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TG Continues Y2K Dialogue

As part of a continuing effort to address the Y2K challenge, Texas Guaranteed Student Loan Corporation (TG) sponsored a second successful Y2K forum on March 2, 1999. (See the article in *Shoptalk* 90 for information about the first forum.) The main focus of the March forum was contingency planning.

Milt Wright, TG's President and CEO, opened the session by identifying two focus points: "Communication is the key to successful business planning. As long as we maintain an open dialogue, we can work together to make sure that the needs of the student loan community are met. Having a contingency plan in place is critical. Some systems will fail. The key is to avoid panic by being prepared."

Updates from Presenters

Approximately 28 educators, business partners, and representatives from the Department of Education (ED) came to Austin to continue discussions about what is being done to prepare for the Year 2000. Various attendees, including representatives from ED and TG, presented updates on assessment, planning, and testing issues:

- Mike Nash, TG's Assistant Vice President for Technology Development, provided an update of TG's four mainframe projects.
- Charles Lee, TG's Y2K Deputy Director, continued with an update of TG's administrative projects and also addressed the importance of having a Y2K Business Continuity Plan (BCP).
- Bob Davidson, ED's Y2K Project Manager, and Dan Callahan, also with ED, participating via conference call, reviewed

ED's Quarterly Y2K Report to the Office of Management and Budget.

- Bill Grabo, Texas Higher Education Coordinating Board's (THECB) Y2K Coordinator, spoke on the efforts of THECB to become Y2K ready.
- Melissa Rayburn, TG's Y2K Coordinator, delivered an update on TG's external interface testing.
- Mary Haldane, ED's Y2K Contingency Planning Coordinator, Office of Student Financial Assistance, spoke on the importance of having a Y2K Contingency Plan.

"Communication is the key to successful business planning. As long as we maintain an open dialogue, we can work together to make sure that the needs of the student loan community are met."

— Milt Wright

Ms. Haldane's presentation focused on ED's use of a contingency plan to outline processes that will be used in the event of Y2K system failures. "The Department of Education is giving our data systems' Year 2000 (Y2K) readiness our highest priority. Even though we are confident that our systems are Y2K compliant, we continue to pursue an aggressive program of Y2K contingency planning so that critical services are maintained in the event our best efforts fall short," Ms. Haldane said.

See Y2K DIALOGUE on page 5.

NEWLY REPORTED CLOSURES

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	UNOFFICIAL CLOSURE DATE	ED'S OFFICIAL CLOSURE DATE
011830010	Berk Trade and Business School	440 Atlantic Ave. Brooklyn, NY 11217	N/A	06/10/1998
013165000	Climate Control Institute	3030 N. Hillside Wichita, KS 67219-3902	N/A	11/02/1998
025216000	Columbia College of Business	8800 SE Sunnyside Rd. Suite 250 Clackamas, OR 97015-5702	N/A	02/03/1999
010062000	Metropolitan Community College	601 James R. Thompson Blvd. East Saint Louis, IL 62201-1129	N/A	12/31/1998
022399000	Mr. John's Academy of Beauty Culture	626 E. Main St. Farmington, NM 87401-2714	N/A	01/29/1999
002505000	St. Louis Conservatory and School for the Arts	560 Trinity Ave. St. Louis, MO 63130	N/A	03/16/1990
023269000	Sunstate Academy of Hair Design	1825 Tamiami Trail E-6 Port Charlotte, FL 33948	N/A	12/31/1998

AdvanTG™ Rollout Nears Completion

Installation of AdvanTG™, Texas Guaranteed Student Loan Corporation's (TG) latest loan management tool that focuses on the "life of the loan" from guarantee to final disbursement, is nearing completion. The software installers, including team members from TG's Electronic Services (ES) and Customer Services (CS), have successfully installed AdvanTG at 101 Texas schools and at 27 lenders and servicers from coast to coast. TG expects to complete the last few installations soon.

TG launched this highly flexible loan management tool, which combines TG's earlier tools into one Windows-based integrated design, after two years of development. TG software developers are presently working on the second release of AdvanTG, which is expected out in the next couple of months.

AdvanTG Installers and Support

Eighteen TG team members worked as installers to get the schools, lenders, and servicers set up to benefit from AdvanTG. Installers from ES include Dennis Alley, Alan Hench, Kelly Klipple, Monico

Moreno, Will Thien, and Pat Woods. CS installers are Michelle Enriquez, Lisa Felder, Renee Gilmer, Lisa Gregory, Kevin Harris, Paul Lewis, Andrea McCrea, Chuck Ramos, Sharon Rodriguez, Steve Rose, Aubrey Stelly, and Ed Turney.

Following installation, users obtained help in using the new software from the CS Product Support Group (PSG) back at TG. The PSG team members, who provided valuable assistance to users by answering questions, include Teresa Bobadilla, Sheila Casey, Suzy Epley, Rosie Gonzalez, Paul Lewis, Andrea McCrea, and Mark Palmer as well as team members from TG Customer Assistance.

Training Site Hosts and Sponsors

Installation of AdvanTG was facilitated through the help of several student loan partners throughout Texas. The following schools, lenders, and servicers contributed to the process by hosting and sponsoring training sessions:

- The University of North Texas (hosted two sessions) and Educaid and Bank One (sponsors);

- The University of Texas Pan American (host) and COSTEP (sponsor);
- The Southwest Institute (host) and Bank One (sponsor);
- Education Service Center, Plains National Bank (host) and Panhandle Plains Higher Education (sponsor);
- San Jacinto College (host) and Union Bank and Trust (sponsor); and
- The University of Texas at San Antonio (host) and Education First (sponsor).

Questions

For more information about how AdvanTG can help you work more efficiently throughout the life of a loan, visit the "Solutions and Tools" section of TG's corporate web site, *TGWorks Online*, at www.tgslc.org under "Resources for Schools and Lenders." For information about the installation of AdvanTG, its use, or its future upgrades, call your TG Customer Support Consultant or CS Customer Support at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

COMMON MANUAL UPDATES

INFORMATION ON REVISIONS TO THE COMMON MANUAL

Consolidation Loan Interest Payment Rebate Fee

The Higher Education Amendments of 1998, signed by the President on October 7, 1998, revised certain provisions of Federal Consolidation loan policy. Current *Common Manual* policy states that the Consolidation loan interest payment rebate fee is 1.05% per annum of the principal balance and accrued interest of the loans. Section 9.8 of the *Common Manual* has been revised to reflect new law which provides a reduction in this fee for certain loans.

Each month, a holder must remit to the Department an interest payment rebate fee for all of its Federal Consolidation loans made on or after October 1, 1993.

For loans made on or after October 1, 1993, from applications received prior to October 1, 1998 and after January 31, 1999, this fee is equal to 1.05% per annum of the unpaid principal and accrued interest of the loans. To calculate the fee, the holder should multiply the sum of unpaid principal and interest balances of the applicable loans — as of the end of the month — by 0.0875% (0.000875).

For loans made from applications received during the period beginning October 1, 1998 through January 31, 1999, inclusive, this fee is equal to .62% per annum of the unpaid principal and accrued interest of the loans. To calculate the fee, the holder should multiply the sum of unpaid principal and interest balances of the applicable loans — as of the end of the month — by 0.0517% (0.000517).

These changes are effective for loan applications received by the lender on or after October 1, 1998.

Lender Audit Exemptions Clarified

The Higher Education Amendments of 1998 make permanent the exemption from the annual audit requirement for any lender fiscal year in which the lender holds or originates \$5 million or less in FFELP loans.

However, an exception to this statutory change applies to an eligible lender that is a wholly owned subsidiary of a tax-exempt nonprofit foundation (as described in §501(c)(3) of the Internal Revenue Code of 1986, and exempt from taxation under §501(1) of the Code), makes FFELP loans only to undergraduate students who are age 22 or younger, and has a portfolio that is \$5 million dollars or less. Such lenders must submit the results of an audit annually.

These changes are being made to subsection 3.8.A. of the *Common Manual* and are effective retroactive to the implementation date of the *Common Manual* for a lender who made or held \$5 million or less in FFELP loans. For a lender that is a bank as defined in section 3(a)(1) of the Federal Deposit Insurance Act, a wholly owned subsidiary of a tax-exempt nonprofit foundation, makes loans only to undergraduate students who are age 22 or younger, and has a portfolio of such loans that is \$5 million or less, the effective date is applicable to a lender audit completed for any fiscal year ending on or after October 1, 1998.

Borrower and Student Eligibility Requirements Revised

The Higher Education Amendments of 1998 changed some borrower and student eligibility requirements:

- A student must certify, as part of the Free Application for Federal Student Aid (FAFSA), a statement of educational purpose. Prior to the 1998 Reauthorization of the Higher Education Act, students were allowed to file the statement of educational purpose with either the lender or school. A PLUS loan borrower must continue to certify a statement of educational purpose by signing and submitting the application and promissory note to the lender or school.

- A student who has completed a secondary education in a home school setting that is treated as a home or private school under applicable state law is considered to have completed high school for purposes of Title IV eligibility. Prior to the 1998 Reauthorization of the Higher Education Act, Title IV eligibility was not extended to home schooled students unless the students met other related requirements such as having a high school diploma or its equivalent, or passing an ability to benefit test (ATB).
- A student enrolled in coursework, offered in part or totally through telecommunications by a school, will be considered to be enrolled in correspondence courses unless all of the following criteria are met:
 - The school offers less than 50% of all courses by telecommunications or correspondence, and the student's coursework is part of a 1-year or longer program leading to a recognized certificate or part of a recognized associate, baccalaureate, or graduate degree program.
 - The school offers recognized associate, baccalaureate, or graduate degrees for 50% or more of its programs.
 - The school is not an institution or school described in section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act.Prior to the 1998 Reauthorization of the Higher Education Act, neither the certificate study program of one year or longer nor the school's percentage of degree programs was considered in determining a student's FFELP eligibility.

See *COMMON MANUAL UPDATES* on page 4.

- Each eligible borrower and student must be a U.S. citizen or national, U.S. permanent resident, or eligible noncitizen. The Higher Education Amendments of 1998 requires the Department to verify a student's social security number or alien registration number provided on the FAFSA with the relevant agencies.
- Citizens of any one of the Freely Associated States (i.e., The Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau) are not eligible for FFELP funds at any participating school, but may be eligible for other types of Title IV aid.

Subsections 5.2.A., 5.2.B., 5.2.C., 5.2.D., 5.2.I., and 5.2.J. of the *Common Manual* have been revised to reflect these changes. These changes are effective for loan applications certified by the school on or after October 1, 1998.

Lender's Initial and Repayment Disclosure Requirements Modified

Subsections 6.1.I. and 7.5.D. of the *Common Manual* have been revised to incorporate provisions of the Higher Education Amendments of 1998 that affect the lender's initial and repayment disclosures.

Revised policy in subsections 6.1.I. and 7.5.D. permits the lender to provide the borrower with required initial and repayment disclosures in either a written or electronic format. In addition to the data elements currently listed in subsections 6.1.I. and 7.5.D., initial and repayment disclosure information must now include the lender's telephone number and, at the lender's option, an electronic address from which the borrower can obtain additional loan information.

Revisions to *Common Manual* subsections 6.1.I. and 7.5.D. are effective for initial and repayment disclosures issued by the lender on or after October 1, 1998.

Lenders May Pay Origination Fees on All Stafford Loans

Until the 1998 Reauthorization, lenders were required by statute to charge federal origination fees to unsubsidized Stafford loan borrowers. Although the lender continues to owe the origination fees on all Stafford loans, and will continue to remit those fees via the quarterly ED Form 799, lenders now are permitted to pay origination fees on both subsidized and *unsubsidized* Stafford loans on the borrower's behalf.

This change is effective for unsubsidized Stafford loans first disbursed by the lender on or after October 1, 1998. Section 6.6 and subsections 6.6.E. and A.3.C. of the *Common Manual* have been updated accordingly.

Mandatory Forbearance Requests Modified

The *Common Manual* has been revised to incorporate the provisions of the Higher Education Amendments of 1998 that delete the requirement for a borrower to request a mandatory forbearance in writing.

Revised policy states that, upon receiving a borrower's request and documentation required to support the borrower's eligibility, a lender is required to grant a forbearance in any of the following situations: internship/residency, debt exceeds monthly income, national service, or Department of Defense Repayment. In all cases, the lender must provide the borrower with a written agreement that explains the terms of the forbearance.

In addition, the current policy has been revised to delete the requirement for a written request, and to provide additional clarity to existing policy. Revised policy now states that a lender must grant forbearance to a qualified borrower who meets either of the following criteria:

- The borrower has exhausted his or her eligibility for internship/residency deferment.

- The borrower's promissory note does not provide for an internship/residency deferment.

Eligibility and documentation requirements are the same as for a borrower who has requested an internship/residency deferment (see subsection 7.10.K.). A lender must grant forbearance in 12-month increments unless the actual period during which a borrower is eligible is less than 12 months.

Subsection 7.11.C. of the *Common Manual* has been revised to reflect these changes, which are effective for mandatory forbearances granted by the lender on or after October 1, 1998.

Cohort Default Rates and Appeals Modified

Due to the 1998 Reauthorization of the Higher Education Act, changes have been made to chapter 10 of the *Common Manual*.

- Some Historically Black Colleges and Universities (HBCUs), and tribally controlled and Navajo community colleges, may qualify for an exemption from the loss of FFELP eligibility based on cohort default rates in excess of applicable thresholds.
- If a school's cohort default rate or loss of FFELP eligibility appeal based on exceptional mitigating circumstances, erroneous data, or improper loan servicing or collection is unsuccessful, the school is required to pay, to the Department, the amount of interest, special allowance, reinsurance, and any related payments made by the Department (or which the Department is obligated to make) with respect to FFELP loans made to students attending or planning to attend the school during the pending appeal.
- A school may appeal its loss of FFELP eligibility on exceptional mitigating circumstances by demonstrating that

See *COMMON MANUAL UPDATES* on page 5.

its participation rate index is equal to or less than 0.0375 for any one of the 3 most recent fiscal years for which data is available.

- A school may appeal its loss of FFELP eligibility on exceptional mitigating circumstances based on educating low-income students by providing documentary evidence that, for a 12-month period that ended during the 6 months immediately preceding the fiscal year for which the cohort of borrowers used to calculate the school's cohort default rate is determined, at least two-thirds of the students enrolled on at least a half-time basis meet either of the following criteria:
 - The student is eligible to receive a Pell Grant that is at least equal to one-half of the maximum available Pell Grant based on the student's enrollment status.
 - The student has an adjusted gross income that is less than the poverty level, as determined by the Department of Health and Human Services. (Please note that the adjusted gross income of a dependent student equals the adjusted gross income of the student's parents plus the adjusted gross income of the student).
- If a school appeals its loss of FFELP eligibility on exceptional mitigating circumstances based on educating economically disadvantaged or low-income students, both degree- and non-degree-granting schools can add students who entered active duty in the U.S. Armed Forces to the numerator in the calculation of their respective completion and placement rates. For non-degree-granting schools, students or former students for whom the school is the employer should not be included in the numerator of the placement rate calculation.
- In a cohort default rate or loss of FFELP eligibility appeal based on improper loan servicing or collection, the Department must ensure that a school has access for a reasonable

period of time, not to exceed 30 days, to a representative sample of the relevant loan servicing and collection records used by a guarantor in paying default claims or by the Department in determining a school's default rate in the loan program under part D of this title. If a school proves, during the appeal process, that a loan or loans defaulted due to improper loan servicing or collection, the Department will adjust the numerator and denominator of the school's FFELP, FDLP, or weighted average cohort default rate based on statistical inference from the appropriate representative sample.

Except for school appeals of FDLP and weighted average cohort default rates on the basis of improper loan servicing or collection which take effect on July 1, 1999, all of the above revisions to sections 10.1 and 10.5 and subsections 10.5.A. and 10.5.C. of the *Common Manual* are effective for school cohort default rates published on or after October 1, 1998. ★

Poverty Guidelines Update

The Department of Health and Human Services recently updated the poverty guidelines to account for last year's increase in prices measured by the Consumer Price Index. The 1999 poverty guideline figure for a family of two is \$11,060 (\$921.67 monthly) for all states except Alaska and Hawaii. In Alaska, the figure is \$13,840 (\$1,153.33 monthly), and in Hawaii, the figure is \$12,730 (\$1,060.83 monthly).

The poverty guideline is one qualifier that may be used in determining a borrower's eligibility for an Economic Hardship Deferment (NEW HRD). The NEW HRD form has been revised to reflect the 1999 figures and is available by calling TG Customer Support at (800) 252-9743, ext. 4444. The form is also available on TG's web site *TGWorks Online* at www.tgslc.org/schlend.htm. Schools and lenders should immediately discard all previous versions of the form and use only the updated version.

Please note that while this form has been updated to include the new poverty levels, the form has "officially" expired. TG customers are instructed to continue using the forms, however, until revised deferment forms are published by the Department of Education. These are expected within the next two-to-three months. ★

Y2K DIALOGUE (Continued from page 1)

Following the presentations, the attendees broke up into groups to discuss contingency plan coordination, issues and concerns, and actions associated with providing alternative processing throughout the life of the loan should systems fail.

The next Y2K Forum is tentatively scheduled for late June or early July 1999.

Questions

Questions about TG's Y2K plans can be addressed to Melissa Rayburn at (800) 252-9743, ext. 4688 or by sending e-mail to melissa.rayburn@tgslc.org.

Additional information about the Systems Development Project is available on *TGWorks Online* at www.tgslc.org/tgslc/sdp/sdp_main.htm. ★

Reauthorization Requires Default Prevention Change

With the implementation of provisions of the Higher Education Amendments of 1998 (the Amendments), Texas Guaranteed Student Loan Corporation (TG) is ensuring that operational changes are in place in order to assist schools, lenders, and servicers with the transition. One change affects when TG reports delinquencies to schools on the weekly "Notice of Default Prevention Activity" report.

Delinquency Reporting Date Changed for Weekly School Report

For loans for which the first day of delinquency occurs on or after October 7, 1998, the Amendments change the definition of default on Federal Family Education Loan Program (FFELP) loans from 180 days to 270 days for loans billed monthly (240 days to 330 days for loans billed less frequently). Because of this new default definition, borrowers who remain delinquent after TG initially reports their delinquency at 90 days will be reported to schools at day 159 instead of day 120 on

TG's, "Notice of Default Prevention Activity for Week Ending MM/DD/YY" report. The effective date for this change has not been determined. TG will notify each school individually when the change occurs.

The report is currently provided to institutions by subscription and is available in both paper and electronic formats. Schools can start receiving the "Notice of Default Prevention Activity Report" or change the format of their report by contacting Art Cruz or Bryan Fritch at (800) 252-9743, ext. 4934 or 4681, respectively, or by sending an e-mail request to art.cruz@tgslc.org or william.fritch@tgslc.org. TG will provide further information about operational changes as Reauthorization provisions continue to be clarified.

Questions

For questions regarding these changes, call Art Cruz at the number above, or Shelia Dunlap at (800) 252-9743, ext. 4642. ★

TG Offers Electronic Subscriptions

You can now be the first to know when a new issue of *Shoptalk* is available on *TGWorks Online*. Texas Guaranteed Student Loan Corporation's (TG) corporate web site is now offering an electronic subscription service to get the information you need directly to you as soon as possible.

Included in the e-mail notices will be summaries and links to individual articles in each issue. In addition, subscribers to the new service will also be notified when new issues of *TG Connection* are available and when other pertinent information has been added to the site.

To subscribe to TG's new electronic subscription service, visit *TGWorks Online* at www.tgslc.org and click on "Subscribe to Electronic Publications." ★

Rising Star Scholarship Announced

Nearly 20 years ago, on June 13, 1979, Governor Bill Clements signed House Bill 38 creating Texas Guaranteed Student Loan Corporation (TG). Since then, TG team members have dedicated their efforts to meeting the challenge of TG's vision to assist students and families in realizing their education dreams.

To commemorate this significant milestone, TG team members are pooling their voluntary contributions to fund the "Rising Star" Scholarship, to encourage students to borrow conservatively. Depending on the amount of funds donated,

TG's team members will award one or more scholarships to a school or schools from the pool of entries. The selected school(s) will be responsible for identifying a recipient of the "Rising Star" Scholarship from among eligible students. The eligibility requirements are:

- Eligible schools include only Texas higher education institutions;
- Student recipients must have a zero Expected Family Contribution (EFC); and
- Funds should be released to the student after the student completes the

10th class day of the semester of which he or she is receiving the scholarship.

Rising Star Scholarship Entries

TG team members will accept only one entry from each Texas school. Interested schools have several options to register for the scholarship. Entries may be submitted online via TG's corporate web site, *TGWorks Online*, at www.tgslc.org. Entry forms have also been mailed to financial aid offices and entries may be faxed to

See RISING STAR on page 8.

Mapping Your Future Plans Chat Night and Expands Services

Adults returning to college to finish or continue their education have an opportunity to receive answers to their college and financial aid questions during an interactive Chat Night on *Mapping Your Future* (mapping-your-future.org) (MYF). MYF is a college, career, and financial aid web site sponsored by Texas Guaranteed Student Loan Corporation and more than 30 other guaranty agencies.

This live event, scheduled for 6 – 8 p.m. (Central) on June 16, 1999, provides a unique opportunity for non-traditional students to receive answers to questions about college selection, career planning, and financial aid.

College and financial aid experts from all over the country will take part in the Chat Night, during which participants will learn about:

- Paying for school,
- Completing the Free Application for Federal Student Aid (FAFSA),

- Determining eligibility for federal student aid,
- Figuring financial need and expected family contribution,
- Career planning,
- Setting career goals,
- Determining the best career, and
- Resources for additional assistance or information about careers.

Anyone with Internet access can join in the Chat Night by visiting mapping-your-future.org on the World Wide Web. Those planning to participate can pre-register and choose to have a reminder sent a few days before the event.

On the evening of the Chat Night, visitors will go to mapping-your-future.org and select the chat session. Simple instructions will guide them on how to join the event.

Expanding Services

MYF's Steering Committee and team members are working on a plan that will take the site to the next level of online

services for families and students. The committee and team members developed the plan to provide new services for schools, students, and families. Some of the items address:

- Default prevention issues;
- Enhancing the attractiveness and value of the site so as to encourage students to return;
- Incorporating information about the recently approved Master Promissory Note; and
- Providing statistics and links to useful information such as job listings, salary estimates, and data about the FAFSA.

Questions

Questions about the MYF Chat Night or plans to improve the information available for schools, students, and families should be addressed to Cathy Mueller by phone at (800) 252-9743, ext. 4539, or by e-mail at catherine.mueller@tgsllc.org. ★

ThinkBIG Ideas Pour Into Waco

More than 100 ideas came out of the first "Thinking BIG" interactive session held on March 26 in Waco, Texas. Thirty-two attendees from six Central Texas institutions gathered for a fun-filled training and brainstorming event co-sponsored by Baylor University, Sallie Mae, and TG's Business Innovation Group (ThinkBIG). The event began with a light breakfast and a two-hour training session on Breakthrough Thinking, taught by Debra Walsh, Training Manager for Sallie Mae. During the training, financial

aid professionals combined brain power and art supplies to solve puzzles and express themselves creatively.

Over a working lunch, the group members turned their energies to brainstorming ideas for the development of innovative solutions and tools to benefit students. This successful exercise yielded the creative ideas, which were turned over to ThinkBIG for review.

Here are some comments collected from the enthusiastic participants after the session concluded:

"This session has started me thinking about various new ideas to use at my institution!"

"During these discussions I heard many good ideas presented by individuals that we can implement at our school."

"I think we can do some new things to improve the student experiences in financial aid. I have to remind myself that while doing a routine job, my suggestions can still

See ThinkBIG on page 9.

Forms Update

FFELP Stafford Application

The Office of Management and Budget (OMB) has approved the extension of the Federal (common) Stafford Application/Promissory Note for use in the Federal Family Education Loan Program (FFELP) until June 30, 2000. The extension of this application is provided to allow the master promissory note (MPN) to be phased in over the next year. The next time Texas Guaranteed Student Loan Corporation (TG) reprints the common application the new OMB number and expiration date will be included. Until then, existing supplies of the application containing the previous OMB number and expired date may be used. TG encourages use of the MPN as soon as possible to take advantage of several efficiencies offered on the new form. Implementing the new form does not mean

that schools must also implement the serial loan process. Schools can use the MPN form but continue to require borrowers to sign a new note for each loan.

Discharge/Cancellation Forms

The Department of Education (ED) has announced the approval of the loan discharge/cancellation forms to be used for FFELP and Direct loans. The common forms include:

- Loan Discharge Application: School Closure
- Loan Discharge Application: False Certification of Ability to Benefit
- Loan Discharge Application: False Certification (Disqualifying Status)
- Loan Discharge Application: Unauthorized Signature/Unauthorized Payment

■ Total and Permanent Disability Cancellation Request

Existing supplies of these forms may be mailed to borrowers until July 30, 1999, and may continue to be processed after that date. The new forms *must* be used when providing loan discharge or cancellation applications on or after August 1, 1999.

Ordering the Forms

The new loan discharge/cancellation forms may be viewed on *TGWorks Online* at www.tgslc.org. Only the Total and Permanent Disability Cancellation Form may be downloaded for use. TG works with borrowers directly on the Closed School and False Certification issues. These forms are posted to keep lenders and schools informed about the mechanics of these programs. ★

PENCIL ME IN

DATES TO REMEMBER

TASFAA New Aid Officer Workshop, San Antonio	May 16 – 21
NCHELP Spring Convention, St. Petersburg, Florida	May 23 – 26
Last day of 76th Regular Legislative Session	May 31
THECB 15th Annual Recruitment and Retention Conference, Austin	June 1 – 3
Mapping Your Future Chat Night, www.mapping-your-future.org	June 16
Deadline to cure loans that lost their TG guarantee prior to July 1, 1996	June 30, 1999
Effective date for three-day release of loan proceeds to students	July 1, 1999
NASFAA Annual Conference, Las Vegas, Nevada	July 12 – 15
NCHELP Leadership Conference, Washington, D.C.	September 16 – 17
TASFAA ABC Workshop and TASFAA Conference, Montgomery	October 4 – 8
NCHELP Fall Training Conference, San Antonio	November 14 – 17
SWASFFA Conference, New Orleans, Louisiana	December 8 – 10

RISING STAR (Continued from page 6)

(512) 219-4850. All entries must be received by 5 p.m. on Friday, May 28, 1999.

School(s) selected to receive the "Rising Star" Scholarship will be notified on Tuesday, June 1, 1999. Scholarship presentations will be made during a press conference commemorating TG's 20th Anniversary to be held at the Texas State Capitol on June 10, 1999.

Questions

If you have questions, please contact Alicia Terry at (800) 252-9743, ext. 4651, or by e-mail at alicia.terry@tgslc.org, or Pat Woods at ext. 4578, or by e-mail at pat.woods@tgslc.org. ★

Important Notice to Non-Electronic Lenders

The 1999-2000 academic year is a transition year in which the common Stafford Application and Promissory Note will be phased out in favor of the Master Promissory Note (MPN). The MPN can be used for loan periods beginning on or after July 1, 1999, and will be the only approved promissory note for federal Stafford loans certified on or after July 1, 2000, or for loan periods beginning on or after July 1, 2000.

Today, in working with a non-electronic lender, a school completes the school certification section of the common Stafford Application and forwards the application to the lender. The non-electronic lender then approves the loan by completing the "Lender Section" of the common Stafford Application and forwarding a copy to TG Loan Guarantee Operations (LGO) for guarantee processing.

Using School Certification Form

In the new MPN process, the school certification and lender sections are not included on the MPN. Therefore, in order to accommodate non-electronic lenders, the school must complete a separate Federal Stafford Loan School Certification Form (School Certification Form). The school must send the MPN and the School Certification Form to the non-electronic lender. Only when the non-electronic lender

receives the MPN and the School Certification Form can the lender review the information and approve the loan. (In schools approved for multi-year borrowing, schools will not be required to send the MPN after the initial year of MPN use by a student. However, schools, will be required to send the School Certification form during subsequent years.)

In addition, the School Certification Form does not provide a lender section. To facilitate completion of the lender approval process, TG recommends that the non-electronic lender provide the lender's name, federal identification number, approved loan amount, signature, and date at the bottom of the School Certification Form. Lenders must send a copy of this approved School Certification Form to LGO for guarantee processing. To save time, lenders can create a stamp that includes the lender's name, federal identification number, approved loan amount, signature and date for use on the bottom of the School Certification Form.

Also note that special arrangements to receive a paper school certification must be made with schools who process loans electronically. Their standard process will be to send only the MPN to the lender. If the school does not send the School Certification Form to the lender along with the MPN, the non-electronic lender must

request it from the school so that the guarantee process can be completed.

Lenders should send completed School Certification Forms with lender approval information to LGO at Texas Guaranteed Student Loan Corporation, ATTN: LGO, P.O. Box 201725, Austin, TX 78720-1725, or fax the forms to (512) 219-4641.

Lender of Last Resort Loans

The process described in this article is also the process to be used for Lender of Last Resort Loans.

Questions

If you would like more information about TG's electronic guarantee products, contact your Customer Services Consultant at (800) 252-9743, ext. 4444, or TG Customer Assistance at (800) 845-6267. ★

ThinkBIG (Continued from page 7)

make a change that improves things for others!"

"There is always a solution when you think you're in a 'no way out' situation. Sometimes listening to a third party will help solve the problem."

Participating schools included Baylor University, Texas State Technical College, McLennan Community College, and the University of Texas at Austin. The

ThinkBIG team plans at least two more interactive sessions in different parts of Texas during this calendar year.

For more information about this event or future plans of ThinkBIG, please contact ThinkBIG Project Manager Emily Pierson by calling (800) 252-9743, ext. 2857, or sending an e-mail message to emily.pierson@tgslc.org. ★

SHOP TALK

Texas Guaranteed Student Loan Corporation

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To ask questions about the articles in *Shoptalk*, subscribe or order additional copies, please contact Communications at (800) 252-9743, ext. 2878 or communications@tgslc.org

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Return Service Requested

MONEY MATTERS

The average of the bond equivalent rates of 91-day Treasury bills auctioned during the quarter ending March 31, 1999 is 4.54%.

SPECIAL ALLOWANCE RATES

<i>Eligible Loans</i>	<i>Applicable Interest Rate (%)</i>	<i>Annual Special Allowance Rate</i>	<i>Special Allowance for Quarter Ending 3/31/99</i>
Loans made prior to 10/1/81	7	.01125	.002813
Tax exempt loans made on or after 10/1/80, but prior to 10/1/81	7	.025	.00625
	9	.005	.00125
Loans made on or after 10/1/81, but prior to 11/16/86	7	.0104	.0026
	8	.0004	.0001
Tax exempt loans made on or after 10/1/81	6	.035	.00875
	6.86	.0264	.0066
	7	.025	.00625
	7.46 (Var.)	.0204	.0051
	7.66 (Var.)	.0184	.0046
	8	.015	.00375
	8.25 (Var.)	.0125	.003125
	8.26 (Var.)	.0124	.0031
	8.41 (Var.)	.0109	.002725
	8.53 (Var.)	.0097	.002425
Subsidized Stafford loans made on or after 10/17/86, but prior to 10/1/92, and unsubsidized Stafford loans made prior to 10/1/92, for periods of enrollment beginning on or after 10/1/92, and Consolidation loans made on or after 11/16/86, but prior to 10/1/92	7	.0079	.001975
	8	.00	.00
	8.26 (Var.)	.00	.00
	8.41 (Var.)	.00	.00
Subsidized and unsubsidized Stafford and Consolidation loans made on or after 10/1/92	6	.0164	.0041
	7	.0064	.0016
	8	.00	.00
	8.25 (Var.)	.00	.00
	8.26 (Var.)	.00	.00
Subsidized Stafford loans and unsubsidized Stafford loans made on or after 7/1/95, but prior to 7/1/98, only during the in-school, grace, and deferment periods.	7.66 (Var.)	.00	.00
Subsidized Stafford loans and unsubsidized Stafford loans made on or after 7/1/98, but prior to 7/1/03, only during the in-school, grace, and deferment periods.	6.86 (Var.)	.00	.00
Subsidized Stafford loans and unsubsidized Stafford loans made on or after 7/1/98, but prior to 7/1/03, except during the in-school, grace, and deferment periods.	7.46 (Var.)	.00	.00