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## Negotiated Rulemaking Continues

The latest round of negotiated rulemaking began on January 18 in Washington, DC, where interested parties met to discuss procedures for the upcoming spring 2000 sessions. As with the negotiated rulemaking that took place in spring 1999, the goal of the spring 2000 Negotiated Rulemaking is to reach a consensus on proposed regulations through discussion and negotiation.

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*Committee I will address loan issues and Committee II will address program and eligibility issues.*

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The Department of Education (ED) established two committees that are comprised of nominees from organizations that are significantly affected by the regulatory topics of discussion. Committee I will address loan issues and Committee II will address program and eligibility issues. T. Neal Combs, Texas Guaranteed Student Loan Corporation (TG) Senior Vice President, will represent the National Association of Student Loan Administrators as an alternate at the Team I negotiations.

Below is a list of the proposed topics of discussion.

### **Committee I**

#### *Cohort Default Rates*

Cohort default rate issues include:

- Restructuring and revising cohort default rate provisions for clarity and consistency;

- Addressing the effect of changes of ownership on calculation of cohort default rates and related determinations of eligibility;
- Removing or modifying the list of default reduction measures in Appendix D to Part 668; and
- Developing regulations regarding electronic appeal submission and processing, including consideration of the functions to be performed by guaranty agencies, schools, and ED.

#### *Death and Disability*

The Committee will address evidentiary requirements for death discharges; standards for granting disability discharges; and processes for evaluating discharge applications.

#### *Delinquency and Default Management*

The Committee will address post-default due diligence.

#### *Teacher Loan Forgiveness*

ED offered no comments about the specifics of this discussion.

#### *False Certification Discharges*

The Committee will address implications of the decision in *Jordan v. Riley* and the existing ability-to-benefit standards.

#### *Federal Perkins Loans*

The Committee will address proof of claim requirements in bankruptcy and criteria

**See Rulemaking on page 2.**



# CLOSED SCHOOL CORNER

## NEWLY REPORTED CLOSURES

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	PREVIOUS ED CLOSURE DATE	REVISED OFFICIAL ED CLOSURE DATE
023358000	National Technical College	909 W. Montrose Ave. Chicago, IL 60613	02/09/1990	12/09/1990

### Rulemaking (Continued from page 1)

regarding institutions' ability to maintain an acceptable record of collecting on loans.

#### Cash Management

The Committee will address just-in-time provisions.

### Committee II

#### Change of Ownership

Change of ownership issues include:

- Addressing changes of ownership of publicly traded corporations;
- Considering changes of control issues that are unique to public institutions;
- Clarifying application procedures and information required for changes of ownership and other situations; and

- Consolidating and clarifying change of ownership provisions, including application procedures.

#### Nontraditional Programs

Nontraditional Programs topics include:

- Considering the definitions of standard term, nonstandard term, and non-term;
- Addressing the application of the 12-hour rule as found in the academic year and eligible programs definitions;
- Revising notification and approval requirements for additional locations and new programs; and
- Considering revisions to regulatory provisions governing consortium and contractual agreements.

#### Special Leveraging Education Assistance Partnerships (SLEAP)

ED offered no comments about the specifics of this discussion.

#### Electronic Authorization and Verification, and Electronic Retention

The Committee will address these issues for certain Title IV programs and purposes.

#### Questions

For questions about topics, dates, and participating organizations for negotiated rulemaking, contact TG Customer Support at (800) 252-9743, ext. 4444, or send an e-mail message to [customer.services@tgslc.org](mailto:customer.services@tgslc.org). ★

## Integrated Regulations and Side-by-Sides of Final Rules Available on TGWorks Online

The Higher Education Act (HEA) was amended in October 1998. The first rounds of negotiated rulemaking ended almost a year later. The Department of Education released the Final Rules shortly afterward. The financial aid community must now implement the new regulations.

To help implement the changes, the National Council of Higher Education Loan Programs (NCHELP) has produced two tools based on the final rules that emerged from negotiated rulemaking. The first is a comprehensive side-by-side

comparison of pre- and post-Reauthorization regulations; the second is an "integrated" copy of pre- and post-Reauthorization regulations contained in the *Code of Federal Regulations* 34, Sections 600, 668, and 682.

The side-by-sides include all changes to the HEA, not just those related to the Federal Family Education Loan Program (FFELP). Although side-by-sides are useful in understanding regulatory changes and implementation issues, Texas Guaranteed Student Loan Corporation encourages its customers to read the actual regulations.

The integrated regulations provide the new and old regulations in a format that easily distinguishes one from the other. The old language is struck through and immediately followed by the new language, which is underlined. In essence, the integrated regulations offer a quick history of the actual language change in regulation.

The side-by-side comparisons and the integrated regulations are posted on *TGWorks Online* ([www.tgslc.org](http://www.tgslc.org)), under Resources for Schools and Lenders/Reauthorization. ★

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# TG Announces Integrated Electronic Common Manual

Texas Guaranteed Student Loan Corporation (TG) has developed two new tools to enhance research capabilities and provide the most current information for its business partners and other participating *Common Manual* guarantors — an online, integrated version of the *Common Manual* and online *Common Manual* Bulletin Language.

Currently, both the paper and electronic *Common Manual* are distributed annually to the FFELP community. However, updates are made throughout the year. TG publishes these updates, known as *Common Manual* Bulletin Language, in *Shoptalk*. The FFELP community must then initiate internal procedures to identify and track changes made to a particular section of the manual in order to ensure that accurate information is used.

## Simplified Change Tracking

The new integrated version of the *Common Manual* simplifies and accelerates this process. In this version, the changes are identified with underlines for new language and strikeouts for language that has been eliminated. This format helps readers easily identify changes made since the last *Common Manual* publication. TG will regularly integrate newly approved changes into the existing text of the *Common Manual* as soon as they are available.

The Policy Committee usually publishes changes within five days of the Governing Board's approval. By posting the integrated manual and *Common Manual* Bulletin Language online, TG makes it possible for customers to access new policies up to six weeks before they are published in *Shoptalk*.

## "Integrated Version" Features

The integrated version of the manual also offers a feature not included in the annual published *Common Manual*. Each page that has an updated policy includes footnotes that contain the Governing Board's approval date, the policy proposal number, and the section of the manual where the update is located. If one page has multiple policy updates, each updated policy has a corresponding footnote.

Electronic search capabilities are preserved except that in the new integrated version "hot links" are not active in revised parts. Additionally, due to the increase in the quantity of text contained in the manual, pages referenced in the indexes may no longer match. For example, when adding text to a page, the text at the bottom of the page may be "bumped" onto the following page causing a domino effect.

TG is pleased to offer these new tools to the community. The integrated version of the *Common Manual* and online *Common Manual* Bulletin Language can be found at *TGWorks Online* ([www.tgslc.org](http://www.tgslc.org)) under "Schools and Lenders/More Resources."

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To be notified each time an update is posted, join TG's electronic news service, *TG NetWorks*. Log on to *TGWorks Online* under "Subscribe" and complete the online form.

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## Questions

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## Innovate. Educate. Celebrate!

The TG 2000 Annual Conference is just around the corner. On April 10-12 at the Austin Marriott at the Capitol, the FFELP community will come together for "Innovate. Educate. Celebrate!" The conference provides an opportunity to learn about the student loan industry and to discover what you need to know to make your financial aid systems function at their best. Mark your calendar now. Registration materials will be mailed the last week in January.

## Questions

For information contact Misty McKamie at (800) 252-9743, ext. 2836, or Cheryl McAuliffe at ext. 4753. ★

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## Questions

For information contact Misty McKamie at (800) 252-9743, ext. 2836, or Cheryl McAuliffe at ext. 4753. ★

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# Enhanced RRD Software Now Available

Texas Guaranteed Student Loan Corporation (TG) announces an enhanced version of its Report Request/Distribution (RRD) System.

RRD has been upgraded to provide a faster, more efficient way for schools and lenders to request and receive reports from TG. With RRD, the following reports can be requested electronically:

- Comprehensive Institutional Report (CIR),
- Anticipated Graduation Date Report (AGD),
- Application Reject Pending and Denial Report (AppReject),
- Electronic School Report (ESR) (text or data files), and
- Default Management Report (DMR).

In the past, schools and lenders had to request the above reports from TG by phone. The requested reports were then generated, printed, and delivered through postal mail or by fax. With this process, it could be at least two business days, sometimes a week before requestors would receive their reports.

## Benefits

Enhanced RRD benefits include:

- Control over when reports are received. Reports can be received the next business day after they are requested.
- Reports that can be requested electronically.
- Convenience of storing reports electronically. Reports can be archived without the inconvenience and costs associated with storing bulky paper.

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*The new RRD provides users with the flexibility they need to maximize the use of their resources.*

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## New Features

RRD's newest feature is the Letter Writing Component (LWC). With LWC, 60-day, 159-day, and Claim Pending notification letters can be created. Letters are created using RRD templates, which can accommodate custom modifications.

Also, if you have your own database tool, you can use the new export function to export from RRD to that application and create your own statistical/trend reports or spreadsheets. The new RRD provides users with the flexibility they need to maximize the use of their resources.

## Available Now

In December, schools and lenders who had earlier versions of RRD received this enhanced version from TG. Those who have not taken advantage of RRD in the past can do so now by calling their Customer Service Consultant or TG's Customer Support Group to request an RRD CD and user manual.

## Questions

For questions about RRD, or to request a CD and user manual, contact TG's Customer Support Group by calling (800) 252-9743, ext. 4444. ★

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# Reminder: Disbursement Reporting Guidance

Lenders are reminded that they must continue to report all disbursements to Texas Guaranteed Student Loan Corporation (TG) using either the paper invoicing/reporting process or the electronic invoicing/reporting process they currently use through tape or Connect Mailbox. TG collects disbursement information through loan guarantee invoices that lenders and servicers complete and return.

Even if lenders do not owe a guarantee fee for a loan, they must continue to submit invoices/reports to TG in order

for disbursements to be recorded on TG's Loan Guarantee Processing System (LGPS). Failure to do so will result in a loan being reported as non-disbursed on LGPS. Edits in the claim system prevent an undisbursed loan from being added to the system. Therefore, failure to provide the disbursement information will unnecessarily delay review and payment of a claim.

## Questions

For questions about the invoice and disbursement reporting process, contact

Mel Johnson, TG Accounting, at (800) 252-9743, ext. 4563, or send an e-mail message to [acct.loan@tgslc.org](mailto:acct.loan@tgslc.org). For questions about claim processing, contact Ron Stroud, Assistant Manager, TG Claims, at ext. 4779, or send an e-mail message to [ron.stroud@tgslc.org](mailto:ron.stroud@tgslc.org). ★

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# MYF Announces Enhancements to Online Student Loan Counseling

*Mapping Your Future* (MYF) will go live on Feb. 1 with Version 2.0 of Online Student Loan Counseling. The new version includes changes that enhance the security of online counseling and increase the ease of use for both the student and the financial aid professional.

## For the Student

Students using the new version will see a test with the same content and questions as the previous version. However, due to enhanced technology, students can complete the test much faster. A sample of this new test will soon be available online for school financial aid professionals to preview.

## For the Financial Aid Professional

Financial aid professionals using MYF's Online Student Loan Counseling Version

2.0 will see the biggest change in the way they receive confirmation reports for their students. In Version 2.0, schools will be required to pull confirmation reports from Online Access for Financial Aid Professionals, a secure site on MYF, by using a link to the site from the e-mail message. Many schools are already using the site as a supplement to the e-mail confirmation reports.

The school will be required to enter a user name and password to enter the area. This change will protect a student's private data and enable a school to pull and retrieve student reports at their convenience.

To see a test of this new procedure, type in <http://mapping-your-future.org/services/info> in your web browser. Enter the user name and the password "test" (all lower case and no quotes) to get an idea of what the school

financial aid professional will see when entering MYF's Online Access for Financial Aid Professionals.

Texas Guaranteed Student Loan Corporation, along with 31 other guaranty agencies from across the nation, sponsors MYF to help provide information to families and students. To find out more about MYF and Online Student Loan Counseling, visit MYF at [www.mapping-your-future.org](http://www.mapping-your-future.org). More information and instructions will be released soon.

## Questions

For questions about the enhancements to Online Student Loan Counseling or about MYF in general, contact Cathy Mueller at [cathy.mueller@tgslc.org](mailto:cathy.mueller@tgslc.org). ★

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## Financial Aid Awareness Week Activities

For several years, the Texas Association of Student Financial Aid Administrators (TASFAA) Public Relations Committee has successfully secured a proclamation from the Texas Governor for "Financial Aid Awareness Week." In 1999, Governor George W. Bush proclaimed the week and wrote, "I encourage Texans to learn more about financial assistance programs and to recognize with appreciation the important work performed by financial aid professionals."

In efforts to further promote financial aid awareness in Texas, TASFAA will soon request that Governor Bush proclaim February 7-11, 2000, as Financial Aid Awareness Week. In observance of

this week (and month), many institutions are holding events across Texas to get the word out about financial aid and to encourage families to begin the financial aid application process. A detailed list of events is provided in the table on page 6 of this *Shoptalk*.

In addition, the University of Texas – El Paso will be conducting financial aid presentations in area high schools. Most presentations will be in English and Spanish. For information contact Raul Lerma at (915) 747-7387.

West Texas A&M University will also be conducting financial aid workshops in several panhandle high schools.

**See Awareness Week on page 6.**

## Online Lending Conference

Online Lending 2000: Building, Marketing and Managing Consumer Loans on the Internet is a learning-intensive, two-day conference, which will take place in Las Vegas, Nevada, in late February. Topics include up-to-the-minute statistics on the online lending industry, successful business models, developing online and offline marketing strategies, and more.

Texas Guaranteed Student Loan Corporation will present information about customer service excellence in the age of the Internet. For more information, log on to [www.iqpc.com/0220/0220lend.htm](http://www.iqpc.com/0220/0220lend.htm). ★

## FINANCIAL AID AWARENESS WEEK EVENTS

Date	Location	Time	Contact
February 2	University of Incarnate Word Beach Party, OFA San Antonio, TX	11 a.m. – 3 p.m.	Lisa Blazer (210) 829-6008
February 3	Texas A&M International City Wide Financial Aid Fair Laredo, TX	10 a.m. – 2 p.m. and 5 – 8 p.m.	Araceli Rangel (956) 326-2225
February 5	Texas A&M University-Kingsville Javelina Highlights Kingsville, TX	8 a.m. – 12 p.m.	Delma Loera (361) 593-3907
February 7	Tarrant County College, Southeast Campus Mansfield High School Financial Aid Night Completing the 2000/2001 FAFSA	7 p.m.	Kim Koch (817) 515-3040
February 8	Tarrant County College, Southeast Campus IRS volunteers will be on Southeast Campus to complete and file 1999 tax returns for students and parents in the Arlington School District. Once the tax returns are completed, they will help the students complete their 2000/2001 FAFSAs.	5 – 8 p.m.	
February 10	Texas Guaranteed Student Loan Corp. “Applying for Financial Aid: The FAFSA Process” Teleconference Visit <a href="http://www.AdventuresInEducation.org">www.AdventuresInEducation.org</a> for locations.	6:30 – 8:30 p.m.	Trina Manor (800) 252-9743, ext. 2865
February 10	University of Texas – Brownsville/ Texas Southmost College Financial Aid Fair (Jack Brown Auditorium) Brownsville, TX	8 a.m. – 6 p.m.	Mari Chapa (956) 544-8826
February 10	Del Mar College Coastal Bend Financial Aid Night Corpus Christi, TX (Bayfront Convention Center)	10:30 a.m. – 2:30 p.m. and 7 – 9 p.m.	Henry Garcia (361) 698-1293
February 11	University of Texas – El Paso Fun Fair El Paso, TX	9 a.m. – 1:30 p.m.	Raul Lerma (915) 747-7387
February 17	Texas State Technical College – Harlingen A Day at the Movies Harlingen, TX	9 a.m. – 1:30 p.m. and 5:30 – 7:30 p.m.	Jacinto R. Oviedo (956) 364-4330
February 17	Tarrant County College, Southeast Campus Martin High School Financial Aid Night Completing the 2000/2001 FAFSA	7 p.m.	Kim Koch (817) 515-3040
February 18	University of Texas – Pan American Woodstock 2000 Edinburg, TX	9 a.m. – 5 p.m.	Belen Valdez (956) 381-2504
February 22	Texas A&M University “Money Gras” Financial Aid Fair College Station, TX	2 – 7 p.m.	Jo Anne Dorn (409) 862-1535

# COMMON MANUAL UPDATE INDEX

THE FOLLOWING INDEX INCLUDES **COMMON MANUAL UPDATES FROM JULY 1999 THROUGH DECEMBER 1999**

C.M. Section	Shoptalk Article	Edition
2.1.B., 5.4, Appendix G	Definition of Parent	Edition 98
4.4	School Reporting of Borrower Social Security Number Changes Clarified	Edition 96
4.9.B., 7.4.B., 7.6.C., 8.8.E., 9.1.A., 9.2, 9.5, A.1.B., A.2.B.	Regulatory Technical Corrections	Edition 99
5.2.A., 6.2.C., 6.2.E., 6.3.C., 6.3.F., 7.9.E., 7.11, 7.11.E.	Regulatory Technical Corrections	Edition 98
5.7.B.	Defining Student Enrollment Status	Edition 96
5.7.E.	Cost of Attendance Components Revised	Edition 100
5.7.H.	Applying Stafford Aggregate Loan Limits	Edition 100
5.7.H., 5.7.I., 5.7.J.	Increased Unsubsidized Stafford Eligibility for Health Profession Students	Edition 98
6.2	Loan Disbursement by Lenders	Edition 97
6.2.F	Consummated and Unconsummated Disbursements Clarified	Edition 97
6.3.E.	Three-Day Delivery Period for EFT and Master Check	Edition 97
7.9	Deferment Time Limits	Edition 99
7.9.A., 7.9.B.	Conditions for Authorized Deferment	Edition 97
7.10.P.	Economic Hardship Deferment Requirements	Edition 100
7.11.C.	Mandatory Forbearance Documentation for Borrowers in Americorps	Edition 100
8.1.D., <sup>cc1</sup> 8.1.D.	Final Demand Requirement Clarified	Edition 97
8.2.H., <sup>cc1</sup> 8.2.H.	Unauthorized Signing of Loan Documents by a School	Edition 98
8.2.H., <sup>cc1</sup> 8.2.H.	False Certification Loan Discharge Forms	Edition 100
<sup>cc1</sup> 8	Common Claim Initiative Effective Dates Clarified	Edition 97

## Product Support Group Forum: Process Logs

Texas Guaranteed Student Loan Corporation's (TG) AdvanTG™ software includes a component that allows users to determine if transmissions are successful. When a Send/Receive action is performed, the AdvanTG process log is automatically generated for this purpose.

When attempting to determine whether AdvanTG transmissions are successful, users should focus on four sections of the log:

- The identification,
- The connection,
- The send database update, and
- The receive database update.

(A sample Process Log is provided on page 8.)

### Identification

AdvanTG identifies the file type(s) that the user is trying to send in the identification section. For example, if a check is placed in the Disbursement Change School Refund (DCSR) box prior to pressing Send/Receive, AdvanTG attempts to locate a DCSR file to transmit to TG. This is true also for Change Transaction files (for schools) and EFT Approvals (for lenders).

### Connection

In the connection section, it is important to check for the "Event: Attempt Connection..." line and the "Event: Connection established..." line. These lines are located about one quarter down the process log and should indicate that the connection was established. If an error (such as "WSAEHOSTUNREACH" or "WSAETIMEDOUT") is indicated, the connection was not established.

**See Process Logs on page 8.**

## Process Logs (Continued from page 7)

### Send Database Update

The send database update section indicates which files were sent to TG *and* updated successfully by AdvanTG. It is very important to verify that the number of expected records matches the number of records successfully processed. If these numbers do not match, all of the records either may not have been sent or may not have been updated in the database.

### Receive Database Update

The receive database update section indicates which records were received by

TG *and* updated successfully. Once again, it is necessary to verify that the number of records expected matches the number of successfully processed records. If these numbers do not match, all of the records either may not have been received or may not have been updated in the database.

The disconnection section “\*\*\*SEND/RECEIVE PROCESS COMPLETE AT 11/30/99 8:00:00 AM\*\*\*” simply shows that AdvanTG finished the Send/Receive process but does not tell the user whether or not the transmission was successful.

### Errors During Transmission

If any errors are indicated during the transmission, it is important to save a copy of the process log (by clicking the save button on the send/receive window) and to contact Product Support at (800) 252-9743, ext. 2222. While there are other ways to look for this information in AdvanTG, the process log is the user's first indication whether the transmission was successful. ★

### Sample AdvanTG Process Log

```
++++ SndRcv START
10/29/99 1:49:34 PM -
*** SEND/RECEIVE PROCESS STARTING AT 10/29/99 1:47:13 PM ***
NO APPLICATION TRACKING RECORDS SELECTED TO SEND...
NO EFT APPROVAL RECORDS SELECTED TO SEND...
NO DCSR RECORDS SELECTED TO SEND...
NO CHANGE TRANSACTION RECORDS SELECTED TO SEND...
PREPARING FOR UPLOAD/DOWNLOAD via ConnecTG...
ConnecTG Ready to Send: C:\ADVANTG\PRIVATE\UPLOAD\TGSend\A24I1S6D.DAT
ConnecTG Send: Success
ConnecTG Send: Log: 10/29/99 1:47:28 PM - Event: Attempt Connection to 38.194.158.2
ConnecTG Send: Log: 10/29/99 1:47:28 PM - Event: Connection established with 38.194.158.2
ConnecTG Send: Problem Files: No entry found in the log
ConnecTG Send: C:\ADVANTG\PRIVATE\UPLOAD\TGSend\A24I1S6D.DAT has been sent.
ConnecTG Receive: Success
ConnecTG Receive: Log: 10/29/99 1:47:34 PM - Event: Attempt Connection to 38.194.158.2
ConnecTG Receive: Log: 10/29/99 1:47:34 PM - Event: Connection established with 38.194.158.2
ConnecTG Receive: Log: 10/29/99 1:47:35 PM - Event: Received Greeting From Server.
UPDATING APPLICATIONS THAT HAVE BEEN SENT...
C:\ADVANTG\PRIVATE\UPLOAD\TGSent\A24I1S6D.SNT: Number of records expected: 2
C:\ADVANTG\PRIVATE\UPLOAD\TGSent\A24I1S6D.SNT: Number of records successfully processed: 2
PROCESSING FILES THAT HAVE BEEN RECEIVED...
C:\ADVANTG\PRIVATE\DOWNLOAD\TGRcv\6FB28AEA.IGI: Processing file
"C:\ADVANTG\PRIVATE\DOWNLOAD\TGRcv\6FB28AEA.IGI"
C:\ADVANTG\PRIVATE\DOWNLOAD\TGRcv\6FB28AEA.IGI: File Type: CommonLine Application Response
C:\ADVANTG\PRIVATE\DOWNLOAD\TGRcv\6FB28AEA.IGI: Reception Type: R
C:\ADVANTG\PRIVATE\DOWNLOAD\TGRcv\6FB28AEA.IGI: Number of records expected: 20
C:\ADVANTG\PRIVATE\DOWNLOAD\TGRcv\6FB28AEA.IGI: Number of records successfully processed: 20
C:\ADVANTG\PRIVATE\DOWNLOAD\TGRcv\6FB28AEA.IGI: File
"C:\ADVANTG\PRIVATE\DOWNLOAD\TGRcv\6FB28AEA.IGI" is deleted.
*** SEND/RECEIVE PROCESS COMPLETE AT 10/29/99 1:48:27 PM ***
```

← Identification

← Connection

← Send Database Update

← Receive Database Update

← Disconnect

# Answering the "Drug Question"

The financial aid community has expressed concerns about the difficulty involved in answering question 28 (q28), the question concerning drug convictions, on the 2000-2001 Free Application for Federal Student Aid (FAFSA). The questions arise for students who have one or more drug convictions. Depending on the date, number, and type of conviction(s), such students may become eligible for Title IV aid at a later time.

In response to community concerns, the Department of Education (ED) recently published *Dear Colleague Letter* (DCL) GEN-99-39 in order to highlight a worksheet that helps students and financial aid administrators correctly answer q28. The worksheet explains the codes that can be used to answer q28, acceptable drug

rehabilitation program requirements, and that juvenile convictions and convictions removed from a student's record do not count when answering q28.

A student can answer q28 with code "1," "2," or "3."

- Code "1" means that the student is eligible in regard to drug convictions for federal student aid.
- Code "2" means that the student will regain eligibility during the award year.
- Code "3" means that the student will be ineligible for the entire award year.

The DCL explains that the worksheet information is available in several formats: on the web at [www.fafsa.ed.gov/q28](http://www.fafsa.ed.gov/q28), by telephone at 1-800-4FED-AID, and on paper. The online worksheet is interactive, leading students through a series of simple

questions. A similar version is embedded in the FAFSA on the Web. The telephone format gives the student the option of talking to an operator or using an interactive voice response unit (IVRU). (At the time of printing ED has not made the IVRU format available.) Both the web and telephone versions calculate an eligibility date for the student, if applicable. The paper worksheet can be downloaded in portable document format (PDF) from the above-mentioned website, and it is mailed to students who do not answer q28 or who answer with codes "2" or "3." Students with convictions for both possession and sale cannot use the paper worksheet and are instructed to call the 1-800 number. ★

## Special Allowance Code Additions

A recent amendment to the Higher Education Act of 1965 changed the method of calculating special allowance to the three-month commercial paper rate for loans first disbursed on or after January 1, 2000. The change has prompted additions to the Special Allowance (SAP) codes used on the Lender's Interest and Special Allowance Request and Report (ED Form 799).

Beginning with the quarter ending March 2000, lenders will be required to use the following codes on ED Form 799 (in addition to existing codes):

- Subsidized/Unsubsidized Stafford Loans first *disbursed* on or after January 1, 2000, and before July 1, 2003  
SAP Code: CA  
Loan Status: In-school, grace, or deferment

SAP Code: CB  
Loan Status: In repayment or forbearance

- PLUS Loans first *disbursed* on or after January 1, 2000 and before July 1, 2003

SAP Code: CD  
Loan Status: N/A

- Consolidation Loans for applications *received* on or after January 1, 2000, and before July 1, 2003

SAP Code: CC  
Loan Status: N/A

Please note that the new legislation does not affect loans disbursed with tax-exempt funds. SAP for loans disbursed with tax-exempt funds will continue to be calculated using the 91-day Treasury bill. The SAP codes for ED Form 799 have not changed for these loans. ★

## SHOP TALK

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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](mailto: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 December 31, 1999 is 5.22%.

### SPECIAL ALLOWANCE RATES

Eligible Loans	Applicable Annual Interest Rate (%)	Annual Special Allowance Rate	Special Allowance for Quarter Ending 12/31/99
Loans made prior to 10/1/81	7	.0175	.004375
Tax exempt loans made on or after 10/1/80, but prior to 10/1/81	7 9	.025 .005	.00625 .00125
Loans made on or after 10/1/81, but prior to 11/16/86	7 8	.0172 .0072	.004300 .001800
Tax exempt loans made on or after 10/1/81	6 6.32 (Var.) 6.92 (Var.) 7 7.12 (Var.) 7.72 (Var.) 7.87 (Var.) 7.98 (Var.) 8 9	.035 .0318 .0258 .025 .0238 .0178 .0163 .0152 .015 .005	.00875 .007950 .006450 .00625 .005950 .004450 .004075 .003800 .00375 .00125
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 7.72 (Var.) 7.87 (Var.) 8	.0147 .0075 .006 .0047	.003675 .001875 .001500 .001175
Subsidized and unsubsidized Stafford and Consolidation loans made on or after 10/1/92	6 7 7.72 (Var.) 8	.0232 .0132 .006 .0032	.005800 .003300 .001500 .000800
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.	7.12 (Var.)	.006	.001500
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.	6.32 (Var.)	.011	.002750
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.	6.92 (Var.)	.011	.002750