



IN THIS EDITION:

FEDERAL UPDATES

- **ED MOVES LARS DEPLOYMENT TO OCTOBER** 1

TG UPDATES

- **TG ANNOUNCES PARTNERSHIP AGREEMENTS WITH TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS NAACP**..... 2
- **CONFERENCE SPONSORS HELPED MAKE “THE BIG PICTURE” POSSIBLE** 3
- **2002 CONFERENCE PRESENTATIONS INFORMATION AVAILABLE ONLINE** 4
- **A DAY IN THE LIFE...THE SERIES CONTINUES** 5

- THIS, THAT, AND THE OTHER 6

FEDERAL UPDATES

ED Moves LaRS Deployment to October

The January 8, 2002, *Shoptalk Online* (Edition 136) reported that ED has been redesigning the Lender Reporting System to allow lenders and servicers to submit—online—the Lender's Interest and Special Allowance Request and Report (a.k.a. LaRS), which will replace ED Form 799. LaRS was scheduled to debut in April 2002 and was postponed to June 2002.

In response to requests from the community for additional time to modify its systems and test processes, as well as contact its lender clients, ED’s Office of Federal Student Aid (FSA) has announced that the deployment date of the new Lender Reporting System has been moved to October 1, 2002, for the reporting period ending September 30, 2002. LaRS will be available for use beginning with the September 30, 2002, quarter billings.

In addition to enabling the calculation of interest subsidies and special allowance payments, LaRS will be used to calculate origination and other fees due to ED as well as enable lenders to obtain their FFELP portfolio information. This revised process will allow more than 4,000 FFELP lenders and servicers to complete and submit billings through a more timely and efficient electronic means. It will also facilitate ED's ability to turn around billings faster than the current process.

Required Lender Actions

To take advantage of this new electronic billing process, lenders must take the following actions:

1. Complete and sign an Organization Participation Agreement (OPA), available at www.ed.gov/offices/OSFAP/IGAL/e799.html, which must be submitted to ED before lenders can submit an electronic invoice. This document serves as the legal agreement between ED and the lender, servicer, and/or trustee. The purpose of the OPA is to eliminate the need for the submission of a paper form containing a signature each quarter when the data for the quarterly invoice is submitted electronically. This document must be on file at FSA prior to the submission of electronic quarterly invoices to ED.
2. Complete the Lender Application Process (LAP). This form is being used as a basis for current FFELP lenders and servicers to verify and update their demographic information that feeds into LaRS. ED urges current FFELP lenders to complete the LAP process as soon as possible but no later than September 16, 2002. The lender must provide and/or verify the following information, much of which is already contained in the system, through the online LAP application:
 - Lender contact name
 - Phone number
 - Mailing and e-mail addresses
 - Associated guaranty agency(ies)
 - Associated servicer(s)
 - Lender ID number(s)
 - Bank account and routing information

The LAP User Guide provides a step-by-step, detailed description of what lenders need to do. An updated User Guide will be available on the Financial Partners Portal after April 30 (at www.fp.ed.gov) and currently can be obtained by contacting Nancy Krecklow, ED's Modernization Partner Lead at Nancy.A.Krecklow@accenture.com.

If lenders plan to submit a paper-based LaRS, they must have completed their LAP either electronically or in paper form before their manual submission can be processed by FSA for the quarter ending September 30, 2002.

Servicers may have included additional details in communications to their lender clients about their coordination efforts in this new billing process. FSA recommends that lenders contact their servicer first or contact FSA at either its mail box OSFA_LR@ed.gov or via e-mail at Nancy.A.Krecklow@accenture.com.

TG UPDATES

TG Announces Partnership Agreements with Texas Higher Education Coordinating Board, Texas NAACP

At its recent 2002 Annual Conference, TG formalized agreements to work with two Texas organizations to reach more students and families about the value of higher education. On Thursday, April 11, TG's President and CEO Milt Wright signed two Memoranda of Understanding, one with the Texas Higher Education Coordinating Board (THECB) and another with the Texas NAACP.

“TG is proud to announce these agreements with the Coordinating Board and the Texas NAACP,” said Wright. “In addition to the successful partnerships we’ve established with other like-minded organizations such as the Texas Association of Student Financial Aid Administrators, Association of Texas Lenders in Education, Texas Education Agency, the Texas Association for College Admission Counseling, and others, these new partnerships will ensure that future generations of students and families will succeed in realizing their educational and career dreams.”

THECB Memorandum

Texas Commissioner of Higher Education Don Brown, who participated in the signing, indicated that since 1990, the Texas population has been growing faster than college enrollments and graduation rates. The agreement between TG and THECB will help to reverse this trend by increasing early educational outreach and college awareness efforts in Texas.

“If current and future needs are not addressed,” said Brown, “this trend—projected to continue for decades—will lead to a drop in Texans’ educational levels, a consequent annual loss of billions of dollars in household income, and a narrowing of opportunity for millions of people. The state’s *Closing the Gaps* higher education plan, adopted by the Coordinating Board, calls for enrolling 500,000 additional students in college by 2015. Strong partnerships with TG and other organizations that share common goals will help the state close the educational gaps that it faces.”

Texas NAACP Memorandum

The second agreement, signed with Texas NAACP President Gary Bledsoe, will result in collaborative efforts with TG to remove obstacles to education beyond high school for African Americans and to increase the number of African American students who complete a postsecondary education.

“Approximately one in three Anglo children earn college degrees, compared to approximately one in six African American children, or one in nine Hispanic children,” said Bledsoe. “These numbers illustrate the need to improve educational opportunities throughout, but particularly in minority communities. Texas Guaranteed has a commitment to achieve this goal, and we will work well mutually throughout the state.”

Additional Information

Visit TG’s web site for electronic copies of the agreements signed by TG, THECB (www.tgslc.org/tgslc/community/memo_thecb.html), and the Texas NAACP (www.tgslc.org/tgslc/community/memo_naacp.htm).

Conference Sponsors Helped Make “The Big Picture” Possible

Each year TG’s Annual Conference offers the financial aid community the opportunity to spend three days delving into topics that enhance their skills as facilitators of higher education while spending some enjoyable time with their peers. This year, hundreds of financial aid professionals enjoyed three days of working fun from April 10-12, 2002, at the Austin Marriott at the Capitol during “The Big Picture: Take a Leading Role.”

On behalf of the conference attendees, TG extends a special thank you to the sponsors that made this year’s event so successful. The generous contributions of the following financial institutions helped to put another conference into the record books:

Producer

Bank One Education One Group

Brazos Higher Education Service Corporation

Citibank

LoanStar Systems, Inc.

Nelnet

Director

Amarillo National Bank

ASAP/Bank of Texas

BancorpSouth

Comerica Bank

COSTEP

Educaid

First Educators Credit Union

First National Bank of Abilene

Fleet Education Financing

General Electric Global Exchange Service

Horizon Educational Resources, Inc.

PNB Financial Bank – Student Loan Center

Sallie Mae

Student Loan Xpress

Stage Manager

Arlington National Bank

Bank of America Student Banking

Chase

Commercial Bank of Texas, N.A.

First National Bank of Bryan

North Texas Higher Education Authority

Panhandle-Plains Student Loan Center

Regions Bank

San Antonio Federal Credit Union

Security Service Federal Credit Union

SunTrust Education Loans

University Federal Credit Union

Whitney Bank

2002 Conference Presentations Available Online

The TG 2002 Annual Conference was filled with valuable information. If you missed a session that you'd like to know more about, you can get the basics for many of the sessions at www.tgslc.org/tgslc/resources/presentations.htm.

Each presentation includes contact information for the presenter(s). You'll find presentations for the following sessions:

- Advanced Formula CL5
- Credit and Debt Management for Financial Aid Administrators
- Effective Loan Counseling and Default Aversion
- Far Away Places, Uncharted Lands—Distance Education
- Jetson In to Discover the *Integrated Common Manual*
- Leadership at Work
- The Premiere of the PLUS MPN
- The Sixth Sense: An Overview of Program Review
- TG's Enhanced EFT: Shaken, not Stirred!

Questions

For questions about the conference, contact TG Customer Services at (800) 332-1455 or customer.services@tgslc.org.

A Day in the Life...The Series Continues

Following earlier discussion of the Awareness and Origination loan phases, *Shoptalk Online* continues its series this month by examining the Interim Phase in the life of a loan. Once a loan has been made, where does a customer go for general answers to what, when, why, and how?

At TG, the Customer Assistance team aids customers in literally every stage of the loan process. However, during the Interim Phase—the period while the student is in school or in the grace period—borrowers are most likely to contact Customer Assistance with questions. And although there is no Interim Phase for PLUS loans (since repayment begins after the loan's final disbursement), PLUS loan borrowers also often have questions after the loan has been made.

In addition to its administration of the Closed School Discharge and Teacher Loan Forgiveness Programs, TG's Customer Assistance team answers all customers' inquiries. By combining teamwork with proactive efforts and partnerships, Customer Assistance helps to clear up all those perplexing questions.

Outstanding Teamwork

Through outstanding teamwork, Customer Assistance provides the following to TG's customers (and anyone else who asks for help):

- Quality service
- Expertise
- Commitment

Initiative

Customer Assistance uses a number of resources to:

- Field customers' feedback for the enhancement of TG's products and services

- Provide support for many valuable services such as—
 - TG Loans By Web™
 - TG Loans By Phone™
 - Support Knowledgebase

Partnering

Within TG, Customer Assistance calls upon many partners as additional resources. Find out how the TG team keeps the process moving.

More Information

Now, find out more about TG Customer Assistance from Tracy Lindsay, Customer Assistance Team Leader, and see what it takes to provide expert customer assistance and advice by linking to www.tgslc.org/tgslc/shoptalk/2002/st152/st15203.htm#aday.

THIS, THAT, AND THE OTHER

A recent report by the State Public Interest Research Groups' (PIRGs') Higher Education Project asserts that the academic performance of college students working 25 or more hours per week suffers due to their number of work hours. The report, entitled *At What Cost?: The Price that Working Students Pay for a College Education*, is available at www.pirg.org/highered/atwhatcost4_16_02.pdf.

At What Cost? provides research—based on ED’s 1999-2000 National Postsecondary Aid Survey (NPSAS)—that shows that:

- 46% of all full-time working students work 25 or more hours per week.
- 42% of these students reported that working hurt their grades.

The research used for the report also shows a negligible or even positive impact on grades for students who are working fewer hours—either 16-24 hours or 1-15 hours per week.

Contributors to this week's edition:	Kristin Boyer	Sandy Keller	Art Martinez
	Kelly Kaelin	Laura Lavergne	

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.
