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Common Consolidation Loan Application and Promissory Note

After years of hard work and compromise between the Department of Education (ED) and the Federal Family Education Loan Program (FFELP) community, ED announced the approval of the common Consolidation Loan Application and Promissory Note in October 2000.

The common Consolidation Loan Application and Promissory Note provides a single application and promissory note for all FFELP consolidations regardless of lender or guarantor. The new application is an important step in standardizing and simplifying FFELP processes for borrowers, lenders, servicers, schools, and guaranty agencies.

Highlights of Changes

The most conspicuous changes involve forms. Two forms, the Spouse Application and the Consolidation Addendum, have been eliminated. Information from these two old forms is now included on the common Consolidation Loan Application. A new Additional Loan Listing Sheet offers more space for borrowers who have more loans than can fit on the common Consolidation Loan Application. Furthermore, borrowers use the appropriately titled form Request to Add Loans to a Federal Consolidation Loan to add eligible loans during the 180-day add-on period.

Similar to other common forms, the common Consolidation Loan Application provides space for lender, guarantor, or program identification. Also, lenders have the option of providing lender-specific repayment options in addition to the standard,

graduated, income-sensitive, and extended payment options. In keeping with the times, the application also provides fields for former names and e-mail addresses.

Comparison Chart

TG has prepared a chart highlighting many of the changes and new features on the Consolidation forms on *TGWorks Online* at www.tgslc.org/tgslc/frms_con.htm. While the chart does not identify every wording change, significant changes and improvements are noted.

Implementation and Transition to New Forms

ED has approved these forms for immediate use. The new forms will replace all previously approved FFELP consolidation loan forms, effective for applications signed by borrowers on or after January 1, 2002.

To download the new consolidation loan forms or to order camera-ready art or diskettes containing the material, visit *TGWorks Online* at www.tgslc.org under "Schools & Lenders." To order consolidation loan forms by phone, call TG Customer Services at (800) 252-9743, ext. 4546.

Questions

For questions about the new common Consolidation Loan Application and Promissory Note, contact TG Customer Support at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★



CLOSED SCHOOL CORNER

NEWLY REPORTED CLOSURES

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	UNOFFICIAL CLOSURE DATE	ED'S OFFICIAL CLOSURE DATE
010951000	Adult Vocational Education	3815 McCausland St. Louis, MO 63109-1129	N/A	06/30/1999
002132000	Bradford College	320 S. Main St. Haverhill, MA 01835-7393	N/A	06/30/2000
026085000	Delta Career Institute	1310 Pennsylvania Beaumont, TX 77701-5606	5/31/2000	N/A
022996000	Gino Robair Beauty College	3582 Adams St. Riverside, CA 92504	N/A	06/30/1996
022518000	Hairbenders School of Hairstyling	3300 Clinton Parkway Ct. Lawrence, KS 66046	N/A	09/12/1995
012846020	Lawton School For Medical & Dental Assistants	1077 Lexington Ave. Columbus, OH 43201	N/A	09/01/1990
021722000	Martha Graham School of Contemporary Dance	440 LaFayette St. New York, NY 10003-6919	N/A	05/27/2000
021529000	Memphis Pro Truck Driver Training Company	450 Winchester Rd. Memphis, TN 38116	N/A	01/01/1993
009719000	Mission Beauty Academy	5855 Beverly Mission, KS 66202	N/A	02/28/1997
010050000	Nassau County BOCES	1196 Prospect Ave. Westbury, NY 11590-2797	N/A	07/27/2000
011751000	Phoenix Institute of Technology	2555 E. University Dr. Phoenix, AZ 85034	N/A	02/23/1993
009832000	Research Medical Center School of Medical Technology	2316 E. Meyer Blvd. Kansas City, MO 64132	N/A	07/30/1995
020567000	Sherrills University of Hairstyling & Cosmetology	420 Woodburn Rd. Raleigh, NC 27605	N/A	11/02/1995
008958000	Stenograph Institute of Texas	202 Pine St. Abilene, TX 79601	08/21/2000	N/A
011016000	Topeka School of Medical Technology	1915 SW 6th Ave. Topeka, KS 66606	N/A	10/01/1995
023499000	Tri-State Semi Driver Training	6690 Germantown Rd. Middletown, OH 45042-1299	N/A	10/02/1991

Changes to the Drug Question on the 2001-2002 FAFSA

On September 20, 2000, the National Council of Higher Education Loan Programs (NCHHELP) posted a summary on its web site outlining the Department of Education's (ED's) decision to revise the Drug Question on the 2001-2002 Free Application for Federal Student Aid (FAFSA). The paper, entitled "Summary of Changes to the Drug Question (35) on the 2001-2002 FAFSA," is located at www.nchelp.org/public/DrugBrief0919.pdf.htm.

The Drug Question debuted on the 2000-2001 FAFSA as a result of the 1998 Reauthorization of the Higher Education Act. It first appeared as question 28, which stated, "28. If you have never

been convicted of any illegal drug offense, enter '1' in the box and go to question 29. A drug-related conviction does not necessarily make you ineligible for aid; call 1-800-433-3243 or go to <http://www.fafsa.ed.gov/q28> to find out how to fill out this question." Many applicants found this question confusing, and, as Texas Guaranteed (TG) reported in its March 2000 edition of *Shoptalk* (see "Saying 'No' to Drugs" article), approximately 20 percent of students who applied through February 2000 left question 28 blank.

ED soon took actions to minimize the consequences of the confusion surrounding question 28. In late February, ED began calling students who

left question 28 blank, and as a result, changed the Student Aid Report (SAR) comments when a student left the question blank, and gave students the ability to change their response to the question via a phone call to the Federal Student Aid Information Center. According to ED's statistics, the percentage of students who have left question 28 blank on the 2000-2001 FAFSA has declined significantly as a result of these efforts.

In developing the 2001-2002 FAFSA, ED took on the challenge of "building a better drug question," soliciting input from students, schools, and members

See DRUG QUESTION on page 3.

Backdating In-School Deferments

Occasionally, a lender will have a student's loan(s) in repayment status when the student is attending school. Sometimes, through misunderstanding or misrouted communication, the student inadvertently goes into default, which results in Texas Guaranteed (TG) purchasing the student's loan as a claim. When a student realizes that these circumstances have developed, he or she is usually very eager to rectify the situation and regain good standing with the lender. Thanks to recent changes to the in-school deferment regulations, lenders now have the ability to repurchase the student's loan, backdate the in-school deferment, and relieve the student from default status. Here is some history on the in-school deferment process.

Prior to the 1998 Reauthorization of the Higher Education Act of 1965, a borrower in repayment who was enrolled in school, and who wished to postpone repayment of his or her loan, had to request an in-school deferment from the lender, either verbally or in writing. It was the borrower's responsibility to request the deferment and provide the lender with the necessary documentation to support the deferment eligibility. Effective October 1, 1998, with Reauthorization, a borrower

is no longer required to request an in-school deferment. A lender must now process an in-school deferment if:

- The lender receives information from the borrower's school about the borrower's eligibility in connection with a new loan, or
- The lender receives student status information from the borrower's school, either directly or indirectly, indicating that the borrower's enrollment status supports eligibility for a deferment.

Furthermore, until recently, a lender could only backdate an in-school deferment up to a maximum of six months prior to the date the lender received the request and documentation for the deferment. However, based on a final regulation issued on October 29, 1999, retroactive in-school deferments are no longer subject to this six-month limitation. A lender must now backdate a borrower's in-school deferment indefinitely, to the beginning date of a borrower's at least half-time enrollment. Even though the effective date of this regulation was July 1, 2000, it could have been implemented retroactively to October 1, 1998, if the lender wished to exercise a good faith effort to help

students who may have inadvertently gone into default.

Therefore, since lenders now have the ability not only to grant an in-school deferment without the borrower's request, but also to backdate the deferment indefinitely, TG strongly encourages lenders who receive information that a defaulted borrower is/was eligible for an in-school deferment to repurchase the student's loan. Repurchasing a loan and putting the borrower back into an in-school or repayment status (depending on whether the student is still in school at the time of repurchase) is in the borrower's best interest and is another means of keeping default rates as low as possible.

Questions

For questions about in-school deferments or repurchasing a loan from TG, contact TG Customer Services at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

DRUG QUESTION (Continued from page 2)

of the financial aid community. First, ED decided to move the question from number 28 to 35, which put the question at the bottom of page 3. This gave the question more visibility. Second, ED added a box next to the question that states "DO NOT LEAVE QUESTION 35 BLANK." Third, ED re-worded the question itself, using a Yes/No response format, as opposed to the previous number response format. This is how the wording appears on the 2001-2002 FAFSA: "35. Do not leave this question blank. Have you ever been convicted of possessing or selling illegal drugs? If you have, answer 'Yes,' complete and submit this application, and we will send you a worksheet in the mail for you to

determine if your conviction affects your eligibility for aid." ED is hopeful that these changes will result in fewer blank responses to the Drug Question in the 2001-2002 processing year.

Students who answer "No" to question 35 on the 2001-2002 FAFSA will not receive any SAR comments pertaining to this question. Students who answer "Yes" to question 35 will receive a drug worksheet with their SAR and a special SAR comment, instructing the student to use the worksheet to determine whether the conviction affects his or her eligibility. Students who leave question 35 blank will receive a comment on their SAR that emphasizes that they must answer

question 35. Those students who wish to correct their response to this question will be able to do so either on the Web, by phone, or by submitting the corrected SAR to the Central Processing System.

Questions

For more information or if you have questions regarding ED's changes to the Drug Question on the 2001-2002 FAFSA, call TG Customer Services 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

Note: Current *Common Manual* Updates (Updates) and an integrated version of the *Common Manual* (integrated version) are available on *TGWorks Online* under “Schools & Lenders.” By posting Updates and the integrated version online, TG offers its customers access to new policies shortly after the *Common Manual* Governing Board approves them.

If you want to be notified each time Updates and a revised integrated version are posted online, you can join TG’s electronic news service, *TG NetWorks*. To join, go to *TGWorks Online* at www.tgslc.org, click “Subscribe” and complete the online form.

Administrative Forbearance After Deferment

Subsection 7.9.G. now includes the regulatory provision permitting a lender to grant an administrative forbearance to resolve any delinquency existing after a borrower’s deferment period ends. The provision, authorized in regulations effective July 1, 1996, already appears in subsections 7.4.B. and 7.11.B., and is added now to subsection 7.9.G. for consistency.

Affected Sections: 7.9.G.

Effective Date: Deferments ending on or after July 1, 1996

Basis: §682.211(f)(8)

Policy Information: Reference 457

Guarantor Comments: None

Forbearance for Child Care Providers

Guarantors have clarified a potential lender requirement associated with the Loan Forgiveness Demonstration Program for Child Care Providers, which currently is not funded. If the program is activated by Congressional funding, the policy change clarifies that the lender will be required to grant a forbearance to any borrower who serves as a qualifying child care provider if the borrower does not otherwise qualify for deferment.

Affected Sections: 7.15

Effective Date: New borrowers with loans first disbursed on or after October 8, 1998, provided the program is funded

Basis: HEA 428K

Policy Information: Reference 458

Guarantor Comments: None

Special Allowance Clarifications

One of the special allowance formulas listed in subsection A.2.A. contains an error. Formula 10, the formula applicable to subsidized and unsubsidized Stafford loans and fixed-rate PLUS loans first disbursed prior to October 1, 1981, contains an incorrect addend of 3.25%. The correct addend is 3.5%. Guarantors have corrected Formula 10 so that it reads as follows:

(AVERAGE 91-DAY T-BILL RATE + 3.5% – APPLICABLE INTEREST RATE OF THE LOAN).

Guarantors also have clarified the following special allowance billing requirements:

- Special allowance is calculated on the basis of a loan’s quarterly average principal balance.
- The Department’s obligation to pay special allowance for an eligible loan has the potential to end on the date the lender receives a returned, uncashed disbursement check for the loan only if the loan was first disbursed prior to October 1, 1992.
- For loans first disbursed prior to October 1, 1992, the lender is eligible for special allowance through the 120th day after the disbursement date if the disbursement check has not been cashed or the EFT/master check funds have not been released from the school’s account to the borrower by that date.
- The Department’s obligation to pay special allowance for an eligible loan has the potential to end on the date of disbursement (retroactively) when a loan is unconsummated only if the loan was first disbursed on or after October 1, 1992.

Affected Sections: A.2.A., A.2.B.

Effective Date: Retroactive to the implementation of the *Common Manual*.

Basis: §682.302(a) and (d)(1)

Policy Information: Reference 459

Guarantor Comments: None

Capitalization of Interest between Claim Payment and Repurchase

The *Common Manual* has been revised to confirm that the lender may capitalize interest accrued from the date a claim is paid through the date the claim is later repurchased – regardless of whether the lender or guarantor initiated the repurchase.

Previously, the manual implied that such capitalization was authorized only for repurchases initiated by the lender. In all cases, the lender must document the reason for capitalization in the borrower’s loan record.

Affected Sections: 7.7.B, 8.7, ^{ccf} 8.7

Effective Date: Repurchase transactions completed on or after January 1, 2001, unless implemented earlier by the guarantor

Basis: None

Policy Information: Reference 286

Guarantor Comments: None

Eligibility Criteria for Temporary Total Disability Deferment

Guarantors have revised the *Common Manual* to clarify that a borrower will be eligible for a temporary total disability deferment only when the qualifying period of disability is comprised of a specific number of consecutive days, rather than cumulative days. A borrower may qualify for deferment if he or she has been unable to work and earn money or attend school during a period of 60 consecutive days. A borrower also may qualify if a dependent or spouse requires continuous nursing or similar services during a period of 90 consecutive days. Further details and conditions are outlined in subsection 7.10.F.

This clarification should help ensure that FFELP participants determine eligibility for temporary total disability deferments in a unified manner.

Affected Sections: 7.10.F.

Effective Date: Temporary total disability deferment eligibility determinations made by the lender on or after January 1, 2001, unless implemented earlier by the guarantor

Basis: §682.200(b); *Federal Registers* dated June 16, 1981 and December 18, 1992

Policy Information: Reference 460

Guarantor Comments: None ★

MYF Offers Perkins Loan Entrance Counseling

Students can now complete their Perkins Loan Entrance Counseling session online on *Mapping Your Future* (MYF). Created with the help of students and financial aid professionals, Perkins Online Student Loan Counseling enables participants to meet the counseling requirement anytime, anywhere.

MYF developed Perkins Loan Entrance Counseling at the request of schools who wanted to offer this service online as a convenience to their students.

MYF developed Perkins Loan Entrance Counseling at the request of schools who wanted to offer this service online as a convenience to their students. The Federal Perkins Loan Program provides long-term, low-interest loans to students with exceptional financial need. Under the program, loans are made through a school's financial aid office. The school acts as the lender, and the loan is made with federal and school funds.

More than a thousand schools from around the country participate in MYF's Online Student Loan Counseling for Stafford Loans. Through MYF, schools have been able to offer online Stafford Loan Entrance Counseling since 1997 and Stafford Loan Exit Counseling since 1998.

The federal government requires students to complete a Perkins Loan Entrance Counseling session prior to obtaining their first Perkins loan. The purpose of the session is to help students

understand the rights and obligations of a student loan borrower. This Perkins Loan Entrance Counseling session prepares students for proper management of the student loan, helping them make the most of their higher education.

Participation Details

Schools wishing to offer MYF's online Perkins Loan Entrance Counseling to their students should complete the online Request for Participation form at <http://mapping-your-future.org/perkins/entrancecounseling/sch.cfm>. The sign-up process usually takes less than a day but does require the school to respond to MYF to confirm that the information on the form is correct.

MYF currently offers Perkins Loan Counseling as a separate service from Stafford Loan Counseling because, at many college campuses, these loan programs are managed by separate offices. Although the procedures for retrieving reports from an MYF Financial Aid Office Access area are similar to Stafford Loan Counseling, schools will use a different user name and password to access Perkins student loan counseling confirmations.

Perkins Loan Exit Counseling is currently under development but a date for availability has not been determined. More information about Perkins Loan Exit Counseling will be released later.

Questions

For more information about Perkins Loan Entrance Counseling, visit MYF at <http://mapping-your-future.org/perkins/entrancecounseling>. For

questions, or if you are interested in assisting in the development of Perkins Loan Exit Counseling, send a message to Cathy Mueller at cathy.mueller@mapping-your-future.org or call (800) 252-9743, ext. 4539. ★

Correction to *Shoptalk* Edition 103

TG wishes to point out a correction to an article in *Shoptalk* Edition 103 (March 2000) entitled "Return of Title IV Funds." Under the section of the article called "Step 2: Percentage of Aid Earned," the third paragraph should begin, "If your institution is *not* required to take attendance, divide the number of days in the payment period or period of enrollment by the number of days completed by the student through his or her withdrawal date." The word "not" was inadvertently omitted from this sentence in the final draft of this article. TG apologizes for the error. ★

TG Speakers Bureau Offers Expertise to the Student Loan Community

Since its establishment, Texas Guaranteed (TG) has provided exceptional customer service to its Texas industry partners by organizing presentations at numerous statewide events. Now, TG is pleased to announce the development of the Speakers Bureau, a program that provides TG operational and management experts to speak on a wide variety of topics at student financial aid conferences, meetings, and training sessions across the country. The Speakers Bureau was developed by TG's Strategic Partnerships, a team that provides exceptional service, solutions and tools, and support to the national Federal Family Education Loan Program (FFELP) community.

Each Speakers Bureau member brings extensive presentation experience and strong credentials to the presentation arena. In addition, members attend formal training as part of their speaker development core component. The training provides each speaker with up-to-date training techniques and creative presentation tools.

TG's Strategic Partnerships has already scheduled several presentations nationwide to be given by Speakers Bureau members. At the Colorado Association of Financial Aid Administrators (CAFAA) Fall Conference, which was held October 9-11, 2000, Brent Hay, Policy Advisor, presented *From the Bill on the Hill...to the Policy in the Manual*. Also at the Colorado conference, Ricardo Davila, Assistant Vice President of Program Review, gave a presentation entitled *Return of Title IV Funds*. In addition, Margie Harvey, National Account Manager, presented *The Future of CommonLine* at the Florida Association of Student Financial Aid Administrators (FASFAA) Fall Conference, held October 18-20, 2000.

Future presentations by the Speakers Bureau include:

- *Effects of Change* by Pam Benson, Senior Business Advisor, and *E-Lating Customers* by Margie Harvey, National Account Manager, at the Mississippi Association of Student

Financial Aid Administrators (MASFAA) Fall Conference, November 15-17, 2000

- *Dealing With Difficult People* by Pam Benson, Senior Business Advisor, at the Southwest Association of Student Financial Aid Administrators (SWASFAA) annual conference in Albuquerque, NM, December 6-8, 2000
- *NSLDS – Helping You Find the Answers* by Kay Morgan, Assistant Vice President of NSLDS, at the Electronic Access Conference (EAC) in Dallas, TX, November 13-15; in Atlanta, GA, November 28-30; and in Phoenix, AZ, December 12-14, 2000

Questions

For more information or questions about the Speakers Bureau, contact Delton Cravey at (800) 252-9743, ext. 4787 or send an e-mail message to delton.cravey@tgslc.org. ★

2000-2001 Teacher Shortage Areas

The Department of Education (ED) recently approved teacher shortage areas for Texas for the 2000-2001 school year. Full-time teachers in public or nonprofit private elementary or secondary schools may be eligible for the Teacher Shortage Area deferment on certain Federal Family Education Loan Program (FFELP) loans if they are teaching in one of ED's designated shortage areas. For the 2000-2001 school year, these designated shortage areas for Texas are Mathematics, Special Education, Bilingual/ESL, Science, Foreign Language, and Technology Applications.

Borrower Eligibility

The Teacher Shortage Area deferment is available to a borrower only if he or she has an outstanding FFELP loan that was first disbursed on or after

July 1, 1987, but before July 1, 1993. It is available to Federal Stafford and Federal Supplemental Loans for Students (SLS) borrowers only; PLUS and Consolidation loan borrowers are not eligible for this deferment. A qualifying teacher can apply for the deferment at any time during the life of the loan. If the teacher continues to teach in the area for which they received the original deferment, he or she may request and receive subsequent deferments (up to a cumulative total of three years), even if the subject in which he or she is teaching is no longer designated as a shortage area.

Certification

The Texas Education Agency (TEA) authorizes school principals to act on behalf of the Chief State School Officer and certify a teacher's deferment

request form for Federal Stafford or Federal SLS loans. Some teachers who received aid under the Paul Douglas Teacher Scholarship Program may also qualify for a reduction in their teaching obligation by teaching in a designated shortage area. For more information on Texas Teacher Shortage Area benefits, go to TEA's web site at www.tea.state.tx.us/taa/eddev000921.html.

Questions

For questions regarding the Teacher Shortage Area deferment, call TG Customer Services at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

MYF Counselors Respond to Questions During October Chat

Students and parents asked questions about financial aid eligibility, scholarship applications, and other financial aid and college admissions questions during *Mapping Your Future's* (MYF's) first Chat Event of this academic year. During the October 10 event, counselors from all over the country responded to questions from prospective students and their families. To view the questions and answers from the event, go to <http://mapping-your-future.org/services/chatqa.cfm?E=20001010&title=October%2010,%202000>.

Texas Guaranteed (TG) and other guaranty agencies that participate in the Federal Family Education Loan Program (FFELP) sponsor MYF and are committed to providing information about higher education and career opportunities.

MYF (<http://mapping-your-future.org>), a public service web site providing college, career, and financial aid information and services, offers special Chat events throughout the year to assist students and their families. The Chat Calendar for this academic year also includes the following national chat events:

- December 7, 2000 – FAFSA & Financial Aid
- February 1, 2001 – FAFSA & Financial Aid
- March 22, 2001 – Careers, Summer Jobs and Internships
- June 14, 2001 – Nontraditional Students

These interactive events are designed to help students navigate through what some consider a maze of career, college, and financial aid information – all from the privacy and convenience of a personal computer. Anyone with Internet access can join in the Chat Night by visiting mapping-your-future.org on the World Wide Web. On the evening of the

Chat Night, visitors go to mapping-your-future.org and select the Chat session.

Texas Guaranteed (TG) and other guaranty agencies that participate in the Federal Family Education Loan Program (FFELP) sponsor MYF and are committed to providing information about higher education and career opportunities.

Questions

For questions, or if you would like to serve as a counselor for a future chat event, contact Cathy Mueller at cathy.mueller@mapping-your-future.org or call (800) 252-9743, ext. 4539 for more information. ★

THE WEBSHOP

INTERNET RESOURCES REFERENCED IN THIS ISSUE

The Web addresses listed below refer to the online information mentioned in this issue of *Shoptalk*.

Consolidation forms comparison chart

www.tgslc.org/tgslc/frms_con.htm

Consolidation forms – ordering and downloading

TGWorks Online, “Schools & Lenders”

www.tgslc.org/tgslc/frms_main.htm

Paper entitled “Summary of Changes to the Drug Question (35) on the 2001-2002 FAFSA”

www.nchelp.org/public/DrugBrief0919.pdf.htm

Revised 2000-2001 EFC Formula Worksheets

www.ifap.ed.gov/csb_html/fsfabknew.htm

Questions and answers from the October 10 *Mapping Your Future* chat event

<http://mapping-your-future.org/services/chatqa.cfm?E=20001010&title=October%2010,%202000>

Request for Participation form for Perkins Loan Entrance Counseling

<http://mapping-your-future.org/perkins/entrancecounseling/sch.cfm>

Details about Perkins Loan Entrance Counseling

<http://mapping-your-future.org/perkins/entrancecounseling>

Information about the Texas Teacher Shortage Area benefits

www.tea.state.tx.us/taa/eddev000921.html

ED's Bulk Publication Ordering System (Click on “Ordering Publications”)

www.ifap.ed.gov

Topical Index on NCHHELP site

www.nchelp.org/whats_new/default.htm

The Integrated *Common Manual* online

TGWorks Online, “Schools & Lenders”

http://www.tgslc.org/tgslc/schools/integrated_online_manual.htm ★

TG Hosts RT4 Teleconference

On Thursday, September 21, 2000, Texas Guaranteed (TG) hosted the Return of Title IV Funds (RT4) Teleconference. Participating in the event were approximately 135 people from 70 different schools across the nation. The first half of the teleconference featured a presentation on the new RT4 policy, conducted by Ricardo Davila, TG Assistant Vice President of Program Review. Ricardo's presentation provided listeners with an overview of the new RT4 policy, which was developed as a result of the 1998 Reauthorization to the Higher Education Act. The new federal regulations for RT4 are found in 34 CFR 668.22, and they had to be implemented by schools no later than October 7, 2000.

The second half of the teleconference was a question and answer session. Several listeners had questions regarding how to apply the new RT4 policy at their schools. Ricardo provided the callers with practical guidance, acknowledging that the new regulations would be challenging to implement.

As a result of the question and answer session during the RT4 Teleconference, TG has posted on its web site "RT4 Questions and Answers: Practical Issues" to provide realistic applications of the new policy.

As a result of the question and answer session during the RT4 Teleconference, TG has posted on its web site "RT4 Questions and Answers: Practical Issues," to provide realistic applications of the new policy. Whereas previous TG Return of Title IV (RT4) articles and Q&As dealt with policy issues, these Q&As address questions that arise when

actually applying the new RT4 policy. The "Practical Issues" Q&As are located on *TGWorks Online* under "Schools & Lenders." The questions and answers are arranged according to the following topics: Department of Education Resources, School Issues, Student Issues, Last Date of Attendance, Post-Withdrawal Disbursements, and Refund Policy.

Some examples of the questions and answers provided on this web site are as follows:

Q: Does a school have to notify a student if it is using grant money to make a post-withdrawal disbursement?

A: Yes. Based on regulatory citation 34 CFR 668.22(a)(4)(ii)(A), a school is required to notify a student or parent of any post-withdrawal disbursement that is not credited to the student's account. Furthermore, when crediting loan funds to a student's account, a school must give the student, or parent, in the case of a PLUS loan, the opportunity to cancel all or a portion of the loan. [34 CFR 668.22(a)(4)(i)(B)]

Q: When a student has a portion of loan money to return, due to a Return of Title IV funds calculation, how is that tracked? Is the school responsible for tracking it?

A: According to 34 CFR 668.22(h)(3)(i), the student (or parent, in the case of a PLUS loan) must return or repay loan funds to any Title IV loan program in accordance with the terms of the loan; that is, according to the terms of the promissory note. Step 8 of the Return of Title IV Funds Worksheets states "Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date."

Because of the overwhelming response to the first teleconference, TG is hosting a second Return of Title IV Funds Teleconference on Tuesday, October 31, 2000. For more information on TG's RT4 teleconferences, contact Delton Cravey at (800) 252-9743, ext. 4787.

Questions

For more information or questions about the Return of Title IV Funds policy, call TG Customer Services at (800) 252-9743, ext. 4444 or send an e-mail message to customer.services@tgslc.org. ★

Updated Topical Index on NCHelp Site

The National Council of Higher Education Loan Programs (NCHelp) recently posted an updated Topical Index to their web site at www.nchelp.org/whats_new/default.htm under "September 2000." This valuable research tool contains Sections 600, 668 and 682 of Title 34 of the *Code of Federal Regulations*. The Topical Index lists subjects alphabetically pertaining to the Federal Family Education Loan Program (FFELP) and lists the applicable regulatory and statutory cites for each subject. ★

Ordering ED 2001-2002 Application Materials

In September 2000, the Department of Education (ED) released Dear Partner Letter GEN-00-14 announcing the availability of the web-based Bulk Publication Ordering System (BPOS) for schools to use to order 2001-2002 application materials. Available for order through the BPOS are the 2001-2002 Free Application for Federal Student Aid (FAFSA), which ED will begin shipping in mid-October, and the 2001-2002 versions of The Student Guide and Funding Your Education, which

ED will ship in November. Also available through the BPOS are the publications Web Site Brochure and Drug Convictions May Affect Your Student Aid. Schools can access ED's Bulk Publication Ordering System at www.ifap.ed.gov (click on "Ordering Publications" from the list of links on the left-hand side). ★

TG Schedules Holiday Closings

Here's a schedule of TG's upcoming holiday closings:

- Friday, November 10
- Thursday and Friday, November 23 and 24
- Monday and Tuesday, December 25 and 26
- Monday, January 1
- Monday, January 15
- Monday, February 19 ★

MONEY MATTERS

The average of the bond equivalent rates of 91-day Treasury Bills auctioned during the quarter ending September 30, 2000 is 6.19%.

The average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter ending September 30, 2000 is 6.72%.

SPECIAL ALLOWANCE RATES

Eligible Loans	Applicable Interest Rate (%)	Annual Special Allowance Rate	Special Allowance for Quarter Ending 9/30/00
Loans made prior to 10/1/81	7	.0275	.006875
	9	.0075	.001875
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	.0269	.006725
	8	.0169	.004225
	9	.0069	.001725
Tax exempt loans made on or after 10/1/81	6	.035	.00875
	7 (Var.)	.025	.00625
	7.59 (Var.)	.0191	.004775
	8 (Var.)	.015	.00375
	8.19 (Var.)	.0131	.003275
	8.25 (Var.)	.0125	.003125
	8.99 (Var.)	.0051	.001275
	9.14 (Var.)	.0036	.0009
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	.0244	.0061
	8	.0144	.0036
	8.99 (Var.)	.0045	.001125
	9	.0044	.0011
	9.14 (Var.)	.003	.00075
Subsidized and unsubsidized Stafford and Consolidation loans made on or after 10/1/92	6	.0329	.008225
	7	.0229	.005725
	8	.0129	.003225
	8.25 (Var.)	.0104	.0026
	8.99 (Var.)	.003	.00075
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.	8.25 (Var.)	.0044	.0011
Subsidized Stafford loans and unsubsidized Stafford loans made on or after 7/1/98, but prior to 1/1/00, only during the in-school, grace, and deferment periods.	7.59 (Var.)	.008	.002
Subsidized Stafford loans and unsubsidized Stafford loans made on or after 7/1/98, but prior to 1/1/00, except during the in-school, grace, and deferment periods.	8.19 (Var.)	.008	.002
Subsidized Stafford loans and unsubsidized Stafford loans made on or after 1/1/00, but prior to 7/1/03, only during the in-school, grace, and deferment periods.	7.59 (Var.)	.0087	.002175
Subsidized Stafford loans and unsubsidized Stafford loans made on or after 1/1/00, but prior to 7/1/03, except during the in-school, grace, and deferment periods.	8.19 (Var.)	.0087	.002175

Return Service Requested

Revisions of 2000-2001 Dependent Student EFC Worksheets

The Department of Education (ED) recently revised two of the worksheets used to calculate Expected Family Contributions (EFCs) to make them easier to use for schools with enrollment periods that are greater than or less than nine months. The revised worksheets are:

- 2000-2001 EFC Formula A: Regular Worksheet A for Dependent Students
- 2000-2001 EFC Formula A: Simplified Worksheet A for Dependent Students

Although the previous versions of these two worksheets are correct, the worksheets were simplified after several financial aid administrators

pointed out to ED that the two dependent formula worksheets were difficult to use when calculating EFCs for enrollment periods other than nine months. The revised 2000-2001 EFC Formula Worksheets can be found within the 2000-2001 Federal Student Financial Aid Handbook located at www.ifap.ed.gov/csb_html/fsfabknew.htm. ★

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