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Awareness Week Activities Benefit College-bound Students

On February 5, 2001, Texas Guaranteed (TG) held a joint press conference with Texas Secretary of State Henry Cuellar, Ph.D., and Representative Mike Wise in observance of Texas Financial Aid Awareness Week. The central message of the conference, which provided details of various events scheduled for the week of February 5-9, was that the rising cost of higher education should not preclude students from seeking a college education.

The central message of the conference... was that the rising cost of higher education should not preclude students from seeking a college education.

"Attending college can be expensive and many students will need financial assistance to help them pay for their education," said Secretary Cuellar. "And we are here to help them obtain that goal."

For academic year 2000-2001, an undergraduate education at a four-year public university in Texas costs \$11,512, near the national average of \$11,698. However, the cost of attending school in Texas is nearly

six percent higher than that paid by a typical student in the neighboring states of New Mexico, Oklahoma, and Arkansas — \$10,810. While the average tuition and fees in Texas are only 89 percent of the national average, other educational expenses such as room and board, transportation, and books are more expensive in Texas.

"Gone are the days when we used to be able to go to college and pay \$3 or \$4 per semester hour for tuition," said Representative Wise. "Gone are the days when the cost of a college education in Texas is one of the lowest in the country. Financial aid from outside sources has now become a necessity for most students if they plan to graduate from college. Fortunately, students need not despair. There is help out there."

"We have all the bases covered to help students learn more about financial aid," said Milt Wright, TG President and CEO. "Our goal is to provide them with the guidance and information needed to apply for and receive financial assistance to help pay for college."

One event TG held during the week was the sixth annual Free Application for Federal Student Aid (FAFSA) teleconference, *Applying for Financial Aid: The FAFSA Process* on February 8. Each year the event helps students

See AWARENESS WEEK on page 2.



CLOSED SCHOOL CORNER

NEWLY REPORTED CLOSURES

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	UNOFFICIAL CLOSURE DATE	ED'S OFFICIAL CLOSURE DATE
023193000	Computer Learning Center	3600 Market St. Univ. City Philadelphia, PA 19104	N/A	01/22/2001
023194000	Computer Learning Center	5 Middlesex Ave. Somerville, MA 02145-1119	N/A	01/22/2001
023200000	Computer Learning Center	160 E. Route 4 Paramus, NJ 07652-5002	N/A	01/22/2001
023220000	Computer Learning Center	667 Mission St. San Francisco, CA 94105-3915	N/A	01/22/2001
030630020	Computer Learning Center	2359 Windy Hill Rd. #280 Marietta, GA 33067-8638	N/A	01/22/2001
030642020	Computer Learning Center	305 Northeast Loop 820 Hurst, TX 76053	N/A	01/22/2001
030630010	Computer Learning Center - Houston	3030 S. Gessner #150 Houston, TX 77063-3733	N/A	01/22/2001
009572000	Computer Learning Center of Alexandria	6295 Edsall Rd. Ste. 210 Alexandria, VA 22312-2670	N/A	01/22/2001
030642000	Computer Learning Center of Anaheim	222 S. Harbor Blvd. Anaheim, CA 92805-3701	N/A	01/22/2001
030642010	Computer Learning Center of Anaheim	1500 Eastgate Dr. Ste 100 Garland, TX 75041-5505	N/A	01/22/2001
023190000	Computer Learning Center of Chicago	200 S. Michigan Ave. Chicago, IL 60601-2483	N/A	01/22/2001
009591000	Computer Learning Center of Los Angeles	3580 Wilshire Blvd. Ste. 100 Los Angeles, CA 90010-2502	N/A	01/22/2001
026165000	Visible Changes University	7075 Southwest Frwy. Houston, TX 77074	N/A	12/29/2000

ED CLOSED DATE REVISIONS

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	PREVIOUS ED CLOSURE DATE	REVISED OFFICIAL ED CLOSURE DATE
02286900	American Institute of Business & Technology	601 Indian Ave. NW Washington, DC 20004	07/26/1988	10/31/1987

AWARENESS WEEK (Continued from page 1)

and parents complete the form that is the first step toward consideration for any federal financial aid.

In addition, on February 6, TG hosted its first-ever *Know Before You Go: Student Financial Aid* Internet Chat Night through TG's public service web site *Adventures In Education*. As an added incentive to participate in the teleconference and the chat event, TG awarded \$6,000 in the form of twelve \$500 TG Team's Rising Star Scholarships to students who will attend a Texas college during the Fall 2001 semester.

TG also took advantage of the press conference to encourage students and parents to use the services of the Texas Financial Aid Information Center. The TG team members who answer the calls that come to the center's toll-free number, (877) 782-7322, are highly trained to answer questions of all types about state and federal financial aid programs, including the TEXAS Grant, the Texas Tomorrow Fund, and higher education income tax credits.

More Information

For more information about finding the financial aid that makes higher education possible, visit *Adventures In Education* at www.AdventuresInEducation.org or www.AIE.org. Select "News & Events" for the latest information about upcoming awareness activities. ★

Rod Paige Becomes 7th U.S. Secretary of Education

On January 24, 2001, Dr. Roderick Paige was sworn in as the 7th U.S. Secretary of Education. Secretary Paige is the former superintendent of the Houston Independent School District (HISD) and is the first African American to hold the Cabinet position of Education Secretary.

Secretary Paige earned his bachelor's degree from Jackson State University in Mississippi and his master's and doctoral degrees from Indiana University at Bloomington. Prior to his tenure as HISD Superintendent from 1994 to 2001, Secretary Paige served as president of the HISD Board of Education, Dean of the College of Education at Texas Southern University, and head football coach at Utica Junior College, Jackson State University, and Texas Southern University (where he also served as athletic director).

Ms. Sharon Owens, a former member of the Texas Guaranteed (TG) Board of Directors, has served with Dr. Paige on several community nonprofit boards and was appointed by Dr. Paige to serve on an HISD Magnet/Vanguard Task Force. Both were also senior fellows in the same class of the American Leadership Forum. Ms. Owens, who is now Vice President of Community Relations for Reliant Energy HL&P, says she is very pleased that Dr. Paige was chosen as the new Education Secretary. She describes him as "a very astute and far-reaching man who is an avid reader . . . and who has children and their future on his mind."

Ms. Owens says that one of Dr. Paige's major strengths is his inclusiveness. She says that at HISD he ensured that everyone had a hand in education: students, parents, teachers, businesses, and the community. Ms. Owens expects that this will be Paige's approach as Education Secretary as well — to listen to everyone and bring people together. "Rod is a collaborator," says

Ms. Owens, "and he knows that good education results in benefits for businesses and the community."

Agenda and Initiatives

In his first few days as Secretary of Education, Paige has endorsed the educational agenda of President Bush, entitled "No Child Left Behind" (see www.ed.gov/inits/nclb/index.html for the President's program). Paige also temporarily suspended all policy changes as well as all hiring activities at the Department of Education (ED). The Secretary will review all of ED's major policies and initiatives before ending this moratorium in the near future, a course of action that is not uncommon during the transitional period between administrations.

Secretary Paige is also expected to support the following Bush higher education initiatives:

- An increase in the maximum Pell Grant for first-year students to \$5,100.

- An additional \$1,000 to Pell recipients who took college-level math and science courses in high school.
- An increase in the annual cap on contributions to tax-free education savings accounts from \$500 to \$5,000.
- A federal tax exemption for funds invested by families in prepaid tuition and college savings plans for students at private colleges (currently, state-sponsored programs have greater tax advantages).

More Information

For more information about the new Secretary of Education and his priorities, visit ED's web site at www.ed.gov. ★

THE WEBSHOP

INTERNET RESOURCES REFERENCED IN THIS ISSUE

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

Financial aid awareness information

www.AdventuresInEducation.org

Information about the new Secretary of Education on ED's site

www.ed.gov

TG's Annual Report

www.tgslc.org/tgslc/finance.htm

The Integrated Common Manual on TGWorks Online

www.tgslc.org/tgslc/schools/integrated_online_manual.htm

Dear Colleague Letter on RT4 on the Information for Financial Aid Professionals web site

www.ifap.ed.gov

Guidance from TG about RT4

www.tgslc.org/tgslc/schools/index.htm ★

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.

Updates to The Life of a Stafford Loan Flow Chart

"The Life of a Stafford Loan" flow chart in the *Common Manual* has been revised to include a reference to the Loan Forgiveness Program for Teachers.

Affected Sections: 2.2.A.

Effective Date: New borrowers on or after October 1, 1998

Basis: HEA 428J; §682.215

Policy Information: Reference 478

Guarantor Comments: None

Updates to The Life of a Stafford Loan and The Life of a PLUS Loan Flow Charts

"The Life of a Stafford Loan" and "The Life of a PLUS Loan" flow charts in the *Common Manual* have been revised to indicate that a borrower may be determined eligible for a closed school loan discharge with or without submitting an application.

Affected Sections: 2.2.A.

Effective Date: Closed school loan discharge determinations, made without

the borrower's submission of a request form on or after July 1, 2000

Basis: Dear Guaranty Agency Letter GEN-99-37/99-L-218/99-G-325, dated April 1999, and Final Rules published in the *Federal Register* on October 29, 1999

Policy Information: Reference 479

Guarantor Comments: None

Updates to The Life of a Stafford Loan and The Life of a PLUS Loan Flow Charts

"The Life of a Stafford Loan" and "The Life of a PLUS Loan" flow charts in the *Common Manual* have been revised to indicate the availability of an unpaid refund discharge for an eligible borrower. In addition, language has been added to clarify that an outstanding loan balance may remain after the processing of a discharge.

Affected Sections: 2.2.A.

Effective Date: Completed unpaid refund discharge requests received, or eligibility determinations made, on or after July 1, 2000

Basis: §682.402(l)

Policy Information: Reference 480

Guarantor Comments: None

Updates to The Life of a PLUS Loan Flow Chart

"The Life of a PLUS Loan" flow chart in the *Common Manual* has been revised to indicate that the lender will file a bankruptcy claim with the guarantor only when the borrower files a Chapter 12 or 13 bankruptcy or hardship petition.

Affected Sections: 2.2.A.

Effective Date: Loans on which a borrower files a petition for bankruptcy on or after October 8, 1998

Basis: §682.402(f)(5)(i)(A)

Policy Information: Reference 481

Guarantor Comments: None

Loan Sales Involving the MPN

The *Common Manual* has been revised to clarify that in the case of loans originated using a Master Promissory Note (MPN), each loan may be separately enforced based on the original MPN or a true and exact copy of the MPN. If a lender sells a loan but retains some loans under the existing MPN, then each lender may own separate loans under the same MPN. Also, if the original lender assigns the right to offer new loans under that MPN, then the original lender may not make new loans under the MPN. The new lender may use the original MPN or a true and exact copy of the MPN to enforce any loans it acquires and any future loans it makes using that MPN.

Affected Sections: 3.4.B., 6.1.A.

Effective Date: Retroactive to the implementation of the Master Promissory Note (MPN)

Basis: DCL GEN-98-25; NCHHELP's Master Promissory Note Q & A document dated May 2000

Policy Information: Reference 482

Guarantor Comments: None

Dependent Students Not Eligible for Additional Unsubsidized Stafford Funds at Nonparticipating PLUS Loan Schools

Based upon the 1998 Amendments to the Higher Education Act of 1965, the Department of Education stated that granting automatic eligibility for additional unsubsidized Stafford loans based on a school's decision not to participate in the PLUS loan program is beyond the scope of the intent of the law. The Department

See *COMMON MANUAL UPDATES* on page 5.

COMMON MANUAL UPDATES (Continued from page 4)

clarified its position on this issue in the preamble to the Notice of Proposed Rulemaking published in the *Federal Register* on August 10, 1999. The manual has been revised to clarify that a school is *not* able to certify additional unsubsidized Stafford loan funds for a dependent student based on the school's decision not to participate in the PLUS Loan Program. If a dependent

student's parent is unable to obtain a PLUS loan at a school that participates in the PLUS loan program, the school may certify additional unsubsidized Stafford loan funds for the student to the full extent of the loan limit—provided that the loan funds do not exceed the student's need.

Affected Sections: 5.3, 5.7.H.

Effective Date: Unsubsidized Stafford loan

funds certified by the school beginning no later than July 1, 2000

Basis: NPRM published in the *Federal Register* on August 10, 1999, page 43438

Policy Information: Reference 483

Guarantor Comments: None ★

Draft Cohort Default Rates Published

The U.S. Department of Education (ED) plans to mail all schools their fiscal year (FY) 1999 draft cohort default rates on February 9, 2001. The draft cohort rates are provided to schools for informational purposes and have no eligibility consequences during the draft review period. These rates are not considered public information and may not be released to the public by guaranty agencies or ED.

ED provides every school a 45-calendar-day period to review the loan data used to calculate its draft cohort default rate. If a school identifies any data it believes to be inaccurate, it may challenge its draft cohort rate to request verification and correction of errors. Challenges of Federal Family Education Loan Program data must be submitted to the guaranty agency responsible for managing that data within the 45-day review period.

Challenges of inaccurate draft cohort rate data are allowed to ensure the accuracy of the FY 1999 official cohort default rates to be published later this year, and to preserve schools' rights to appeal potential adverse consequences associated with high official cohort rates on the basis of inaccurate data.

ED also provides schools 30 calendar days to submit a participation rate index challenge to ED's Default Management Division. Participation rate index challenges

are also intended to prevent potential adverse consequences anticipated by schools based on high official cohort rates, but these challenges are based on low numbers of student loan borrowers rather than on allegations of inaccurate data.

All schools for which draft cohort default rates are calculated should receive a loan record detail report along with ED's notification of the draft cohort rate. If a school does not receive its loan record detail report at that time or wishes to request the report in an electronic format, the school should follow the instructions provided in ED's *FY 1999 Draft Cohort Default Rate Guide* that accompanies the draft cohort rate notification letter.

Challenges of draft cohort default rates should be mailed to the appropriate address below:

TG's mailing address:

Texas Guaranteed Student
Loan Corporation
Attn: Compliance Analyst
P. O. Box 201725
Austin, Texas 78720-1725

Address for overnight delivery services:

TG Distribution Center
Attn: Compliance Analyst
2929 Longhorn Blvd., Suite 106
Austin, Texas 78758

Questions

For questions about the FY 1999 draft cohort rate challenge procedures, call Ken Johnson at (800) 252-9743, ext. 4701, or send an e-mail message to ken.johnson@tgscl.org. ★

2000 TG Annual Report Published

Texas Guaranteed (TG) has published its 2000 Annual Report. The report focuses on TG's successes during the last fiscal year and centers around the theme "In a galaxy of many stars, one shines brighter than all the rest."

The report is available on *TGWorks Online* under "About TG" and "Publications." To obtain a printed copy of the report, contact TG Communications at (800) 252-9743, ext., 2878, or send an e-mail request to communications@tgscl.org. ★

Successful *Go Electronic* Campaign Continues

Remember when:

- Every guaranty agency had its own policy manual? 1980's and early 1990's
- TG joined nine other guaranty agencies to develop a joint policy manual — the *Common Manual: Unified Student Loan Policy?* 1995
- The remaining guaranty agencies joined the *Common Manual* consortium? 1996
- The *Common Manual* became available on diskette? 1996
- The *Common Manual* became available on the National Council of Higher Education Loan Programs (NCHELP) CD? 1997
- TG created the online, integrated *Common Manual?* 2000

More than 72 percent of customers responding are willing to give up their paper manuals or print the manual on site and support scholarships for students.

The *Common Manual* has evolved. Have you? If not, it's time!

Texas Guaranteed's (TG's) *Go Electronic: Make It One of Your New Year's Resolutions* campaign is now in full swing. The campaign, running from January through April, asks customers to consider the benefits of using an online, electronic manual that is updated monthly and motivates them to join the electronic evolution by contributing half the savings derived from the campaign to grants for students.

As part of the campaign, TG sent a letter and response form to current paper manual users in late January soliciting their support

in going electronic. The response, thus far, has been very positive. More than 72 percent of customers responding are willing to give up their paper manuals or print the manual on site and support scholarships for students.

Still Evolving

This month, two new features of the integrated *Common Manual* are being introduced. The first feature is a chart that summarizes all changes reflected in the integrated *Common Manual*. The chart identifies the section changed, a description of the change, and a notice of the effective date or triggering event. This chart will be useful for paper or electronic manual users because it provides a history of manual changes for a particular year. The second feature is a separate portable document file (PDF) that contains only changed *Common Manual* pages. The PDF file allows customers to quickly and easily print these changed pages to insert into their paper manuals.

For Those Not Ready — We've Got You Covered, Too

Some organizations may not be ready to *Go Electronic*. TG is aware of this preference and is ready to accommodate it. For those who prefer to keep their paper copies of the *Common Manual*, TG will continue to provide the paper copy for your organization, or your organization can download the manual from *TGWorks Online* and print it at your own site. On-site printing eliminates TG's printing, packaging, and shipping costs, and half of that savings will go into the TG Grant Program.

The Choice Is Yours

So, whatever choice you make, TG can accommodate your organization. Whether you're ready to go paperless, prefer the status quo, or are somewhere in between, TG will continue to provide the products and services you want and need.

Questions

If you have questions regarding the *Go Electronic* campaign, or need a new response form, contact Darron Grussendorf at (800) 252-9743, ext. 4589, or send an e-mail message to darron.grussendorf@tgslc.org. ★

First Winner Announced

Congratulations to Yolanda Ramirez of Baylor College of Medicine in Houston. She is January's winner of a \$20 gift certificate to Romano's Macaroni Grill. Yolanda was one of 52 paper *Common Manual* recipients who responded to TG's call to *Go Electronic*. The 52 recipients and the organizations they represent were receiving a total of 165 paper manuals. Retaining only 46 paper copies, they decided to *Go Electronic* by giving up 119 copies!

You can be February's gift certificate winner by making the decision to *Go Electronic*. If you have not made the switch, return the form that TG mailed to you in January. Fax it to (512) 219-2849 or contact Darron Grussendorf at (800) 252-9743, ext. 4589. ★

TG Delivers Winter Training

This winter, Texas Guaranteed's (TG's) Strategic Partnerships encouraged financial aid professionals to put down those snow shovels and attend TG's Winter Training at one of several sites around the country. On January 19, 2001, TG kicked off its tour of seven states, presenting a packed agenda that included product demonstrations, regulatory updates, and an interactive focus group at each site.

In Austin, schools from Georgia, California, and Indiana were treated to late-breaking regulatory and industry news, as well as demonstrations of TG's online integrated version of the *Common Manual* and AdvanTG Web™. The spring 2001 release of AdvanTG Web will move TG's

suite of loan management, reporting, and student record maintenance products under one streamlined, web-based system. (See "AdvanTG Web on Track for 2001" in the January 2001 *Shoptalk* for more details.)

The sessions — also held in Durham, NC, Denver, CO, Norfolk, VA, Orlando, FL, Tulsa, OK, and Little Rock, AR — included an activity that allowed time for reflection and interaction by the participants regarding the steps in each institution's loan process. The group identified areas that might benefit from changes at the institution.

Based on session evaluations, the interactive process was meaningful and generated ideas for the participants to take back to their individual offices. "Just talking

with other administrators around the country gave me so many ideas," noted one participant. "This was an awesome experience! We are too busy to really THINK about what we're doing and not doing with our loan process. Now, we need to make some changes!" reported another.

More Information and Questions

For more information or questions about any of the topics covered in the training sessions, details about future training, or to request customized training, contact Emily Pierson at (800) 332-1455 or send an e-mail message to tgnational@tgslc.org. ★

ED Releases RT4 Guidance

In December 2000, the Department of Education (ED) issued *Dear Colleague Letter* (DCL) GEN-00-24, the first in a series of guidance letters on the subject of Return of Title IV Funds (RT4). RT4 is the procedure by which a school must treat Title IV funds when a Title IV recipient withdraws from school without completing the payment period or period of enrollment.

The RT4 policy was added to federal regulations during the 1998 Reauthorization of the Higher Education Act of 1965. Schools were required to implement RT4 policy as of October 7, 2000.

GEN-00-24 was issued in a question and answer (Q&A) format and covers several subject categories pertaining to RT4 policy. These categories are as follows:

- Applicability of the Return of Title IV Aid requirements when a student is not charged by the institution
- Institutional charges

- Withdrawals from standard term-based programs using modules
- Withdrawal date—institutions that are not required to take attendance
- Withdrawal date—institutions that are required to take attendance
- Title IV aid that could have been disbursed
- Period of enrollment example
- Post-withdrawal disbursements
- Percentage of Title IV aid earned
- Return of funds

This DCL is labeled "Volume #1," so more letters on this subject are expected in the future. However, ED did not provide specifics about the number of letters to expect or the timeline for additional letters. To access GEN-00-24, visit the Information for Financial Aid Professionals web site at www.ifap.ed.gov under "Dear Partner (Colleague) Letters."

More Information and Questions

In October 2000, Texas Guaranteed (TG) posted guidance on the subject of RT4 on its web site, *TGWorks Online*, at www.tgslc.org/tgslc/schools/index.htm under "New Federal Regulations." TG's guidance is also in a Q&A format and is entitled "Return of Title IV Funds Questions & Answers: Practical Issues."

If you have questions on the subject of RT4 that are not addressed in either ED's or TG's guidance, call TG's Customer Services at (800) 252-9743, ext. 4444 or send an e-mail message to customer.services@tgslc.org. ★

Return Service Requested

New Ability-To-Benefit Test Approved

The Department of Education (ED) has updated the list of approved “ability-to-benefit” (ATB) tests to include the Combined English Language Skills Assessment (CELSA). This test can be used to determine the ability to benefit of certain groups of students whose native language is not English and who are not fluent in English.

Schools should reference the January 12, 2001 *Federal Register* for specific information on which groups are eligible to take the test and the

required passing scores. This *Federal Register* also includes the nine previously approved ATB tests and passing scores.

More Information

For more information on ability-to-benefit tests, call Texas Guaranteed’s Customer Services at (800) 252-9743, ext. 4444 or send an e-mail message to customer.services@tgscl.org. ★

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(512) 219-4560 *speech and hearing impaired*
www.tgscl.org

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