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## TG Ombudsman Investigates Unresolved Issues

Two recent developments increase the importance of the ombudsman as a tool for enhancing customer service within the Federal Family Education Loan Program (FFELP). Those two developments are recent changes to due diligence regulations and the establishment of an ombudsman within the Office of Student Financial Assistance (OSFA).

Effective July 1, 2000, as part of the collection due diligence requirements, lenders will be required to inform their borrowers of the availability of the ombudsman for complaint resolution purposes. This reporting will be a two-step process. First, if the lender does not resolve the borrower's dispute, the lender's response must provide the borrower with an appropriate contact at the guaranty agency for the resolution of the dispute. If the guarantor contact does not resolve the dispute, the agency's response must then provide the borrower with information on the availability of the OSFA Ombudsman.

With this regulatory change and the new OSFA ombudsman office, unsatisfied customers will have the option of escalating their complaint(s) to the federal level. Borrowers will be able to compare the effectiveness of FFELP partners in handling borrower complaints to the resolution practices offered by ED.

### TG Ombudsman Office

Texas Guaranteed Student Loan Corporation (TG) established an Ombudsman's office in 1994 to improve the quality of service to FFELP customers needing conflict resolution. The office depends upon the information it receives from TG's partners to facilitate the investigation of previously unresolved issues from

borrowers, or others on their behalf, and to provide equitable solutions to difficult problems.

TG's Ombudsman, Luanne Smith, reports directly to the Office of the President and acts as a borrower advocate by offering borrowers an opportunity for an impartial review of their complaint or dispute. Generally, although not exclusively, TG's Ombudsman deals with issues associated with defaulted loans.

According to Luanne, one of the biggest challenges for the Ombudsman's office is obtaining the information needed from industry participants to analyze and resolve problems. By the time a borrower's complaint escalates to TG's Office of the Ombudsman, any unnecessary delays in providing a response to the complainant increases the customer's dissatisfaction with the student loan program. The office is responsible for devising innovative, equitable solutions to problems.

Luanne became TG's Ombudsman in June 1999. A TG team member since 1985, Luanne served as Supervisor in both Claims and Compliance Administrative Operations. Prior to coming to TG, she worked in collections for the Texas Higher Education Coordinating Board and as a financial aid counselor at the University of Texas at Austin.

### Questions

For details about the new due diligence requirements, refer to 34 CFR 682.411 and 682.208. For questions about TG's Ombudsman service, contact Luanne Smith at (800) 252-9743, ext. 4502, send an e-mail message to [luanne.smith@tgscl.org](mailto:luanne.smith@tgscl.org), or visit TG's Ombudsman page on *TGWorks Online* at <http://www.tgscl.org/tgscl/omb1.htm>. ★



# CLOSED SCHOOL CORNER

## NEWLY REPORTED CLOSURES

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	UNOFFICIAL CLOSURE DATE	ED'S OFFICIAL CLOSURE DATE
021432000	East Coast Bible College	6900 Wilkinson Blvd. Charlotte, NC 28214	N/A	08/31/1999
022489000	Sawyer College of Business	13027 Lorain Ave. Cleveland, OH 44111	N/A	08/27/1999
022362000	May Technical College	1306 Central Ave. Billings, MT 59102	N/A	09/07/1999
020773000	Transport Careers Inc.	325 N. Taylor Rd. Garrett, IN 46738	N/A	09/11/1987
021615020	Baytown Technical Institute	3524 First Ave. South Texas City, TX 77590	N/A	01/25/1991
021615030	Baytown Technical Institute	112 S. 6th Waco, TX 76701	N/A	08/16/1991
021615040	BTS Baytown Technical School- Health Careers	2013 Oak Park Blvd. Lake Charles, LA 70601	N/A	10/29/1991
021615050	BTS Baytown Technical School- Health Careers	111 35th St. South Texas City, TX 77590	N/A	01/25/1991

## ED CLOSED DATE REVISIONS

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	PREVIOUS ED CLOSURE DATE	REVISED OFFICIAL ED CLOSURE DATE
025824000	Midland Career Institute	5141 Hohman Ave. Hammond, IN 46320	04/19/1993	04/01/1993

## TG's Holiday Schedule

Texas Guaranteed Student Loan Corporation (TG) is announcing scheduled office closings and deadlines for information submittal and processing requests by business partners during the months of November and December in order to prepare for upcoming holidays and the Year 2000 rollover.

- TG will be closed at 12 p.m. CST, Wednesday, November 24, 1999, through Friday, November 26, 1999, in observance of Thanksgiving. TG will reopen under normal business hours on Monday, November 29, 1999. *All production processing requests need to reach TG by 7 p.m. CST on Tuesday, November 23, 1999.*
- TG will be closed on Thursday, December 23, 1999, through Friday, December 24, 1999, in observance of Christmas. TG will reopen under normal business hours on Monday, December 27, 1999. *All production processing requests need to reach TG by 7 p.m. CST on Wednesday, December 22, 1999.*

In an effort to complete December's end-of-month processing and prepare for the Year 2000 rollover,

TG will close for business at 12 p.m. CST, Thursday, December 30, 1999, and reopen with normal business hours on January 3, 2000.

### Operational Considerations

All production processing requests such as applications, approvals, and Disbursement Change School Refunds (DCSR) should be submitted by 7 p.m. CST on December 29, 1999. Results will be available on the morning of December 30, 1999. The noontime run will not take place on December 30, 1999.

### Processing Suggestions

The following are suggested actions that schools and/or lenders are encouraged to take no later than December 29, 1999.

- Submit as many Spring loan applications as possible.
- Encourage students who applied for loans through Loans By Phone and Loans By Web to use the appropriate method to complete the processing of their student loans.

- Resolve any outstanding rejected loan applications.

All above closures will affect EFT disbursements, DCSR transactions, loans presented for guarantee by *all* methods including AdvanTG™, CommonLine through CompuServe, Instant Guarantee™, Loans By Web, Loans By Phone, and OnLine Access.

For more information about TG's Y2K preparedness activities, visit *TGWorks Online* at [www.tgslc.org](http://www.tgslc.org).

### Questions

For technical questions, contact TG's Product Support Group at (800) 252-9743, ext. 2222, or send an e-mail message to [product.support@tgslc.org](mailto:product.support@tgslc.org).

For all other questions, contact TG's Customer Support Group at (800) 252-9743, ext. 4444, or send an e-mail message to [customer.services@tgslc.org](mailto:customer.services@tgslc.org).

TG wishes everyone a safe and happy holiday season. ★

# Paper BCR Eliminated in 2000

Beginning February 2000, Texas Guaranteed Student Loan Corporation (TG) will discontinue the paper Borrower Change Report (BCR) and instead supply data as an electronic file. Along with the change to electronic distribution of data, TG will supply PC-based software so lenders and servicers can retrieve files and print reports in-house. At that time, TG also will begin providing enrollment and demographic changes on a weekly basis rather than monthly.

The final paper BCR will be produced at close of business January 31, 2000, and mailed within a few days. Beginning the week of February 7, 2000, those who previously received a paper BCR will receive their first electronic file. The file will be in the Common Account Maintenance (CAM) format.

Lenders and servicers who currently receive a tape containing a BCR file in TG's proprietary format

will not be affected by the February change. TG will continue to provide data using TG's proprietary format until the end of 2001, or sooner as each customer notifies TG to provide the file in CAM format. Tape recipients also will receive data weekly rather than monthly.

## CAM Explained

Most lenders and servicers are familiar with CAM, and many already have begun work to modify in-house systems to facilitate the automatic generation and processing of CAM transactions. For those unfamiliar with CAM, it is a data distribution standard endorsed by the National Council of Higher Education Loan Programs (NCHELP) and the Student Loan Servicing Alliance (SLSA). CAM record formats and procedures were developed jointly by the lender, servicer, and guarantor community in a cooperative effort to improve the sharing of loan and borrower information by standardizing the content, format, and frequency of data exchanges. Simply put, CAM specifies when, what, and how student loan data is reported.

January 1, 2002, is the date when all lenders and servicers are expected to use CAM in place of current methods for reporting loan maintenance data. At that time, data exchanged through CAM will include enrollment and demographic changes, disbursement notifications and revisions, cancellations, status changes, loan sales, school refunds, loan balances, pre-claim assistance requests, and claim filings. Similar to what occurred when the National Student Loan Data System (NSLDS) Lender Manifest (LM) process was implemented, PC software will be available for lenders that have in-house systems that are incapable of generating or processing CAM transactions.

## Conversion to the New Process

TG's February 2000 implementation will be limited and will include only those records needed to replace the BCR. TG will produce out-going records only and will not be able to accept incoming records in CAM format.

When TG converts to electronic file distribution, Connect: Mailbox, the dial-in process currently

used by most lenders to transmit NSLDS LM data to TG, will be used by TG to distribute enrollment and demographic changes to lenders and servicers. Using Connect: Mailbox requires that users have an IBM compatible PC, modem, and communications software.

In most cases, users will not need purchased communications software to retrieve a file from Connect: Mailbox. TG will provide software to facilitate dial-in and file transfer as well as in-house report printing. The software along with detailed instructions for retrieving files and printing reports will be mailed in early January. Windows 95, or a later version of Microsoft Windows, is required to use the software that TG will supply.

Some of the benefits expected when the paper BCR is converted to CAM include:

- Data received weekly rather than monthly,
- Sorting and mailing delays eliminated,
- Information that conforms to the industry developed data standard,
- Flexibility and control over organization of printed reports (reports printed from a CAM file will not be in the same format as the current BCR),
- Ability to print reports in-house,
- Ability to phase in automated processing as resources become available,
- Conservation of technology resources that would be wasted if proprietary formats were used to automate processing, and
- Data that can be loaded into spreadsheet or other desktop productivity programs and reformatted for internal use.

Weekly distribution, data that conforms to standards developed by the industry, and the ability to control the organization of information on reports promises to be a welcome improvement to the BCR process.

## Questions

If you are not currently using Connect: Mailbox to transmit LM data, or have questions or concerns about the process that will be implemented in February, contact Kay Morgan at (800) 252-9743, ext. 4570. ★

## Revised Y2K Claim Payment Schedule

Texas Guaranteed Student Loan Corporation (TG) will resume claim payments on January 10, 2000, rather than January 18, 2000, as announced in *Shoptalk* 98, in an article titled "Y2K Claim Schedule."

As a reminder, TG is changing its year-end processing schedule as a precaution to minimize risk during the Y2K rollover. On December 20, 1999, Claims will issue payment for all authorized claims originally scheduled for payment on December 20, December 27, and January 3. After the December 20 payment, TG's normal weekly claim payment schedule will resume on January 10, 2000.

## Questions

For questions about the changes to TG's Y2K Claim Payment schedule, contact Rinn Harper at (800) 252-9743, ext. 4612, or Ron Stroud at ext. 4779. Questions may also be sent by e-mail message to rinn.harper@tgscl.org or ron.stroud@tgscl.org. ★

# PRODUCT SUPPORT FORUM

## QUESTIONS AND ANSWERS

**Q:** How can a user retrieve “lost” BNet EFT reports/files that were previously retrieved?

**A:** Users have the capability of retrieving EFT reports/files within five calendar days of initial retrieval. A user can retrieve the files by connecting to BNet and selecting the Mail Drop Down Menu and Advanced/List Mail You Have Received.

**Q:** Are reports/files always purged after five days? What happens when someone is on vacation or out of the office for a longer period of time?

**A:** If no one downloads the EFT reports/files from BNet, they remain available for initial download for 30 calendar days from the date TG places them in a user’s mailbox. After an initial retrieval, a user has an additional five, calendar days before the reports/files are purged.

**Q:** What should a school do if an expected guarantee is not received?

**A:** For each application that does not show a guarantee in AdvanTG™, a user should follow these steps:

- Search for a guarantee on TG’s system. If a guarantee is located, call Product Support Group (PSG) at (800) 252-9743, ext. 2222, or send an e-mail message to [product.support@tgscl.org](mailto:product.support@tgscl.org) to request a copy of the guarantee record. When making the request, the user should provide PSG with the borrower’s social security number and the loan suffix or unique ID.
- Look at the application reject queue via OnLine Access, which provides information on all rejected guarantees. Correct the application or add missing information to guarantee applications

online. Contact Loan Guarantee Operations at (800) 252-9743 to assist with applications in a reject status, or send an e-mail message to [lgo.helps@tgscl.org](mailto:lgo.helps@tgscl.org).

- Use the Report Request Distribution application reject report or the AdvanTG Pending application report to work through all the applications waiting for action to guarantee. If the application is not in a reject status, the user should check the `sndrcv.log` in `AdvanTG\bin` for that day, which may indicate a possible transmission problem. PSG can help users review this log. ★

## Request for Updated MPN Implementation Information

July 1, 2000, is the mandatory implementation date for the Stafford Master Promissory Note (MPN). To help schools and lenders prepare, Texas Guaranteed Student Loan Corporation (TG) will be updating the MPN implementation information available on *TGWorks Online*.

**July 1, 2000, is the mandatory implementation date for the Stafford Master Promissory Note.**

TG Customer Services (CS) is requesting MPN survey updated information from schools in each of the following areas:

- Planned MPN implementation date and corresponding affected effective loan period.

- Whether an eligible school intends to use the MPN serial functionality.
- Choice of borrower control point option: confirmation or notification.
- MPN school contact: name, phone number, and e-mail address.

The information provided in this survey will not prevent a school from changing its general preference. Each school will continue to have the ability to use an “N” (new) or an “S” (serial) MPN code setting on a loan-by-loan basis (based on school policy) in AdvanTG™.

### Questions

For questions or to be included in the MPN survey, contact Renee Gilmer at (800) 252-9743, ext. 4541, or send an e-mail message to [renee.gilmer@tgscl.org](mailto:renee.gilmer@tgscl.org). ★

## ED Issues Final Rules

During the last week of October, while many were deciding what to wear for Halloween, the Department of Education (ED) was finalizing and issuing the new regulations that reflect changes made by the 1998 Reauthorization of the Higher Education Act of 1965.

The arrival of the Final Rules marks the end of a yearlong process of collaboration between ED and members of the higher education community. This collaboration began with ED’s solicitation of input about the changes made by the 1998 Reauthorization, Negotiated Rulemaking, the release Notices of Proposed Rulemaking and finally the publication of the Final Rules.

Due to the amount of input that ED received from the community, many of the new regulations have been anticipated. Although the changes are not surprising, they are numerous and significant, especially concerning the return of Title IV funds. Articles in upcoming issues of *Shoptalk* will discuss the regulation changes in detail and their impact on TG and its customers.

The *Federal Registers* containing the final regulations are available on *TGWorks Online* at [www.tgscl.org/tgscl/1998\\_final\\_rules.htm](http://www.tgscl.org/tgscl/1998_final_rules.htm). ★

# COMMON MANUAL UPDATES

## INFORMATION ON REVISIONS TO THE COMMON MANUAL

### Deferment Time Limits

The *Common Manual* has been updated to explain the difference between “borrower-specific” and “loan-specific” time limits and to further clarify two examples illustrating the policy:

The Department has indicated that deferments generally are borrower specific — not loan specific. *This means that time limits should generally be enforced for each borrower, rather than for a borrower’s individual loans or groups of loans* (see *Example 1* below).

However, if all of the borrower’s loans are paid in full (except through consolidation) and the borrower subsequently obtains a new loan, the borrower is eligible for all deferments applicable to that loan, despite any previous periods of deferment (see *Example 2* below).

#### Example 1

A borrower has used 36 months of unemployment deferment on loans A and B, then obtains additional loans *before paying loans A and B in full*. The borrower is not eligible for an unemployment deferment *on the additional loans*, even if loans A and B are subsequently paid in full.

#### Example 2

A borrower has used 36 months of unemployment deferment on loans A and B, then pays both loans in full. After both loans are paid in full, the borrower obtains new loans. The borrower is eligible for an additional 36 months of unemployment deferment *on the new loans*.

**Affected Sections:** 7.9

**Effective Date:** Deferment requests received by the lender on or after January 1, 2000, unless implemented earlier by the guarantor

**Policy Information:** Reference #347

**Guarantor Comments:** None

### Regulatory Technical Corrections

The *Common Manual* has been revised to incorporate the provisions of the regulatory technical corrections published in the *Federal Register* on April 16, 1999. The following updates reflect modifications needed to reflect these regulatory changes.

### Entrance Counseling

Touch-tone telephone technology has been added to the list of methods by which schools may conduct entrance counseling.

**Affected Sections:** 4.9.B.

**Effective Date:** Entrance counseling conducted by schools on or after April 16, 1999

**Policy Information:** Reference #352

**Guarantor Comments:** None

### Payment Due Date after

#### Post-Deferment Grace

The *Common Manual* has been revised to specify that a borrower’s first payment due date following a post-deferment grace period must be no later than 45 days after the last day of the post-deferment grace period. In addition, the policy language regarding establishing the first payment due date has been enhanced to provide cross-referencing information regarding exceptions due to a borrower making a prepayment during a period of post-deferment grace, deferment, or forbearance.

**Affected Sections:** 7.4.B.

**Effective Date:** Deferment, forbearance, and post-deferment grace periods ending on or after April 16, 1999, unless implemented earlier by the guarantor

**Policy Information:** Reference #353

**Guarantor Comments:** None

### Combining Loans into a Single Account

Regulatory corrections add a requirement that lenders must combine, to the extent practicable, all of a borrower’s FFELP loans into a single account and establish a single repayment schedule for those loans. Previously, lenders were permitted, but not required, to do so.

**Affected Sections:** 7.6.C.

**Effective Date:** Repayment schedules issued by the lender on or after April 16, 1999

**Policy Information:** Reference #355

**Guarantor Comments:** None

### Default and Ineligible Claims: End-Date for Interest and Special Allowance Billing Clarified

Regulatory corrections clarify that if a default or ineligible claim is returned to the lender solely due to inadequate documentation, the lender’s eligibility

for interest, interest benefits, and special allowance payments are triggered from the date the lender receives the returned claim. Resubmission time frames noted throughout the manual have been updated to align the affected language with subsection 8.4.A., which measures refiling time frames from the date the lender receives the returned claim.

**Affected Sections:** 8.8.E., A.2.B.

**Effective Date:** Returned default and ineligible claims received by the lender on or after April 16, 1999, unless implemented earlier by the guarantor

**Policy Information:** Reference #359

**Guarantor Comments:** None

### Consolidating Defaulted Title IV Loans

Subsection 9.1.A. and section 9.2 have been revised to emphasize that the eligibility requirement to either make satisfactory repayment arrangements or agree to repay the Consolidation loan under an income-sensitive repayment schedule is not applicable to defaulted loans other than Title IV loans.

Current *Common Manual* policy states that a lender may refuse to consolidate defaulted loans. Revised policy clarifies that if a lender elects to consolidate defaulted Title IV loans, the borrower must first make satisfactory arrangements with the loan holder to repay the defaulted loan, or agree to repay the Consolidation loan under an income-sensitive repayment schedule.

**Affected Sections:** 9.1.A., 9.2

**Effective Date:** Applications received by the consolidating lender on or after April 16, 1999, unless implemented earlier by the guarantor

**Policy Information:** Reference #360

**Guarantor Comments:** None

### Consolidation Loan First Payment Due Date

Current policy in section 9.5 states that a Consolidation loan enters repayment on the date the loan is disbursed, and requires the lender to establish a first payment due date that is no more than 60 days after the date the Consolidation loan is

**See COMMON MANUAL UPDATES on page 6.**

## COMMON MANUAL UPDATES (Continued from page 5)

fully disbursed. Revised policy states that the lender must establish a first payment due date that is no more than 60 days after the date on which the last disbursement discharging underlying loans is made.

**Affected Sections:** 9.5

**Effective Date:** Consolidation loans disbursed by the lender on or after April 16, 1999, unless implemented earlier by the guarantor

**Policy Information:** Reference #361

**Guarantor Comments:** None

### **Interest Benefits: A New Ending Date**

Regulatory corrections provide an additional "ending date" for the billing of interest subsidy on an otherwise eligible loan. Based on the change, lenders may not bill interest subsidy on a loan from the date the lender determines or receives notice of the guarantor's determination that the borrower is eligible for a discharge due to closed school or false certification provisions.

**Affected Sections:** A.1.B.

**Effective Date:** Loans determined by the lender to be eligible for discharge due to closed school or false certification on or after April 16, 1999, or for

which the lender receives notice of the guarantor's determination of discharge eligibility on or after such date, unless implemented earlier by the guarantor

**Policy Information:** Reference #362

**Guarantor Comments:** None

### **Minor Revision to Special Allowance Termination Language**

Regulatory corrections clarify that the lender may bill special allowance on a loan only through the 60th day following the date of default, unless the lender files a claim on the loan on or before the 60th day following that default. Previous policy provided that the lender was eligible for special allowance after the 60th day only if the claim was filed *before* the 60th day following the default.

**Affected Sections:** A.2.B.

**Effective Date:** Claims filed by the lender on or after April 16, 1999, unless implemented earlier by the guarantor

**Policy Information:** Reference #363

**Guarantor Comments:** None ★

## New Federal PLUS Loan NOG Available This Spring

TG's new Federal PLUS Loan Notice of Guarantee/Disclosure (NOG) will be made available in spring 2000 on AdvanTG™.

AdvanTG version 3.0 will facilitate the printing of the new PLUS NOG.

Of special interest to lenders and servicers is the complete replacement of the disclosure language in the Messages section. Because of the number and length of required disclosures, TG can no longer include a place for lenders to indicate payment information. This may create the need for lenders to modify programs or to develop new procedures.

Please see a sample of the PLUS NOG in the May 1999 Edition of *Shoptalk*.

### **Questions**

For questions about the new PLUS NOG, contact Kyle Smith, Assistant Vice President, Loan Guarantee Operations, at (800) 252-9743, ext. 4894, or send an e-mail message to [kyle.smith@tgslc.org](mailto:kyle.smith@tgslc.org). ★

## Entrance Counseling Reminder

Texas Guaranteed Student Loan Corporation (TG) would like to remind schools that they are required to conduct entrance counseling with each student who is obtaining his or her first Stafford loan for attendance at that school. The requirement does not apply to students who have previously received a Stafford, SLS, or Federal Direct Stafford loan for attendance at another school.

Many schools use combined entrance/exit counseling forms provided by lenders and servicers. When such a form is used for exit counseling, the school is required by regulation to submit the information to the guarantor within 60 days of completion. Unlike exit counseling documentation, completed entrance counseling documentation adds no new information to guarantor records and should not be submitted to the guarantor. Entrance counseling forms that are received by TG's Loan Guarantee Operations are discarded.

### **Questions**

For questions or concerns about entrance counseling reporting requirements, contact Nancy Miller, Assistant Manager, Loan Guarantee Operations at (800) 252-9743, ext. 4774, or send an e-mail message to [nancy.miller@tgslc.org](mailto:nancy.miller@tgslc.org). ★

# ED Revises Total and Permanent Disability Cancellation Request Form

The Department of Education (ED) issued *Dear Guaranty Agency Director Letter* GEN-99-35 announcing minor revisions to the Total and Permanent Disability Cancellation Request form. ED has revised the form by separating the last sentence of the second paragraph in Section 3 into a new paragraph. The sentence now reads: "I am a (check one)  doctor of medicine  doctor of osteopathy legally authorized to practice in the state of \_\_\_\_\_ and my professional license number issued by that state is \_\_\_\_\_."

**The intent of OIG's recommended changes are to deter incorrect or fraudulent certification of the forms. The changes also may facilitate random checking of disability certifications.**

ED made these changes in response to a report from ED's Office of Inspector General (OIG). OIG recently issued an audit report of the process for granting total and permanent disability discharges of Federal Family Education Loan Program loans. The report concluded that some borrowers received inappropriate discharges because of weaknesses in the current system for determining eligibility for such discharges.

The intent of OIG's recommended changes are to deter incorrect or fraudulent certification of the forms. The changes also may facilitate random checking of disability certifications to ensure that the physician's name and professional license number match state licensing records.

## Implementation and Transition

Program participants must use the revised form when providing disability cancellation applications to borrowers on or after January 1, 2000. Lenders, servicers, and guarantors may still process old Total

and Permanent Disability Cancellation Request forms after that date.

**Program participants must use the revised form when providing disability cancellation applications to borrowers on or after January 1, 2000.**

## OMB Control Number Change

The Office of Management and Budget (OMB) control number for the Total and Permanent Disability Cancellation Request form, as well as the other discharge forms, has been changed to the new Student Financial Assistance control number 1845-0015. ED will provide the community with revised versions of the other discharge forms with the new OMB control number shortly. Because the new OMB control number does not affect the content of the forms, lenders and servicers may implement this change as their printing schedules permit. However, the revised Total and Permanent Disability Cancellation Request form must be implemented by January 1, 2000.

## Future Revisions Expected

ED expects to propose further changes to the Total and Permanent Disability Cancellation Request form after seeking input from guaranty agencies, lenders, and other interested parties. These future changes will address the collection of additional information about the borrower's disabling condition and prognosis for recovery that will assist in determining a borrower's eligibility for a loan discharge due to a total and permanent disability.

## Questions

The new Total and Permanent Disability Cancellation Request form may be downloaded directly from the *TGWorks Online* web site at

[www.tgslc.org](http://www.tgslc.org). For questions about the form, contact TG's Customer Support Group at (800) 252-9743, ext. 4444, or send an e-mail message to [customer.services@tgslc.org](mailto:customer.services@tgslc.org). ★

## ED Updates Form 799

The Department of Education (ED) has updated the Lender's Interest and Special Allowance Request and Report (ED Form 799). The updated form is effective January 1, 2000, for the quarter ending December 1999. Previous versions of the form will not be accepted after April 1, 2000. Note that this updated ED Form 799 does not change any of the data fields for Parts II-VI. The revisions are as follows:

- Item number six (6) on the first page of the report has been reformatted to allow for the year 2000;
- Instructions for all parts have been revised and expanded to be easier to understand; and
- Loan codes have been included for quick reference.

Lenders can access and download a copy of the ED Form 799 from ED's web site at <http://www.ed.gov/offices/OSFAP/IGAL>.

## Questions

For questions about the revised ED Form 799, contact the U.S. Department of Education, Lender Reporting Team at (202) 708-9776 or send an e-mail message to [osfa\\_lr@ed.gov](mailto:osfa_lr@ed.gov). ★

Return Service Requested

## Release of Loan Information to Consolidating Lenders

The Department of Education (ED) has authorized consolidating lenders to submit Loan Verification Certificates (LVC) to a borrower's loan holder(s) without the borrower's signature on each LVC if certain conditions are met. ED announced this policy in a *Dear Partner Letter* (GEN-99-31) dated October 1999.

This authorization requires that the consolidation loan application contain a certifying statement whereby the borrower has authorized:

- The consolidating lender to obtain necessary loan information only for the loans listed by the borrower on the application, and
- The borrower's loan holder(s) to release loan information only for the loans that the borrower listed on the application.

The consolidating lender must maintain the borrower's consolidation loan application with its

original signature and have the ability to retrieve it if requested by the borrower, the current loan holder, ED, or any other authorized agency.

The consolidating lender may be required to provide a written statement to the borrower's current loan holder certifying it has complied with these conditions.

The Federal Family Education Loan Program (FFELP) community has developed a common Consolidation application that incorporates the certification requirements of this guidance letter. ED is currently reviewing the form for approval.

### Questions

For questions about the *Dear Partner Letter* GEN-99-31, contact TG Customer Services at (800) 252-9743, ext. 4444, or send an e-mail message to [customer.services@tgslc.org](mailto:customer.services@tgslc.org). ★

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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.

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](mailto:communications@tgslc.org)

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