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FEDERAL UPDATES

Extension of Special Disbursement Rules under Consideration

The Higher Education Act (HEA) of 1965 was amended in the 1998 Reauthorization to allow for exemptions to two disbursement requirements on student loans. These exemptions will expire on September 30, 2002, unless they are extended in the coming months.

The Exemptions

Currently, schools with cohort default rates of less than 10% for each of the three most recent fiscal years for which information is available are exempted from the following:

- The requirement that schools must schedule multiple loan disbursements. (Eligible schools may schedule a loan to be disbursed in a single installment for any period of enrollment that is not more than one semester, one trimester, one quarter, or 4 months.)
- The requirement that schools must delay, for 30 days, the first disbursement of a loan for first-year, first-time borrowers. (Eligible schools may disregard this delay.)

Resolution Expected

The National Association of Student Financial Aid Administrators (NASFAA) and the National Council of Higher Education Loan Programs (NCHELP), among other higher education organizations, are seeking extension of these special disbursement rules. This issue is expected to be addressed in an HEA technical amendments bill that is currently in development.

NASFAA Shares Guidance on the W-2

The National Association of Student Financial Aid Administrators (NASFAA) has received information that reinforces previous guidance from ED pertaining to Box 14 of the IRS Form W-2 and reporting requirements for the FAFSA.

ED's Position

According to a guidance letter sent to NASFAA in 2001 by ED's Policy, Planning, and Innovation department, "It is the Department's position that any amount reported in Box 14 of the W-2 form for 2000 should not be reported on the FAFSA or its associated Worksheets and, therefore, is not included in the Federal need analysis methodology." The IRS recently considered, but did not make, changes to Box 14 that may have affected ED's guidance for tax year 2001. Therefore, NASFAA recently confirmed with ED that the above guidance continues to apply for the 2001 tax year.

What Is Box 14?

Box 14 of the W-2, called "Other" on the form, is a box that employers may—but are not required to—use to report certain types of income. It was due to this ambiguity and other factors that ED decided that Box 14 amounts are not required to be reported on the FAFSA. ED feels this decision preserves equity among all FAFSA applicants.

More Information

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

TG UPDATES

How About a Little Fun with Your Leadership?

If you've attended before, you know that there's more to the TG Conference than fascinating sessions and information sharing. You know the conference also offers some great entertainment opportunities. And in 2002, the TG Annual Conference will again offer some fun-filled days in Austin.

Tuesday Golf Tournament

The conference officially kicks off on April 10, but Tuesday, April 9, offers its own brand of fun in the TG Conference Golf Tournament at Forrest Creek Golf Course in Round Rock. The tournament will be a four-person scramble, best ball format with a shotgun start at 12:30 p.m. Cost per person is \$40, including green fees, range balls, and cart rental.

Prizes will be awarded to the first, second, and third place teams as well as for the longest drive and closest to the pin. Forrest Creek is also providing an extra incentive to score a hole in one on par threes this year. Possible prizes are a Sony™ camcorder, a trip for two to Hawaii, a trip for two to Las Vegas, or a trip for two to Lake Tahoe. One lucky person, to be determined by a random drawing, will also be eligible to win \$1 million by shooting a hole in one on a designated par three hole!

The deadline for entries and fees is Friday, March 29, 2002. To register for the tournament, send an e-mail message to Chuck Ramos at chuck.ramos@tgslc.org. Include your name, institution, phone number, and average score for an 18-hole round. Make checks payable to "TG Conference" and mail them to Texas Guaranteed, Attn: TG Conference 2002 Golf Tournament, PO Box 201725, Austin, Texas 78720-1725. If you have any questions, you can reach Chuck at (800) 252-9743, ext. 4646.

Wednesday Cast Party

In keeping with the conference theme, "The Big Picture: Take a Leading Role," on Wednesday afternoon, April 10, we've scheduled a wine, beer, and cheese Cast Party from 4:15 to 5:45 p.m. in the Austin Marriott at the Capitol ballroom. This informative and recreational event will feature approximately 20 topics for you to choose from.

This is how the Cast Party will work. Hosts will facilitate short table-top discussions that cover everything from Leadership Styles to the Future of Guarantee Agencies. As the evening progresses, a signal will sound every 15 minutes to notify participants that they can move to a different table to hear a discussion on another topic of their choice.

Thursday Museum Reception

This year's main entertainment event will be a come-and-go or stay-all-evening museum tour on Thursday evening, April 11, at the Bob Bullock Texas State History Museum at MLK and Congress from 6:30 to 10:30 p.m. Light desserts and coffee will be served.

During the evening, two showings will be available in the IMAX theater: Dolphins at 7 p.m. and CyberWorld 3D at 8 p.m. (Conference participants planning to attend an IMAX showing should confirm their plans at the conference by 4 p.m. Thursday.)

Charter buses will begin running from the Marriott to the museum at 6 p.m. The buses will provide transportation between the hotel and the museum and will also make stops at the Austin Warehouse District (4th and Colorado) and Entertainment District (5th and Trinity) throughout the evening. The last drop-off at the Marriott is scheduled for midnight.

More Information

Additional conference information is available online at www.tgslc.org. Just click "The Big Picture."

2002 Spring TUG Meeting Coordinates with TG Conference

The TG Users Group (TUG) has again conveniently scheduled its spring meeting on the morning of the first day of the TG Annual Conference. The meeting will be held at the Austin Marriott at the Capitol on April 10, 2002. Continental breakfast will be served starting at 7:30 a.m., with the meeting beginning at 8 a.m.

TUG meetings are a way for users of TG solutions and tools to communicate issues and information with each other and with TG. The meetings offer an excellent opportunity for participants to learn from other schools and lenders that use the same products and services that they do.

Agenda

The following agenda offers an overview of the major topics scheduled for discussion during the spring meeting:

- 7:30 – 8:00 Continental Breakfast
- 8:00 – 8:15 Welcome

8:15 – 8:45	TG Update
8:45 – 9:45	Alternative Loans
9:45 – 10:00	Break
10:00 – 10:30	TG Loans By Web™
10:30 – 11:15	TG Round Table Roulette
11:15 – 12:00	Wrap-up and Door prizes

Once the meeting is concluded, remember that the TG Conference is just an hour away—it begins at 1 p.m. with the welcome and opening remarks.

Registration and Questions

Registration forms were distributed through the TUG listserv and were included in the TG Conference registration materials. If you are unable to find your registration form and would like to register for the TUG meeting, or for questions about the TUG meeting, contact Sheila Casey at (800) 252-9743, ext. 4576, or locally at (512) 219-4576. (4525 is a fax #) You can also e-mail questions to Sheila at sheila.casey@tgsllc.org.

TG would appreciate registration as soon as possible so that final plans can be made for seating and food accommodations.

TRENDS AND ISSUES

JobGusher™ to Host Online Job Fair

Even the great students that you see every day might be finding it a little harder to locate a job in these post-boom times. But help is available, and just in time for applicants looking for summer work or for a new start after graduation.

JobGusher.com™ (www.JobGusher.com) announces a Banking, Credit Union, and Financial Services Job Fair on March 25-31, 2002. The job fair will bring together job seekers—including current students and recent or soon-to-be graduates—and employers looking for employees to fill a variety of positions.

How the Job Fair Works—Job Seekers

Participation in the Job Fair will simplify the job seeking process. Job seekers can click on the Job Fair banner on the JobGusher home page for immediate access to information about participating companies and to view a list of the positions the companies are looking to fill.

Job seekers can decide which positions to apply for on the spot and then apply electronically through the site. At the Online Job Fair, job seekers can:

- Research hiring companies
- View available positions
- Apply for positions of interest online

How the Job Fair Works—Employers

For employers, participation in the Job Fair improves exposure and access to job seekers without the high costs usually associated with traditional job fairs.

During the Online Job Fair, participating employers can:

- Post their openings to a nationwide audience
- Receive applications and résumés
- Invite specific job seekers to apply to their positions
- Attach pre-screening questions to job postings for candidates to answer

Participation

There is no cost for job seekers to attend the Online Job Fair. To participate, they simply need to visit JobGusher.com between March 25 and 31.

Employers wishing to participate must be registered JobGusher employers. For more information on exhibiting, contact customercare@jobgusher.com or call 1-866-JOB-GUSH.

More Information

For more information on JobGusher, visit www.JobGusher.com or contact JobGusher at 1-866-JOB-GUSH.

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 Education Assistance Services Inc., a subsidiary of TG.

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.

Summer Bridge Extension

The *Common Manual* has been revised to add that a PLUS borrower may be eligible for a summer bridge extension and removes the unnecessary assertion that a Stafford loan borrower is not required to request the summer bridge extension if the borrower has not used the grace period.

Affected Sections:	7.10.B.
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.210(b)(4) and (6); §682.210(s)(1).
Policy Information:	Reference 559
Guarantor Comments:	None.

Reduced Interest Rates

The *Common Manual* has been revised to include information in chapter 7 regarding the servicing of loans with interest rates that are less than the statutory maximum interest rate (statutory rate). If the lender chooses to offer the borrower an interest rate that is less than the statutory rate, the lender must disclose to the borrower that the rate will end on the date the loan is purchased by the guarantor as a default or ineligible borrower claim. After the defaulted loan or an ineligible borrower claim is purchased by the guarantor, the loan reverts to the statutory rate. Also, minor revisions are made to subsection A.1.A. to more closely reflect regulatory guidance.

Affected Sections:	7.7, A.1.A.
Effective Date:	For loans entering repayment at a reduced interest rate on or after March 1, 1997, unless implemented earlier by the guarantor.
Basis:	§682.300(d)(1).
Policy Information:	Reference 560
Guarantor Comments:	None.

Loans Not Eligible for Bankruptcy Claim Payment

Common Manual bankruptcy policy has been revised to clarify that if a loan is in any status other than repayment at the time the bankruptcy notification is received by the lender, the lender should ascertain the correct status for a loan at the conclusion of the bankruptcy action and place the loan into the applicable status. Prior policy language may have inadvertently implied that the loan should be returned to the previous loan status, as opposed to the applicable loan status, at the conclusion of the bankruptcy action.

Affected Sections:	8.2.D., ^{CCI} 8.2.D.
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.402(f)(5)(ii).
Policy Information:	Reference 561
Guarantor Comments:	None.

Penalties for Due Diligence Violations

The *Common Manual* has been revised to ensure consistency between subsections that address the cure of a loss of guarantee. The policy revises subsections 8.8.C. and ^{CCI}8.8.C., adding a statement that the earliest unexcused violation date is the day after the date of default if there are three or more due diligence violations of 6 days or more each (21 days or more in the case of a transfer) and no gap of 46 days or more (61 days or more in the case of a transfer). It also clarifies that the references to subsections 8.8.H. and ^{CCI}8.8.H. are for cure procedures.

Affected Sections:	8.8.C., ^{CCI} 8.8.C.
Effective Date:	Retroactive to loans on which the first day of delinquency on the oldest outstanding due date is on or after July 1, 2000, unless implemented earlier by the guarantor.
Basis:	§682, Appendix D.
Policy Information:	Reference 562
Guarantor Comments:	None.

Cure Procedures for Due Diligence Violations and Gaps

Subsections 8.8.H. and ^{CCI}8.8.H. of the *Common Manual* have been restructured and reworded to clarify the reasons for a loss of guarantee and the cure procedures that must be performed to reinstate the guarantee on a loan after the guarantee has been cancelled as a result of due diligence violations or gaps. Previously, the reasons for a loss of guarantee were incorrectly identified as options available for curing the loan.

Affected Sections:	8.8.H., ^{CCI} 8.8.H.
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	None.
Policy Information:	Reference 563
Guarantor Comments:	None.

Common Findings for Program Reviews

The *Common Manual* has been revised to remove outdated examples of common program review findings, e.g., late refunds, incorrect refund calculation, and noncompliance with Appendix D from 34 CFR 682. The *Common Manual* has also been revised to add current examples of common program review findings, e.g., improper performance of return of Title IV funds procedures, including incorrect calculations, late returns to lenders, funds returned to the wrong Title IV account, and errors on ED Form 799.

Affected Sections:	11.3.C.
Effective Date:	Not applicable.
Basis:	Final Rules published in Part VII of the <i>Federal Register</i> , pages 65631-65651, dated November 1, 2000.
Policy Information:	Reference 564
Guarantor Comments:	None.

Delete Glossary Definition of Multiple Data Entry Processor

The *Common Manual* has been revised to delete the definition of “Multiple Data Entry (MDE) Processor” from appendix G. This term is not used within the text of the manual.

Affected Sections:	Appendix G.
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	None.
Policy Information:	Reference 565
Guarantor Comments:	None.

THIS, THAT, AND THE OTHER

For the fourth consecutive year, TG will waive the one-percent guarantee fee for TG’s Federal Stafford and PLUS loan borrowers.

“Waiving the guarantee fee is one of the many ways TG directly supports students and families in pursuing their educational dreams,” said Milt Wright, TG’s president and CEO. “In the past three years, TG’s waiver of the guarantee fee has saved borrowers over \$45 million—allowing students to apply the savings directly to educational expenses.”

The guarantee fee waiver applies to all Federal Stafford and PLUS loans that TG guaranteed on or after July 19, 1999, for students or parents of undergraduate students attending an academic institution participating in the FFELP.

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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@tgsic.org.

Edited by TG Communications and Policy and Regulatory Affairs.

Designed by TG Communications.

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