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FEDERAL UPDATES

DCL Addresses Expiration of Disbursement Exceptions

The 1998 Reauthorization of the Higher Education Act provided two temporary exceptions to disbursement requirements for schools with low cohort default rates. These exceptions (described below) expire on September 30, 2002.

Recent legislative attempts to extend the disbursement exceptions beyond the upcoming expiration date have, thus far, proven unsuccessful. *Shoptalk Online* will keep you informed if legislation is enacted to extend these exceptions.

ED has released Dear Colleague Letter (DCL) GEN-02-06 to address schools' conversion to the normal disbursement requirements. The DCL states that FFELP loans certified on or after October 1, 2002, are subject to the applicable multiple disbursement and 30-day delayed delivery requirements.

Temporary Disbursement Exceptions

Currently, schools with cohort default rates of less than 10 percent 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 currently 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 currently disregard this delay.)

Questions

For questions regarding the expiration of these disbursement exceptions, contact TG Customer Assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org

Closed School Corner

Newly reported closures from the Postsecondary Educational Participants System and from the July 2002 Closed School Monthly Report supplied by the Department of Education:

NEWLY REPORTED CLOSURES				
OPE ID#	SCHOOL NAME	SCHOOL ADDRESS	UNOFFICIAL CLOSURE DATE	ED'S OFFICIAL CLOSURE DATE
02060901	Brown College of Court Reporting	1125 Judson Rd. Longview, TX 75601-9985	N/A	6/20/2002
02146103	Chauffeurs Training School	4300 Dixie Dr. Houston, TX 77021	N/A	10/31/1990
01014803	Colorado Technical University	333 9 th St. SW Huron, SD 57350-2798	N/A	5/15/2002
01019700	EQ School of Hair Design	1849 N. 73 rd St. Omaha, NE 68114-1905	N/A	6/29/2002
00187600	Marycrest International University	1607 W. 12 th St. Davenport, IA 52804-4096	N/A	6/21/2002
02149306	SCS Business and Technical Institute	756 Broad St. Newark, NJ 07102	N/A	10/14/1994
02610700	Shirley Baker Career Institute	10555 Northwest Freeway #226 Houston, TX 77092	N/A	7/23/2002

TG UPDATES

TG Makes an Impact with Successful Default Prevention Efforts

On August 1, U.S. Department of Education sponsored its second annual National Default Prevention Day offered the financial aid community another opportunity to exchange information about proven strategies to combat student loan default. This year, early 2,000 participants nationwide benefited from information shared in various locations across the country.

TG was one of only twelve guarantors the Department asked to present default aversion information. This year, TG participated in the Southeastern regional meeting in Atlanta, Georgia. The Department also made more than 2,000 copies of TG's Achieving Systemic Default Aversion booklets, "Default Prevention: A Model for Institutions of Higher Learning," available to attendees at all locations.

Atlanta Session

In Atlanta, Joe Braxton, TG Default Aversion Consultant, co-presented the session entitled "Default Prevention through Innovation and Partnership." In this session, Joe chronicled the remarkable success TG has had in helping campuses implement a holistic approach to default management through its Achieving Systemic Default Aversion (ASDA) program, which encourages alliance building, both on and off campus.

Dallas Session

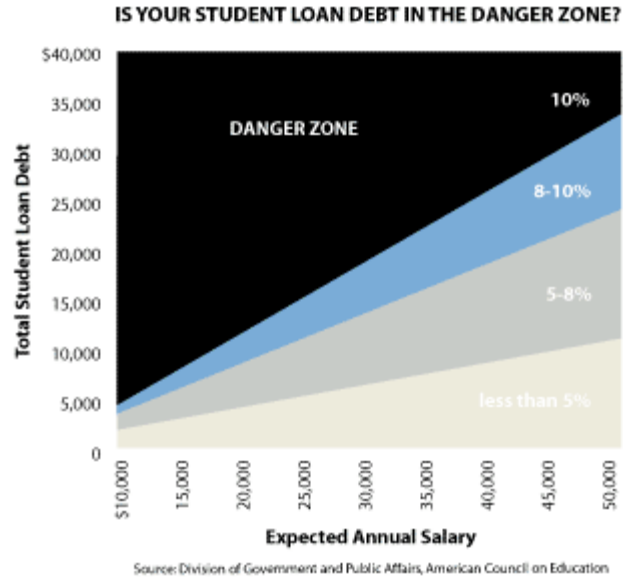
In Dallas, the afternoon "Best Practices" session offered an opportunity for schools from the Southwest to share strategies that have worked for each type of school. Several innovative ideas

were offered to the participants, including one from Bronte Jones, Dean of Enrollment Management for Huston-Tillotson College.

Best Practice from Huston-Tillotson

One “best practice” described by Jones consists of creating a postcard to mail to students who are contemplating taking out a loan. This postcard includes two major components:

- A listing of each of the top 10 majors offered by a school, along with its estimated annual starting salary, and
- A chart that demonstrates the percentage of a person’s average annual salary that must be applied to meet various student loan payment terms.



The objective of this activity is to encourage students to plan ahead. Students who estimate their anticipated loan repayment obligation and compare it to their estimated annual salary may consider borrowing more conservatively to meet their higher education needs.

Jones also stressed the importance of campus-wide support and collaboration with partners beyond the school campus. During her presentation, she credited two critical sources of support for her campus: TG and the Texas HBCU Consortium, a group of schools that are participating in TG’s ASDA program.

Best Practices Resource

Best practices, including those discussed during the National Default Prevention Day’s events, are available through TG’s Virtual Default Conference web site, located at http://www.tgslc.org/tgslc/DP_KBase/index.cfm. This online resource provides a library of strategies that schools and lenders may consider in implementing or enhancing their default management programs. “Default Prevention: A Model for Institutions of Higher Education,” is available at <http://www.tgslc.org/tgslc/publications/index.htm> under “Special Reports.”

Questions

For questions or additional information about ASDA or how TG can support the continuation or improvement of your default aversion efforts, contact Joe Braxton at (800) 252-9743, ext. 4696, or Clarissa Peereboom at ext. 4765. You can also contact Joe or Clarissa by e-mail at joe.braxton@tgslc.org or clarissa.peereboom@tgslc.org.

Physician Web Site List Available

In the total and permanent disability discharge process, the loan holder, upon receipt of a borrower's application for discharge, reviews the application and makes a preliminary determination of the borrower's eligibility.

To assist in this determination, the National Council of Higher Education Loan Programs (NCHELP) has developed a handy tool that loan holders can use to verify this physician information. The tool comes in the form of a chart, available in PDF. It lists web sites and phone numbers of various state agencies that loan holders can contact to verify physicians' license numbers.

The chart is available on TG's corporate web site. To access the PDF, just go to http://www.tgslc.org/tgslc/forms/frms_tpd.htm. The chart is at the bottom of the page.

Questions

For questions on the total and permanent disability discharge process, contact TG Customer Assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

TG SOLUTIONS AND TOOLS

TG Loans By Web™ E-signature Lender List Continues to Grow

For nearly a year, TG Loans By Web™ (LBW), in conjunction with participating lenders, has offered student loan borrowers the option of electronic signatures. In that time, the number of lenders that have chosen to offer this option to borrowers has continued to grow.

Student loan borrowers who complete their loan process through LBW and select an e-signature lender save time and paper. The student loan process works the same for these borrowers as it does for other LBW borrowers. The only difference is that borrowers who opt to use e-signatures sign their promissory notes electronically (after their loans are guaranteed on LBW) on their lender's site. LBW facilitates data sharing with the lender, making the process completely seamless.

The current list of lenders offering electronic signatures through LBW is available online at www.tgslc.org/tgslc/st/lbw_esig.htm. TG updates the list as additional lenders successfully test with TG and are ready to go into production as e-signature lenders on LBW.

Additional Information

Lenders that wish to offer e-signatures through LBW must develop an interface that will facilitate receipt of CommonLine Application Response information.

For more information about LBW and e-signatures, call TG Product Support at (800) 332-1455 or send an e-mail message to product.support@tgslc.org.

LEGISLATIVE UPDATES

August 13 Legislative Report

The August 13 *Legislative Report* shares information about the FY2003 Appropriations process, a hearing on the state of Texas Personal Privacy Task Force, and a call for a salary increase by teacher groups in Texas. Read the details at http://www.tgslc.org/tgslc/publications/lege_report/2002/lr_020813.htm.

THIS, THAT, AND THE OTHER

We live and work in a world of acronyms. We provide answers to our customers' FAQs, search for information via the WWW, and even grab lunch from KFC. And we do it all ASAP.

Nowhere, it seems, are acronyms more prevalent than in the financial aid industry. Have you ever been reading something and wonder what ATB, ICRP, or SAIG (Ability to Benefit, Income Contingent Repayment Plan, and Student Aid Internet Gateway) mean? Well, ED's Financial Partners (FP) portal has developed a comprehensive list of acronyms used by the financial aid community. Check it out and maybe you can get some ES out of processing your ISIRs and completing your FISAP, all while consuming a PB&J (yes, even PB&J made the list!).

The acronym list is available on the FP web site at www.fp.ed.gov/PORTALSWebApp/fp/pubs.jsp. It's the last link at the bottom of the page, BTW.

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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@tgscl.org.

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