim Form*. If a guarantee is lost, the lender may attempt to have the loan's guarantee reinstated in many cases, by following the applicable cure procedures. *Common Manual* subsection 8.3.C. will be updated to reflect this change.

Standardized Formula for Principal Claimed

As part of the standardization of the *Claim Form* and instructions, the *Common Manual* guarantors have standardized the formula used to calculate the total principal value of claims. The guarantor will base the claim payment on the principal claimed figure calculated by lenders on the *Claim Form*, as follows:

$$\text{Principal claimed} = \text{Total amount disbursed} + \text{Capitalized interest} - \text{Principal repaid} - \text{Cure interest capitalized.}$$

In addition to the formula for the calculation of principal claimed, the guarantors have established a minimum total claim payment amount of \$50 for any type of claim. Guarantors will not pay a claim for any loan on which the sum of principal, accrued interest, and other insured sums is less than \$50.

Subsections 8.2.C. and 8.6.A. of the *Common Manual* will be updated to reflect these changes.

Ineligible Borrower Claim Requirements Specified

The *Common Manual* has been revised to specify that an ineligible borrower claim with a late final demand letter or timely filing violation will be purchased with an interest penalty. The new policy provides that the claim will be purchased and the loan subject to an interest penalty as follows:

- If the claim is filed untimely but the final demand letter is mailed timely, the claim will be paid, but interest will be limited to the amount that accrued through the 120th day following the date the final demand letter is mailed.
- If the final demand letter is mailed untimely, interest will be limited to the amount that accrued through the 180th day following the date the lender determined the borrower to be ineligible.

Common Manual subsections 8.2.F., 8.8.E., and 8.8.K. will be revised to reflect these changes. These changes are effective for ineligible borrower claims first filed on or after March 1, 2000, unless implemented earlier by the guarantor.

Timely Filing Deadlines for Bankruptcy Claims Clarified

The *Common Manual* will be updated to clarify timely filing deadlines for certain bankruptcy claims. Usually, the lender learns of the borrower's bankruptcy filing or the filing of an adversary complaint by the receipt of documents directly from the bankruptcy court or the borrower's attorney. For these loans, a bankruptcy claim and proof of claim, if applicable, must be filed with all required documents within 30 days of the lender's receipt of the Notice of First Meeting of Creditors or other confirmation issued by the bankruptcy court.

In some cases, however, the lender first learns of the borrower's bankruptcy or adversary complaint when a *guarantor* provides bankruptcy information and instructions to file a claim. For such loans, the new policy requires the lender to file the claim within 30 days of the date the guarantor provides the lender with necessary information and instructs the lender to file a claim, or within 30 days of

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the lender's receipt of applicable notices, whichever is earlier.

In addition, the revised policy clarifies that if a borrower files a petition for undue hardship (or adversary complaint), the lender must file a claim within 15 days of receiving the petition or within 15 days of the date the guarantor provides the lender with the bankruptcy information and instructs the lender to file a claim, whichever is earlier. If the lender receives an extension of time from the bankruptcy court for filing a response to the undue hardship petition (adversary complaint), the claim must be filed no less than 25 days before the expiration of that extended period or within 15 days of the date the guarantor provides the lender with the bankruptcy information and instructs the lender to file a claim, whichever is later. Subsection 8.2.D. of the *Common Manual* will be revised accordingly.

Return Claims Clarified

In addition to the standardization and clarification of policies related to the actual *Claim Form*, claim documentation, and filing time frames, the *Common Manual* will be modified to provide clarity and uniformity in guarantor policy as it relates to the return of a claim to the lender.

The policy will reflect that a guarantor will return a claim to the lender under certain circumstances. A claim return could occur for one or more of the following reasons:

- The lender incurs a violation that results in a loss of guarantee on the loan.
- The claim package contains inadequate documentation.
- The borrower is found not to be in a default status.
- The lender is unable to provide sufficient documentation to justify a borrower's total and permanent

disability, death, false certification, closed school, or bankruptcy.

- The borrower actually is eligible for a loan when a lender incorrectly determines that he or she is ineligible (for example, when a lender receives retroactive information that a student never enrolled although the student actually attended classes).

If a claim is returned to the lender by the guarantor a second or subsequent time for the same reason, that return will result in a loss of eligibility for interest, interest benefits, and special allowance payments beyond the 30th day after the lender's receipt of the original return. However, in the case of a default claim, the original return must have been resubmitted on or before the 60-day refiling deadline. For a default claim, failure to resubmit a second or subsequent return by the 60th day after the lender's receipt of such second or subsequent return will result in cancellation of the guarantee on the loan. Subsections 8.4., 8.4.B., 8.8., and 8.8.E. of the *Common Manual* will be revised to incorporate these revised policies.

Following are three examples that further illustrate the revised claim return policy.

Example 1. The lender receives a claim returned by the guarantor for a missing promissory note. The lender resubmits the claim to the guarantor 15 days after its receipt of the claim but fails to include the missing promissory note. The guarantor returns the same claim a second time for the missing promissory note. The lender resubmits the claim to the guarantor 20 days after its receipt of the claim again, this time including the requested promissory note. In this case, the lender has incurred loss of eligibility for interest, interest benefits, and special allowance payments beyond the 30th day after the lender's receipt of the original return.

A claim returned to the lender a second or subsequent time for a *different* reason will

result in no loss of eligibility for interest, interest benefits, and special allowance payments provided the claim is resubmitted on or before the 30th day after the lender's receipt of the second or subsequent return. In the case of a default claim, failure to resubmit a second or subsequent return claim by the 60th day after the lender's receipt of such second or subsequent return will result in cancellation of the guarantee on the loan.

Example 2. The lender receives a claim returned by the guarantor for documentation supporting the lender's out-of-school date. The lender resubmits the claim with the required documentation to the guarantor 15 days after its receipt of the claim. The guarantor returns the same claim a second time — this time for missing due diligence activities. The lender resubmits the claim to the guarantor with the requested due diligence activities 20 days after its receipt of the returned claim. No loss of eligibility for interest, interest benefits, and special allowance payments are incurred for timely resubmission of the first and second return.

Example 3. The lender receives a claim returned by the guarantor for documentation to support the borrower's total and permanent disability. The lender resubmits the claim with the supporting documentation to the guarantor 15 days after its receipt of the returned claim. The guarantor returns the same claim a second time for a missing promissory note. The lender resubmits the claim with the requested promissory note to the guarantor 20 days after its receipt of the returned claim. No loss of eligibility for interest, interest benefits, and special allowance payments is incurred for timely resubmission of the first and second returns.

See *COMMON MANUAL UPDATES* on page 8.

Penalties for Due Diligence Violations Associated with Address and Telephone Skip Tracing Requirements Clarified

The current text of the *Common Manual* will be modified to provide clarity and uniformity in guarantor policies regarding the penalty assessment for due diligence violations associated with missing or untimely skip tracing activities.

One due diligence violation will be assessed and the guarantor will purchase outstanding interest that accrues through the date of default if the lender:

- Does not *initiate* address skip tracing within 10 days of the date the lender learns that it does not know the correct address of the borrower, but completes all required activities before the date of default and has no gap of 46 days or more.
- Fails to *complete* skip tracing activity by the date of default but completes all required activities before a timely claim is filed and has no gap of 46 days or more.
- Fails to *initiate* address skip tracing within the 10-day time frame *and* fails to complete skip tracing activities by the date of default but completes all required activities before a timely claim is filed and has no gap of 46 days or more.

If a lender performs some — but not all — required skip tracing activities and has no gap of 46 days or more, one due diligence violation will be assessed and the guarantor will purchase outstanding interest that accrued through the 90th day before default. For address skip tracing, one violation will be assessed regardless of whether or not the address skip tracing was initiated within 10 days of the date the lender learned that it did not know the correct address for the borrower.

If no skip tracing activity is performed, the guarantor will return the claim for loss

of guarantee. If the lender completes the skip tracing requirements and resubmits the claim within the time frames associated with the claim return, the guarantor will assess penalties as follows:

- If all required skip tracing activities are completed, one due diligence violation will be assessed and the guarantor will purchase outstanding interest that accrues through the date of default.
- If some — but not all — required skip tracing activities are completed, two due diligence violations will be assessed (one for “untimely” completion of the skip tracing activities, and one for the skip tracing activities being incomplete). The guarantor will purchase outstanding interest that accrues through the 90th day before default.
- If a claim is resubmitted with no skip tracing activity performed, three due diligence violations will be assessed, resulting in the cancellation of the guarantee.

This change will be added to *Common Manual* subsection 8.8.C.

Refiling Deadlines Clarified for Claims Returned for Missing Endorser Due Diligence

The *Common Manual* currently provides that if all required endorser collection activities have not been performed, the claim file will be returned to the lender, and the lender will be required to perform any missed activities before the claim will be purchased. The manual states that there will be no extension of claim filing time frames to accommodate the performance of these activities. The manual policy will be revised to clarify that if the claim is returned, the lender must submit the claim file within the applicable claim refiling time frames.

This change is effective for returned claims received by the lender on or after March 1, 2000, unless implemented earlier by the guarantor. Subsection 8.1.E. of the *Common Manual* will be revised to incorporate this clarification.

Inadvertent Cure

Newly revised *Common Manual* policy will allow a payment or other curing instrument (such as a new repayment agreement signed by the borrower, or a forbearance form signed by the borrower with an agreement to repay included in the text) received after undetected conversion or due diligence violations to cure all prior due diligence violations. If the borrower later defaults on the loan, the guarantor will review the lender’s due diligence activities after the “inadvertent” curing activity, based on the appropriate due diligence requirements. Subsection 8.8.H. will be revised to reflect this change.

Revised Rehabilitation Documentation

Current *Common Manual* policy provides that upon purchase of a rehabilitated loan, the guarantor will provide to the purchasing lender a payment history for the loan. Under the new standard claim filing process, guarantors will no longer receive a detailed payment history document in the original claim file. Instead of the detailed payment history, when a rehabilitated loan is purchased by a lender, the guarantor will provide to the purchasing lender a payment history *information*, such as the dates and amounts of payments received when the loan was in a default status and other loan documentation to assist in the accurate conversion to repayment. *Common Manual* section 8.10 will be revised to reflect this change.

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New Provisions for Supplemental Claim Submission

Previous *Common Manual* policy prescribed a minimum amount of \$25 for claim payment increase requests (supplemental claim requests) and specified that a lender should file a supplemental claim only after ensuring that the request was warranted for one of the following reasons:

- The interest penalty, if any, was cited in error.
- The interest-paid-through date originally reported was incorrect.
- The interest did not exceed the maximum amount of interest paid by the guarantor.
- The reduction was not due to the loan's eligibility for 98% insurance.

The *Common Manual* policy has been revised to provide that the guarantor will not pay a supplemental claim for a total amount of less than \$50, including principal, interest, or both. In addition, the new policy permits a lender to file a supplemental claim request if any error is identified on the original claim request submitted.

These changes are effective for claims originally filed by the lender on or after March 1, 2000, unless implemented earlier by the guarantor. Subsection 8.6.D. will be revised to reflect these changes.

Supplemental Claim Form Adopted by Guarantors

To standardize the supplemental claim request process, guarantors worked with

representatives from lenders, servicers, and student loan industry groups to create a standard *Supplemental Claim Form*. A lender is required to use the *Supplemental Claim Form* to file a supplemental claim request with any guarantor.

The *Supplemental Claim Form* is designed to be used by a lender to request a claim payment increase within 90 days of the date on which the lender receives the original claim payment.

The new form is effective for claims originally filed by the lender on or after March 1, 2000, unless implemented earlier by the guarantor. A new section 8.13 will be added to chapter 8, and appendix F of the *Common Manual* will be revised to include the new *Supplemental Claim Form* and instructions.

Supplemental Claim Form Instructions

The following information will assist lenders in determining what information must be provided on the *Supplemental Claim Form*. Detailed descriptions of this data are located in the instructions on the *Supplemental Claim Form*.

A lender *must provide* the following information on the *Supplemental Claim Form* for all loans on which a request for increased claim payment is filed:

- Borrower's name
- Borrower's social security number (SSN)
- Lender's six-digit lender ID assigned by the Department and, as applicable, four digit non-Department suffix

- Loan type
- Interest rate
- Loan identification
- Claim payment receipt date
- Interest paid through date at claim submission
- Amount of principal increase requested
- Amount of interest increase requested
- Total increase requested
- Reason for increase request
- Name of lender representative
- Date form completed
- Lender name
- Signature of lender representative
- Servicer name

The lender must provide the following information *if it is available*. The lender may or may not have this information in its servicing records, and, if not, the lender is not required to establish a reporting mechanism.

- Amount of principal paid
- Amount of interest paid
- Number of days of interest paid

The lender must provide the servicer's six-digit servicer identification number assigned by the Department for all loans first disbursed on or after September 1, 1998, when completing the *Supplemental Claim Form*. For disbursements made prior to September 1, 1998, if the lender has the information, it must be provided on the *Supplemental Claim Form*. ★

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Shoptalk is published by Texas Guaranteed Student Loan Corporation (TG). Unless specifically noted, the policies and procedures outlined in *Shoptalk* apply only to loans made under TG's guarantee and not to loans underwritten by other guarantors.

Questions about the articles in *Shoptalk* should be addressed to:

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Edited and designed by TG Communications.

CCI (Continued from page 1)

an alternative to manual filing. Drafts of the electronic file formats are available to lenders for use in identifying possible system changes.

TG's Implementation Plans

The *Common Manual* requires lenders to use the *Preclaim Request Form*, or an equivalent electronic format, for any preclaim requests filed by the lender on or after September 1, 1999. Lenders are also required to use the *Claim Form* and *Supplemental Claim Form*, or an equivalent electronic format, for any claims filed by the lender on or after March 1, 2000, unless implemented earlier by the guarantor.

TG's implementation of the new forms and related policies is scheduled for the summer of 1999 and will correspond with TG's implementation of the new preclaims, claims, and collections system (collectively known as the Default Management System, or DMS) currently under development.

It is important to note that some data

required by the forms must be collected for loans first disbursed on or after September 1, 1998, and reported for any preclaim assistance request filed by a lender using the new format. This information was outlined in *Shoptalk* 83.

System Changes and Testing

Lenders may need to make system changes to capture the required data in order to become compliant with the new policies established by the CCI.

Lenders should, as always, be aware that all system upgrades should follow Year 2000 computing standards. Year 2000 standards mean that the year in all date fields must be four digits instead of two digits. Two-digit year date fields have been common for most computer applications for the past thirty years, but two-digit years may not correctly handle dates after January 1, 2000. TG's DMS is being designed to handle four-digit years in date fields.

Training

Several training opportunities on the use of the new forms and data collection requirements will be offered nationally to both lenders and guarantors. TG will provide training for Texas customers on these issues as well. A "Training Interest Survey" is included in this edition of *Shoptalk* to determine lender and servicer availability for upcoming training that is being tentatively scheduled.

Questions

For questions about implementation of preclaim electronic system changes, call Art Cruz, TG Default Prevention, at (800) 252-9743, ext. 4934. For questions about implementation of claim electronic system changes, call Rinn Harper, TG Claims, at (800) 252-9743, ext. 4612. For a copy of the lender edit tables, call TG Customer Support at (800) 252-9743, ext. 4444. ★

Federal Family Education Loan Program
Preclaim Request Form

Guarantor Identification

I. PRECLAIM INFORMATION

1. Preclaim Type

2. Request Dt

II. BORROWER INFORMATION

3. Social Security #

4. Name (Last, First, MI)

6. Address

5. AKA

7. Valid?

8. Address Effective Date

9. Home # ()

10. Valid?

11. Other # ()

12. Valid?

13. Work # ()

14. Valid?

15. Employer

16. Last School Attended

17. Code

18. Last OSD

III. REFERENCE INFORMATION

19a. Name

20a. Address

19b. Name

20b. Address

21a. Valid?

22a. Relationship

21b. Valid?

22b. Relationship

23a. Home # ()

24a. Valid?

23b. Home # ()

24b. Valid?

25a. Other # ()

26a. Valid?

25b. Other # ()

26b. Valid?

IV. LOAN INFORMATION

A. LOAN-LEVEL INFORMATION

27. Loan Type

28. Loan ID

29. 1st Disb Dt

30. \$ Curr Prin Bal

31. \$ Accrued Int

32. Dt Loan Sold

33. Dt Servicer Resp

B. ACCOUNT-LEVEL INFORMATION

34. Pmt Due Dt

35. \$ Pmt Amt

36. Last Pmt Dt

37. \$ Last Pmt Amt

38. \$ Amt Delinq

39. # Days Delinq

C. DEFERMENT AND FORBEARANCE INFORMATION

40. AC _____

EH _____

NO _____

PL _____

TE _____

UE _____

WM _____

AP _____

IR _____

PC _____

TD _____

TS _____

UN _____

FS _____

V. ENDORSER/COMAKER/PLUS STUDENT (E/C/S) INFORMATION

41. Loan ID

42. E/C/S Code

43. E/C/S Name

44. Social Security #

45. Address

46. Valid?

47. Home #

48. Valid?

VI. LENDER/SERVICER INFORMATION

49. Lender ID

50. Servicer ID

51. Lender/Servicer Name

52. Lender/Servicer Address

53. Borrower Contact

54. Contact's # ()

55. Prepared By

56. Preparer's # ()

Instructions for Completing Preclaim Request Form

This form is designed to be used as a request for preclaim assistance. On the basis of this request, the guarantor also will initiate supplemental preclaim assistance, unless otherwise notified by the lender. All loans included on the Preclaim Request Form must have the same loan type, due date, and interest-paid-through date. When completing this form, print or type all information and complete all fields. Use the Preclaim Edit Table to identify which fields are required and provide the requested information; for fields that are not required and information is not available (or not applicable), complete alpha fields with "NA" and fill numeric fields with zeroes. All date fields must be completed with numerics in MM/DD/CCYY format. Address/phone "Valid" fields must be completed with a "Y" for "yes" or an "N" for "no"; indicate "Y" unless the information is known to be invalid. If the number of preclaimed loans requires more space than is provided, attach a separate Preclaim Request Form with the following information completed: Section II (Social Security Number and Name), Section IV (all of Part A), and Section V (if applicable).

I. PRECLAIM INFORMATION:

- 1. Preclaim Type:** Provide the appropriate two-letter preclaim type from the following key:
SK - Skip assistance request to be used **only** for an account not otherwise eligible for preclaim (if this assistance is offered by the guarantor).
DF - Preclaim assistance request for a borrower delinquent on monthly payments.
DQ - Preclaim assistance request for a borrower delinquent on payments due less frequently than monthly.
- 2. Request Dt:** Enter the date the Preclaim Request Form was generated.

II. BORROWER INFORMATION:

- 3. Social Security #:** Provide the borrower's social security number (Do **not** submit a Preclaim Request Form without a social security number).
- 4. Name (Last, first, MI):** Provide the borrower's last name, first name, and middle initial.
- 5. AKA:** Provide previous or alternative name(s) used by the borrower (e.g., maiden name).
- 6.-7. Address and Valid?:** Provide the borrower's last-known complete address (apartment #, box #, street address, city, state, and zip code plus four); indicate the validity of the address by entering a "Y" or an "N" in the appropriate field.
- 8. Address Effective Date:** Provide the date the lender first became aware of the valid address. Required only when reporting a valid address.
- 9.-14. Home #, Other #, Work #, and Valid?:** Provide the home phone #, work phone #, and/or other phone # (including area code) for the borrower, if any or all are available; indicate the validity of each number by entering a "Y" or an "N" in the appropriate field. If no number is available, do not respond with either "yes" or "no".
- 15. Employer:** Provide the name, phone #, and address of the borrower's place of employment, if known.
- 16. Last School Attended:** Provide the name of the last-known eligible school attended by the borrower or attended by the student for a PLUS loan.
- 17. Code:** Provide the six- or eight-digit Department of Education code of the last-known eligible school attended by the borrower.
- 18. Last OSD (Out-of-school Date):** Provide the date the Stafford loan borrower is last enrolled at least a half time, before any grace period and the initial conversion of the loan to repayment, or the date the PLUS/SLS student borrower ceased eligibility for an in-school deferment (for immediately deferred loans only). For Consolidation loans, and for PLUS/SLS loans not immediately deferred, indicate the latest disbursement date. The latest disbursement date on the beginning loan balance for Consolidation loans should be used if the lender did not establish a new due date when an add-on was accomplished. If the lender did establish a new due date with an add-on loan, the disbursement date for the add-on should be provided.

III. REFERENCE INFORMATION:

- 19. Name:** In 19a. and 19b., provide the last name, first name, and middle initial of two references (preferably from the borrower's most recent application or exit interview information).
- 20.-21. Address and Valid?:** In 20a. and 20b., provide the complete address (including city, state, and zip) for each reference; indicate the validity of the address by entering a "Y" or an "N" in 21a. and 21b.
- 22. Relationship:** In 22a. and 22b., provide the relationship of the reference to the borrower using the following codes: E = employer, F = friend, G = guardian, O = other, P = parent, R = relative, S = sibling, M = spouse, or N = not available.
- 23.-24. Home # and Valid?:** In 23a. and 23b., provide the home phone # (including area code) for each reference; indicate the validity of the number by entering a "Y" or an "N" in 24a. and 24b.
- 25.-26. Other # and Valid?:** In 25a. and 25b., provide another phone # (including area code) for each reference (e.g., place of employment); indicate the validity of the number by entering a "Y" or an "N" in 26a. or 26b. If no number is available, do not respond with either "yes" or "no".

IV. LOAN INFORMATION:

A. LOAN-LEVEL INFORMATION:

- Provide the requested information for each loan (note level) included on this Preclaim Request Form.
- 27. Loan Type:** Provide the loan type for each loan listed using one of the following codes: SF = Subsidized Stafford, including non-subsidized disb. prior to 10/92; SU = Unsubsidized Stafford; PL = PLUS; SL = SLS; CL = Consolidation. If the borrower is delinquent on more than one type of loan, a separate Preclaim Request Form must be submitted for each loan type. Note: Subsidized and unsubsidized Stafford loans that have been combined into one repayment schedule may be combined in one preclaim request.
 - 28. Loan ID:** For each loan listed, provide the loan identifier code, file number, guarantee date, or guarantee amount, as required by the guarantor of the loan(s).
 - 29. 1st Disb Dt:** For each loan listed, provide the date of the first disbursement, as specified in the lender's records.
 - 30. \$ Curr Prin Bal:** For each loan, provide the current principal balance (including all reinsured and unreinsured capitalized interest) due on the date preclaimed.
 - 31. \$ Accrued Int:** For each loan, provide the accrued interest due on the date preclaimed.
 - 32. Dt Loan Sold:** For each loan that has been purchased from another lender, provide the date the loan was purchased. If the loan is not purchased from another lender, enter zeroes.
 - 33. Dt Servicer Resp:** For each loan, provide the date on which the current servicer assumed responsibility for servicing the loan, as applicable. If the loan is not being serviced, enter zeroes.

B. ACCOUNT-LEVEL INFORMATION:

- Provide the requested information applicable to all loans (borrower level) included on this Preclaim Request Form.
- 34. Pmt Due Dt:** Provide the due date of the borrower's first unmet payment.
 - 35. \$ Pmt Amt:** Provide the amount of the borrower's currently scheduled installment.
 - 36. Last Pmt Dt:** Provide the most recent date that a payment was received.
 - 37. \$ Last Pmt Amt:** Provide the amount of the most recent payment.
 - 38. \$ Amt Delinq:** Provide the total amount the borrower was past due (including late charges) when the Preclaim Request Form was generated.
 - 39. # Days Delinq:** Provide the # of days delinquent when the Preclaim Request Form was generated.
- C. DEFERMENT AND FORBEARANCE INFORMATION:** Provide the total number of deferment and/or discretionary forbearance months granted to the borrower for each applicable code.
- 40. Code Key:** AC = Action Programs (36 months); AP = Armed Forces or Public Health Service (36 months); EH = Economic Hardship (36 months); IR = Internship/Residency (24 months); NO = NOAA (36 months); PC = Peace Corps (36 months); PL = Parental Leave (6 months per occurrence); TD = Temporary Disability (36 months); TE = Tax-Exempt Organizations (36 months); TS = Teacher Shortage (36 months); UE = Unemployment (36 months); UN = Unemployment (24/36 months); WM = Working Mother (12 months); FS = Discretionary Forbearance.

V. ENDORSER/COMAKER/PLUS STUDENT (E/C/S) INFORMATION:

- Complete this section if any preclaimed loan has either an endorser or comaker or is a PLUS loan.
- 41. Loan ID:** Repeat the applicable Loan ID from Section IV.
 - 42. E/C/S Code:** Provide "E" if the individual listed is an endorser; "C" if the individual listed is a comaker; "S" if the individual listed is a PLUS student.
 - 43. E/C/S Name:** Provide the last name, first name, and middle initial of any endorser, comaker, or PLUS student for each loan(s) listed. If an endorser or comaker exists on a PLUS loan, list both the endorser or comaker and the PLUS student information.
 - 44. Social Security #:** Provide the social security number for the endorser, comaker, or PLUS student, as applicable.
 - 45-46. Address and Valid?:** Provide the last-known complete address (apartment #, box #, street address, city, state, and zip code plus four) for the endorser, comaker, or PLUS student; indicate the validity of the address by entering a "Y" or an "N" in the appropriate field.
 - 47-48. Home # and Valid?:** Provide the home phone # (including area code) for the endorser, comaker, or PLUS student if any or all are available; indicate the validity of each number by entering a "Y" or an "N" in the appropriate field. If no number is available, do not respond with either "yes" or "no".

VI. LENDER/SERVICER INFORMATION:

- 49. Lender ID:** Provide the six-digit Department of Education lender code and, as applicable, the four-digit non-Department of Education suffix of the lender or the current holder.
- 50. Servicer ID:** If the account is being serviced, provide the six-digit Department of Education servicer code.
- 51. Lender/Servicer Name:** If the account is being serviced, provide the servicer's name; if there is no servicer, provide the lender's name.
- 52. Lender/Servicer Address:** If the account is being serviced, provide the servicer's address; if there is no servicer, provide the lender's address.
- 53. Borrower Contact:** Provide the name of the person or unit the borrower should contact regarding the preclaim account.
- 54. Contact's #:** Provide the phone # (including area code) the borrower should use to reach the borrower contact.
- 55. Prepared By:** Provide the name of the person or unit responsible for answering questions about information provided on this form.
- 56. Preparer's #:** Provide the phone # (including area code) where the preparer may be reached.

IX. Collection History (the 180 day period prior to default date)

59. Borrower's Social Security #

60. Borrower/CoMaker(s)

Endorser(s)

Date/Code

Date/Code

Date/Code

Date/Code

SAMPLE

Instructions for Completing Claim Form

This form is to be used to submit a request for claim reimbursement to the guarantor. All loans included on the Claim Form must have the same loan type, due date, interest-paid-through date, and claim review status. (Note: Some guarantors may require **separate claims** for subsidized and unsubsidized Stafford loans, and/or for loans with different interest rates.) When completing this form, print or type all information and complete all fields. Use the Claim Form Edit Table to identify which fields are required and provide the requested information; for fields that are not required and information is not available (or not applicable), complete alpha fields with "NA" and fill numeric fields with zeroes. All date fields must be completed with numerics in MM/DD/CCYY format. Address/phone **"Valid"** fields must be completed with a "Y" for yes or an "N" for no; indicate "Y" unless the information is known to be invalid. No claim may be submitted for an amount less than fifty dollars (\$50.00). If the number of claimed loans requires more space than is provided, attach a separate Claim Form with the following information completed: Section II (social security number and name) and Section III (all applicable loan information).

Note: Order of claim documentation will not be a reason for returning a claim to the lender. However confusing or conflicting documentation may require claim return for lender clarification. All supporting documentation not required for claim submission must be retained by the lender in accordance with federal requirements.

I. CLAIM INFORMATION:

1. **Claim Type:** Provide the appropriate letter from the key below when completing this item:
DE Death
DI Disability (total and permanent)
DB Default (reached prior to borrower's bankruptcy filing)
BH Bankruptcy (with hardship petition or adversary complaint)
BC Bankruptcy (Chapter 12 or 13)
BO Bankruptcy (other – Chapter 7 or 11)
DF Default (failure to make monthly payments)
DQ Default (failure to make quarterly interest or other scheduled payments)
IN Ineligible (borrower is determined not eligible for the loan)
DU Abbreviated cure
CS Closed School
FC False Certification
2. **DCO:** Date Condition Occurred is defined by the Claim Type indicated in Item 1 at the top of the form. Provide the corresponding month, day, and year as follows:
If Claim Type is "DE" (Death), provide the date the lender received official notification of the death of the borrower, or the student, in the case of a PLUS claim.
If Claim Type is "DI" (Disability – total and permanent), provide the date the lender received official notification that the borrower's physician certified the borrower to be totally and permanently disabled.
If Claim Type is "DB" (Default - reached prior to borrower's bankruptcy filing), provide the date of the borrower's first unmet installment.
If Claim Type is "BH" (Bankruptcy – with hardship petition or adversary complaint), provide the date the lender received the petition for undue hardship (or adversary complaint), or the date the guarantor advised you to file a claim.
If Claim Type is "BC" (Bankruptcy – Chapter 12 or 13), provide the date the lender received the Notice of First Meeting of Creditors or other acceptable evidence of the bankruptcy action, or the date the guarantor advised you to file a claim.
If Claim Type is "BO" (Bankruptcy – other), provide the date the lender received the Notice of First Meeting of Creditors or other acceptable evidence of the bankruptcy action, or the date the guarantor advised you to file a claim.
If Claim Type is "DF" (Default – failure to make monthly payments), provide the due date of the borrower's first unmet installment.
If Claim Type is "DQ" (Default – failure to make quarterly interest or other scheduled payments), provide the due date of the borrower's first unmet quarterly interest payment. If other scheduled installments were unmet and led to default, enter the date of the borrower's first unmet installment and explain in attached documentation.
If Claim Type is "IN" (Ineligible – borrower never enrolled or is otherwise determined not eligible for the loan), provide the date the lender determines or was notified of the borrower's ineligibility.
If Claim Type is "DU" (Abbreviated cure – ICA/location cure), provide the due date of the borrower's first unmet installment that resulted in the original default.
If Claim Type is "CS" (Closed School), provide the date the lender received the statement from the borrower certifying eligibility for a Closed School Claim or the date the guarantor advised you to file a claim.
If Claim Type is "FC" (False Certification), provide the date the lender received the statement from the borrower certifying eligibility for a False Certification Claim or the date the guarantor advised you to file a claim.
3. **Claim Review Type:** Provide one of the following numeric codes to indicate the Claim Review Type for which you currently qualify:
"1" Exceptional Performer Status - Expedited claim review
"2" Standard Review Status - Regular claim review
"3" Program Review Status - Monitored claim review

II. BORROWER INFORMATION:

4. **Social Security #:** Provide the borrower's social security number (Do **not** submit a claim form without a social security number).
5. **Name (Last, First, MI):** Provide the borrower's last name, first name, and middle initial.
6. **AKA:** Provide previous or alternative name(s) used by borrower (e.g., maiden name).
- 7-8. **Address and Valid?:** Provide the borrower's last-known complete address (apartment #, box #, street address, city, state, and zip code plus four); indicate the validity of the address by entering a "Y" or an "N" in the appropriate field.
- 9-14. **Home #, Other #, Work #, and Valid?:** Provide the home phone #, work phone #, and/or other phone # (including area code) for the borrower, if any or all are available. Indicate the validity of each number by entering a "Y" or an "N" in the appropriate field. If no number is available, do not respond with either "yes" or "no."
15. **Employer:** Provide the name, phone # and address of the borrower's place of employment, if known.

III. LOAN INFORMATION: For each loan (note level) included in this claim, provide the requested information.

16. **Loan Type:** For each loan listed, provide the loan type using one of the following codes: SF = Subsidized Stafford, including non-subsidized disbursed prior to 10/92; SU = Unsubsidized Stafford; PL = PLUS; SL = SLS; CL = Consolidation. A separate Claim Form must be submitted for each loan type. *Note: Subsidized and unsubsidized Stafford loans that have been combined into one repayment schedule may be combined in one claim.*
17. **Loan ID:** For each loan listed, provide the loan identifier code, file number, guarantee date, or guarantee amount, as required by the guarantor of the loan(s).
18. **1st Disb Dt:** For each loan listed, provide the date of the first disbursement.
19. **\$ Curr Prin Bal:** For each loan, provide the current principal balance (including all reinsured and unreinsured capitalized interest) due on the date claimed.
20. **Dt Loan Sold:** For each loan that has been purchased from another lender, provide the date the loan was purchased. If the loan is not purchased from another lender, enter zeroes.
21. **Dt Servicer Resp:** For each loan, provide the date on which the current servicer assumed responsibility for servicing the loan, as applicable. If the loan is not being serviced, enter zeroes.
22. **Int Rate/Type/Conv Dt:** For each loan, provide the current interest rate and indicate the type of interest rate by entering the appropriate code: F = Fixed rate, simple; R = Fixed rate, Rule of 78s; V = Variable rate; A = Adjustable rate (8-10%). Indicate, if applicable, the date the loan was converted as required by HEA 1986 rebate requirements or HEA 1992 rebate requirements. Provide zeroes if the loan was not converted or was not subject to rebate requirements.
23. **\$ Uninsured Int:** For each loan claimed, provide the amount of cure interest capitalized and the unpaid cure interest not capitalized that accrued during period(s) the account was out of guarantee (in cure status).

IV. ENDORSER/COMAKER/PLUS STUDENT (E/C/S) INFORMATION: Complete this section if any claimed loan either has an endorser or comaker or is a PLUS loan.

24. **Loan ID:** Repeat the applicable Loan ID from Section III.
25. **E/C/S Code, ID #:** Provide "E" if the individual listed is an endorser; "C" if the individual listed is a comaker; "S" if the individual listed is a PLUS student and assign each endorser and comaker a numeric identifier beginning with "1", then "2", etc. An individual who is an endorser, a comaker, or both will have a single numeric identifier regardless of the number of loans that individual has endorsed/comade.
26. **E/C/S Name:** For each loan listed, provide the last name, first name, and middle initial of any endorser, comaker, or PLUS student. If an endorser or comaker exists on a PLUS loan, list both the endorser or comaker and the PLUS student information.
27. **Social Security #:** Provide the social security number for each endorser, comaker, or PLUS student, as applicable.
- 28-29. **Address and Valid?:** Provide the last-known complete address (apartment #, box #, street address, city, state, and zip code plus four) for each endorser, comaker, or PLUS student; indicate the validity of the address by entering a "Y" or an "N" in the appropriate field.
- 30-31. **Home # and Valid?:** Provide the home phone # (including area code) for each endorser, comaker, or PLUS student; indicate the validity of the number by entering a "Y" or an "N" in the appropriate field. If no number is available, do not respond with either "yes" or "no".

V. CONVERSION TO REPAYMENT INFORMATION: Complete this section only for accounts that entered repayment (not applicable for CS, FC, or IN claims). For items in this section, provide dates of the "original" conversion to repayment based upon the first verified correct OSD.

32. **Orig OSD (Out-of-School Date):** Provide the original verified correct date the Stafford Loan borrower ended enrollment on at least a half-time basis that subsequently led to repayment, or the date the PLUS/SLS student borrower ceased eligibility for an in-school deferment (for immediately deferred loans only). For Consolidation loans, and for PLUS/SLS loans not immediately deferred, indicate the latest disbursement date.
33. **Notification DT:** Provide the the date you were notified of the verified correct OSD. If the account was converted to repayment based upon the expected graduation date on the application, without notification of an OSD, provide zeroes in this field.
34. **Repayment Change?:** If there was a change to the original OSD after the account entered repayment, resulting in a change to the repayment terms, provide a "Y" (yes). If there was no change to the OSD requiring new repayment terms, provide an "N" (no).
35. **1st Pmt Due Dt:** Provide the due date of the first monthly installment as indicated on the repayment schedule sent to the borrower. If this claim includes loans that entered repayment at different times, provide the due date of the first loan entering repayment.

VI. REPAYMENT INFORMATION: Complete this section only for accounts that entered repayment. (Items 37 through 42 are not applicable for CS, FC, or IN claims.)

36. **\$ Total Borrower Pmts:** Provide the total amount of principal and interest payments made by or on behalf of the borrower (that may be subject to refund with CS or FC claims). Do **not** include payments made by third parties.
37. **# Mnths Pmts:** Provide the number of months the due date was advanced by payments made by or on behalf of the borrower. Do **not** include payments that did not advance the due date of the borrower's account.
38. **# Mnths Def/Forb:** Provide separately (with "/" between) the number of regular monthly installments deferred and forbore. Provide the higher or highest number when multiple loans are included in the claim and their use of deferment and/or forbearance differs. When there are overlapping periods of deferment/forbearance on multiple loans, count those months only once. Forbearance periods covering unrepaid months **should not** be included under this item.
39. **# Mnths Violation:** Determine the number of days the account was out of guarantee (i.e., in cure status and unrepaid). Divide the total number of days by 30 and round up. Provide the total number of violation months. Forbearance periods covering unrepaid months **should be** included under this item.
40. **# Def/Forb Events:** Provide the total number of non-continuous individual periods of deferment and forbearance granted on this account. (A deferment or forbearance immediately followed by another deferment or forbearance must be considered one event.) Forbearance periods covering unrepaid months **should be** included in this item.
41. **# Reconvt Mnths:** For Stafford and SLS claims, multiply the number of events listed above times 2.5 months (75 days), rounded up to the nearest month; use 1.5 months (45 days) for PLUS and Consolidation claims. Given that Stafford and SLS borrowers must resume repayment within 75 days of each deferment or forbearance end date, and PLUS and Consolidation borrowers within 45 days, this field will account for periods following deferment/forbearance events that may not be covered by an installment, deferment, or forbearance without causing a gap in due diligence.
42. **Pmt Due Dt:** Provide the due date of the first unmet installment of the borrower's delinquency. In the case of DF, DQ, DU or DB claims, this date would be the same as the Date Condition Occurred (DCO). With DE, DI, BC, BO and BH claims, enter "NA" in this field unless the account was delinquent prior to the DCO, in which case this date must be prior to the DCO.

VII. REQUESTED CLAIM AMOUNT:

43. **Total Amount Disb:** Provide the total original principal value of loans disbursed to the borrower. (For CS or FC claims that include Stafford, PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan, provide the amount paid by the consolidation lender to the prior holder on the applicable underlying loan(s).)
44. **Capitalized Int:** Provide (and add) the total amount of interest capitalized (added to the total principal amount) and disclosed to the borrower. (Not applicable for CS or FC claims that include Stafford, PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan.)
45. **Prin Repaid:** Provide (and subtract) the total principal (only) repaid on the borrower's account before and after entering repayment, including any cancellations after disbursement, tuition refunds, third party payments, and prepayments to principal. (Not applicable for CS or FC claims that include Stafford, PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan.)
46. **Prin Used For Int Claimed:** Provide the total principal value of the borrower's debt, including insured and uninsured capitalized interest. Interest claimed should be computed based upon this principal amount.
47. **Cure Int Capitalized:** Provide (and subtract) any capitalized interest amount that is not eligible for claim payment, because it accrued during a violation period when the account was out of guarantee (in a cure status). This amount **may not** be included in the **Prin Claimed** or **Int Claimed As Of**. (Not applicable for CS or FC claims that include Stafford, PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan.)
48. **Prin Claimed:** Based upon the computations above, provide the total principal value of the claim.
49. **Int-Paid-Through Dt:** Provide the date through which interest was last paid. This date will generally be 30 days prior to the date the condition occurred, unless the borrower made less than a full installment, which was applied to interest. (For CS or FC claims that include Stafford, PLUS, or SLS loans that have been paid in full as a result of Consolidation loan, this date will be the date of the consolidation, unless a subsidized deferment applied to the Consolidation loan requires adjustment to a later date.)
50. **Int Claimed As Of:** Provide the date through which interest claimed was accrued and the amount of outstanding accrued reinsured interest claimed. Do **not** include any unrepaid interest (unpaid cure interest not capitalized) in this field. (For CS or FC claims that include Stafford, PLUS or SLS loans that have been paid in full as a result of Consolidation, provide the amount of interest accrued from the date of consolidation through the date interest was claimed on the amount of the applicable underlying loan(s).)
51. **Unpaid Cure Int Not Capitalized:** Provide the amount of unpaid interest that accrued during period(s) the account was out of guarantee (in cure status) that was **not** capitalized. (Not applicable for CS or FC claims that include Stafford, PLUS or SLS loans that have been paid in full as a result of a Consolidation loan.)
52. **Other Charges Claimed:** Provide the amount of any other reinsured costs incurred by the lender on this account (e.g., guarantor collection cost repurchased or collection costs incurred on CS or FC claims). Do not include late charges.

VIII. LENDER/SERVICER INFORMATION AND CERTIFICATION: With this claim submission, the lender certifies full compliance as indicated in this section of the Claim Form.

53. **Lender ID:** Provide the six-digit Department of Education lender code and, as applicable, the four-digit non-Department of Education suffix of the lender or the current holder.
54. **Servicer ID:** If the account is being serviced, provide the six-digit Department of Education servicer code.
55. **Lender/Servicer Name:** If the account is being serviced, provide the servicer's name; if there is no servicer, provide the lender's name.
56. **Lender/Servicer Address:** If the account is being serviced, provide the servicer's address; if there is no servicer, provide the lender's address.
57. **Prepared By:** Provide the name of the person or unit responsible for answering questions about information provided on this form.
58. **Preparer's #:** Provide the phone # (including area code) where the preparer may be reached.

IX. COLLECTION HISTORY (THE 180 DAY PERIOD PRIOR TO DEFAULT DATE) :

59. **Borrower's Social Security #:** Provide the borrower's social security number.
60. **Collection History:** Provide the month, day and year (MM/DD/CCYY) of each collection activity. Provide the appropriate Collection Activity Code and/or Skiptracing Activity Code from below. Endorser and/or comaker collection activity, if applicable, must include the numeric identifier assigned to the endorser/comaker in Section IV (e.g., LC2 = letter contact to the endorser or comaker designated "2"). List the collection activity for the comaker who also is an endorser in the Borrower, Comaker section. *Note: Even if the address and/or telephone number of the borrower or endorser were invalid before the account became delinquent (prior to DCO), you **must** provide the date you were notified of the invalid address/phone and any skiptracing performed prior to the delinquency, in order to demonstrate that skip requirements were satisfied. Also, do **not** complete this section for Closed School or False Certification claims. Do **not** complete this section for claims filed for death, disability or bankruptcy, unless the borrower's loans were delinquent prior to the DCO. For Ineligible Borrower claims, final demand information must be provided; for Abbreviated Cure claims, Intensive Collection Activities (ICA) must be provided. NOTE: Lender/Holder should also provide any other activities after day 180 pertinent to the collection of the account.*

Collection Activity Codes

PC Lender requested preclaim assistance
FD Final demand letter
PR One full monthly installment satisfied by payment or prepayment
TR Account sold, transferred, converted to another lender/servicer
IA Lender became aware of invalid address for borrower
IT Lender became aware of invalid telephone number for borrower
IR Lender became aware of borrower's incarceration, or lender became aware of borrower's residence outside a State, Mexico or Canada, or borrower has no phone service
CR Lender became aware of a check returned for nonsufficient funds
LC Letter contact with borrower
TC Telephone contact or contact in person with borrower
VA Lender became aware of valid address for borrower
VT Lender became aware of valid telephone number for borrower
TA Attempted telephone contact with borrower

DB Deferment period/post deferment grace period, begin date
DE Deferment period/post deferment grace period, end date
LN Lender approved a deferment or forbearance with ending date prior to lender's receipt of documentation or adjusted OSD that changes the delinquency
DD Date of death
DS Date disclosure sent (for ICA/Location cures only)
BL Date borrower located (for ICA/ Location cures only)
FB Forbearance period begin date
FE Forbearance period end date

Skiptracing Activity Codes (to obtain address/telephone number)

SD Contact with Directory Assistance
SS Contact with borrower's school by phone or letter
SR Contact with reference, endorser, relative, individual, or other entity by phone or letter
SA Contact attempted with reference, endorser, relative, individual, or other entity by phone or letter
SO Other skiptracing activity

INSTRUCTIONS FOR COMPLETING THE SUPPLEMENTAL CLAIM FORM

(This form is to be completed by the lender or servicer when requesting an increase in the amount of claim paid.)

I. LOAN INFORMATION:

1. **Social Security #:** Provide the borrower's social security number (Do **not** submit a Supplemental Claim Form without a social security number).
2. **Name (Last, First, MI):** Provide the borrower's last name, first name, and middle initial.
3. **Loan Type:** Provide the loan type submitted on the Claim Form using one of the following codes: SF = Subsidized Stafford, including non-subsidized disbursed prior to 10/92; SU = Unsubsidized Stafford; PL = PLUS; SL = SLS; CL = Consolidation. *Note: Subsidized and unsubsidized Stafford loans that have been combined into one claim should be combined in one supplemental claim.*
4. **Loan ID:** Provide the loan identifier code, file number, guarantee date, or guarantee amount, as required by the guarantor of the loan(s) for which an increase in claim payment is requested.
5. **Int Rate/Type:** Provide the interest rate and type of interest rate submitted on the Claim Form by entering the appropriate code: F = Fixed rate, simple; R = Fixed rate, Rule of 78s; V = Variable rate; A = Adjustable rate (8-10%).

II. CLAIM PAYMENT INFORMATION:

6. **\$ Prin Paid:** Provide the amount of principal paid by the guarantor.
7. **\$ Int Paid:** Provide the amount of interest paid by the guarantor.
8. **# Days Int Paid:** Provide the number of days of interest paid by the guarantor (i.e., calculate the number of days between item 10 and the last date through which the guarantor paid accrued interest).
9. **Claim Pmt Dt:** Provide the date the claim payment was received.
10. **Int-Paid-Through Dt:** Provide the date submitted on the Claim Form through which interest was last paid.

III. REQUESTED SUPPLEMENTAL CLAIM AMOUNT:

11. **\$ Prin Increase:** Provide the amount of principal that was underpaid.
12. **\$ Int Increase:** Provide the amount of interest that was underpaid.
13. **\$ Total Increase:** Provide the total value of the supplemental claim (the sum of item 11 and 12). *Note: This request for claim payment increase must be submitted within 90 days of receiving the claim payment. No supplemental claim may be submitted for an amount less than fifty dollars (\$50.00).*

IV. REASON FOR SUPPLEMENTAL CLAIM REQUEST:

A. Due Diligence Error Incorrectly Cited

14. **DL:** An interest penalty was incorrectly cited for missing letters. *Supporting documentation: Applicable servicing and/or payment history accompanied by an explanation in Section D.*
15. **LD:** An interest penalty was incorrectly cited for a missing final demand letter. *Supporting documentation: Applicable servicing and/or payment history.*
16. **DK:** An interest penalty was incorrectly cited for untimely and/or omitted telephone skip tracing activities. *Supporting documentation: Applicable servicing and/or payment history.*
17. **DA:** An interest penalty was incorrectly cited for an untimely and/or omitted diligent effort to contact the borrower by telephone. *Supporting documentation: Applicable servicing and/or payment history.*
18. **DP:** An interest penalty was incorrectly cited for a missing preclaim request. *Supporting documentation: Copy of a preclaim request acknowledgment or other documentation acceptable to the guarantor (e.g., signed hard-copy list of borrowers from a tape).*
19. **DT:** An interest penalty was incorrectly cited for untimely and/or omitted address skip tracing activities. *Supporting documentation: Applicable servicing and/or payment history.*
20. **DC:** An interest penalty was incorrectly cited for a late preclaim request. *Supporting documentation: Copy of a preclaim request acknowledgment or other documentation acceptable to the guarantor (e.g., a signed hard-copy list of borrowers from a tape).*
21. **DO:** Other due diligence errors were incorrectly cited. *Supporting documentation: Applicable servicing and/or payment history or other loan document accompanied by an explanation in Section D.*

B. Error in Interest Calculation

22. **IM:** The number of days of interest paid was calculated incorrectly by the guarantor. Provide the correct number of days of interest that should have been paid on the claim.
23. **IN:** The return time frame was calculated incorrectly. Provide the date the lender received the returned claim package, and the resubmission date for the return time frame in dispute. Provide supporting documentation.
24. **IP:** An incorrect interest-paid-through date was used to calculate the claim payment amount. Provide the correct interest-paid-through date.

C. Miscellaneous

25. **MF:** Incorrect information was provided on the original Claim Form. *Supporting documentation: Applicable servicing and/or payment history or other loan document accompanied by an explanation in Section D.*
26. **MT:** A timely filing violation is being appealed. *Supporting documentation: Applicable servicing and/or payment history accompanied by an explanation in Section D.*
27. **MO:** Other miscellaneous supplemental request reasons. *Supporting documentation: Applicable servicing and/or payment history or other loan document accompanied by an explanation in Section D.*

V. CERTIFICATION:

28. **Lender ID:** Provide the six-digit Department of Education lender code and, as applicable, the four-digit non-Department of Education suffix of the lender or the current holder.
29. **Servicer ID:** If the account is being serviced, provide the six-digit Department of Education servicer code.
30. **Lender/Servicer Name:** If the account is being serviced, provide the servicer's name; if there is no servicer, provide the lender's name.
31. **Lender/Servicer Address:** If the account is being serviced, provide the servicer's address; if there is no servicer, provide the lender's address.
32. **Prepared By:** Provide the name of the person or unit responsible for answering questions about information provided on this form.
33. **Signature/Date:** Sign and enter the date the Supplemental Claim Form was completed.



Texas Guaranteed Student Loan Corporation Training Interest Survey

Common Claims Initiative and Master Promissory Note

Texas Guaranteed Student Loan Corporation (TG) is making tentative plans for lender and servicer workshops on implementing the Common Claims Initiative and the Master Promissory Note. Plans are to conduct one session the week of November 16, 1998, in Austin and, if interest is sufficient, to conduct another session in early December in Dallas. Each session will cover both topics and is expected to take one and one-half days.

In order to judge the level of interest in the sessions and to plan for sufficient accommodations, TG is requesting that lenders and servicers interested in attending one of the sessions below indicate their preferred workshop on this form and return it to TG via fax to (512) 219-2849 by October 1, 1998.

Participant name _____

Affiliation _____

Address _____

Phone _____ Fax _____

Session Preference

Austin, week of November 16, 1998

Dallas, early December, 1998

Please note: Depending on the level of response, the Dallas workshop may not be offered. In all cases, space may be limited.

Please fax this form to (512) 219-2849 by October 1, 1998. Further details and a confirmation of dates, location, and time will follow.

For questions, contact TG Customer Support at (800) 252-9743, ext. 4444, or send e-mail to customer.services@tgs lc.org.
