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AdvanTG Web™ on Track for 2001

Plans are on track for the launch of Texas Guaranteed's (TG's) latest technology solution, AdvanTG Web™. The web-based loan guarantee and origination product will streamline student loan business processes. It will offer customers online access to features currently available through TG's Solutions and Tools, along with added features, through a single web-based portal.

The first of three project launch phases is scheduled for completion in spring 2001. Through AdvanTG Web, schools and lenders will have access through their web browsers to TG's AdvanTG loan guarantee system, OnLine Access, Loans By Web™, Loans By Phone, Student Loan Inquiry, and Report Request Distribution.

"TG has offered reliable tools over the years that our customers have accessed in a variety of ways. AdvanTG Web will combine them into one Web interface that offers solutions to customers through the easiest possible access," said Kim Alexander, Vice President of TG Customer Focus.

New Features Planned for AdvanTG Web

In addition to combining existing Solutions and Tools into one interface, AdvanTG Web will also offer new features. One new feature that promises to make loan processing simpler is the addition of a Customer Support Knowledge database. This searchable resource will offer expert advice from TG's Product Support Group to help customers get the most out of their loan processing systems. The feature will enable customers to submit questions, make searches using keywords and phrases, access frequently asked questions, and receive electronic notifications.

In addition to the Customer Support Knowledge database, AdvanTG Web will also deliver the following benefits to TG's customers:

- A browser interface that offers TG's products through a single login;
- An architecture that alleviates the need for continual hardware and software upgrades and the need to manage multiple databases; and
- Compliance with CommonLine standards.

The final two phases of the AdvanTG Web project will include additional enhancements for TG's customers by fall 2001. A dynamic interface will be added to the web-based system to improve its usability and customer focus. In addition to this direct benefit to customers, the enhanced technology will also increase the speed at which TG can modify the system based on customer requests or new regulations.

More Information and Questions

To learn more about TG's Solutions and Tools, visit *TGWorks Online* at www.tgslc.org/tgslc/schools/fly_ist.htm.

For questions about AdvanTG Web, or any of TG's technology solutions and tools, TG's Texas customers should contact TG Customer Services at (800) 252-9743, ext. 2222, or send an e-mail message to customer.services@tgslc.org.

TG's national customers should contact TG Strategic Partnerships at (800) 332-1455 or send an e-mail message to tgnational@tgslc.org. ★



CLOSED SCHOOL CORNER

NEWLY REPORTED CLOSURES

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	UNOFFICIAL CLOSURE DATE	ED'S OFFICIAL CLOSURE DATE
031064000	American Weld Testing School	921 Broadway Pasadena, TX 77506-2322	N/A	09/18/2000
011223000	New York School of Dog Grooming	248 E. 34th St. New York, NY 10016	N/A	08/01/2000
026165000	Visible Changes University	7075 Southwest Frwy. Houston, TX 77074	12/31/2000	N/A

ED CLOSED DATE REVISIONS

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	PREVIOUS ED CLOSURE DATE	REVISED OFFICIAL ED CLOSURE DATE
01005000	Nassau Technological Center	1196 Prospect Ave. Westbury, NY 11590-2797	07/27/00	*N/A

*Previously reported closure under the name "Nassau County BOCES." ED's Closed School Unit has made a correction to the erroneous reporting of a closure date for the school. The school ceased only its nursing program and remains open. All of the school's nursing students transferred to another school. Based on ED's notification, TG reported the closure in *Shoptalk* 110.

ED and FFELP Community Discuss Electronic Signatures

The Electronic Signatures in Global and National Commerce Act, passed in June 2000, gives electronic signatures the same legal standing given to paper signatures. On December 14, 2000, the Department of Education (ED) met with members of the Federal Family Education Loan Program (FFELP) community to discuss the implementation of electronic signatures in student loan programs. The FFELP community was represented by lenders, secondary markets, servicers, and guaranty agencies. These representatives raised many concerns about the implementation of the electronic process that will enable student loan borrowers to digitally sign a promissory note or other loan-related documents.

During the meeting, FFELP participants voiced concerns that both the FFELP and Direct Loan Programs should be held to the same standards and that a "safe harbor" provision should be implemented to ensure that ED will stand by a loan's guarantee. Other issues discussed involved record retention, security, cost issues for schools, and possible complexity of standards.

PIN-Plus

ED explained the process that it will use in the Direct Loan Program. The PIN-based electronic process, called the "PIN-Plus" system, uses the Personal Identification Number (PIN) generated by the Free Application for Federal Student Aid (FAFSA). ED plans to have the PIN-Plus system up and running for the Direct Loan Program by July 1, 2001, and offered FFELP participants the opportunity to use this process to implement electronic signatures by the same date. In the FFELP, any user would be able to verify PINs through a web-based transaction. In addition, users may be charged a fee for each transaction, but ED indicated that this fee would be used only to recover the cost of the service, not as a source of revenue.

ED along with the Education Finance Council, the National Council of Higher Education Loan Programs, the Student Loan Servicing Association, and the Consumer Banker's Association will develop and distribute a survey to determine the number of FFELP participants

who want to use the PIN-Plus system. This survey will help ED plan the infrastructure of the system, based on the number of anticipated FFELP participants and the estimated number of transactions the system will process.

Other members of the FFELP community may choose to utilize other PINs within this PIN-plus system, or other technologies altogether, to implement their own electronic signature processes. The FFELP community continues to remain proactive in the implementation of this new technology.

Questions

If you have questions on the use of electronic signatures in the FFELP, contact TG's Customer Services at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

Texas Guaranteed To Conduct Know Before You Go Texas Chat Nights

Know Before You Go, TG's statewide public library campaign, is continuing to expand the services it offers to the community by offering two online Texas Chats in February and May 2001.

During Financial Aid Awareness Week, on February 6, 2001, TG will host its first-ever Texas Chat to answer financial aid questions from students and parents. Through this event, TG will also promote the assistance available through the toll-free Texas Financial Aid Information Center phone line at (877) 782-7322.

Know Before You Go is a first-of-its-kind awareness campaign that offers college enrollment, student financial aid, and money management information for students and their families through public libraries.

February's *Know Before You Go* chat will take place from 6-8 p.m. (CST). The second Texas Chat, *Know Before You Go into Repayment*, will focus on default prevention. It is scheduled for Tuesday, May 8, 2001, from 6-8 p.m. (CST).

As an extra bonus during February's Chat, participants will have the opportunity to electronically register to be one of six recipients of a \$500 TG Team's Rising Star Scholarship for the Fall 2001 Semester.

Anyone with Internet access can join the Chats by going to TG's public service web site, *Adventures In Education*, at www.AdventuresInEducation.org. Once at the site, visitors should select the chat session and they will be guided to the live event.

Know Before You Go is a first-of-its-kind awareness campaign that offers college enrollment, student financial aid, and money management information for students and their families through public libraries. TG started the

campaign in September 2000; 300 public libraries currently participate.

More Information and Questions

To find out more about the campaign and the resources it offers, visit the *Know Before You Go* section of *Adventures In Education* at www.AdventuresInEducation.org/know/index.htm.

For questions about the campaign, contact Erica McCormick, Director of TG's Information Center at (800) 252-9743, ext. 4675, or send an e-mail message to InformationCenterRequests@tgscl.org. ★

THE WEBSHOP

INTERNET RESOURCES REFERENCED IN THIS ISSUE

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

Information about TG's Solutions and Tools on *TGWorks Online*

www.tgscl.org/tgscl/schools/fly_ist.htm

Know Before You Go Chat Nights on *Adventures In Education*

www.AdventuresInEducation.org

Know Before You Go campaign information and resources

www.AdventuresInEducation.org/know/index.htm

The Integrated Common Manual on *TGWorks Online*

www.tgscl.org/tgscl/schools/integrated_online_manual.htm

TG's CommonLine Technical Guide in PDF on *TGWorks Online*

www.tgscl.org/tgscl/st_line.htm

Final Rules on *TGWorks Online*

www.tgscl.org/tgscl/schools under New Federal Regulations

Proposed Rules on the National Archives and Record's Administration's site

www.access.gpo.gov/su_docs/aces/aces140.html

Scholarship scam information

www.ftc.gov/bcp/online/edcams/scholarship/index.html

www.ed.gov/prog_info/SFA/LSA/

Information for Financial Aid Professionals (IFAP)

www.ifap.ed.gov

SFATECH listserv for ED software and systems issues

www.ed.gov/sfatech/listserv.html

Side-by-sides and integrated regulations on *TGWorks Online*

www.tgscl.org/tgscl/schools under New Federal Regulations ★

Texas Guaranteed Customer Services (CS) has begun the general rollout of AdvanTG™ 3.0 to its school partners. Whether you've made the transition or you're waiting for the installation, you might find helpful some information about its new features and how they work.

Some major improvements are available with AdvanTG 3.0. Four newly available functions that promise to make your loan processes run more smoothly are:

- The switch from TG's proprietary Disbursement Change and School Refund (DCSR) system to CommonLine® (CL) change transactions,
- The use of Post Office Protocol 3 (POP3) for the secure e-mail transfer of loan data,
- The ability to track applications through the use of CommonLine's loan phase codes, and
- Several new reports to support CommonLine change transactions.

More details about each of these new features are available in the AdvanTG 3.0 manual.

The details below offer a general overview of the features.

CommonLine Change Transactions

AdvanTG 3.0 replaces DCSR with CommonLine change transactions. With this upgrade, AdvanTG 3.0 users can make the same changes that were available with DCSR with even more functionality.

When dealing with CL change transactions, keep the following tips in mind:

- When using the AdvanTG Send/Receive function to send change transactions, check the Change Transaction box on the Send/Receive window. Failure to do so will mean that AdvanTG will not send the change transaction files on your system. However, change response files available in a customer's mailbox will automatically be received when you complete a Send/Receive, whether or not you have checked the Change Transaction box when you send your files.

- TG processes Change Transaction files during the evening processing run, but not during the noon run.
- When submitting a change transaction, contact the lender to find out if you should include any applicable student status changes (such as changes to a student's enrollment status) in the Lender Use Only field. For more details about this process, see "CommonLine Change Transactions and Lender Approval" in the December 2000 *Shoptalk*.
- When a change transaction requires a gross amount, enter whole dollar amounts only.
- Use only alpha-numeric characters in any field.

POP3

AdvanTG 3.0 introduces a new CL standard, the POP3 transfer process. POP3 is the same as Internet e-mail, but the messages are encrypted with a software product called Secret Agent®. Secret Agent provides two keys, one public and the other private, that enable the encryption/decryption process. (With the advent of CommonLine 4, AdvanTG 3.0 no longer supports CompuServe.)

POP3 allows you to transmit to other service providers directly through AdvanTG 3.0.

To do so, you must make certain that you:

- Have had Secret Agent installed on your system, which allows you to obtain a public key and a private key.
- Contact the service provider that you want to transmit data to so that you can exchange public keys.

Application Tracking, Loan Phase Codes, and MPN Validity Codes

AdvanTG 3.0 allows for the transition from TG's proprietary Application Tracking process to CL Application Tracking (a.k.a. loan phase codes). The beauty of the new process is that updates are automatic. That means all AdvanTG 3.0 users can track the status of loan applications

by viewing the loan phase codes through their AdvanTG systems.

AdvanTG 3.0 also allows you to view the MPN validity status of a loan as it stands on TG's system after the lender updates it. The MPN validity status may reflect any of the following:

- Y The lender indicates that a valid MPN is on file.
- N The lender indicates that a valid MPN is not on file.
- U The lender does not know whether a valid MPN is on file.

New Reports

AdvanTG 3.0 includes several new report options to support CL change transactions, CL application tracking, and MPN validity codes. In addition, the report types are now listed alphabetically to make it easier for you to find the report you need.

Some of the new options include:

- Comprehensive Loan Tracking (schools only)
- Loan Phase Code Tracking (schools only)
- MPN Validity (schools only)
- Loan Refresh (@1M) Response
- Various Change Transaction reports available under transmission and change transaction report type.

Questions and More Information

For questions or more information about the new AdvanTG 3.0 functions, contact TG's Product Support Group at (800) 252-9743, ext. 2222, or send an e-mail message to product.support@tgscl.org. ★

Consolidated Appropriations Act Signed

Months of debate among members of Congress and the White House have resulted in the largest-ever increase in the Department of Education's (ED's) annual budget. On December 21, 2000, President Clinton signed the Consolidated Appropriations Act, 2001 (the Act), which authorizes a \$42.1 billion budget for ED for FY 2001—an 18 percent increase over last year's allocation. The law, also known as H.R. 4577, includes several technical amendments to the Higher Education Act (HEA) of 1965.

Appropriations Increases

The most notable increase in spending for ED's higher education programs in H.R. 4577 is for the Federal Pell Grant program. The Act increases the Pell maximum from \$3,300 to \$3,750 and increases the Pell program's budget to \$8.8 billion. The legislation provides additional increases in spending for the following ED programs related to higher education:

- Federal Work-Study – up by \$77 million, to \$1.01 billion
- Supplemental Educational Opportunity Grant (SEOG) – up by \$60 million, to \$691 million
- Perkins Loan Program loan forgiveness reimbursement to schools – up by \$30 million to \$60 million
- Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) – up by \$95 million, to \$295 million
- TRIO – up by \$85 million, to \$730 million
- Learning Anytime Anywhere Partnership (LAAP) Grants – up by \$6 million, to \$30 million

Technical Amendments to the HEA of 1965

In addition to spending increases for ED programs, H.R. 4577 also contains amendments to the HEA, several of which are detailed below.

Extension for HBCUs

H.R. 4577 provides a two-year extension on an exemption that allows some historically black colleges and universities (HBCUs) with high cohort student loan default rates to retain Title IV participation eligibility. According to federal regulations, a school will lose eligibility for program participation if it has a cohort default rate of 25 percent or higher for three consecutive years, as some HBCUs have. These institutions have now been given until July 1, 2004 (previously July 1, 2002), to have a plan in place to reduce their default rates below 25 percent.

Interest Rate Changes

The legislation also changes the interest rate formula for PLUS loans and Supplemental Loans for Students (SLS). The borrower rate on loans made during the period beginning July 1, 1987, and ending June 30, 1998, is a variable rate indexed to the 52-week Treasury Bill. With the new legislation, the new index is the weekly average one-year constant maturity Treasury yield for the last calendar week ending on or before the June 26th preceding the July 1st interest reset date. This new index will be used with the July 1, 2001, reset of the variable rate.

Cohort Default Rate Appeals

The process for appealing cohort default rate calculations has been modified. Effective for cohort default rate calculations for fiscal years 1997 and 1998, an institution that did not appeal its loss of eligibility within 30 days of receiving notification may have its eligibility restored if:

- The institution made a timely request that the appropriate guaranty agency correct errors in the draft data used to calculate the institution's cohort default rate;
- The guaranty agency did not correct the erroneous data in a timely fashion; and
- The institution would have been eligible had the erroneous data been corrected.

Security Interests

Another provision changes language in the HEA to clarify the method for perfecting security interests in student loans, in part as a result of the introduction of the Master Promissory Note.

Questions

If you have questions about issues pertaining to the Consolidated Appropriations Act, 2001, call TG's Customer Services at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgsllc.org. ★

Calendar Year Variable Interest Rate

The Department of Education (ED) announced the PLUS/SLS variable interest rate for 2001 for loans using the "91-day Treasury Bill" method. Due to wording of the promissory notes, some loans are subject to a calendar-year adjustment of the variable interest rate based on the "91-day Treasury Bill" method that existed prior to the enactment of the Higher Education Act Technical Amendments of 1987. It is likely that most of these loans have already been paid in full or refinanced.

The interest rate is equal to the average of the 91-day Treasury Bills auctioned during the previous 12-month period ending November 30 plus 3.75 percent, not to exceed 12 percent. The interest rate for calendar year 2001 is 9.72 percent [5.97% (91-day T-bill average) + 3.75%]. ★

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.

Updating DAA Delinquency Status

In April 2000, a DAA work group was formed at the request of the Governing Board to address DAA time frame issues and to determine if consensus could be reached. The work group included representatives of several guarantors and community organizations, including SLSA and NCHelp. The work group developed a survey that was sent to all guarantors in May 2000. From the results of the survey, it was determined that although it was not possible to obtain consensus on all DAA time frames, guarantors were in virtual consensus on the DAA time frame for lender notification to guarantors of changes in delinquency status of the loan. Survey responses indicated that all guarantors, except one, would agree to require lenders to notify the guarantor of any changes in delinquency status on a loan that result in a change to the payment due date, even if the delinquency is not reduced below the point at which the guarantor requires the lender to cancel the DAA request. Based on these survey results, a policy proposal was developed and the *Common Manual* has now been revised to incorporate this requirement.

Affected Sections: 8.1.J., ^{cci}8.1.J.

Effective Date: Default aversion assistance requests filed by the lender on or after July 1, 2001, or the date the guarantor implements CCI, whichever is later, unless implemented earlier by the guarantor

Basis: None.

Policy Information: Reference 470

Guarantor Comments: None.

Cure Activities

The *Common Manual* has been revised to align subsections of chapter 8 and CCI chapter 8 to clarify that the completion of intensive collection activities (ICA)/location cure activities alone does not necessarily result in the reinstatement of insurance or reinsurance of a loan that has lost its guarantee.

Affected Sections: 8.8.G., 8.8.H., 8.8.K., ^{cci}8.8.G., ^{cci}8.8.H., ^{cci}8.8.K.

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

Basis: 34 CFR Section 682, Appendix D

Policy Information: Reference 472

Guarantor Comments: None.

Common Consolidation Loan Forms

Revised policy adds information concerning the common Consolidation loan forms approved by the Department in October 2000. For Consolidation loans made using the common Consolidation loan forms:

- Married couples applying for a spousal consolidation loan no longer need to complete a separate form, but must complete all applicable sections of the common Consolidation loan forms, including those that apply to spousal consolidation.
- The borrower’s authorization for the release of information is now included on the

application and promissory note. Holders must verify or complete the information on the new verification certificate and certify such information in accordance with the instructions on the form.

- A borrower must certify that he or she does not owe a refund on a Pell, SEOG or LEAP grant and that all loans being consolidated were used to finance the education of the borrower, the borrower’s spouse, or the borrower’s child.
- Borrowers who wish to add eligible loans to a Consolidation loan must complete and return the *Request to Add Loans* form to the lender so that it is received by the lender within 180 days of the date the original Consolidation loan was made. In addition, the lender must disclose new repayment terms to the borrower, if the terms of the borrower’s Consolidation loan change due to the addition of loans within the 180-day add-on period.

Affected Sections: 9.2, 9.3.B., 9.3.C., 9.5.A.

Effective Date: For all Consolidation loans made using the common Consolidation loan forms that were approved for use by the Department in October 2000, and must be used for all Consolidation loan applications signed on or after January 1, 2002

Basis: DCL GEN-00-16/G-00-330/L-00-224, dated October 2000

Policy Information: Reference 473, 474, 475, and 476

Guarantor Comments: None. ★

New Guide Offers Support for Transition to CommonLine and AdvanTG™ 3.0

Schools and lenders that are anxious to make the switch to AdvanTG™ 3.0 but a little intimidated by CommonLine will be pleased to know that Texas Guaranteed (TG) has created a resource to help you make the transition. TG's *CommonLine Technical Guide* is a booklet designed to help Federal Family Education Loan Program (FFELP) participants do just that.

CommonLine is not a product but a process that helps the FFELP community to communicate with schools, lenders, servicers, and guaranty agencies across the nation. It uses a standard format to electronically process FFELP loans and alternative loans.

The Guide's Contents

This new technical guide provides you with information about participating in CommonLine with or without a compliant or non-compliant Financial Aid Management System (FAMS) or Loan Management System (LMS). In addition, the guide addresses the need to test your system with TG and offers information about preparing test data. Information about the support available from the National Council of Higher Education Loan Programs and TG is also included.

The booklet includes a series of appendices that deliver details about transitioning from your current process to CommonLine. Information from the booklet includes the following:

- A table that lists Loan Information Network Clearinghouse (LINC) codes with the corresponding CommonLine codes as well as information about the field number and start position for both Send and Release transmissions;
- A table that lists Disbursement Change and School Refund (DCSR) codes with the corresponding (and new) CommonLine codes along with the transactions each code supports;
- A list of tips for AdvanTG and non-AdvanTG CommonLine participants;
- Information about non-EFT changes that include a lender approval process with a list of the transactions requiring lender approval, the lender action required, and the corresponding TG action; and
- A table that lists the non-lender approval transaction process flow and turnaround.

Making the Transition

Transitioning to AdvanTG 3.0 and CommonLine can benefit all schools and lenders.

Schools and lenders that continue to use AdvanTG 2.2 as others upgrade to 3.0 will not be able to receive notification via DCSR of all the CommonLine change transactions requested and processed by TG. For example, if a school requests a change to a disbursement amount (@1-09) using AdvanTG 3.0, the result cannot be sent to a DCSR participant.

For More Information and Questions

TG's *CommonLine Technical Guide* is available for printing from *TGWorks Online* at www.tgslc.org/tgslc/st_line.htm. Printed, bound copies are also available from TG Customer Services (CS).

To request a copy of the guide or for questions about how CommonLine can help you manage your student loan processes, contact CS at (800) 252-9743, ext. 2222, or send an e-mail message to product.support@tgslc.org. ★

TG Improves Loans By Web™ Documentation for Schools and Students

Texas Guaranteed (TG) is taking steps to meet the needs of student borrowers who want to complete the loan application process on the web. To make it easier for students and schools to use TG's Loans By Web™ (LBW) process to complete applications online, TG has recently improved its online help documentation.

Students who need help with LBW can now use the *LBW Student Guide*, a PDF document that includes basic information that students need when completing their loan application on LBW.

LBW schools can print out the guide for their students (if they so choose) or can use the guide to help them modify their own LBW instructions to students. Also available to schools is the *LBW Help Guide*, which is basically a modified, new and improved version of the previously available *LBW User Manual*.

Questions and More Information

For questions about LBW or to obtain more information about how you can use LBW to

improve your student loan application process, contact TG Customer Services at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org.

TG national customers interested in learning more about LBW should contact TG Strategic Partnerships at (800) 332-1455 or send an e-mail message to tgnational@tgslc.org. ★

Final Rules Issued November 1, 2000

Get ready! Get set! It's time to prepare for more regulatory changes in the federal student financial aid programs. Now that you have finished implementing the new regulations that took effect in July and October 2000, the Department of Education's (ED's) annual rulemaking process has delivered a new batch of changes for 2001. Some of the new regulations emanate from the 1998 Reauthorization of the Higher Education Act. Others are intended to improve, clarify, or simplify existing requirements or enhance program integrity. In general, the new regulations are effective July 1, 2001.

If you are familiar with the Proposed Rules issued by ED in July and August 2000, you will not find many big surprises in the Final Rules issued on November 1. However, there are a few significant changes to note in the Final Rules.

For example, in the total and permanent disability discharge provisions, Final Rules delete all references to the use of Social Security Administration documentation as an alternative to a physician's certification. Additionally, Final Rules for the institutional eligibility provisions require *all* schools to report additional locations, whereas the Proposed Rules contained an exemption for certain schools.

In addition to actual regulatory language, the Proposed Rules and Final Rules contain preambles that provide comments, explanations, and insight into the proposed and new regulations. TG recommends that you read both the Proposed and Final Rules for a complete examination of the new provisions. Final Rules packages, including Perkins and SLEAP, are available on Texas Guaranteed's (TG) web site at www.tgslc.org/tgslc/schools/ under "New Federal Regulations." Proposed Rules are available on the National Archives and Records Administration's web site at www.access.gpo.gov/su_docs/aces/aces140.html.

The following is a summary of the major provisions of the regulations relating to the Federal Family Education Loan Program (FFELP).

General Provisions — FFELP and FDLP

Due diligence in disbursing a loan

- The new regulations clarify that a lender must follow the disbursement schedule provided by a school or any request made by the school modifying that schedule.
- When loan proceeds are disbursed for a student who has ceased to be enrolled at least half time, a lender is no longer required to give notice to the school of a late disbursement (at the time the loan proceeds are disbursed).

Deferment

General

- The new regulations are effective for deferment periods that include July 1, 2001, or a later date.
- The new regulations remove the six-month backdating restriction for all deferment types, except an unemployment deferment that is based on a borrower's self-certification (see below).
- ED and the FFELP community will review the common deferment forms and make changes, where applicable.

Unemployment Deferment

- The new regulations specify that a borrower's unemployment deferment that is based on the borrower's self-certification of his or her search for employment may be backdated up to six months and run for up to six months into the future (for a total of one year) based on a single deferment request. Note that unemployment deferments that are based on a borrower's evidence of eligibility for unemployment benefits may be backdated more than six months.
- The six-month future limitation applies to all unemployment deferment periods, whether an initial or a subsequent period.

- Documentation requirements for subsequent periods of unemployment deferment are revised. New regulations remove the requirement that a borrower provide the name or title of the person contacted, the name of the employer, and the employer's address and phone number. Instead, the borrower may provide other information acceptable to the loan holder showing the borrower made six diligent attempts to obtain full-time employment.

Economic Hardship Deferment

- The deferment can be backdated up to the maximum three-year period if documentation supports eligibility for the relevant time period and the borrower meets current requirements. Prior to the new regulation, an economic hardship deferment could only be granted in one-year increments.
- The dual income standard has been removed ("monthly gross" vs. annual "adjusted gross" for debt burden test). All income references are now "monthly income," defined as either monthly gross as indicated by a pay stub or 1/12th of the Adjusted Gross Income (AGI) amount shown on the borrower's most recently filed federal tax return.

False Certification

General

- A loan may be discharged without borrower application if ED or the guaranty agency, with ED's permission, possesses the information needed to make the determination.

Discharge Based on

Ability to Benefit Violations

- Regulatory language clarifies that the discharge should be based on defective testing, regardless of whether the test was performed by a school or by an independent test administrator.

See FINAL RULES on page 9.

FINAL RULES (Continued from page 8)

- A borrower's employment or attempts to secure employment cannot be used as a factor in determining whether the borrower demonstrated ability to benefit from the school's training. (Effective July 2000: per Dear Partner Letter G-00-327, a federal appeals court ruled in *Jordan v. Riley* that a determination could only be based on whether a student met the objective criteria for certification before being admitted to a postsecondary institution.)

Collection Efforts on Defaulted Loans

- A guarantor is no longer required to perform specific collection activities (collection letters and telephone calls) within prescribed time periods, after initially notifying the borrower of the loan default.
- A guarantor may develop its own collection strategies that must include at least one activity every 180 days (for non-paying borrowers) to collect the debt, locate the borrower (if necessary), or determine if the borrower has the means to repay the debt.
- Litigation by guarantors to collect defaulted student loans is permitted again (with conditions).

Processing the Borrower's Loan Proceeds

- The new regulations delete language that requires the school to re-verify a student's eligibility once the school receives funds from the lender. A school now must determine only that a student has "maintained continuous eligibility" before paying out the proceeds of a loan disbursement. This change supports the "just in-time" disbursement methods.

General Provisions — Institutional Eligibility

Change of Ownership (Effective November 1, 2000)

- A school that files all required application materials with ED in a timely manner may

continue uninterrupted participation in Title IV programs on a provisional basis until the school's application is approved (or denied) by ED.

- A change of ownership resulting in a change of control includes a change in which a parent corporation gains or loses the ability to control the school.
- More specific changes apply to publicly traded corporations that are required to be registered with the Securities and Exchange Commission.
- A public school is no longer required to reapply for eligibility and certification following a change in governance from one public entity to another within the same state, provided the new governing body has acknowledged the school's continuing Title IV responsibilities to ED.
- A public school must report changes in governance within 10 days after their occurrence.

Written Arrangements (Effective November 1, 2000)

- A school may use a single written arrangement with a study-abroad organization that represents one or more foreign schools in lieu of a separate agreement with each school.
- Any eligible school that is party to a written arrangement may make Title IV calculations and disbursements for eligible students covered by the arrangement (without being considered a third-party servicer).

Additional Locations

- All schools are required to report to ED their intent to add a location offering 50 percent or more of an eligible program, regardless of the type of school.
- A more streamlined notification process is provided for most schools, rather than the full application process previously required. Most schools will not be required to wait for ED's approval of the new location before disbursing loan or grant funds to students.

Circumstances in which certain schools must wait for approval before disbursing Title IV funds are explained in the new regulations.

Reporting Requirements

- A school must report an increase or decrease in program offerings, such as the introduction or elimination of graduate programs.
- A school must apply for approval to convert an eligible additional location to a branch campus.
- The definition of an individual who has the ability to substantially affect the actions of the school is modified to exclude members of a school's board of directors or trustees. A school must report changes in a general partner, chief executive officer, or chief financial officer.
- A school must also report a change in the individual designated as the primary administrator of Title IV programs for the school.
- A school must report a change in the closure date of a branch campus or additional location.

Academic Year

- If a school provides for at least one day of study for final examinations after the last scheduled day of classes, ED considers the week in which that study day occurs to count as a week of instructional time – if the school measures program length in clock hours or in credit hours using standard semester, trimester, or quarter terms.
- If a school provides for at least 12 hours of study for final examinations after the last scheduled day of classes, ED considers the week in which those hours occur to count as a week of instructional time – if the school measures program length in credit hours but doesn't use standard semester, trimester, or quarter terms.

See FINAL RULES on page 10.

FINAL RULES (Continued from page 9)

Financial Aid History

- The title “Financial aid transcript” is replaced by “Financial aid history” to reflect the elimination of paper financial aid transcripts for all students.
- Schools must use NSLDS in place of financial aid transcripts (FATs) to verify eligibility of current-year transfer students before disbursing Title IV, HEA funds to them. After requesting eligibility information from NSLDS, the school may not release a disbursement to the student for up to seven days, until the school receives or obtains confirmation of the transfer student’s eligibility for the disbursement.
- ED is developing procedures for schools to use in order to implement this new requirement.

Death Discharge

Documentation

The new regulations require one of the following:

- An original or certified copy of the borrower’s death certificate.
- Other documentation approved by the guarantor’s Chief Executive Officer or the school’s Chief Financial Officer (for Perkins loans) for exceptional circumstances and on a case-by-case basis.

Forbearance

The new regulations:

- Continue to provide a 60-day forbearance upon receipt of reliable information of death.
- Create a 60-day extension of forbearance in order to obtain information, if necessary.

Total and Permanent Disability Discharge

Effective Dates

- The new definition of total and permanent (T&P) disability becomes effective July 1, 2001.*
- The conditional discharge provisions become effective July 1, 2002.

*For loans discharged due to T&P disability on or after July 1, 2001, through June 30, 2002, the borrower must reaffirm the loan if the borrower receives a new Title IV loan within three years from the date the borrower became T&P disabled as certified by the physician. [682.201(a)(6)]

General

- The new definition of a T&P disabled individual is a person who is unable to work and earn money because of an injury or illness that is expected to continue indefinitely or result in death [682.200(b)]. Formerly, the definition included “or attend school.”
- If a guarantor determines that the application supports the borrower’s condition, and that it is complete, the loan is immediately and permanently assigned to ED. Even if ED denies the discharge, it retains the loan.
- ED makes an initial “conditional discharge” determination, as well as a “final discharge” determination for eligible borrowers.
- The three-year conditional discharge period begins at the time the borrower became T&P disabled as certified by the physician.
- The loan is permanently discharged at the end of the three-year period if:
 - The borrower’s earnings do not exceed 100 percent of the poverty line for a family of two.

- The borrower does not receive a new loan under the FFEL, Direct Loan, or Perkins Programs (except for a FFELP or Direct Consolidation loan that does not include any loans that are in a conditional discharge status).

During the conditional discharge period

- The borrower is not required to make payments.
- The borrower is required to notify ED of address or telephone number changes.
- The borrower is required to notify ED of income that disqualifies the borrower for the T&P discharge.
- The borrower is required to provide additional documentation or information on eligibility, if requested.
- The borrower *may* obtain non-loan Title IV aid without becoming ineligible for the discharge.
- The borrower is not responsible for accrued interest even if the loan is not ultimately discharged.
- The borrower’s loan retains the status that it was in at the time ED granted the conditional discharge (e.g., current, delinquent, or default).

After Final T&P Discharge

The borrower may obtain a new loan only if:

- A physician certifies that the borrower’s condition has substantially improved.
- The borrower acknowledges that a new loan cannot be discharged without evidence of significant deterioration.

See FINAL RULES on page 11.

FINAL RULES (Continued from page 10)

Teacher Loan Forgiveness

Basic Provisions

- The provisions forgive some student loans up to \$5,000, including principal and interest.
- FFELP and/or Direct Stafford loans or the eligible portion of a Consolidation loan (not PLUS loans) may be forgiven.
- Eligible loans must be made before the end of the fifth consecutive year of teaching service.

Borrower Eligibility Requirements

- The borrower must be a new borrower on or after October 1, 1998. ("New borrower" for these provisions is defined as a borrower who has no outstanding loan balance under the FFEL or Direct Programs on October 1, 1998, or who has no outstanding loan balance on the date he or she obtains a loan after October 1, 1998.)
- The borrower must teach for five full-time, consecutive, and complete academic years.
 - The regulations provide for authorized gaps in service for active military duty, return to postsecondary education, or conditions covered under the Family and Medical Leave Act.
- At least one year of teaching must be after the 1997-1998 academic year.
- A primary education teacher must demonstrate knowledge and teaching skills in the three "Rs" and other areas of curriculum as certified by the school's Chief Administrative Officer.
- A secondary education teacher must teach in a subject area relevant to his or her academic major.
- The borrower must teach in a school that is (consistent with Perkins requirements):
 - Located in a district eligible for Title I benefits.
 - Determined to have at least 30 percent of its enrollment qualify for Title I benefits.

- Listed in the Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits.

Forbearance

The borrower may request mandatory forbearance:

- In annual increments during teaching service, and
- If the outstanding loan balance will be paid in full.

Application

An application, probably modeled after the Perkins teacher forgiveness form, will be developed.

Cohort Default Rates

General

- The current cohort default rate regulatory provisions are moved and rewritten to provide more detail, clarity, and consistency with ED's Cohort Guide publication.
- Schools need to become familiar with new definitions: "We" = ED; "You" = the school; "Data manager" = the guarantor or ED for FFELP loans and the Direct Loan Servicer for Federal Direct Loan Program (FDLP) loans.
- The timeframes for all challenges and appeals are measured in calendar days, and some are modified (favorably to schools in most cases).
- Appendix D "Default Reduction Measures" guidance is removed from the regulations, and new appendices are added to describe challenge and appeal options and timeframes.
- FY 1999 draft cohort rates will be issued under the current regulations; FY 1999 official cohort rates will be the first ones issued under the new July 1, 2001 regulations.

Consequences of Changes in School Structure

- Detailed information is provided about how cohort default rates are calculated for schools that undergo changes in structure such as mergers, acquisitions of additional locations, or branches becoming separate schools.
- Specific guidance is provided about situations in which a formerly eligible school's cohort rate is applied to another school and how an eligible school may request a determination of cohort rate consequences before taking an action that could cause a loss of eligibility. Teach-outs are also addressed in the new regulations.

Provisional Certification

- Schools will no longer be automatically subject to provisional certification due to an official cohort default rate greater than or equal to 25%. ED will exercise discretion in determining when provisional certification is warranted due to high cohort rate(s).

Appeals

- Exceptional mitigating circumstances appeals are separated into four sections: economically disadvantaged appeals, participation rate index appeals, average rates appeals, and thirty-or-fewer borrowers appeals. The term "exceptional mitigating circumstances" no longer appears in the new regulations.
- Schools are provided additional appeal opportunities with regard to erroneous data appeals (for provisionally certified schools), loan servicing appeals, participation rate index appeals, average rates appeals, and thirty-or-fewer borrowers appeals.

Requests for Adjustment

- As with appeals, when submitting a request for adjustment of an official cohort rate (based on new or uncorrected data), a

See FINAL RULES on page 12.

Go Electronic: Make It One Of Your New Year's Resolutions

What is the one thing that paper *Common Manual* users can do to win prizes, to help college students fund their education, to get FFELP information faster, and to save trees all at the same time?

They can *Go Electronic*.

It's the New Year and Texas Guaranteed's (TG's) *Go Electronic: Make It One of Your New Year's Resolutions* campaign has officially started. From January 1 through April 27, 2001, TG will set out to encourage the nearly 900 paper *Common Manual* users to give up paper and *Go Electronic* by using the online, integrated *Common Manual*. The integrated *Common Manual* ensures that you have the most accurate FFELP policy information by incorporating policy updates almost as soon as they are approved.

"Many organizations are leaving the paper world behind and stepping into the technology era of the 21st century. With the development of the integrated *Common Manual*, TG is helping the community keep pace with the ever-changing world of student financial aid," said Nina Hold, TG Assistant Vice President of Policy and Regulatory Affairs.

Bob Sandlin, Assistant Vice President-Compliance for LoanStar Services, Inc., says this about the integrated manual, "It provides

a holistic approach to reviewing policy changes. For example, one policy may change a paragraph in a particular section and another policy may change a different paragraph in the same section. The integrated manual allows you to review the section or chapter as a whole, providing context and flow to the changes."

As mentioned in last month's *Shoptalk*, the integrated *Common Manual*, available at www.tgslc.org/tgslc/schools/integrated_online_manual.htm, does away with the cross-reference tracking procedures necessary with the paper format by updating the original document online as changes are approved. This allows users to easily identify changes made since the last paper *Common Manual* publication.

Since the integrated *Common Manual* is provided in a portable document format (PDF), you can use the search function to locate a particular section, topic, or word. When the Office of Student Financial Services at the University of Texas at Austin gave up the paper *Common Manual* several years ago, many staff members commented on the ease of searching electronically.

With quicker delivery and the ease of tracking changes and searching also comes an easy way to raise funds to help students pay for college. With

a 100 percent switch from paper to electronic, TG could save as much as \$18,000 in paper, production, and mailing costs. This is good news. What's even better news is that no matter what the total cost savings, TG will apply 50 percent of the savings to the TG Grant Program.

For each month of the campaign, TG will randomly award a \$20 restaurant gift certificate to a paper *Common Manual* user who decides to *Go Electronic*. If you get your name in early, you will have four chances to win. Additionally, on the last day of TG's annual conference, when the campaign culminates, TG will conduct two drawings (one for a school and one for a lender/servicer/secondary market) from the pool of all institutions that have gone completely paperless. Each winner will receive a catered lunch that can include up to 10 people, not to exceed \$150 total. (You do not have to be present to win.)

Current paper *Common Manual* users will soon receive a letter asking them to make the commitment to *Go Electronic*. A form will be included with the letter so paper users can notify TG about their commitment to go paperless.

Keep reading *Shoptalk*, *TG Connection*, and *TG NetWorks* for more information and updates about this campaign. ★

FINAL RULES (Continued from page 11)

school should consider the 45-day potential liability period for an unsuccessful request for adjustment. Schools can still opt to temporarily cease disbursing Title IV funds to students during this 45-day period to avoid such liabilities.

Consequences of High Cohort Rates

- A school with official cohort default rates greater than or equal to 25% for three consecutive years loses eligibility for the

FFEL and Direct Loan Programs and Pell grants for a two-year period (unless the eligibility loss is successfully appealed).

- A school with an official cohort default rate greater than 40% for one year loses eligibility for the FFEL and Direct Loan Programs for a two-year period (unless the eligibility loss is successfully appealed).

The school's option to request a hearing is removed, but its loss of participation in Title IV programs is limited to FFELP and FDLP

only and does not continue "indefinitely" as in current regulations.

- Special institutions (historically black colleges or universities, tribally controlled community colleges, and Navajo community colleges) are exempted from loss of FFELP and FDLP eligibility based on an official cohort rate greater than 40% if they are in compliance with applicable cohort regulation requirements. ★

New MPN Tracking Record Helps Schools to Track Status of Notes

In the December 2000 *Shoptalk* (Edition 112), Texas Guaranteed (TG) announced the availability of its new Master Promissory Note (MPN) Tracking Report. This report provides schools with information about valid MPNs held by lenders or servicers. The information from the report also helps schools answer borrower inquiries about lender selection and eliminates the question of whether schools must initiate the printing of a new promissory note for borrower signature. The following article clarifies how TG's system houses the information for its MPN Tracking Reports and how the information can be accessed and updated via OnLine Access.

How the Tracking System Works for New Guarantees

When TG guarantees an MPN loan request, it searches its system to determine if the borrower has any prior MPNs associated with the same lender ID. If the borrower has no prior MPNs held by the same lender, then TG creates a new MPN Tracking Record. If an MPN already exists for the borrower/lender combination, then an MPN Tracking Record already exists and a new record is not created.

TG's system maintains one MPN Tracking Record for each borrower/lender combination because, although a lender may possess multiple hardcopy MPNs for a given borrower, the lender is responsible for maintaining only one valid MPN for each borrower. Therefore, as long as the lender holds at least one valid MPN for the borrower, the lender need only report the possession of a valid note to TG one time.

When a new MPN Tracking Record is created on TG's system, the record displays with the following fields:

- Initial Guarantee Date – the guarantee date of the first loan record associated with the creation of the MPN record.
- Borrower Sign Date – the borrower signature date from the initial application associated with the MPN. If this date is not initially provided, the lender can manually enter the date via OnLine Access or by submitting a CommonLine "M" response record through AdvanTG or a POP3 file.
- Last Change Date – the date the MPN record was last changed on TG's system, automatically updated as changes are made to the record.
- Lender Reported MPN Confirmation – provided by the designated lender or its servicer to indicate the possession of a valid MPN. TG initially fills the MPN Confirmation field with "U" (unknown). The lender may update the field with "Y" (Yes - possesses a valid MPN) or "N" (No - does not possess a valid MPN).
- Revocation Date – the date the MPN is revoked. The lender has the option to report that the origination rights on the specified MPN have been withdrawn. The Lender Reported MPN Confirmation field automatically reflects "N" when a date is entered into this field.

Reporting Possession of MPN

Upon receipt of a valid note, a lender is encouraged to report this information to TG via a CommonLine Change Send Record or through OnLine Access. (See instructions below for accessing the MPN Tracking Record via OnLine Access.) A lender also has the same options for reporting when it no longer holds at least one valid note for a borrower.

Reporting Loan Transfers (for lenders)

When TG receives notification of a loan transfer (via the National Student Loan Data System Lender Manifest process or OnLine

Access), TG determines if any other loans exist for the borrower under the purchasing lender's ID and creates an MPN Tracking Record if one does not exist. The new MPN tracking record initially reflects "unknown" in the Lender Reported MPN Confirmation field.

If the origination rights were also purchased along with the loan, the new holder is responsible for reporting that it now possesses a valid MPN. The prior holder of the loan need only report that they no longer possess a valid note when it no longer maintains origination rights for any MPN notes for that borrower.

Viewing or Updating a Record via OnLine Access

OnLine Access users can view the MPN Tracking Record for a given borrower by entering the borrower's Social Security Number and selecting MPN TRACKING INQUIRY (PF21) from the Main Menu. If the borrower has more than one MPN record, the MPN Selection screen appears. From this screen, the user can select the sequence number of an MPN to view a specific MPN record.

Lenders and servicers with update capability can access the update screen of OnLine Access by selecting MPN TRACKING UPDATE (PF22) from the Update Menu.

Questions

For questions regarding the MPN tracking option or to request a report and/or file, contact TG's Product Support Group at (800) 252-9743, ext. 2222. ★

Scholarship Charlatans Beware

Many students who hope to secure financing for postsecondary education fall victim to scholarship scams. A student may see an ad in the paper or visit a web site that guarantees a scholarship if the company receives a finder's fee. The company often fails to provide the student with any viable scholarship leads, despite its guarantee. Then the company makes the process for receiving a refund of the fee difficult or next to impossible when the student does not receive a scholarship. Most students just give up instead of pursuing the refund.

To help combat such scams, President Clinton signed the College Scholarship Fraud Prevention Act (the Act) into law on November 1, 2000. The Act expands existing protection against fraud for students seeking scholarships for postsecondary education. Specifically, it increases

penalties for companies that perpetrate scholarship scams, eliminates the bankruptcy loophole that allows offenders to keep the fees collected from students, and requires the Department of Education (ED) and the Federal Trade Commission (FTC) to publish scholarship scam awareness information on ED's web site.

To help combat such scams, President Clinton signed the College Scholarship Fraud Prevention Act (the Act) into law on November 1, 2000.

In addition, the Act requires the Attorney General, ED, and the FTC to submit an annual report to Congress concerning fraud in the

offering of financial assistance for purposes of funding higher education. Penalties for scholarship fraud perpetrators now include jail time and fines of up to \$500,000. These, in addition to existing penalties that allow the FTC to shut down fraudulent companies and seek restitution for defrauded students, should help to deter such scams.

More Information

For more information on scholarship scams, visit the FTC web site at www.ftc.gov/bcp/conline/edcams/scholarship/index.html and the ED site at www.ed.gov/prog_info/SFA/LSA/. ★

Side-by-Sides and Integrated Regulations Available on *TGWorks Online*

On November 1, 2000, the Department of Education (ED) issued Final Rules resulting from the Spring 2000 Negotiated Rulemaking sessions. The National Council of Higher Education Loan Programs (NCHELP) produced two helpful research tools to assist the financial aid community in implementing these new regulations. The first is a comprehensive side-by-side comparison of regulations before and after the November 1, 2000, Final Rules. The second is an integrated version of the Code of Federal Regulations Title 34, Sections 600, 668, and 682. Both documents are available on *TGWorks Online* at www.tgslc.org/tgslc/schools, under New Federal Regulations.

The side-by-sides include all recent changes to regulations stemming from the 1998 Reauthorization of the Higher Education Act,

not just those related to the Federal Family Education Loan Program (FFELP). Additional changes to the regulations are a result of program simplification and fraud control measures.

The integrated regulations provide the new and old regulations in a format that easily distinguishes one from the other.

Although the side-by-sides are useful in highlighting regulatory changes and implementation issues, Texas Guaranteed (TG) 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 general, these new regulations are effective July 1, 2001; however, some of the new regulations have early implementation dates. To identify these exceptions, please refer to the Final Rules packages, also on *TGWorks Online*.

Questions

For questions pertaining to the Final Rules issued November 1, 2000, call TG's Customer Services at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

ED Offers FAFSA Guidance

The Department of Education's (ED's) division of Student Financial Assistance (SFA) is releasing a series of three guidance letters explaining changes that it made to the Free Application for Federal Student Aid (FAFSA) delivery system for the 2001-2002 award year. These guidance letters are being released as both Action Letters and Dear Colleague Letters (DCLs).

The first in this series, Action Letter #3 (DCL GEN-00-19), provides information about changes and enhancements to the 2001-2002 EDESuite software and EDEExpress. The second, Action Letter #4 (DCL GEN-00-22), deals with changes

to the 2001-2002 paper FAFSA, paper Renewal FAFSA, Student Aid Report (SAR), Institutional Student Information Record (ISIR), and Central Processing System (CPS). The third (not yet released at press time) is expected to outline changes to the FAFSA on the Web, Renewal FAFSA on the Web, Corrections on the Web, Personal Identification Numbers (PINs), and FAFSA Express.

Questions and More Information

To access any of these guidance letters, visit the Information for Financial Aid Professionals (IFAP) web site at www.ifap.ed.gov. If you have

questions regarding the FAFSA delivery system, contact ED's Customer Support at (800) 330-5947 or send an e-mail message to cps@ncs.com.

Interested parties may also subscribe to SFATECH, a listserv for ED software and systems issues. Instructions for subscribing to and using SFATECH can be found at www.ed.gov/sfatech/listserv.html. ★

MONEY MATTERS

The average of the bond equivalent rates of 91-day Treasury Bills auctioned during the quarter ending December 31, 2000 is 6.23%. 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 December 31, 2000 is 6.67%.

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	.0273	.006825
	8	.0173	.004325
	9	.0073	.001825
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	.0248	.0062
	8	.0148	.0037
	8.99 (Var.)	.0049	.001225
	9	.0048	.0012
	9.14 (Var.)	.0034	.00085
Subsidized and unsubsidized Stafford and Consolidation loans made on or after 10/1/92*	6	.0333	.008325
	7	.0233	.005825
	8	.0133	.003325
	8.25 (Var.)	.0108	.0027
	8.99 (Var.)	.0034	.00085
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.)	.0048	.0012
	7.59 (Var.)	.0084	.0021
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.)	.0084	.0021
	8.19 (Var.)	.0084	.0021
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.)	.0082	.00205
	8.19 (Var.)	.0082	.00205

*Note: The interest rate for Consolidation loans made on or after 10/1/98 is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded up to the nearest 1/8th of one percent. Due to the wide range of possible applicable interest rates, this loan category is not included on the Money Matters chart.

Return Service Requested

Passport to Success... Around FFELP in Three Days

The 2001 Texas Guaranteed (TG) Annual Conference will be here before you know it! From April 25-27, at the Austin Marriott at the Capitol, the FFELP community will come together for "Passport to Success...Around FFELP in Three Days." The conference will provide you with an opportunity to navigate around 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 in January. Online conference registration will also be available in January at www.tgslc.org.

Hotel reservations are available at the Austin Marriott at the Capitol through either its direct line at (512) 478-1111 or its toll-free line at (800) 228-9290. Call early and mention the TG conference when making your reservations (limited state rates are available with ID verification).

More Information

For more information, contact TG Customer Support at (800) 252-9743, ext. 4444, or send an e-mail message to customer.services@tgslc.org. ★

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

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