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FEDERAL UPDATES

Newly Approved Teacher Loan Forgiveness and Unpaid Refund Discharge Forms

The wait is finally over. The Department of Education (ED) recently published Dear Guaranty Agency Director Letter GEN-01-15 announcing the approval of the following highly anticipated forbearance, forgiveness, and discharge forms:

- *Teacher Loan Forgiveness Forbearance Form* for use in the Federal Family Education Loan Program (FFELP).
- *Teacher Loan Forgiveness Application* for use in the FFELP and William D. Ford Federal Direct Loan (Direct Loan) Program.
- *Unpaid Refund Loan Discharge Application* for use in the FFELP and Direct Loan Program.

Teacher Loan Forgiveness Forbearance

FFELP lenders use the Teacher Loan Forgiveness Forbearance Form to grant a forbearance to an eligible borrower who is performing qualifying teaching service and who, after completing five consecutive, complete academic years of teaching, will have an outstanding balance in principal and interest of \$5,000 or less. The forbearance is intended to help the borrower maximize his or her forgiveness amount and cover the anticipated outstanding balance of the borrower's eligible loan(s) by the end of his or her fifth year of qualifying service.

Teacher Loan Forgiveness Application

The Teacher Loan Forgiveness Application is used in both the FFEL and Direct Loan Programs to evaluate borrower eligibility for loan forgiveness benefits after the borrower has performed his or her qualifying teaching service. At TG, the Customer Assistance team makes the determination of borrower eligibility.

To be proactive in this process, TG representatives instruct the borrower to return the application for teacher loan forgiveness directly to TG for forgiveness determination. As part of the process, TG also instructs lender(s) to put the borrower's loan(s) in forbearance while waiting for the application and during the review process.

Unpaid Refund Application

The Unpaid Refund Loan Discharge Application is used to evaluate discharge eligibility for borrowers who did not receive refunds to which they were entitled from their schools.

When Can the Forms Be Used?

These forms are available for immediate use. They are the only forms that should be distributed to borrowers, schools, and lenders on or after May 1, 2002. However, borrower submissions under other methods in place before May 1, 2002, may be accepted for processing on or after that date.

More Information and Questions

The forms are available for downloading and printing at *TGWorks Online* at www.tgslc.org/tgslc/forms/frms_ddcr.htm. To access GEN-01-15, go to the Information for Financial Aid Professionals web site at <http://ifap.ed.gov/dpcletters/gen0115.html>.

For questions regarding the Teacher Loan Forgiveness forms, call TG Customer Assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

For questions regarding the Unpaid Refund Discharge form, call Karen Priputin of TG Compliance Administrative Operations at (800) 252-9743, ext. 4761, or send an e-mail message to karen.priputin@tgslc.org.

PLUS App/Prom Note Extended Again

The expiration date for the Application and Promissory Note for Federal PLUS Loan has been extended again. As announced in the July 2001 issue of *Shoptalk*, the form, which was originally set to expire on July 31, 2001, was extended for three months to October 31, 2001. Now, the form's expiration date has been stretched an additional three years—to October 31, 2004—and ED has subsequently provided a new version of this old form.

The "Old"

Customers are encouraged to use their current supply of PLUS loan applications, as TG will do, until they run out. ED announced in Dear Partner Letter (DPL) GEN-01-14 that "previously approved PLUS applications received on or after October 31, 2001 should be accepted for

processing.” This DPL is available on the IFAP web site at www.ifap.ed.gov/dpcletters/gen0114.html.

The “New”

TG will notify its customers when it begins printing the newest version of the form, which is currently available on *TGWorks Online* at www.tgslc.org/tgslc/forms/index.htm. And how can you tell this is the newest form? Well, at first glance, it’s not that easy, since there have been no changes to the document, and the OMB Number, located in the top left hand corner, is the same—1845-0009. However, if you zero right in on the expiration date, you can tell you have the newest form right away. The most recent version of the application will show “Exp. Date 10/31/2004.”

To further assist its customers in identifying the newest version, when TG begins distribution, the wrap around the PLUS application will have a distinguishing mark to differentiate it from the expired form.

Questions

For questions about this extension or about the form itself, call TG Customer Assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Deadline Extended for Child Care Forgiveness

The Child Care Provider Loan Forgiveness Program (CCPLFP) deadline has been extended. According to the Department of Education’s (ED’s) web site at www.ed.gov/studentaid/payback.html, “Contrary to the previously published deadline of September 17, 2001, borrowers may continue to submit 2001 applications for forgiveness until the available funds are exhausted.” The “available funds” are approved for fiscal year 2001 only, as the program is subject to annual appropriations.

The CCPLFP application is available on *TGWorks Online* at www.tgslc.org/tgslc/forms/index.htm. Qualified borrowers are encouraged to send in their completed forms to ED as soon as possible (the address is on the form).

Background

Shoptalk first mentioned the CCPLFP in its June 2001 issue. The article provides a summary of the requirements that a borrower must meet to be eligible for forgiveness under the program. *Shoptalk* later provided a “Child Care Provider Loan Forgiveness Update” in its August 2001 issue, which gives additional information about the application process itself.

More Information

For more information on the CCPLFP, contact TG Customer Assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

NSLDS Is In, FATs Are Out

With the spring semester quickly approaching, many aid offices are beginning to package financial aid for mid-year transfer students (also called current-year transfers). The Department of Education has recently taken the opportunity to remind schools that as of July 1, 2001, they are required to use the NSLDS Transfer Student Monitoring Process to obtain the financial aid history of any incoming student, including mid-year transfer students. Additionally, schools are no longer required to obtain a paper Financial Aid Transcript (FAT) or respond to a school’s request for a FAT.

To use the new Transfer Student Monitoring Process, schools must complete the simple and quick School Transfer Profile Add screen located on the NSLDS web site (www.nslsdfap.ed.gov). After entering the user password and ID, click on “Trans.”

Questions

For questions about completing the school profile or any aspect of the NSLDS Transfer Student Monitoring Process, call the NSLDS Customer Service Center at (800) 999-8219 or, send an e-mail message to nslscoe@raytheon.com.

Correction

In the November 6, 2001, issue of *Shoptalk Online*, in the article titled “TG Offers Support for Electronic Signatures,” TG mistakenly printed the following sentence under the subheading Lender Interface: “To facilitate the data exchange, lenders must build a CommonLine 5 interface to be able to receive an Application Send File from TG.” The sentence has since been corrected to the following: “To facilitate the data exchange, lenders must be able to receive a CommonLine Application Send File from TG.” TG regrets the error.

TG UPDATES

TG Offers Online Distance Education Resource

Distance education has been around for a long time—in the forms of correspondence courses and closed circuit television. But because the number of students taking courses through such methods was small, the challenges for financial aid offices concerning distance education issues were fairly minimal.

Then came distance education through the Internet. Since that time, the growth of distance education has been phenomenal and almost every campus in the country has entered the market in some fashion. Needless to say, financial aid offices are working hard to keep an eye on the rapid developments in distance education that are evolving on their own campuses.

To help financial aid partners achieve a clearer understanding of issues that they may be facing with distance education, TG has launched a new resource, “Distance Education: Changes, Challenges, and Issues.” The online resource provides information about some distance education issues that affect financial aid. And since almost everything about a campus affects financial aid in some form or fashion, the list of issues simply scratches the surface.

TG’s Distance Education Task Force developed the new resource, available at www.tgslc.org/tgslc/resources/distance.htm, in response to a growing need for information for financial aid administrators who are entering strategic conversations on campus about distance education.

“We all know that financial aid is about a lot more than what goes on in the financial aid office,” said Steven Smith, Assistant Vice President for Strategic Planning and Development. “Financial aid administrators are being asked to help their campuses shape a distance education strategy. We wanted to provide a ‘primer’ of information that would help highlight a few of the issues.”

Issues

The web pages offer general information about distance education, such as statistics about its growth and how it differs from traditional education. In addition, the online resource includes more detailed information about school and student eligibility issues, including the following:

- Accreditation
- State License
- Admission Rules
- Incarcerated Students

- Education by Consortium
- Consumer Information
- Measuring Time and Program Length (and the 12-hour Rule)
- Numbers: Distance Education Courses and Students
- Recruiting Methods
- Special Enrollment Rules
- Cost of Attendance

Expanding the Information

TG knows that the information on its web site is just the beginning. As distance education evolves, more information will come forth. Also, TG hopes business partners will share their own insights on financial aid and distance education so TG can include more issues and perspectives in the resource.

Questions

For questions about TG's "Distance Education: Changes, Challenges, and Issues" or to suggest additional topics for the resource, contact Steven Smith at (800) 252-9743, ext. 4866, or send an e-mail message to steven.smith@tgsdc.org.

Seventh Annual FAFSA Teleconference Scheduled

TG is gearing up for Financial Aid Awareness month by making plans for the seventh annual FAFSA Teleconference scheduled for Thursday, February 7, 2002. As in years past, the teleconference, titled "Applying for Financial Aid: The FAFSA Process," will air from 6:30 p.m. to 8:30 p.m. (CST).

Each year the free teleconference offers expert information from financial aid professionals who guide families and high school students through the process of filling out the FAFSA. The 2002 teleconference will be enhanced with real-life footage of families completing the FAFSA. At the end of the broadcast, financial aid experts respond to questions from viewers who call the Texas Financial Aid Information Center toll free at (877) 782-7322.

Added Benefits

In addition to the information available to families and students, the teleconference also awards prizes each year to high school seniors who view the teleconference at an organized host site. This year's prizes include six, \$500 TG Rising Star Scholarships and a complete computer system donated by Higher Education Servicing Corporation.

In addition to the live broadcast in English, the 2002 Spanish version will also be available by the time of the teleconference. Partners wishing to do so will be able to broadcast or offer viewing of the Spanish version at the same time as the English version. Following the broadcast, both Spanish- and English-speaking representatives will be available to answer questions from viewers. (In prior years, the Spanish version was available on videotape only following the event.)

Hosting and Broadcasting the Teleconference

The teleconference depends upon the generosity of partners that serve as host sites for the event. In addition, public access cable channels frequently broadcast the live event and/or rebroadcast the recorded event as a community service following the live event.

TG will soon mail registration forms to numerous school partners in Texas. The form offers four options: hosting a site, viewing at a nearby site, advertising the event, or viewing the event in Spanish. Educators will also be able to register to participate from *Adventures In Education's*

(www.AdventuresInEducation.org) “News and Events” section in the next few days. To have a form faxed or mailed to you, you can also contact Richard Sapp at the number provided below.

TG invites all its school and lender partners to serve as host sites for the 2002 teleconference. To volunteer to participate, simply complete the form and fax it to (512) 219-4603. If your institution has satellite downlink capability and would like to participate by hosting a site for others to view in your area, TG will send you the broadcast coordinates and promotional packet in early January.

More Information or Questions

For more information or questions, contact Richard Sapp at (800) 252-9743, ext. 2865 or send an e-mail message to richard.sapp@tgslc.org. Richard would also appreciate information you may have about access channels in your community that might be interested in broadcasting a recorded version of either the English or Spanish teleconference.

For information about the nearest host site in your area, contact TG Customer Assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

TG sponsors this conference as part of its Texas Awareness Initiative, a cooperative effort with the Texas Association of Student Financial Aid Administrators and the Association of Texas Lenders for Education.

EAS Launches Student-Focused Online Recruitment Web Site JobGusher™

If you’ve been searching for the perfect online recruitment service for students, you’ve found it. JobGusher.com™ connects high school and college students, as well as recent college graduates and graduate students, with employers offering full-time and part-time entry-level positions, internships, seasonal and temporary work, and other career opportunities.

Student Benefits

Education Assistance Services, Inc. (EAS), a wholly owned subsidiary of Texas Guaranteed (TG), has launched JobGusher.com to offer students an individualized recruitment product that includes numerous features, such as:

- Extensive online guidance information with job-seeker tips and hints;
- Wireless notification of job matches or requests from an employer to apply for a job;
- 24-hour customer care support by e-mail, as well as by phone; and
- Real-time chat during regular business hours and a personalized My JobGusher Homepage.

School and Employer Benefits

JobGusher also offers maximum value to schools and employers through a variety of innovative recruitment assistance tools, such as:

- Free job postings for schools;
- Extensive employment resources/tips for students;
- Reports offering information, such as the number of students within a specific major that have applied for a job from a specific school;
- Extensive database of available jobs;
- Featured employer reviews;
- Highlighted RIGHT NOW jobs™ from companies who want to hire immediately;
- Online Job Fairs through which students can participate nationally; and
- Online access to system reminders and messages.

More Information

For more information on JobGusher, visit the site at www.jobgusher.com or call the JobGusher team at 1-866-JOB-GUSH.

TRENDS AND ISSUES

Two-year Colleges May Apply for .edu Internet Addresses

A recent rule change by the U.S. Department of Commerce now makes .edu web addresses available to two-year colleges. Before the rule change, only four-year, degree-granting colleges and universities could apply for a web address under the .edu domain. Under the new rule, an estimated 800 two-year colleges are expected to apply for new .edu addresses through Educause, the technology consortium that manages the .edu domain for the Department of Commerce.

Educause will accept registrations for .edu addresses beginning November 12 via its web site, www.educause.edu/edudomain/. To enable Educause to handle situations in which two colleges apply for the same address, applicants will be required to wait for their new address for a 60-day “sunrise period.” To settle such issues, Educause will follow a process in which an accounting firm will award the address to one of the requesters in a “fair and open process.” Those qualified colleges that have applied for an address that no other school has sought will be granted .edu status on January 7, 2002.

More Information

For more information about the rule changes regarding .edu web addresses, contact Educause at info@educause.edu.

TG'S LEGISLATIVE UPDATE

TG's November 7 *Legislative Report*

The November 7 edition of TG's *Legislative Report* includes a federal appropriations update and a couple of articles relating to interim charges issued to the Higher Education Committee and the Senate Education Committee for the 78th Texas Legislature. In addition, the edition includes an article about a distance learning web site recently launched by the Texas Higher Education Coordinating Board. Find out more at www.tgslc.org/tgslc/publications/lege_report/2001/lr_011107.htm.

COMMON MANUAL

Common Manual Updates

Note: Current *Common Manual Updates* (Updates) and the *Integrated Common Manual* (ICM) are available on *TGWorks Online* at www.tgslc.org/tgslc/schools/integrated_online_manual.htm. By posting Updates and the ICM online, TG offers its customers access to new policies shortly after the *Common Manual* Governing Board approves them.

U.S. Department of Education Publications

The *Common Manual* has been updated to remove references to the *Draft Cohort Default Rate Guide* and the *Official Cohort Default Rate Guide* and replace them with a reference to the *Cohort Default Rate Guide*, which replaced both of those publications. These references were previously updated in chapter 10, which provides a more detailed outline of the cohort default rate process.

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|----------------------------|--|
| Affected Sections: | 2.3.B., 10.3 |
| Effective Date: | Cohort default rates calculated on or after July 1, 2001. |
| Basis: | Final Rules published in Part VII of the <i>Federal Register</i> , pages 65631-65651, dated November 1, 2000; §668.192 through §668.198. |
| Policy Information: | Reference 538 |
| Guarantor Comments: | None. |

Cost of Attendance

The *Common Manual* has been revised to clarify that a student's financial aid package, including loans, must not exceed the student's cost of attendance, as opposed to the student's need.

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| Affected Sections: | 4.2.A., 5.3, 5.8.A, appendix G |
| Effective Date: | Retroactive to the implementation of the <i>Common Manual</i> . |
| Basis: | §682.204(k); §682.603(d). |
| Policy Information: | Reference 539 |
| Guarantor Comments: | None. |

Satisfactory Academic Progress (SAP)

The *Common Manual* has been updated to clarify that the 150% rule for program completion is based on the published program length, not the completion time normally allotted for the program. In addition, this requirement applies only to undergraduate programs.

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| Affected Sections: | 6.3.A., appendix G |
| Effective Date: | Retroactive to the implementation of the <i>Common Manual</i> . |
| Basis: | §668.16(e)(2)(ii)(A). |
| Policy Information: | Reference 540 |
| Guarantor Comments: | None. |

Borrower Authorization for Release of EFT/Master Check Disbursements

The *Common Manual* has been updated to eliminate language referencing Stafford loans made using a common loan application and promissory note because all Stafford loans are now made using a Master Promissory Note (MPN). In addition, the exception for students enrolled in study-abroad programs or eligible foreign schools to provide a power of attorney for an individual not affiliated with the school to sign the authorization for release of electronic funds transfer (EFT) or master check disbursements has been eliminated because this authorization is included on the MPN and does not pertain to PLUS loans.

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| Affected Sections: | 6.3.C. |
| Effective Date: | Retroactive to the implementation of the Master Promissory Note (MPN). |
| Basis: | §682.207(b)(1)(v)(B)(3); §682.207(b)(1)(v)(D). |
| Policy Information: | Reference 541 |
| Guarantor Comments: | None. |

SSCR Responsibility

The *Common Manual* has been updated to reflect that the responsibility of the distribution and collection of Student Status Confirmation Reports (SSCRs) no longer lies with the guarantor once the school receives a letter from the Department confirming the school's successful SSCR testing with the National Student Loan Data System (NSLDS). Revised policy also states that the Department, via the NSLDS, is responsible for ensuring that SSCR information is distributed to the appropriate guarantor and, in some cases, lenders.

| | |
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| Affected Sections: | 7.3 |
| Effective Date: | The date the school receives a letter from the Department indicating that the school has successfully tested its Student Status Confirmation Report (SSCR) process through the National Student Loan Data System (NSLDS). |
| Basis: | Dear Colleague Letter GEN-97-17. |
| Policy Information: | Reference 542 |
| Guarantor Comments: | None. |

Timely Filing Penalties for Death Claims

The *Common Manual* has been revised to more accurately reflect that a death claim that is not filed within 60 days of receiving an original or certified copy of the death certificate will be subject to an interest penalty, and the lender will be required to repay all interest benefits and special allowance payments for amounts received or otherwise payable after the expiration of the 60-day filing deadline. Previously, the manual stated that a death claim *purchased* after the 60th day would be subject to an interest penalty. In addition, a reference has been added to refer readers to subsections 8.8.E. and ^{CCI}8.2.B., Penalties for Timely Claim Filing Violations.

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| Affected Sections: | 8.2.B., ^{CCI} 8.2.B. |
| Effective Date: | Retroactive to the implementation of the <i>Common Manual</i> . |
| Basis: | §682.402(g)(2)(I). |
| Policy Information: | Reference 543 |
| Guarantor Comments: | None. |

NSLDS Data Included in Program Reviews

The *Common Manual* has been updated to add National Student Loan Data System (NSLDS) rosters, reporting, and procedures to the list of items that a guarantor may include in a school program review, and NSLDS Lender Manifest, error reports, and procedures to the list of items a guarantor may include in a lender or servicer program review. It also adds improper NSLDS reporting and procedures to the list of common program review findings.

| | |
|----------------------------|--|
| Affected Sections: | 11.3.A., 11.3.B., 11.3.C. |
| Effective Date: | Effective retroaction to the implementation of National Student Loan Data System (NSLDS) reporting. |
| Basis: | DCL GEN-96-13; DCL GEN-96-17; DCL GEN 97-11; Student Status Confirmation Report (SSCR) User's Guide; U.S. Department of Education Program Review Guides. |
| Policy Information: | Reference 545 |
| Guarantor Comments: | None. |

THIS, THAT, AND THE OTHER

According to The College Board's recently released *Trends in Student Aid 2001*, "Loan aid has increased by 136 percent during the past decade in constant dollars, while grant aid has increased by 64 percent . . . Over the past quarter century, federal student aid has drifted from a grant-based to a loan-based system, producing a sea change in the way many students and families finance postsecondary education."

For additional information about the evolution of the federal aid programs, you can view *Trends in Student Aid 2001* in its entirety at www.collegeboard.org/press/cost01/html/TrendsSA01.pdf.

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

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