



### IN THIS ISSUE:

FEDERAL UPDATES..... 1

- **ED PUBLISHES NEW FSA HANDBOOK..... 1**

TG UPDATES ..... 2

- **FALL 2002 TUG CONFERENCE SCHEDULED FOR NOVEMBER 14..... 2**

TRENDS AND ISSUES..... 2

- **LOAN DISBURSEMENT Q&A ..... 2**
- **MEETING AT TG TO GATHER INPUT ON MYF ONLINE COUNSELING..... 4**

COMMON MANUAL..... 5

- **COMMON MANUAL RESTRUCTURING BEGINS..... 5**

THIS, THAT, AND THE OTHER... ..... 6

## FEDERAL UPDATES

### ED Publishes New FSA Handbook

The new *Federal Student Aid Handbook* for 2002-2003 is now available online. This December, ED plans to mail copies of the newly updated FSA Handbook to all schools participating in the Federal Student Aid programs.

The 2002-2003 FSA Handbook contains the following sections:

- Application and Verification Guide
- 2002-2003 Verification Worksheets
- Volume 1 - Student Eligibility
- Volume 2 - Institutional and Program Eligibility
- Volume 3 - Federal Pell Grant Program
- Volume 4 - Campus Based Common Provisions
- Volume 5 - Federal Perkins Loans
- Volume 6 - Federal Work Study
- Volume 7 - Federal Supplemental Educational Opportunity Grants
- Volume 8 - Direct Loan and FFEL Programs
- Volume 9 - State Grant Programs
- Student Loan Guide (NEW)

You can view and download any of the preceding sections of the 2002-2003 FSA Handbook at <http://www.ifap.ed.gov/IFAPWebApp/currentSFAHandbooksYearPag.jsp?p1=2002-2003&p2=c>.

## TG UPDATES

### Fall 2002 TUG Conference Scheduled for November 14

Mark your calendars now for the Fall 2002 TG Users Group (TUG) Conference. The conference will be held in Austin on Thursday, November 14, 2002.

TUG conferences offer schools and lenders the opportunity to share ideas with colleagues and provide input to TG. An agenda is available online at [http://www.tgslc.org/tgslc/tug/agen\\_20021114.htm](http://www.tgslc.org/tgslc/tug/agen_20021114.htm).

#### TUG Elections

Fall is the time when TUG board members complete their terms. TG will acknowledge the service and contributions of this year's board members at the conference, and attendees will elect new board members for the coming year.

#### Conference Site

The November 14 conference will be held at the Joe C. Thompson Conference Center on the University of Texas campus. The conference center offers ample parking at the intersection of Red River and Dean Keeton (26th) Streets.

#### Registration and Nominations

Conference registration forms, board member nomination forms, and hotel recommendations were distributed through the TUG listserv last week. If you did not receive this information or have any questions about the conference, please contact Sheila Casey at (800) 252-9743, ext. 4576, or send an e-mail message to [sheila.casey@tgslc.org](mailto:sheila.casey@tgslc.org).

Your registration will help TG ensure that adequate seating and food accommodations are available.

## TRENDS AND ISSUES

### Loan Disbursement Q&A

In light of the recent expiration of two provisions related to loan disbursement, *Shoptalk Online* has assembled a series of Q&As on the topic.

**Q: Does the 30-day delayed disbursement rule apply to first-time PLUS loan borrowers?**

A: No—according to federal regulations, “A school may not release the first installment of a Stafford loan for endorsement to a student who is enrolled in the first year of an undergraduate program of study and who has not previously received a Stafford, SLS, Direct Subsidized, or Direct Unsubsidized loan until 30 days after the first day of the student’s program of study” [34 CFR 682.604(c)(5)]. Therefore, the regulation applies only to first-year, undergraduate Stafford loan borrowers who are borrowing for the first time.

**Q: Do the multiple disbursement requirements apply on a loan-period or payment-period basis?**

A: According to the *Common Manual*, subsection 5.8.D, “The payment period is the basis on which a school must schedule and deliver disbursements for a particular loan period.” In addition, for a loan period that consists of more than one payment period, the school must deliver loan proceeds at least once in each payment period. If a loan period consists of only one payment period, the school must deliver loan proceeds at least twice during that payment period (also from the *Common Manual*, subsection 6.3.E).

**Q: Must all disbursements of a loan be equal?**

A: Yes—a school must deliver loan proceeds on a payment-period basis in substantially equal installments, with no installment exceeding one half of the loan amount (*Common Manual* subsection 6.3.E).

**Q: Has the time frame by which a school may issue a late disbursement changed recently?**

A: Not yet, but it’s on the horizon. Currently, according to the *Federal Student Aid Handbook*, Volume 8, Chapter 6, page 8-63, if a student is otherwise eligible for a late disbursement, “A school must make the late disbursement no later than 90 days after the date that the borrower became ineligible for the loan.” Recent proposed changes to the federal regulations would increase the length of time a late disbursement may be issued from 90 days to 120 days after the borrower became ineligible. ED is expected to finalize the proposed changes this November.

**Q: If a school has to return a disbursement where the actual amount of the disbursement differed from the amount certified for the disbursement, which amount should the school return?**

A: The school should return the amount actually disbursed (TG’s Support Knowledgebase, <http://tgslc.custhelp.com/cgi-bin/tgslc.cfg/php/enduser/home.php>).

**Q: What is the difference between “disbursement” and “delivery”?**

A: ED uses the term disbursement to apply to the issuance of all types of financial aid from the school to the student. However, to distinguish between the transfer of funds between lender and school and the transfer of funds between school and student, the *Common Manual* uses “disbursement” for lender activities and “delivery” for school activities. Both terms are defined as follows:

Disbursement: The transfer of loan proceeds by individual check, master check, or electronic funds transfer (EFT) by a lender to a borrower, a school, or an escrow agent. (*Common Manual* Glossary)

Delivery: A school’s processing of Stafford and PLUS loan proceeds and delivery of those proceeds to borrowers. (*Common Manual* section 6.3)

## Meeting at TG to Gather Input on MYF Online Counseling

Mapping Your Future (MYF) wants to know what financial aid professionals would like in the next version of its Online Student Loan Counseling (OSLC). OSLC 3.0, as the next evolution will be called, will be the topic of discussion during a two-day meeting to be conducted October 29 and 30 at the offices of TG. Any MYF team member is welcome to attend.

At this joint application development session, participants will discuss comments and suggestions from schools and students regarding OSLC, brainstorm new ideas, and plan how to address those ideas and suggestions. The meeting will also cover technical issues and industry standards as well as a review of the history of OSLC.

### Agenda

The agenda includes the following:

#### *Tuesday, Oct. 29*

8:30 a.m. to 4:30 p.m.

1. Introduction
2. Process and Purpose of Meeting
3. History of Online Student Loan Counseling
4. Customer Perspective
5. Industry Standards update
  - a. Technology
  - b. Financial Aid
6. Re-engineering of Online Student Loan Counseling
7. Lunch (11:30 a.m.)
8. Brain-Storming Session (Exploring and Discovering the Objectives)
9. Determining Priorities and Scope

#### *Wednesday, Oct. 30*

8:30 a.m.

Continue Brain Storming and Determining Priorities and Scope

Gather Functional Requirements

Closing: Next Steps, Assignments, Future Involvement of Participants, Schedule Future Calls

### To Attend or for More Information

Those interested in attending the meeting should RSVP to Cathy Mueller at [cathy.mueller@mapping-your-future.org](mailto:cathy.mueller@mapping-your-future.org) so that MYF will have enough materials and refreshments for the meeting. Cathy can also provide information on TG's location as well as travel arrangements.

MYF is a public service web site providing college, career, and financial aid information and services. MYF is sponsored by TG and other guarantors and is supported by many lenders and servicers across the country.

# COMMON MANUAL

## ***Common Manual* Restructuring Begins**

In September 2001, the *Common Manual* Governing Board organized a subcommittee for the purpose of improving the manual's navigation and the flow of its information. This "Restructuring Subcommittee" surveyed the FFELP community via the *Common Manual* public listserv to determine user opinions about the manual's current organization. Survey results indicated that most users enthusiastically support the manual's life-of-the-loan organization, but want to see material presented in smaller segments annotated with more specific subtitles and section numbers. The Restructuring Subcommittee is responding to these community observations in its latest project.

### **Project Details**

Users of the *Common Manual* will see results of the Restructuring Subcommittee's work when the 2003 version of the manual is released next July. The most noticeable change will be in the manual's core chapters (5 through 8), which will be divided into shorter, single-topic segments, thereby increasing the number of chapters. Existing text will remain substantively unchanged but, in some cases, will be reordered to more closely follow the life-of-the-loan format. The subcommittee believes that this structure will make the manual easier to use in both electronic and paper environments. In addition, the subcommittee is preparing a matrix to show the "old" and "new" locations of subsections to speed the transition to the new format for those who are familiar with the manual's historic structure.

As with all *Common Manual* development efforts, the subcommittee will share the proposed structural and organizational changes with interested community members. The subcommittee will post a notice on the *Common Manual* public listserv to solicit names of those users who would like to review the changes and will provide draft documents to those who volunteer to review the subcommittee's work.

### **Core Chapter Changes**

The core chapters being reviewed for restructuring are noted below:

- Chapter 5, "Borrower Eligibility and Loan Certification" becomes two smaller chapters ("Borrower Eligibility" and "School Certification")
- Chapter 6, "Guarantee, Disbursement, and Delivery" becomes two smaller chapters ("Loan Origination" and "Loan Delivery")
- Chapter 7, "Loan Servicing" becomes two smaller chapters ("Loan Servicing" and "Deferments and Forbearances")
- Chapter 8 and Chapter <sup>CCI</sup> 8, "Delinquency, Default, and Claims" will merge and then become four smaller chapters ("Forgiveness and Discharge," "Delinquency," "Claim Filing," and "Cures and Penalties")

### **About the Manual**

First published in December 1995, the *Common Manual* is a cooperative effort of the 36 guarantors that participate in the FFELP. The manual, one of a number of efforts by guarantors to simplify and streamline the FFELP for schools and lenders, provides a single, standardized set of current student loan rules and FFELP policy guidance for schools and lenders.

Guarantors provide the *Common Manual* to thousands of colleges, universities, and financial institutions nationwide, in print, compact disc and web-based formats.

## More Information

For more information about the efforts of the *Common Manual* Restructuring Subcommittee, contact Kelly Kaelin, TG Policy Advisor, at (800) 252-9743, ext. 4783, or send an e-mail message to [kelly.kaelin@tgsic.org](mailto:kelly.kaelin@tgsic.org).

## THIS, THAT, AND THE OTHER...

ED is presenting a teleconference this Thursday, October 24, 2002, from 1-3 p.m. (ET) entitled "The FSA Application Processing System: What's New for 2003-2004."

Details on the topics to be addressed are available in *Shoptalk Online* Edition 172.

You can register for the teleconference at <http://www.edvideo.walcoff.com>.

If you haven't already made plans to participate at one of the many host sites across the country, log on for the live videoconference webcast at <http://www.edvideo.walcoff.com/webcast.html>.

---

<b>Contributors to this edition:</b>	Kelly Kaelin Art Martinez	Steve Schmidt Kristin Boyer	Andrés Cordero, Jr.
--------------------------------------	------------------------------	--------------------------------	---------------------

---

*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@tgsic.org](mailto:communications@tgsic.org).

Edited by TG Communications and Policy and Regulatory Affairs.

Designed by TG Communications.

---