



**TEXAS
GUARANTEED**

SHOP TALK

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TG Plans for Electronic Signatures

Since October 2000, when President Clinton signed the Electronic Signatures in Global and National Commerce (ESIGN) Act, the student loan industry has been studying and discussing ways to harness the power of e-signatures for its customers. This legislation revolutionized the exchange of signed documents by giving electronically signed records the same legal standing as paper documents with a “wet” signature.

To meet this need, TG has developed an information piece entitled “Electronic Signatures for FFELP Promissory Notes: The Basics and the Benefits.”

TG’s Lender and School Advisory Committees are no exception to this discussion. At a recent meeting, representatives learned about industry progress on implementing e-signatures and TG’s solution for processing e-signatures. Potential issues and solutions were shared, with school representatives expressing the need to provide information to borrowers about the e-signature process.

Basics and Benefits

To meet this need, TG has developed an information piece entitled “Electronic Signatures for FFELP Promissory Notes: The Basics and the Benefits.” This paper explains the e-signature process, addressing specifically what borrowers need to know to make an informed decision about using an e-signature. It is available on *TGWorks Online* at <http://www.tgslc.org/tgslc/esignature.htm>. Schools may use this information in whole, or in part, in their consumer publications and web sites.

Representatives also reiterated that every decision a FFELP participant makes affects its business partners and commented on the importance of continued communication between schools, lenders, and TG about plans to offer e-signature options.

LBW Modifications

As an interim step, TG plans to modify the TG Loans By Web™ (LBW) student interface to facilitate a data exchange with lenders implementing e-signature processes in the near term. These modifications will be based on:

- TG’s further investigation of e-signature issues,
- Input from our LBW schools, and
- Discussions that TG has had with lenders who contacted us about their summer 2001 e-signature implementation plans.

The LBW student interface will flag lenders with e-signature capabilities. After the borrower receives confirmation of his or her real-time guarantee, if the borrower has chosen an e-signature lender, the borrower will be given the option to visit the lender’s e-signature web site. TG anticipates that this modification will be complete by late summer 2001. Additional enhancements will be provided as the e-signature process matures and becomes more widespread.

Questions

For questions about the e-signature information piece, changes to LBW, or other e-signature issues, contact your TG School or Lender Consultant at (800) 252-9743, or send an e-mail message to customer.services@tgslc.org. ★



CLOSED SCHOOL CORNER

NEWLY REPORTED CLOSURES

TG SCHOOL ID#	SCHOOL NAME	SCHOOL ADDRESS	UNOFFICIAL CLOSURE DATE	ED'S OFFICIAL CLOSURE DATE
025585000	Boca Raton Institute	5499 North Federal Hwy. Boca Raton, FL 33487-4993	N/A	07/23/2001
025263000	Marshall College of Beauty	2100 East End Blvd. North Marshall, TX 75670-0722	N/A	01/30/2001

New Teacher Loan Forgiveness Program Up and Running at TG

Hey, schools, want to provide special benefit information to your student borrowers who are education majors? Tell them about the Teacher Loan Forgiveness Program (TLFP)! This new program just became effective July 1, 2001, and Texas Guaranteed (TG) is already issuing loan forgiveness for eligible applicants.

The TLFP is intended to encourage individuals to enter and continue in the teaching profession in certain eligible elementary and secondary schools that serve low-income families. Borrowers who qualify are entitled to forgiveness of up to a combined total of \$5,000 (in principal and accrued interest) of Federal Stafford, Direct, and in certain cases, Consolidation loan obligations.

And since the program was created to promote the teaching profession, why not inform your education majors about the TLFP as they start the new school year, to encourage them to stay in their program of study and meet the necessary qualifications for forgiveness? Here are some ABC's of the program.

To be eligible for forgiveness, a borrower must:

- Be a "new borrower" on or after October 1, 1998—that is, have no outstanding balance under the Federal Family Education Loan Program (FFELP) or the Federal Direct Loan Program (FDLP) on the date he or she obtains a loan on or after October 1, 1998.
- Have been employed as a full-time teacher for five complete, consecutive academic years at a low-income school that qualifies for Title I funds.
- Perform one of his or her five years of qualifying service after the 1997-1998 academic year.
- Have obtained the loan on which the forgiveness is sought before the end of the fifth year of qualifying teaching service.

- If seeking loan forgiveness for a defaulted loan, have made satisfactory repayment arrangements to re-establish his or her Title IV eligibility.
- Be a teacher. Special education teachers are included in the definition of "teacher" for the purposes of this program.
- If an elementary school teacher, demonstrate knowledge and teaching skills in reading, writing, mathematics, and other areas of the school's curriculum.
- If a secondary school teacher, teach in a subject area that is relevant to the borrower's academic major.

Note: A borrower may not receive a benefit for the same teaching service under both the Teacher

Loan Forgiveness Program and subtitle D of Title I of the National and Community Service Act of 1990 (AmeriCorps).

Of course, some borrowers have already met these qualifications and those borrowers are encouraged to apply for forgiveness right away. As for students who are considering the teaching profession, this might be just the motivation they need. This is your opportunity to "educate" borrowers about the Teacher Loan Forgiveness Program!

More Information

For more information on the TLFP or how to apply for forgiveness, call TG Customer Assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgscl.org. ★

PENCIL ME IN

DATES TO REMEMBER

September 12	Common Manual Industry Meeting
September 13-14	NCHelp Leadership Conference, Washington, DC
September 20-23	57th NACAC National Conference, San Antonio, TX
September 24	TG Board Meeting, Austin, TX
October 7-10	MASFAA Conference, Chicago, IL
October 8	Columbus Day, TG Holiday
October 8-10	Fall 2001 CAFAA Conference, Breckenridge, CO
October 9-12	TASFAA Fall Conference, Galveston, TX
October 18-20	FASFAA Fall Conference, Jacksonville, FL
October 14-17	VASFAA Fall Conference, Richmond, VA
	RMAFAA Annual Conference, Wichita, KS
October 16-19	AASFAA, Auburn, AL
	CCST Conference, South Padre, TX
October 17-19	AASFAA Fall Conference, Sedona, AZ
October 18-19	GASFAA Fall Conference, Macon, GA
October 24-26	LASFAA Fall Conference, Lafayette, LA

Child Care Provider Loan Forgiveness Update

In a move to get money to deserving child care workers before it was lost at the end of the fiscal year, the Department of Education (ED) and the Office of Management and Budget (OMB) cooperated to clear Child Care Provider Loan Forgiveness Application and Forbearance forms on an emergency timetable. The rush was the result of the small but significant allocation of \$1 million for the program in FY 2001.

The application, which must be submitted directly to ED (the address is provided on the form), is for borrowers who have already fulfilled the eligibility requirements for forgiveness in FY 2001. (See the

June 2001 edition of *Shoptalk* for information about borrower eligibility requirements for the program.)

To assure consideration, ED must receive a borrower's application no later than September 17, 2001.

The forbearance form is for those borrowers who are currently performing child care service that may qualify them for forgiveness in the future. (Important note: Funding for this program is subject to annual appropriation by Congress.)

To download these forms, visit *TGWorks Online* at www.tgslc.org/tgslc/forms/index.htm.

More Information and Questions

The Department of Education (ED) posted a notice of the availability of the forms and a summary about the program in the July 27, 2001, *Federal Register*. To access this *Federal Register*, go to http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2001_register&docid=01-18782-filed.

For more information about the Child Care Provider Loan Forgiveness Program or the application process, contact TG Customer Assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org. ★

New Tool in Default Management

Looking for ways to decrease defaults? The Department of Education (ED) recently issued a Sample Default Management Plan to replace Appendix D to 34 CFR 668, "Default Reduction Measures."

The plan gives schools updated information about default reduction measures. Schools that participate in the Federal Family Education Loan Program (FFELP) and the William D. Ford Direct Loan Program that are required to use a default management plan, under 34 CFR 668.14 (b)(15), may implement the sample plan to satisfy those requirements. ED also recommends that other schools use the sample plan as a default reduction tool.

The plan suggests certain activities that a school should put into practice to effectively reduce defaults. A school should:

- Use its resources efficiently.
- Provide enhanced entrance and exit counseling.
- Work to reduce its number of dropouts.
- Work to ensure that its borrowers can repay their loans.
- Keep in touch with its borrowers.

The plan also offers guidance on the information that should be included in enhanced entrance and exit counseling for student borrowers.

More Information

This sample plan was made available as an attachment to Dear Partner Letter (DPL) GEN-01-08, dated June 2001.

To access DPL GEN-01-08 and its attached Sample Default Management Plan, visit the

Information for Financial Aid Professionals web site at www.ifap.ed.gov/dpclatters/attachments/gen0108a.htm.

For other default prevention ideas and materials, contact Clarissa Baize at (800) 252-9743, ext. 4765 or go to www.tgslc.org/tgslc/schools/index.htm. ★

THE WEBSHOP

INTERNET RESOURCES REFERENCED IN THIS ISSUE

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

E-signatures, the Basics and the Benefits document

www.tgslc.org/tgslc/esignature.htm

Federal Register about Child Care Provider Loan Forgiveness Program Forms

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2001_register&docid=01-18782-filed

CCPLF forms on TGWorks Online

www.tgslc.org/tgslc/forms/index.htm

Dear Partner Letter on the Sample Default Management Plan

www.ifap.ed.gov/dpclatters/attachments/gen0108a.htm

Fed Up web site

<http://edworkforce.house.gov/issues/107th/education/fedup/index.htm>

Mapping Your Future

www.mapping-your-future.org

Subscribe to Shoptalk Online

www.tgslc.org/tgslc/subscribe/index.cfm ★

Common Manual News

The *Common Manual* guarantors have just completed another annual cycle and implemented many changes. The manual has new leadership on the Governing Board, the Policy Committee, and the Logistics & Information (L&I) Committee. In addition, the Policy Committee has changed to a more efficient single batch process for disseminating new policy proposals. Finally, there is news on the upcoming release of the 2001 *Common Manual* e-Collection CD-ROM and diskettes.

New Leadership — Governing Board

On July 31, 2001, Nina Hold, TG Assistant Vice President of Policy and Regulatory Affairs, completed her term as 2000-2001 Governing Board Chair. Rick Irvin, Vice President of Development and Regional Services for the Pennsylvania Higher Education Assistance Agency (PHEAA), is the new Chair of the Governing Board for the 2001-2002 fiscal year.

New Leadership — Policy Committee

Effective August 1, 2001, Michelle Anderson, TG Senior Policy Advisor, and Cheryl Hughes, Compliance Officer for South Carolina Student Loan Corporation, share duties as Co-chairs of the Policy Committee for the 2001-2002 fiscal year. The 2000-2001 Chair of the Policy Committee was Shari Mecca, Senior Compliance Reviewer from the Connecticut Student Loan Foundation.

New Leadership — L&I Committee

Susan Degen, Coordinator, Federal Affairs, for the Oregon Student Assistance Commission, and Peter Pundt, Director, Program Review, for the Pennsylvania Higher Education Assistance Agency, will co-chair the L&I Committee. Ms. Degen was the L&I Chair for the 2000-2001 fiscal year, so her term continues; however, this is Mr. Pundt's first term as L&I Co-chair.

Single Batch Process

At the suggestion of industry partners, beginning on July 20, 2001, the Policy Committee implemented a new single batch process. This means that the Committee will generally distribute policy proposals in a single batch once a month, typically during the third week of each month. This single batch may contain Federal, Guarantor, or Correction proposals, or any combination of the three. The response time for each batch will be three calendar weeks. To meet annual publishing deadlines, this process may change slightly or additional batches may be sent during the peak months of January, February, or March.

e-Collection and Diskettes

The committees of the *Common Manual* were hopeful that the electronic versions of the manual — that is, the new e-Collection CD-ROM and the diskette version — would be ready for distribution

on or before July 1, 2001, the same date by which the paper version was distributed. (See the June 2001 edition of *Shoptalk* for more information on the e-Collection.) However, technical difficulties have delayed distribution of the electronic versions, mostly due to the size of the document and the number of links connecting interrelated information.

According to the electronic vendor, this is one of the most complex documents created using Adobe software. The L&I Committee has completed testing of the electronic versions and production will begin soon. Delivery is now expected in September.

If you would like to order the e-Collection on CD-ROM or the diskette version of the *Common Manual*, contact Joyce Henderson in TG Customer Services at (800) 252-9743, ext. 4546, or send an e-mail message to customer.services@tgslc.org. ★

No Updates

The *Common Manual* Governing Board approved no updates this month. Look for updates in September. ★

Fed Up Initiative Draws Huge Response

The student aid community has blanketed Congressman Howard P. (Buck) McKeon and Congresswoman Patsy Mink with more than 3,000 responses to their Fed Up Initiative. The initiative began in May 2001, when Representatives McKeon (R-California) and Mink (D-Hawaii), from the Subcommittee on 21st Century Competitiveness (which is part of the House Committee on Education and the Workforce), launched the Fed Up Initiative. This project was originated to solicit ideas from those involved in federal student financial aid

about federal regulations that should be revised or removed.

In a speech conducted at the National Association of Student Financial Aid Administrators conference in July 2001, McKeon said that he plans to introduce legislation this fall to simplify the rules that govern the federal financial aid programs. He said that he expected this to be a first step to set the tone for issues to be dealt with in the next Reauthorization of the Higher Education Act. The Fed Up Initiative, incidentally, has received

the support of Secretary of Education Rod Paige, who has said that the Department of Education will conduct its own review of the federal regulations to identify changes that can be made without new legislation.

More Information

For more information about the Fed Up Initiative, visit the Fed Up web site at <http://edworkforce.house.gov/issues/107th/education/fedup/index.htm>. ★

New MYF Reports Streamline Work for Schools

Work just got easier for financial aid professionals using *Mapping Your Future's* (MYF's) (mapping-your-future.org) Online Student Loan Counseling. Two new reports available in the FAO Access Area allow guarantors to access exit counseling data on behalf of schools.

This frees schools from the often tedious task of forwarding the data to guaranty agencies. Schools continue to meet their regulatory requirements to provide exit counseling data to guaranty agencies within 60 days of exit counseling without actually having to send the data manually to the agencies (through e-mail, fax, or mail). These reports are a part of MYF's new ExitExpress service.

The Reports

During the process, schools can access two new reports for updates on the status of the guarantor confirmations. The two reports available through ExitExpress are:

- Guarantor Exception Report – a list of exit confirmations that a guarantor has not retrieved.
- Guarantor Rejection Report – a list of exit confirmations that a guarantor has retrieved but rejected. The guarantor could reject the confirmation for a couple of reasons: 1) the record is not one that belongs to that guarantor; 2) the record has an incorrect Social Security Number (SSN) and the guarantor cannot find a match on its own system.

In addition to these new reports, you can view information on whether an exit confirmation record has been retrieved in the individual confirmation report. Forwarding exit counseling data remains the school's responsibility, and while ExitExpress enhances the exit counseling process, financial aid offices are reminded to verify the confirmation

record. The school must manually forward those records that are not retrieved by a guaranty agency.

Handling Exceptions and Rejections

What should a school do if its students appear on these reports?

- For the Exception Report, the school may want to wait to handle any exceptions until near the end of the 60-day period to allow as much time as possible for guarantors to retrieve data.
- For the Rejection Report, the school should check both the SSN and the guarantor information. If the wrong guarantor is listed, the school can correct that information via MYF. If it is not near the end of the 60-day

period, the school may want to see if a guarantor has retrieved the report. For an incorrect SSN, it is recommended, for now, that the school print that report, correct the SSN, and handle the rejection manually.

More Information and Questions

To participate in ExitExpress, a guaranty agency must be an MYF sponsor and request a user name and password from MYF. Schools do not need to sign up to participate.

If you have any questions or need assistance, contact Cathy Mueller at cathy.mueller@mapping-your-future.org. ★

Shoptalk Paper Publication Coming to an End

Nearly 1500 of your peers in the student aid community are already benefiting from TG's electronic newsletter *Shoptalk Online*. The publication delivers reliable information and updates to subscribers every two weeks.

Beginning in October, *Shoptalk Online* (formerly *TG NetWorks*) will come to you every Tuesday with a new online format, articles separated into categories for easy retrieval, and an easy-to-print version for those times when you need to get away from your desktop. In addition, each issue contains links to featured items that go beyond what you traditionally received in the paper version and also includes special links to online resources to make it easy to find specific information.

When the electronic newsletter becomes weekly, TG will also stop printing and mailing the monthly publication. So if you've been wishing for a single source for your student loan information, subscribe to *Shoptalk Online* today. You don't want to miss even one issue. Visit *TGWorks Online* and select "Subscribe."

Questions

If you have questions about *Shoptalk Online* or the letter recently mailed to subscribers, call TG Communications at (800) 252-9743, ext. 2817, or send an e-mail message to communications@tgscl.org. ★

Return Service Requested

TUG Fall Meeting Scheduled for November

Want the latest information on TG Solutions and Tools and a voice in future product enhancements and priorities? Join us for the TG Users Group (TUG) Fall Meeting on Friday, November 9, 2001, from 9:30 a.m. to 3:30 p.m. Registration begins at 8 a.m. with a continental breakfast and TG Product demonstrations. The meeting will be in Austin at the J.J. Pickle Facility in the Commons Building located at the corner of Braker Lane and Burnet Road.

Items on the agenda include:

- TG update
- Life of an E-Sign Loan (panel discussion)
- Speaking of Cell Phones — Let's Ask
Dear Timmy
- FastTrack FundingSM

- TUG Forum (identify more of the common errors made by both schools and lenders and come up with some new solutions)
- TUG Elections and Door Prizes

Arrangements have been made with the Springhill Suites by Marriott at 10936 Stonelake Boulevard to provide rooms for TUG this year. The rate is \$80 a night. To make reservations, call (512) 349-0444. To obtain this special TUG rate, reservations must be made by October 23, 2001.

More Information

For more information, contact Sheila Casey at (800) 252-9743, ext. 4576, or send an e-mail message to sheila.casey@tgslc.org. ★

SHOPTALK

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