



**IN THIS EDITION:**

FEDERAL UPDATES

- **TEMPORARY SHUTDOWN OF ED’S GRANT ADMINISTRATION AND PAYMENT SYSTEM ..... 1**
- **NO FAFSA NECESSARY FOR PLUS-ONLY BORROWERS IN 2002-2003 ..... 2**
- **THE TAX MAN COMETH..... 2**

TG UPDATES

- **NEAL COMBS NAMED TG CHIEF OPERATING OFFICER ..... 3**
- **PENCIL ME IN..... 4**

TRENDS AND ISSUES

- **ED DEVELOPING ONLINE LENDER REPORTING SYSTEM ..... 4**
- **MAPPING YOUR FUTURE TO OFFER LOAN FORGIVENESS CHAT ON JANUARY 10 ..... 5**

LEGISLATIVE REPORT..... 6

THIS, THAT, AND THE OTHER..... 6

**FEDERAL UPDATES**

**Temporary Shutdown of ED’s Grant Administration and Payment System**

ED recently announced the upcoming conversion of its Financial Management System to a new platform. The conversion will require a shutdown of the Grant Administration and Payment System (GAPS) beginning Friday, January 11, 2002, at 5 p.m. and ending Tuesday, January 22, at 6 a.m. EST. During the shutdown, schools will not be able to request federal funds from ED.

**More Information and Questions**

For questions about the effects of the GAPS interruption in service, call the GAPS Hot Line at 1-888-336-8930. Additional information can also be obtained from the Information for Financial Aid Professionals (IFAP) web site at [www.ifap.ed.gov/eannouncements/1217GAPSShutdown.html](http://www.ifap.ed.gov/eannouncements/1217GAPSShutdown.html) and [www.ifap.ed.gov/eannouncements/1219TempShutGAPS.html](http://www.ifap.ed.gov/eannouncements/1219TempShutGAPS.html).

## **No FAFSA Necessary for PLUS-only Borrowers in 2002-2003**

ED's Jeff Baker, Director of Program Development for Student Financial Assistance, recently confirmed that parents seeking only a PLUS loan for the 2002-2003 academic year would not be required to complete a FAFSA. ED had indicated that it was considering making the financial aid application a requirement for PLUS-only recipients this upcoming year but has decided not to pursue that course of action. ED is, however, considering this requirement for the 2003-2004 award year.

## **The Tax Man Cometh**

Now that the new year is upon us, we can't help but think about the season that lies ahead. It will bring showers of W2s, blossoms of 1040s, and a feeling of deadlines in the air.

No, we're not talking about the spring season; we're talking about tax season! And with it will come the inevitable questions. Which form do I have to file? What can I deduct? What do I have to report?

### **Student Tax Help**

Our students (and their parents) have those same questions. They get confused about such issues as whether they have to report grants and scholarships, whether they can deduct tuition payments, and whether they are eligible for student loan interest deductions. And, of course, they turn to us for help.

But since we're generally not tax consultants, we often can't provide the specific answers that students and parents are looking for, and we don't want to venture a guess, for fear of steering them in the wrong direction.

### **[www.irs.gov](http://www.irs.gov)**

Fortunately for them and us, the Internal Revenue Service (IRS) has a Frequently Asked Tax Questions and Answers section on its web site that has information on the topics with which students most often need help. The site is located at [www.irs.gov/tax\\_edu/faq/index.html](http://www.irs.gov/tax_edu/faq/index.html) and users may search FAQs by category or keyword.

### **By Category**

One category that may be particularly useful to students is "Interest/Dividends/Other Types of Income." Under this grouping is a subcategory titled "Grants, Scholarships, Student Loans, Work Study" which has answers to several questions, including the following:

- Is money from student loans considered taxable income?
- Can I exclude from taxable income the room and board portion of a grant or fellowship?
- Do I need to report income made as a work study student at my college?

### **By Keyword**

There are also various keywords that students may use to search for additional FAQs. Some keywords that students may find helpful include:

- Educational Expenses
- Grants
- Hope Credit
- Interest Expense

- Lifetime Learning Credit
- Loans
- Scholarships
- Student
- Student Loan Interest Deduction

Under the keyword “Loans,” for example, there are several student loan FAQs, such as:

- Can I file Form 1040EZ if I have interest to deduct from student loans?
- What are the limits for deducting interest paid on a student loan?
- I am a parent repaying a loan for my daughter's college education. The loan is a parent's loan taken out in my name. Is the interest deductible from my tax return?

### **Pubs and Forms**

And not only are all of the FAQs answered, but each answer provides references to IRS publications that may give more details or IRS forms that may be required for a particular tax issue.

So, this site allows students and parents to get information straight from the taxman himself! And you may want to look at it, too, for all those complicated questions you may have about your own tax situation. You might, for example, explore the keywords employee benefits, mortgage interest deduction, retirement plan...

## **TG UPDATES**

### **Neal Combs Named TG Chief Operating Officer**

TG has named Neal Combs Chief Operating Officer (COO) effective December 1, 2001. In addition to his duties as COO, Combs will continue to carry out his responsibilities as Senior Vice President and General Counsel and continues as a member of the office of the president with Milt Wright, TG's President and Chief Executive Officer.

"Neal is well qualified to serve TG in his new role as Chief Operating Officer," said Wright. "Since joining TG in 1993, Neal has provided sound guidance for business and policy decisions within the office of the president and corporate-wide."

Within the student financial aid community, Combs represents TG on the national level through his participation in the National Council of Higher Education Loan Programs (NCHELP), the Education Finance Council (EFC) and the National Association of Student Loan Administrators (NASLA).

Prior to joining TG in 1993, he practiced law in Washington, DC, with the firm of Webster, Chamberlain and Bean before joining Fruehauf Corporation, a Detroit, MI, Fortune 150 company, as vice president and general counsel in 1975. He continued with Fruehauf, serving next as its executive vice president and chief financial officer, and finally as its chief executive officer until the sale of the operations of Fruehauf after a management buyout of the company. While there, he served as a member of the board of Fruehauf Finance Company, the captive finance arm of Fruehauf.

Combs holds a bachelor of arts degree and a juris doctorate from Southern Methodist University, and he is a member of the Bar Associations of Texas, Michigan, and the District of Columbia as well as the Supreme Court of the United States and various other federal courts. He is also a member of the American Bar Association.

## Pencil Me In

Dates to remember:

- January 10 – MYF Loan Forgiveness Chat
- Week of January 14 – First Negotiated Rulemaking Session
- January 19-20 – TACAC Hotline and AIE Online Chat
- January 21 – MLK Day (TG offices closed)
- February 3-5 – OASFAA Conference, Gleneden Beach, OR
- February 4 – TG Quarterly Telephone Conference (on the Meteor Project, E-Signatures, and Distance Education)
- February 7 – TG’s “Applying for Financial Aid: The FAFSA Process” Teleconference
- February 7-8 – TASFAA Board Meeting, Dallas, TX
- February 11 – ATLE Board Meeting, Austin, TX
- February 17-20 – SASFAA Annual Conference, Louisville, KY
- February 18 – Presidents Day (TG offices closed)
- February 21 – TG Lender/School Advisory Meeting, Austin, TX
- March 6-8 – ED’s Spring Update Conference, Baltimore, MD
- March 7-8 – West Texas TASFAA Regional Rally, Lubbock, TX
- March 11-12 – Distance Learning: The Future of Education Conference, Adelphi, MD
- March 13-15 – MASFAP Annual Conference
- March 17-20 – NCHelp Debt Management Conference, Frisco, TX
- March 20-22 – AASFAA Conference, Tuscon, AZ
- March 26 – Central Texas TASFAA Regional Rally, Waco, TX
- April 3-5 – KASFAA Spring Conference, Topeka, KA
- April 4 – North Texas TASFAA Regional Rally, Denton, TX
- April 7-9 – WASFAA Annual Conference, Boise, ID
- April 10 – TG Users Group Meeting, Austin, TX (at the Annual Conference)
- April 10-12 – TG Annual Conference, Austin, TX

## TRENDS AND ISSUES

### ED Developing Online Lender Reporting System

In keeping with its growing trend of Internet-based documents such as the FAFSA on the Web and the FISAP on the Web, ED is developing the Lender Reporting System (also known as LARS). LARS, scheduled to launch in April 2002, will allow lenders and servicers to submit, via the Internet, the Lender’s Interest and Special Allowance Request and Report, or ED Form 799.

#### Current Process

At this time, lenders and servicers can download a PDF version of ED Form 799 (from [www.ed.gov/offices/OSFAP/IGAL/lender.html](http://www.ed.gov/offices/OSFAP/IGAL/lender.html)), complete it, and mail it to ED’s student loan processing center (Interest Payment Processing department). Lenders and servicers use ED Form 799 to submit quarterly loan information, reporting origination and lender fees collected, interest and subsidized loans that qualify for grace and authorized deferment, and special allowance payments for the life of the loan.

## Future Process

With the launch of LARS, lenders and servicers will no longer have to submit a paper document to ED, but will be able instead to complete an “e-799.” In order to participate in the electronic information and data exchange via LARS with the federal government’s financial management system (FMS), a lender or servicer must complete an Organization Participation Agreement, available at [www.ed.gov/offices/OSFAP/IGAL/e799.html](http://www.ed.gov/offices/OSFAP/IGAL/e799.html).

## More Information

For more information about LARS or to participate in its development, send an e-mail message to [OSFA\\_LR@ed.gov](mailto:OSFA_LR@ed.gov).

## **Mapping Your Future to Offer Loan Forgiveness Chat on January 10**

Students and their families now have an opportunity to ask counselors about loan forgiveness during an online chat offered by *Mapping Your Future* (MYF) (<http://mapping-your-future.org>).

MYF, a public service web site providing college, career, and financial aid information and services, will offer a daytime Loan Forgiveness Chat on January 10, 2002.

## Times and Topics

This live event is scheduled from 3 to 4:30 p.m. (Eastern); 2 to 3:30 p.m. (Central); 1 to 2:30 p.m. (Mountain); and 12 to 1:30 p.m. (Pacific). The interactive event provides a unique opportunity for students to receive advice about loan forgiveness and the financial aid process—all from the privacy and convenience of a personal computer.

The fifth of a series of chats to be offered by MYF in the 2001-2002 school year, this chat will provide experts in financial aid from all over the country.

During this “Getting Ready for Financial Aid Chat,” students and their families will learn more about the Stafford and Perkins Loan Forgiveness programs, including:

- Determining eligibility for loan forgiveness.
- Applying for loan forgiveness.
- Paying for college and general financial aid information.

Anyone with Internet access can join in the Chat by visiting [mapping-your-future.org](http://mapping-your-future.org) on the Web. On the day of the Chat, visitors will go to [mapping-your-future.org](http://mapping-your-future.org) and select the Chat session. Simple instructions will guide them through the process of joining the event.

## Future Events

Other special Chats scheduled during the coming year include:

- February 7, 2002 Evening Chat—FAFSA Questions, Financial Aid
- March 14, 2002 Evening Chat—Deferments, Forbearances and Default Prevention
- April 11, 2002 Evening Chat—How to Find Financial Aid, Colleges, and Scholarships Online
- May 9, 2002 Daytime Chat\*—Financial Aid Planning and FAFSA
- June 13, 2002 Evening Chat—Summer Financial Aid Questions and Career Planning
- July 11, 2002 Daytime Chat—Online and Distance Education
- August 8, 2002 Evening Chat\*—FAFSA and College Admission
- September 12, 2002 Daytime Chat—Deferments, Forbearances, and Default Prevention

\*Chat events marked with an asterisk will last an hour and a half.

Evening chat events are held from 7 to 8 p.m. (Eastern); 6 to 7 p.m. (Central); 5 to 6 p.m. (Mountain); and 4 to 5 p.m. (Pacific).

## Questions

For questions about MYF or an upcoming chat, contact Catherine Mueller at [cathy.mueller@mapping-your-future.org](mailto:cathy.mueller@mapping-your-future.org).

## LEGISLATIVE REPORT

The December 20 edition of TG's *Legislative Report* includes an end of year message along with a summary of the FY 2002 Labor-HHS-Education Appropriations and FFELP Interest Rate Bills. Read the articles online at [http://www.tgslc.org/tgslc/publications/lege\\_report/2001/lr\\_011220.htm](http://www.tgslc.org/tgslc/publications/lege_report/2001/lr_011220.htm).

## THIS, THAT, AND THE OTHER

According to a recent report from the National Center for Education Statistics, in the United States in the 1999-2000 academic year, more women than men earned college degrees. The report, titled "Postsecondary Institutions in the United States: Fall 2000 Degrees and Other Awards Conferred: 1999-2000," does note that more men earned doctoral degrees that year, however, and breaks down the statistics by degree type:

- Bachelor's—Women 57%, Men 43%
- Master's—Women 58%, Men 42%
- Doctoral—Women 44%, Men 56%

The report also provides statistics about the degrees conferred pertaining to academic majors, institutional types, ethnicity of degree recipients, and additional topics. The report is available at <http://nces.ed.gov/pubs2002/2002156.pdf>.

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