



IN THIS ISSUE:

FEDERAL UPDATES

- **STAFFORD LOAN MPN EXTENDED..... 1**
- **ED ANNOUNCES NEW FSA CHIEF OPERATING OFFICER..... 1**
- **ED ISSUES UPDATE ON 2002 CHILD CARE FORGIVENESS..... 2**
- **NSLDS ENROLLMENT REPORTING ENHANCES ATTENDANCE TRACKING 2**

TG UPDATES

- **TG’S CONTRIBUTIONS TO NCHelp COMMITTEES 3**

TRENDS AND ISSUES

- **SEPT. 11 SCHOLARSHIP FUND REACHES \$100 MILLION GOAL..... 5**
- **EDUFACTS™—AUGUST 2002 5**

LEGISLATIVE UPDATE 6

THIS, THAT, AND THE OTHER 6

FEDERAL UPDATES

Stafford Loan MPN Extended

The current Stafford Loan Master Promissory Note (MPN) expired on August 31, 2002. The Office of Management and Budget (OMB) has approved an emergency 30-day extension of the expiration date to September 30, 2002.

ED is currently reviewing comments submitted by the industry during the Stafford Loan MPN’s final 30-day comment period. Schools may continue to use the current form until the updated form is published. TG will provide the updated form upon approval.

Questions

If you have questions regarding this extension, or about the Stafford Loan MPN itself, contact TG Customer Assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgsic.org.

ED Announces New FSA Chief Operating Officer

Effective later this month, ED’s office of Federal Student Aid (FSA) will have a student loan industry veteran as its Chief Operating Officer (COO). On August 28, Secretary of Education Rod Paige announced that Theresa S. Shaw will replace Greg Woods, who recently resigned from the position for health reasons.

Ms. Shaw has spent most of her career at Sallie Mae, where she held various positions including COO and senior vice president. Most recently, Ms. Shaw was executive vice president and COO of eNumerate Solutions, Inc., a Sallie Mae subsidiary.

For more information on Ms. Shaw and expectations for her transition into this new position, see ED's press release on the topic at [http://www.ed.gov/Press Releases/08-2002/08282002.html](http://www.ed.gov/Press_Releases/08-2002/08282002.html).

ED Issues Update on 2002 Child Care Forgiveness

ED recently issued an update on the status of the Child Care Provider Loan Forgiveness Program (CCPLFP) for fiscal year (FY) 2002.

Federal Register Notice

In the August 29 Federal Register, available at http://www.access.gpo.gov/su_docs/fedreg/a020829c.html, ED announced:

- The application and forbearance procedures for new and renewal applicants,
- The forbearance procedures for new and renewal applicants, and
- That \$1 million was appropriated for the program for FY 2002.

The notice also confirms that the loans of new applicants who qualify for forgiveness will be paid out of FY 2002 funds, whereas the loans of renewal applicants (those who received partial forgiveness last year) will be paid out of FY 2001 funds.

Nonspecific Deadline

ED has not designated a deadline for applicants for FY 2002. The CCPLFP continues to be administered on a first-come, first-served basis, however, and borrowers are encouraged to apply as soon as possible. The CCPLFP will continue to accept applications until the \$1 million appropriated for FY 2002 have been fully committed.

Forbearance Procedure

In addition to the Federal Register posting, ED's Policy staff recently announced that borrowers who contact ED's CCPLFP support desk seeking information on how to acquire a forbearance while performing qualifying service for forgiveness will be directed to their loan holder to obtain the form. Last year, ED distributed the forbearance forms to borrowers, but borrowers were confused as to where to return the form. This change in procedure is intended to assure that borrowers return the form to the correct entity.

Forms

TG has posted the 2002 Child Care Provider Loan Forgiveness Application and 2002 Child Care Provider Loan Forgiveness Forbearance forms on its web site for download. To access the forms, visit http://www.tgslc.org/tgslc/forms/frms_disforg.htm.

More Information and Questions

For more information about borrower qualifications for Child Care Provider Loan Forgiveness, see *Shoptalk*, Edition 118. For questions about the CCPLFP, contact TG Customer Assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

NSLDS Enrollment Reporting Enhances Attendance Tracking

Earlier this year, ED made several changes to the National Student Loan Data System (NSLDS)—including the introduction of the new Enrollment Reporting process (for more information, see *Shoptalk Online*, Edition 140). Improvements to the NSLDS keep coming, with recent changes to the Enrollment Reporting attendance tracking feature making this useful tool even better than before.

The latest Enrollment Reporting enhancements provide more timely and accurate attendance tracking information for lenders, servicers, and guarantors accessing the NSLDS. Attendance tracking allows schools to update online the enrollment status of students at any time, enhancing the capacity for obtaining current enrollment information on any FFEL or Direct Loan recipient.

Convenient for FAOs

Another newly available feature permits schools to update the attendance status of multiple students simultaneously, instead of having to update each student's record individually. School financial aid officers (FAOs) are already impressed with the convenience of this new feature. "It's a great tool," says Billie Dominguez of Trinity Valley Community College in Athens, Texas.

The improved reporting process "just makes the job here a whole lot easier," says Tedrea Winegeart of American Commercial College in Abilene, Texas. "It's just a really easy program – I enjoy it." Bobbie Trevino of Trinity University in San Antonio echoes those sentiments, adding that the latest enhancements have "made the process a lot smoother and easier."

Graduation Reporting Issue

Schools using the National Student Clearinghouse (NSC) to report enrollment data to the NSLDS may not realize that unless the school provides the NSC with a special file of graduated students, those students are reported by the NSC as withdrawn. As a result of this reporting anomaly, TG has noticed a significant decline in the number of students reported as graduated from schools that utilize NSC for enrollment reporting. By using NSLDS's new online attendance tracking feature to directly report students who leave school before the term ends or who graduate, however, schools can sidestep this potential reporting problem.

Questions

For questions about the new changes to NSLDS Enrollment Reporting, contact Maria Callison at (800) 252-9743, ext. 2917, or send an e-mail message to maria.callison@tgscl.org.

TG UPDATES

TG's Contributions to NCHELP Committees

TG has several team members participating on 2002-2003 National Council of Higher Education Loan Programs (NCHELP) committees. The NCHELP committees bring member industry partners together to explore ways to improve the Federal Family Education Loan Program (FFELP). Committee members:

- Analyze and discuss trends and issues,
- Develop work products such as common forms, and
- Provide information to assist ED and legislators in making decisions that will affect the program.

TG team members participate in committees most closely related to their areas of expertise. When appropriate, they also represent TG and its customers by participating in national dialogue on industry issues.

TG team members currently serve on all existing NCHELP committees as well as the Meteor Advisory Team.

Debt Management Committee

The Debt Management Committee focuses on student loan debt management and default reduction measures for participants in the FFELP. This committee meets several times a year. Phillip Cervin, Vice President of Collections, serves as TG's representative.

Electronic Standards Committee

The Electronic Standards Committee coordinates all NCHELP electronic standardization efforts, including CommonLine, Common Account Maintenance (CAM), and Common Claim Initiative (CCI). This committee has seven advisory teams. Each of these teams reports to the full committee. TG is represented on several of these teams, as well as on the full committee.

Kyle Smith, Assistant Vice President of Loan Guarantee Operations, serves as TG's voting member on the Electronic Standards Committee. She is also a member of the Change Transaction Advisory Team and Co-lead, along with Kim Shiflette of Sallie Mae, of the CommonLine Origination and Disbursement Advisory Team. Howard Seizinger, Technology Consultant, also serves on the Disbursement Advisory Team.

Kay Morgan, Assistant Vice President of NSLDS, participates on the General Common Account Maintenance Advisory Team. Rinn Harper, Vice President of Operations, serves on the Default Aversion and Claims Advisory Team. John Gill, Senior Systems Analyst, is leader of the Electronic Exchange Advisory Team.

Legal Affairs Committee

The Legal Affairs Committee sponsors several open meetings throughout the year to address guarantor, lender, and secondary market issues of concern to FFELP participants. The committee also serves as a resource for NCHELP on legal topics. Neal Combs, TG Senior Vice President and Chief Operating Officer, and Kathleen Holden, Vice President of Legal, co-represent TG on this committee.

Membership Education and Training Committee

The Membership Education and Training Committee provides training sessions and information materials to NCHELP members. Rinn Harper, Vice President of Operations, currently serves as the committee's Vice Chair. He is also Program Chair of the 2002 Fall Training Conference, to be held in Minneapolis from November 3-6, 2002.

Program Operations Committee

The Program Operations Committee monitors and responds to issues pertaining to loan operations and related federal reporting. Kay Morgan, Assistant Vice President of NSLDS, serves on this committee. Kay is also a member of the National Student Loan Data System (NSLDS) and Form 2000 Workgroups, which are subcommittees of the Program Operations Committee.

Program Regulations Committee

The Program Regulations Committee researches federal regulatory issues and develops NCHELP's responses to Notices of Proposed Rulemaking (NPRMs) and other issues. The Program Regulations Committee provides, among other materials, the NCHELP side-by-side analyses of the federal Final Rules for NCHELP members and other interested parties. Laura Kowalski, Assistant Manager of Policy and Regulatory Affairs, is Co-chair of this committee, effective August 1, 2002. Laura's fellow Co-chair is Wanda Hall from edamerica.

Meteor Advisory Team

The Meteor Advisory Team is currently developing the much anticipated Meteor Project. Will Thien, Technology Consultant, is the Meteor Advisory Team Co-chair, along with Brian

Allison of USA Funds. Sam Wilson, Assistant Vice President of Customer Assistance, is also a member of this team.

More Information and Questions

For more information about NCHELP's committees, visit the NCHELP web site at www.nchelp.org. For questions about TG's participation on these committees, contact TG Customer Assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgsllc.org.

TRENDS AND ISSUES

Sept. 11 Scholarship Fund Reaches \$100 Million Goal

The Families of Freedom Scholarship Fund recently reached its goal of raising \$100 million to provide educational assistance for postsecondary study to dependents (children and spouses) of those killed or permanently disabled as a result of the September 11 attacks. The Fund is administered by the Citizens' Scholarship Foundation of AmericaSM (CSFA).

A September 4, 2002, press release from CSFA, available at <http://www.csfa.org/frames/bcs4ne2.php3?newsid=233&cur=0>, states that "A variety of donations—large and small—helped bring the current Fund total to \$105 million in cash, commitments, and pledges." According to the Fund's web site, 100 percent of the principal and the majority of the interest resulting from contributions received will go directly to aid students. A small percentage of the interest generated from the Fund will go toward general administration and fund-raising costs.

CSFA is working with appropriate government agencies to compile a list of potentially eligible applicants, and has already begun distributing scholarships to dozens of recipients. Individual education assistance amounts are determined based on funds available as well as dependents' financial need, as determined by the Fund. Recipients must achieve satisfactory academic progress and can renew their scholarships for up to three years of undergraduate study.

The Fund was established on September 17, 2001, and is co-chaired by former President Bill Clinton and former Senator Bob Dole. Pertaining to the Fund reaching its \$100 million goal, President Clinton said, "I have been truly inspired by the overwhelming support that this special Fund has received from people around the world."

More Information

For more information about the Families of Freedom Scholarship Fund, visit its web site at www.familiesoffreedom.org. The site provides a fact sheet on the Fund, a list of Frequently Asked Questions, and a link (<http://www.scholarships911.org/funds.htm>) to other scholarships available under the "September 11 Scholarship Alliance."

Edufacts™—August 2002

The largest and most diverse student population started postsecondary education this fall. The state of Texas is second only to California in projected enrollment increases over the next ten years and estimates show that Texas will need to educate 414,000 new students by 2007. Roughly half of the 1,044 school districts in Texas are currently building new schools. Houston, Dallas, Brownsville, San Antonio, El Paso, and the Rio Grande Valley are the areas experiencing the most overcrowding. By the year 2010, the number of higher education faculty will need to increase by 11,600 to keep up with the 17.5 million students enrolled in colleges and universities nationwide.

What are today's students studying?

In Texas, business management and administrative services are the most popular areas of study. During FY 2000 in the State of Texas, over 12,000 graduates obtained BAs in those fields. The second most popular course of study, with more than 6,500 graduates, was multi-interdisciplinary studies—a category that includes a number of degree programs that cross subject matter boundaries, such as science and the humanities. The third most popular category of study, with more than 4,500 BA degrees awarded, was social sciences, including history, followed by engineering, with more than 3,000 degrees awarded. (Source: *Fiscal Notes*, August 2001, Texas Comptroller of Public Accounts)

Free Download

Edufacts are available in high resolution files suitable for publication in school or lender internal newsletters, student newspapers, or other publications. The August edition, as well as those for previous months, are available as a free download from TG's web site at <http://www.tgslc.org/tgslc/newsroom/edufacts/index.htm>.

Questions

For questions about TG's *Edufacts*, contact Kristin Boyer at (800) 252-9743, ext. 4990, or at kristin.boyer@tgslc.org.

LEGISLATIVE UPDATE

The September 5 *Legislative Report* includes articles about the challenges faced by the 107th Congress as they begin their final session, the unveiling of Texas' new college savings plan and the renaming of its prepaid college tuition program, and enhancements to Texas student aid plans proposed by state office candidates. Read the details at http://www.tgslc.org/tgslc/publications/lege_report/2002/lr_020905.htm.

THIS, THAT, AND THE OTHER

The Immigration and Naturalization Service (INS) recently issued an interim rule that allows commuter students from Mexico and Canada to study on a part-time basis at schools located within 75 miles of the United States border.

Mexican and Canadian nationals have attended U.S. schools as part-time commuters in the past, but this activity was threatened after security measures were tightened following the events of last September 11. The INS has clarified that in the interest of the special relationship between the U.S. and its neighbors, it would allow students to carry out their studies, provided that they carry required documentation.

For more information about this interim rule, view the INS press release at http://www.ins.gov/graphics/publicaffairs/newsrels/students_NR.htm.

**Contributors to this
month's edition:**

Kristin Boyer

Kelly Kaelin

George Torres

Andrés Cordero, Jr.

Laura Kowalski

Jeffrey Grove

Art Martinez

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Edited by TG Communications and Policy and Regulatory Affairs.

Designed by TG Communications.
