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## FEDERAL UPDATES

### Forms and Disbursement Provisions Expire

Several common forms and two key exemptions to disbursement rules expired on September 30, 2002.

#### Expired Forms

Schools and lenders may continue using the following expired forms until new forms are available:

- **Stafford MPN.** As announced in *Shoptalk Online*, Edition 171, the Stafford Loan Master Promissory Note (MPN), which expired August 31, 2002, was extended to September 30. The Office of Management and Budget (OMB) is expected to extend the form again through December 31, 2002.
- **Deferment Forms.** In Edition 162, *Shoptalk Online* announced the extension of the expiration date on all eight deferment forms from June 30 to September 30, 2002. These forms are in the final stages of development and should be released in a few weeks.

TG will post the new forms on [www.tgslc.org](http://www.tgslc.org) as soon as they are approved. Watch *Shoptalk Online* for the announcement.

#### Expired Exemptions to Disbursement Rules

Temporary exemptions to multiple disbursement and delayed delivery provisions expired yesterday, September 30, 2002. The expiration of these exemptions was addressed in Dear Colleague Letter (DCL) GEN-02-06, which was highlighted in an article in *Shoptalk Online* Edition 168. Since the DCL was released, legislative attempts to make the exemptions permanent were unsuccessful.

Therefore, when certifying FFELP loans on or after October 1, 2002, all schools must now adhere to regulatory requirements regarding:

- The multiple disbursement of loans.
- The 30-day delayed delivery requirement for first-year, first-time borrowers.

Although the push to extend exemptions to these requirements beyond September 30 failed, a political impetus to make these exemptions permanent remains—although budgetary concerns may be an obstacle.

## Questions

If you have any questions about the issues addressed in this article, please contact TG's Customer Assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## ED Announces Electronic Cohort Default Rates

We all know how the student financial aid industry is evolving—everything provided on paper is being converted to electronic form. And it looks like the next thing to go electronic will be cohort default rates.

In a recent announcement, ED publicized that starting with fiscal year (FY) 2001, it will send out electronic cohort default rates (eCDRs) via the Student Aid Internet Gateway (SAIG). This process will launch in February 2003, when ED distributes the FY 2001 draft rates.

Schools must sign up to participate in the eCDR process via the SAIG enrollment form. Beginning this month, the enrollment form is available at [www.sfawebenroll.ed.gov](http://www.sfawebenroll.ed.gov). Foreign schools are not required to complete the form, and will continue to receive hardcopy cohort default rate notifications.

## More Information

For more information on the new eCDR process, see ED's announcement at <http://ifap.ed.gov/eannouncements/0916ecdr.html>.

## TG UPDATES

### TG Hits Quarter-Million Dollar Mark in Teacher Loan Forgiveness

The Teacher Loan Forgiveness Program (TLFP) continues to grow and grow! TG Customer Assistance has been processing applications for this federal program since it began in July 2001. As of September 2002, TG has:

- Approved applications for 55 borrowers,
- Forgiven 90 loans, and
- Issued a cumulative forgiveness amount of over \$257,000.

## Spread the Word

The TLFP is intended to encourage individuals to enter and continue in the teaching profession in certain eligible elementary and secondary schools that serve low-income families. Borrowers who qualify are entitled to forgiveness of up to a combined total of \$5,000 (in principal and accrued interest) of Federal Stafford, Direct, and in certain cases, Consolidation loan obligations.

Since the TLFP was created to promote the teaching profession, this might be a great time (now that the new school year has begun) to inform your education majors about the program. Knowledge of the TLFP may help to encourage these students to stay in their program of study and meet the eligibility requirements for forgiveness.

## A Future Increase in the TLFP Forgiveness Amount?

The U.S. House of Representatives Committee on Education and the Workforce recently approved a measure that would increase the maximum forgiveness amount allowed under the TLFP from the current \$5,000 to \$17,500. The measure would target the increase to math, science, and special education teachers. The legislation, called the CLASS ACT (Canceling Loans to Allow School Systems to Attract Classroom Teachers) Act (HR 5091), must still be passed by the full House and Senate and signed into law by the president. *Shoptalk Online* will keep you informed about the progress of this legislation.

## More Information and Questions

For information about the necessary qualifications for teacher loan forgiveness, refer to *Shoptalk Online* Edition 120. You may also want to check out a series of questions and answers about the TLFP from *Shoptalk Online* Edition 155.

For questions about the TLFP, contact TG Customer Assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## TG, Council Publish White Paper on Dialogue with Student Loan Servicing Community

TG and the Council for the Management of Educational Finance have published a white paper entitled *An Industry Dialogue with Loan Servicers*. The paper provides an overview of current policies and practices related to default prevention strategies, including:

- The use of deferment and forbearance in curing delinquency,
- Loan consolidations, and
- The future of loan servicing.

Information presented in the paper is a result of collaboration and discussion between TG, members of the Council, and a cross-representation of financial aid professionals from student loan servicers, lenders, secondary markets, and Texas institutions of higher education. The document is available on TG's web site at [http://www.tgslc.org/tgslc/publications/reports/servicer\\_default.htm](http://www.tgslc.org/tgslc/publications/reports/servicer_default.htm).

## Highlights from the White Paper

Information featured in the white paper includes:

- An analysis of trend data illustrating that cohort default rates, when tracked beyond the two-year reporting period required by the Department of Education, continue to escalate over a 10-year period;
- Factors that have contributed to the increasing use of forbearance in curing delinquent loans;
- Potential long-term effects of current practices in loan consolidation on the future of loan servicing; and
- An overview of TG's newly-launched delinquency prevention program.

## Participants

Lenders and servicers who contributed to the production of the white paper and participated at the initial meeting in June include:

- Affiliated Computer Systems Inc. (formerly known as AFSA Data Corporation),
- Brazos Higher Education Authority,
- LoanStar Systems Inc.,
- Nelnet,

- North Texas Higher Education Authority,
- Panhandle Plains Student Loan Center,
- Sallie Mae,
- SunTech Inc.,
- Texas Higher Education Coordinating Board,
- Wells Fargo EFS,
- Student Loan Express, and
- First National Bank - Bryan/College Station.

Participating Council members represented schools from various sectors, including:

- Texas A&M University,
- Our Lady of the Lake University,
- Dallas Baptist University,
- Court Reporting Institute of Dallas,
- University of Houston,
- University of Texas at El Paso, and
- University of Texas at Brownsville.

### **More Information**

For more information on *An Industry Dialogue with Loan Servicers*, or for more information about TG's Voluntary Flexible Agreement (VFA) or other delinquency and default prevention efforts, contact Sue McMillin, TG Senior Vice President for Customer Relations and Business Operations, at (800) 252-9743, ext. 4949, or send an e-mail message to [sue.mcmillin@tgscl.org](mailto:sue.mcmillin@tgscl.org)

## **TG Recognizes Outgoing LSA Members**

TG recognized the commitment, continuous input, and support of twelve outgoing members of the Lender and School Advisory (LSA) Committees during a recent meeting at TG.

Among those recognized for having served TG with their expertise for the past two years were Linda Ballard (University of Houston – Clear Lake), Jan Benton (Amarillo National Bank), Beverly Cottingham (TASFAA), Jill Mohr (Trinity University), Susan Perez (San Antonio Teachers Credit Union), Tammy Roark (PNB Financial Bank), Peggy Rogers (ATI Career Training Center), Brian Sunshine (SLMA), Ismael Talavera (Southwest Texas Junior College) and Gary West (Abilene Christian University). As a small token of appreciation for their extraordinary commitment and dedication, they received a framed certificate of appreciation and a desk clock.

Co-chairs of the LSA Committees Rhonda Metz (Bank of America) and David Ximenez (Richland College), whose two-year terms also came to an end, were thanked for their exemplary commitment in advising TG on its planning process and conducting LSA Committee business. Both received appreciation certificates and a briefcase.

“We very much appreciate the efforts of the LSA Committees,” said Kim Alexander, TG’s Vice President for Customer Focus. “We can’t thank them enough for their continuous commitment in representing postsecondary education institutions, lenders, secondary markets, and servicers of the FFELP community and in advising TG on industry issues. We hope to be able to count on their advice and support in the future in order to continue improving the financial aid process for all parties involved.”

Each year, TG requests the input of the Texas Association of Student Financial Aid Administrators (TASFAA) and Association of Texas Lenders for Education (ATLE) boards, the FFELP community at large, and TG team members in developing a slate of candidates for new LSA Committee membership. To nominate a candidate or to receive more information about the LSA Committees, please contact Sheila Casey at (800) 252-9743, ext. 4576, or send an e-mail message to [sheila.casey@tgsfc.org](mailto:sheila.casey@tgsfc.org).

## TRENDS AND ISSUES

### Series Part II: Making the Most of Your Conference Attendance

The fall conference season is close at hand. Many state and regional associations are gearing up for their annual meetings, including the 2002 Texas Association of Student Financial Aid Administrators (TASFAA) Conference, October 15-18, in Galveston. Many of you are looking forward to spending time with colleagues and brushing up on the latest industry trends and developments.

In this second installment of a three-part series, *Shoptalk Online* focuses on tips to help you maximize your time at your event. To access the previous installment, see *Shoptalk Online* Edition 173.

#### Review materials when you arrive and plot your strategy

After you register, spend a good fifteen to thirty minutes reviewing conference materials to plan your agenda. Highlight those sessions you will attend. If there are two events that conflict, label one “A” for attend, and the other “H” for handouts. This will remind you to ask for copies of the materials provided at the session you will not attend.

#### Take useful notes and ask questions

Avoid taking down notes on everything discussed, as you may miss important points. Instead, listen closely. Take down quick notes only on those items that need clarification. Also, ask questions. Chances are, if you need clarification, others may need it as well. At the very least, presenters can use the opportunity to reinforce their points.

#### Meet as many people as possible

Foster relationships. Prepare a quick two- or three-sentence introduction, and use it when an opportunity arises to greet strangers. If you want to exchange information at a later date, offer your business card and commit to a quick e-mail or phone call after the event.

#### Sort your materials and notes for distribution when you return

Conference events always supply plenty of information. At times, it may seem like too much. However, every piece of information you collect will probably benefit someone in your office. As you receive materials, note colleague names who may benefit from the information on a corner of the document, and store materials in your survivor kit (described in the previous installment of this series). Then, when you return, you can quickly route materials.

#### Eat well, get rest, and exercise—and don't over do it

Avoid getting caught up in the hustle and bustle of events and neglecting your basic needs. Do not skip meals, but also resist eating too many unhealthy desserts and snacks. Plan a short thirty-minute nap at a good time during the day to build up energy. Exercise if possible. A short increase in stress is natural during these activities—but don't leave yourself vulnerable to exhaustion or illness. And, of course, enjoy the event!

## Upcoming event information

For a listing of several association meeting dates, visit TG's Events Calendar at <http://www.tgslc.org/tgslc/abouttg/dates.htm>.

## LEGISLATIVE UPDATE

The September 25 issue of the *Legislative Report* offers articles on a hearing of the Texas Senate Committee on Education and a status report on Congress's progress in addressing legislative issues as the session nears conclusion. Read the details at [http://www.tgslc.org/tgslc/publications/lege\\_report/index.htm](http://www.tgslc.org/tgslc/publications/lege_report/index.htm).

## THIS, THAT, AND THE OTHER

The National Council of Higher Education Loan Programs (NCHELP) has recently renovated the e-Library section of its web site. This newly redesigned section has everything from Federal Registers and Dear Partner Letters (back to 1979) to presentations from past NCHELP events and Training Modules.

The e-Library is grouped into the following fourteen categories:

- Laws
- Regulations
- Federal Registers
- Dear Partner Letters
- Common Manual
- Forms
- Manuals/Guides/CommonLine Info
- Legal Proceedings
- Training Modules
- Job Aid Reference Materials
- Reports/Testimonies (still "under construction")
- Presentations
- Higher Education Research
- Morning Briefing (NCHELP Members only – password protected)

The NCHELP Web site is located at [www.nchelp.org](http://www.nchelp.org). To access the e-Library, click on the link located in the red area at the top of the page.

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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. 4732 or [communications@tgslc.org](mailto:communications@tgslc.org).

Edited by TG Communications and Policy and Regulatory Affairs.

Designed by TG Communications.

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