



IN THIS EDITION:

FEDERAL UPDATES

- **BUSH SIGNS INTEREST RATE FIX INTO LAW** 1
- **ED MAILS FY 2000 DRAFT COHORT DEFAULT RATES** 2
- **ED POSTS PROGRAM REVIEW GUIDE ON WEB**..... 3

TG UPDATES

- **TG CONFERENCE KEYNOTE TO FOCUS ON LEADERSHIP**..... 3
- **FAFSA TELECONFERENCE BRINGS STUDENTS ONE STEP CLOSER**..... 3

TRENDS & ISSUES

- **MYF TO UNDERGO RELOCATION AND REDESIGN** 4
- **JOBGUSHER™ ONLINE FAIRS BENEFIT JOBSEEKERS, SCHOOLS, AND EMPLOYERS** 5

LEGISLATIVE UPDATE

- **FEBRUARY 8 LEGISLATIVE REPORT**..... 5

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

FEDERAL UPDATES

Bush Signs Interest Rate Fix into Law

Well, it took a couple of bumps and bruises, but the interest rate fix bill, S. 1762, is now law. On February 8, 2002, President Bush signed the act, which retains the current Treasury bill formulas for borrower interest rates until July 1, 2006, at which time they will convert to a fixed rate of 6.8 percent for Stafford loans and 7.9 percent for PLUS loans.

Background

S. 1762 has been through both sessions of the 107th Congress. Last session, it was passed unanimously by the Senate on December 14, 2001. However, when it was brought to a House vote on December 20, it failed to receive the two-thirds majority it needed to pass—its failure attributed to partisan issues unrelated to the bill. When S. 1762 was reintroduced in the second session—on January 24, 2002—the House overwhelmingly approved it in a vote of 372-3. The bill then went to the President.

More Information

For more information about this issue and its history, see the *Shoptalk Online* article titled “2003 Interest Rate Problem: The Problem and Possible Solution” from Edition 134.

ED Mails FY 2000 Draft Cohort Default Rates

ED mailed all schools their FY 2000 draft cohort default rates on February 11, 2002. 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.

Review of Loan Data

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 FFELP data must be submitted to the guaranty agency responsible for managing that data within the 45-day review period.

Challenges

Challenges of inaccurate draft cohort rate data are allowed to ensure the accuracy of the FY 2000 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.

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

TG's mailing address:

Texas Guaranteed
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

Loan Record Detail Report

All schools for which draft cohort default rates are calculated should receive a Loan Record Detail Report (LRDR) along with ED's notification of the draft cohort rate. If a school does not receive its report at that time or wishes to request the Loan Record Detail Report in an electronic format (also known as the eLRDR), the school may request a FY 2000 draft eLRDR through ED's NSLDS web site at www.nslsdfap.ed.gov. For more details about the eLRDR, visit www.ifap.ed.gov/eannouncements/0211Draft2000eLRDR.html.

Questions

For questions about the FY 2000 draft cohort rate challenge procedures, call Ken Johnson at (800) 252-9743, ext. 4701, or send an e-mail message to ken.johnson@tgsic.org.

ED Posts Program Review Guide on Web

ED's office of Case Management and Oversight (CMO) has recently posted the 2001 Program Review Guide on the Information for Financial Aid Professionals (IFAP) web site.

The purpose of this revised Guide is to assist ED's Case Management Team in conducting reviews of the Student Financial Assistance (SFA) programs at participating schools. It is also intended to provide guidelines for consistency in the conduct of SFA program reviews nationwide, as mandated by Congress. The Guide serves as a first point of reference in preparing for and conducting a program review.

The Guide incorporates all legislative and regulatory revisions since 1994. To access the Guide, visit <http://ifap.ed.gov/iposguidance/01ProgramRevGuide.html>.

TG UPDATES

TG 2002 Conference Keynote to Focus on Leadership

In keeping with the theme of the TG 2002 Conference—The Big Picture: Take a Leading Role—this year's keynote address will feature Steve Ford's unique perspective on leadership and vision.

Steve is the son of former President Gerald Ford and Betty Ford. He is also a successful actor with years of experience in television and feature films (such as *When Harry Met Sally*, *Contact*, and *Armageddon*). Steve has built a reputation for crafting presentations that appeal to the distinct interests of each audience while offering insight that can come only from the son of a former president.

Following opening remarks on the first day of the TG Conference, Steve will address the conference attendees from 1:45 to 2:45 p.m. After years of public speaking and acting, Steve is able to combine his own brand of warmth, humor, and insight into behind-the-scenes accounts of Washington politics and life inside the White House.

The keynote address promises to help the 2002 conference focus on the contributions individuals can make to the big picture. In his presentations, Steve offers a broad range of fascinating subjects from being 18 years old and having ten Secret Service agents as constant companions to his father's pardon of President Nixon and his mother's battles with alcoholism and breast cancer.

You don't want to miss this exciting event. Block this time now on Wednesday, April 10, 2002, to take advantage of this special opportunity and launch into three days that will focus on leadership.

More Information

For more information about the TG 2002 Conference, visit *TGWorks Online* at www.tgslc.org/tgslc/Conference/index.htm. You'll find a tentative agenda, online registration and sponsorship forms, information about accommodations, and more.

FAFSA Teleconference Brings Students One Step Closer

Families and high school students across the country are one step closer to finding the financial aid they need to make postsecondary education possible. How did they do it? They watched a teleconference entitled "Applying for Financial Aid: The FAFSA Process."

On Thursday evening, February 7, 2002, from 6:30 to 8:30 p.m., 61 sites offered viewing of the teleconference satellite feed on their campuses while seven television stations broadcast the

event simultaneously to their audiences. This is the seventh year that TG has hosted a FAFSA Teleconference to help families and students begin locating the financial aid that may mean the difference between dreaming about higher education and making it a reality.

“I think the success of the teleconference shows that there are families out there searching for information. We don’t have final numbers yet, but we’ve heard some positive things from hosts about this year’s event and the viewers,” said Richard Sapp, TG’s Director of Awareness Programs. “One host said the number of people viewing the teleconference at her site went up from four last year to 40 this year.”

Teleconference viewers received expert information from financial aid professionals and were also able to speak directly to representatives toll-free through the Texas Financial Aid Information Center. An added plus was the opportunity for high school seniors viewing the event at an organized host site to register to win one of six \$500 TG Rising Star Scholarships and a complete computer system from Higher Education Servicing Corporation. Winners will be selected after all host sites have had the opportunity to forward their entries to TG.

More Information

Television stations often broadcast the recorded teleconference throughout the FAFSA season. Check with your local education access stations or check your local listings to find out about future viewing times that are available in your area.

Video tapes of the teleconference are available in English and Spanish. To order a copy, visit *Adventures In Education* at www.adventuresineducation.org/Tools/index.htm#video, or contact TG Customer Assistance at (800) 845-6267.

TRENDS AND ISSUES

MYF to Undergo Relocation and Redesign

Two major changes will take place for *Mapping Your Future* (MYF) in spring 2002—relocation to a new web host and redesign of the web site.

The MYF Redesign Team has been working on a new look for the site for several months. The purposes of the redesign are to make the site easier to navigate and to keep it fresh. The new design will retain some of the aspects of the current MYF site for brand identity and familiarity.

The purposes of relocation are to add new equipment, to enhance technical innovation, and to facilitate MYF’s move to becoming an independent organization (MYF will always be an organization of guaranty agencies but independent of any one guaranty agency). The new web hosting environment also will allow MYF to explore new collaboration opportunities. The MYF Technical Team is assisting the MYF Professional Staff with this project.

Once complete, MYF users will definitely notice the web site’s new design; however, the relocation to a new web host will involve much more behind-the-scenes work. Both changes will likely occur sometime in March, and MYF will keep schools and others informed of the progress of these changes.

More Information

For more information, contact Cathy Mueller at cathy.mueller@mapping-your-future.org.

MYF is a public service web site providing college, career, and financial aid information and services, and is located at www.mapping-your-future.org. This site is sponsored by a consortium of guaranty agencies, including TG, that are committed to providing information about higher education and career opportunities.

JobGusher™ Online Fairs Benefit Jobseekers, Schools, and Employers

To support schools as they assist students and graduates in finding employment, JobGusher™ (www.JobGusher.com) offers schools the opportunity to host online Job Fairs. Online fairs, held either independently or in conjunction with on-site fairs, help students get the most from their job searches.

By adding a JobGusher Online Fair component to an on-campus Job Fair, schools allow students who cannot attend the on-campus fair to participate. In turn, online fairs let schools and employers increase their exposure to students who are looking for employment.

Online Job Fairs on JobGusher provide the following benefits:

- Students apply for national positions of interest from their computers.
- Employers with limited resources can recruit new talent efficiently.
- Schools post their own available positions at no cost.
- Employers have the ability to link their own custom employment application to their job postings.
- Employers have the ability to display their company profile on JobGusher and post all their positions online.
- Students maximize their time at the Job Fair by focusing on jobs of interest.

More Information

Learn more about JobGusher's Online Job Fairs by contacting them toll-free at 1-866-JOB-GUSH or by e-mail at customercare@jobgusher.com.

JobGusher is a student-focused online job recruitment service dedicated to connecting students and recent graduates with full-time and part-time entry level positions, internships, seasonal employment, and other career opportunities. JobGusher is a service of the Education Assistance Services, Inc., a subsidiary of Texas Guaranteed.

LEGISLATIVE UPDATE

TG's February 8 *Legislative Report* includes an article about opposition to cuts that the OMB says are needed to fund the Pell grant program, a summary (in table form) of the winners and losers in the proposed FY 2003 budget, and information about progress in the Texas postsecondary education awareness campaign. Read the entire report online at www.tgslc.org/tgslc/publications/lege_report/2002/lr_020208.htm.

THIS, THAT, AND THE OTHER

According to the *Common Manual*, section 5.3, if a dependent student's parent is unable to obtain a PLUS loan at a school that participates in the Federal PLUS Loan Program, a school may certify additional unsubsidized Stafford loan funds for the student to the full extent of the loan limit. Such additional certification is allowed only if the loan funds, when combined with the student's estimated financial assistance, do not exceed the student's cost of attendance for the period of enrollment for which the loan is intended.

However, a school may not certify additional unsubsidized Stafford loan funds for a dependent student based on a school's decision not to participate in the PLUS Loan Program. This is based on guidance provided by ED in the preamble to the Notice of Proposed Rulemaking published in the *Federal Register* on August 10, 1999.

To access this *Federal Register*, visit www.access.gpo.gov/su_docs/fedreg/a990810c.html.

Contributors to this week's edition:	Judy Cunningham	Laura Lavergne	Cathy Mueller
	Ken Johnson	Art Martinez	Richard Sapp
	Kelly Kaelin		George Torres

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