



IN THIS EDITION:

FEDERAL UPDATES

- **CLOSED SCHOOL CORNER..... 1**

TG UPDATES

- **TG FINDS COMMUNITY COLLEGE TRANSFERS LOWER-RISK BORROWERS THAN EXPECTED..... 2**
- **A DAY IN THE LIFE..... 2**

TRENDS & ISSUES

- **FEEDBACK HELPS *MAPPING YOUR FUTURE* MEET USERS' NEEDS 4**

LEGISLATIVE UPDATE

- **FEBRUARY 14 *LEGISLATIVE REPORT*..... 4**

THIS, THAT, AND THE OTHER..... 5

FEDERAL UPDATES

NEWLY REPORTED CLOSURES				
OPE ID#	SCHOOL NAME	SCHOOL ADDRESS	UNOFFICIAL CLOSURE DATE	ED'S OFFICIAL CLOSURE DATE
00379001	Seattle University School of Law	950 Broadway Plaza Tacoma, WA 98402-4470	N/A	08/02/1999
00928000	Oakland College of Dental & Medical Assistants	388 17 th St. Oakland, CA 94612	N/A	12/30/1986
00948205	Mansfield Business College	523 Park Ave. E Mansfield, OH 44905	N/A	06/01/1993
00948212	Mansfield Business College	3340 Rivers Ave. Charleston, SC 29405	N/A	04/16/1993

TG Finds Community College Transfers Lower-Risk Borrowers Than Expected

A recent study conducted by TG could change perceptions about how transfer students affect school cohort default rates. In the past, community college transfers were considered high-risk borrowers, and it was assumed that they defaulted at rates similar to those of the colleges from which they transferred. However, TG's study showed that while community college default rates still tend to be relatively high, transfer borrowers default at a lower rate—similar to that of borrowers at four-year institutions.

“The results of this study suggest that transfer borrowers do not increase the risk of a lender's, school's, or guarantor's default rate any more than the typical four-year public school borrower,” said Jeff Webster, TG's Assistant Vice President for Research and Analytical Services. “This falls in line with previous research that has shown that staying in school lowers a borrower's risk of default. But until now, we didn't know if transfer students would follow the same pattern.”

Charissa Bird, TG Research Specialist, compiled and analyzed the data for the report. She concludes from the study that lenders and schools may not need to be as cautious about the impacts of transfer student borrowers upon their institutions' default rates.

“Our findings may encourage financial aid professionals to reexamine their borrowing and enrollment policies,” said Bird. “Transfer students seem to stick to their academic goals, putting them in contrast to typical two-year student borrowers who tend to drop out at very high rates.”

The results of this study could open new doors for transfer students. Skip Landis, Ph.D., Director of the Biomedical Science program housed in the College of Veterinary Medicine at Texas A&M University, said he was "pleasantly surprised" about the report's findings.

Landis feels the study will serve students well. “I didn't realize the default rates would be that low—based on information previously published,” said Landis. “Having some perspective from the academic side as well as the financial aid side, I can see that this may affect how and where universities recruit transfer students.”

More Information and Questions

To view a graph comparing 1996-1999 default rates for 2-year schools, 4-year schools, and students who transfer to 4-year schools, see the TG press release dated February 12, 2002, in the TG Newsroom at www.tgslc.org/tgslc/newsroom/news/2002/press020212.htm.

For questions about the research, contact Charissa Bird at (800) 252-9743, ext. 2837, or send an e-mail message to charissa.bird@tgslc.org.

A Day in the Life...A New Series from TG

Shoptalk Online kicks off a new series this month: A Day in the Life. The articles in this series will focus on TG's internal teams and how they interact with TG's customers and partners. The articles will appear in a sequence that mirrors the life of a loan and begins, in Financial Aid Awareness Month, with information about TG's Educational Alliances' awareness team. Before you meet one of the Educational Alliances team members, check out the following summary that describes what this team is all about.

The Message

The first step in obtaining a postsecondary education is to learn about the opportunities that education offers. For most students, the second step is finding out about the availability of financial aid and how to obtain it.

To help families and students take these initial steps toward higher education, TG's Educational Alliances works to disseminate educational and financial aid awareness information throughout the community. Here are some of the ways in which this team does that:

- Through a variety of interactions with the community, such as presentations and exhibits at various conferences.
- Through collaborative efforts with existing federal, state, and community organizations and TG business partners that offer opportunities to reach particular segments of the community.
- Through targeted messages to specific audience groups with differing needs.

The Right Audience at the Right Time

While spreading the awareness message, the Educational Alliances team focuses on two aspects of awareness programs: reaching various segments of the population with the right information and delivering it at appropriate times. Here are some ideas the group keeps in mind when delivering awareness information:

- Critical decision points are occurring earlier and earlier.
- Timing of information delivery is important, especially for underserved populations.
- Focus on what's possible.
- Promote education as an investment in the future.
- Point families and students to the "free" money first.

Projects and Tools

Multiple teams throughout TG support awareness efforts by providing their own special expertise. Here are a few examples:

- TG Communications: *Adventures In Education* (www.AdventuresInEducation.org or www.AIE.org) and development of other materials in print and electronic format.
- TG Customer Assistance: Responds to borrower inquiries about financial aid, makes presentations, and offers their expertise to help promote financial aid awareness; also operates as the Texas Financial Aid Information Center.
- *Applying for Financial Aid: The FAFSA Process*: A nationally televised teleconference that offers step-by-step guidance on completing the FAFSA (last live broadcast on February 7, 2002).

More Insight

Now, gain more insight from Richard Sapp, TG's Director of Awareness Programs, and find out more about the efforts of TG's Educational Alliances team to help families and students make sound decisions by linking to "A Day in the Life of Educational Alliances' Awareness Programs" at www.tgslc.org/tgslc/shoptalk/2002/st143/st14309.htm#aday.

TRENDS AND ISSUES

Feedback Helps *Mapping Your Future* Meet Users' Needs

Mapping Your Future (www.mapping-your-future.org) (MYF) receives thousands of messages every year—some asking for assistance with online student loan counseling, others needing general financial aid information and still others looking for some career information.

Surveys

MYF responds to all messages received from visitors to the web site and, in addition, asks them to rate the web site and provide their comments or suggestions. The survey asks visitors to rate the site on a scale of 1 to 5 (with 5 being excellent) for content, graphics, navigation, and ability to use the site.

Recent Stats

For the month of January 2002, visitors rated MYF 4 for Content, 3.8 for graphics, 3.7 for navigation, and 3.4 for ability to use the site. MYF's Redesign Team used the survey results and comments as they analyzed what areas of the web site needed enhancement. See "MYF to Undergo Relocation and Redesign" in *Shoptalk Online* Edition 142.

The survey results including comments can be seen online on the Sponsors Site at http://mapping-your-future.org/sponsors/info/fb_surveylist.cfm. Be sure to change the date range to the time period you are interested in viewing.

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. This site is sponsored by a consortium of guaranty agencies, including TG, that are committed to providing information about higher education and career opportunities.

LEGISLATIVE UPDATE

TG's February 14 *Legislative Report* includes an article about some budget process proposals in the administration's FY 2003 budget proposal and a summary of testimony from representatives of the nation's Historically Black Colleges and Universities (HBCUs) before a congressional committee regarding challenges faced by the HBCUs. Read both articles online at www.tgslc.org/tgslc/publications/lege_report/2002/lr_020214.htm.

THIS, THAT, AND THE OTHER

President Bush's proposed budget for FY 2003 increases federal funding for Historically Black Colleges and Universities (HBCUs) and Historically Black Graduate Institutions (HBGIs) by 3.6 percent, to \$213.4 million and \$50.8 million, respectively. This increase is on par with Bush's pledge to increase funding for these institutions by 30 percent between 2001 and 2005.

Bush has also recently issued an executive order that establishes a Board of Advisors (appointed by the President) as part of the White House Initiative on HBCUs. The goal of the executive order is to "strengthen our nation's HBCUs and increase their opportunities to participate and benefit from federal programs."

For more information, view ED's press release entitled "President Bush Signs New Executive Order on HBCUs" at www.ed.gov/PressReleases/02-2002/02122002.html.

Contributors to this week's edition:	Kristin Boyer	Charles Kracy	Cathy Mueller
	Kelly Kaelin	Laura Lavergne	George Torres
	Sandra Keller	Art Martinez	

Shoptalk Online is published by Texas Guaranteed (TG). Unless specifically noted, the policies and procedures outlined in *Shoptalk Online* apply only to loans made under TG's guarantee and not to loans underwritten by other guarantors.

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@tgslc.org.

Edited by TG Communications and Policy and Regulatory Affairs.

Designed by TG Communications.

Shoptalk Online is a publication of Texas Guaranteed Student Loan Corporation. Copyright 2002.
