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## FEDERAL UPDATES

### ED Issues Final Rules

In the November 1, 2002, *Federal Register*, ED issued the Final Rules that resulted from the spring 2002 Negotiated Rulemaking sessions.

#### Topics Addressed

The Final Rules from both teams (Team I negotiated student loan issues and Team II negotiated program and other school issues) pertain to the following topics, among others:

##### *Team I*

- Entrance and exit counseling requirements
- Stafford loan first payment due date
- Deferment and forbearance simplification
- Partial Consolidation loan discharges
- Retention of promissory notes

##### *Team II*

- GEAR UP packaging requirements
- Return of Title IV Funds
- Federal Work-Study at for-profit schools
- The late disbursement timeframe

- Branch campuses
- Change of ownership
- Definition of “academic year”
- The “12-hour rule”

### **Effective Dates and Implementation Dates**

According to the *Federal Register*, all but one of these final regulations (with the one exception pertaining to a new GEAR UP program regulation effective December 2, 2002) are effective on July 1, 2003. Title IV program participants may, however, at their discretion, choose to implement all of the provisions of these final rules on or after November 1, 2002.

### **To Access the Final Regulations**

To view or download these Final Rules, visit TG’s corporate web site at [www.tgslc.org](http://www.tgslc.org) and click on “2002 Final Regulations” under either “For Schools” or “For Lenders.”

### **More Information to Come**

TG will provide a more in-depth analysis of these new regulations in an upcoming edition of *Shoptalk Online*. Stay tuned!

## **ED Promotes Use of FAFSA Pre-Application Worksheet**

In an October 22, 2002, electronic announcement, ED’s office of Federal Student Aid (FSA) encourages schools to educate applicants who will complete the FAFSA on the Web next year about the availability of the *2003-2004 FAFSA on the Web Pre-Application Worksheet*. Specifically, FSA states that since the questions on the 2003-2004 online FAFSA will not follow the exact same order as the 2003-2004 paper FAFSA, it is very important that applicants use the *Pre-Application Worksheet* instead of a paper FAFSA to prepare to complete the FAFSA on the Web.

### **Background**

FSA added the *Pre-Application Worksheet* as a feature of the FAFSA on the Web for the 2000-2001 award year. The worksheet is intended for applicants to print and use to collect financial information before attempting to complete their FAFSA online. It contains an abbreviated list of questions that allow applicants and their parents to:

- Familiarize themselves with the kinds of questions they’ll need to answer on the FAFSA on the Web.
- Realize which documents they’ll need to fill out the online application.

### **Availability of the 2003-2004 Pre-Application Worksheet**

FSA will soon post a printable version of the *Pre-Application Worksheet* on the Information for Financial Aid Professionals (IFAP) web site ([www.ifap.ed.gov](http://www.ifap.ed.gov)) and on the FSA Students Portal ([www.studentaid.ed.gov](http://www.studentaid.ed.gov)). Schools are encouraged to print and circulate these worksheets or send their students to the Students Portal to print copies themselves. Circulating these worksheets will also likely reduce schools’ bulk orders of FAFSAs for the 2003-2004 award year.

## More Information

To view the electronic announcement referenced in this article, visit [www.ifap.ed.gov/eannouncements/1022BPOS0304.html](http://www.ifap.ed.gov/eannouncements/1022BPOS0304.html). This electronic announcement contains additional information about ordering bulk quantities of 2003-2004 application materials.

## IFAP Gets a Face-Lift

On October 28, 2002, ED's Office of Federal Student Aid (FSA) unveiled a redesigned Information for Financial Aid Professionals (IFAP) website (<http://www.ifap.ed.gov>), providing easier access to the vast array of FSA publications that IFAP provides the financial aid community.

### Changes Front and Center

The largest change is IFAP's new front page. Your favorite links to Dear Partner Letters, Electronic Announcements, and FSA Handbooks are still there, but links to many other popular documents and publications have been added to the front page, including conference presentations, audit guides, the Cohort Default Rate Guide, NSLDS reference materials, and drug and Return of Title IV Funds (RT4) worksheets.

In addition, the new front page features a simpler text-driven format, which makes finding the right materials faster than ever. For those already familiar with IFAP, though, FSA stuck with what worked on the old IFAP, and all documents housed on IFAP can still be accessed by title and by topic.

### IFAP's New Style

The front page isn't all that's new, however; every page on the site has been updated to IFAP's new visual format, including a standard masthead at the top of each page that contains a series of handy buttons. The What's New page shows you recent postings in a variety of IFAP sections, while the Help Center offers you plenty of assistance in finding the right resources and getting the most out of IFAP.

Over time, FSA will modify its web pages to incorporate this masthead, making navigation through all FSA pages even easier.

### Move On Over

The redesign of the site, coupled with refinements to the FSA Schools Portal, allows IFAP to return to its original mission as a library of Title IV documents. The school services information links, calendar of financial aid events, and current headlines have all moved to the Schools Portal. To access these and other school resources, visit the Schools Portal at <http://sfa4schools.sfa.ed.gov/>.

## More Information

To read ED's announcement regarding the redesigned Information for Financial Aid Professionals website, go to <http://www.ifap.ed.gov/eannouncements/2002newIFAP.html>. For questions about FSA resources on the Internet, contact TG Customer Assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## TRENDS AND ISSUES

### Edufacts™ – October 2002

According to the latest information from the U.S. Census Bureau in *Financing the Future—Postsecondary Students, Costs and Financial Aid: 1996-97*, about 70 percent of full-time students under age 25 were claimed as dependents on their parents' income tax returns. Even though they may be claimed as dependents on someone else's tax returns, many students foot the bill for higher education themselves.

Many families still believe that not claiming a student as a dependent on their income tax returns will make the student eligible for additional federal financial aid. This has not been true since the 1992 Reauthorization of the Higher Education Act, when the rules changed.

While a student's status does affect the types and amounts of federal aid he or she may receive, the dependency criteria for financial aid eligibility differ from the dependency criteria for claiming a tax exemption. In most cases, a student must demonstrate his or her independence—irrespective of being claimed as a dependent—in order to qualify as an “independent” student.

For purposes of federal student aid, a student is considered independent if he or she meets one or more of the following criteria:

- The student is at least 24 years old by December 31 of the award year.
- The student is an orphan or ward of the court, or was a ward of the court until he or she reached age 18.
- The student is a veteran of the U.S. Armed Forces.
- The student is a graduate or professional student—regardless of whether the student is claimed as an income tax exemption by his or her parents for the first calendar year of the award year.
- The student is married.
- The student has legal dependents other than a spouse.
- The student is determined to be independent—and is documented as such—by a financial aid administrator on the basis of special circumstances.

A student is considered dependent if he or she does not meet any of the preceding criteria for an independent student.

Questions regarding the dependency status of students with regard to federal student aid eligibility can be directed to TG Customer Assistance at (800) 845-6267 or via e-mail at [cust.assist.@tgslc.org](mailto:cust.assist.@tgslc.org).



## Free Download

This edition of Edufacts is available in a high resolution file suitable for publication in school or lender internal newsletters, student newspapers, or other publications. You can download it free from TG's web site at [www.tgslc.org/tgslc/newsroom/edufacts/index.htm](http://www.tgslc.org/tgslc/newsroom/edufacts/index.htm).

## MYF Chat to Feature Career Planning Assistance

Students planning for the future, adults getting ready for career changes, and parents helping children with career choices will benefit from an upcoming interactive Chat on Mapping Your Future (MYF) ([www.mapping-your-future.org](http://www.mapping-your-future.org)) – a college, career, and financial aid web site.

This live event, scheduled on November 5 from 6 p.m. to 7 p.m. (Central) provides a unique opportunity to receive career and internship advice as well as financial aid information and assistance in completing the Free Application for Federal Student Aid (FAFSA).

Experts in career counseling from all over the country will take part in the Careers, Internships, and the FAFSA Chat. Counselors will respond to the questions of Chat participants concerning the career planning process.

During this Chat Night event, participants will learn about:

- Career planning
- Setting career goals
- Determining the best career
- Resources for additional assistance or information about careers
- Job search techniques
- Financial aid information
- FAFSA instructions

Anyone with Internet access can join in the Chat Night by visiting [mapping-your-future.org](http://mapping-your-future.org) on the World Wide Web. Students and parents can even pre-register and choose to have a reminder sent a few days before the event.

On the evening of the Chat Night, visitors will go to [mapping-your-future.org](http://mapping-your-future.org) and select the Chat session. Simple instructions will guide them on how to join the event.

MYF is sponsored by TG and other student loan guaranty agencies and supported by “Friends” members, which include lenders and services from around the country.

## COMMON MANUAL

### Common Manual Updates

**Note:** Current *Common Manual Updates* (Updates) and the *Integrated Common Manual* (ICM) are available at [http://www.tgslc.org/tgslc/schools/integrated\\_online\\_manual.htm](http://www.tgslc.org/tgslc/schools/integrated_online_manual.htm). By posting *Updates* and the ICM online, TG offers its customers access to new policies shortly after the *Common Manual* Governing Board approves them.

### Applying for a Stafford Loan

This policy removes references to the Stafford common application and promissory note, time-sensitive information about the Master Promissory Note (MPN), and redundant information regarding the implementation of the MPN. This time-sensitive information is now recorded in

appendix H. The revision also divides section 5.1 into two subsections, 5.1.A. “Applying for a Federal Stafford Loan” and 5.1.B “Applying for a Federal PLUS Loan.”

<b>Affected Sections:</b>	Chapter 5 / Introduction, 5.1
<b>Effective Date:</b>	Stafford loans certified by the school for any period of enrollment beginning on or after July 1, 2000, and for any loan certified on or after July 1, 2000, regardless of the loan period begin date.
<b>Basis:</b>	HEA 432(m)(1)(C); §682.102(a), as updated in the <i>Federal Register</i> dated November 1, 1999.
<b>Policy Information:</b>	616/Batch 96
<b>Guarantor Comments:</b>	None.

### Treasury Offset

The *Common Manual* has been revised to standardize the way in which it refers to state offsets and to federal Treasury offsets. The term “Treasury offset” has been added to clarify that federal offsets, managed by the U.S. Treasury Department’s Financial Management Service, may include the offset of federal payments other than tax refunds, such as Social Security benefits or federal retirement benefits. A definition of the new term has been added to the glossary. References to state offsets have been revised to eliminate specific mention of state income taxes or taxes and will be more generic since states may offset funds other than tax refunds.

<b>Affected Sections:</b>	6.1.I, 8.9, 8.10, <sup>CCI</sup> 8.9, <sup>CCI</sup> 8.10, appendix G
<b>Effective Date:</b>	January 1, 1999. Guarantors will delay enforcement of FFELP disclosure requirements until such time as the amended provisions are reflected in common application documents. However, lenders should be aware that changes to federal processes have been in place for some time and default consequences to borrowers may be more comprehensive than lenders are currently disclosing to their clients.
<b>Basis:</b>	26 CFR Part 301.
<b>Policy Information:</b>	621/Batch 97
<b>Guarantor Comments:</b>	None.

## Economic Hardship Deferment

The *Common Manual* is being revised to conform with technical corrections made to federal regulations regarding the length of economic hardship deferments. The revised policy requires the lender to grant an economic hardship deferment in increments of up to 1 year, not to exceed a total of 3 years. Language has also been added to indicate that a borrower who is serving as a volunteer in the Peace Corps may be eligible for an economic hardship deferment for the lesser of the borrower's full term of service in the Peace Corps or the borrower's remaining period of economic hardship deferment eligibility under the 3-year maximum.

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<b>Affected Sections:</b>	7.10.P
<b>Effective Date:</b>	Economic hardship deferments granted by the lender on or after July 1, 2001.
<b>Basis:</b>	Technical corrections to §682.210(s)(6) published in Part III of the <i>Federal Register</i> , dated June 29, 2001, page 34763.
<b>Policy Information:</b>	622/Batch 97
<b>Guarantor Comments:</b>	None.

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## Withdrawal Dates

The *Common Manual* has been updated to remove redundant information and to reorganize other information to more clearly delineate the difference between the student's withdrawal date and the date the school determines that the student has withdrawn.

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<b>Affected Sections:</b>	4.6
<b>Effective Date:</b>	Official or unofficial withdrawal determinations made by the school on or after October 7, 2000, unless implemented earlier by the school on or after November 1, 1999.
<b>Basis:</b>	34 CFR 668.22.
<b>Policy Information:</b>	623/Batch 97
<b>Guarantor Comments:</b>	None.

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## Forbearance

The *Common Manual* is being revised to add "Repayment Accommodation" and "Exceptional Circumstances" subheadings to existing language in 7.11.D in order to clarify the text describing those forbearance situations. The manual is also being revised to move forbearance information for unpaid refund from "Mandatory Administrative Forbearance" to "Administrative Forbearance" for accurate placement.

<b>Affected Sections:</b>	7.11.B, 7.11.D
<b>Effective Date:</b>	For requests for unpaid refund discharges sent to the borrower on or after July 1, 2000, unless implemented earlier by the lender.
<b>Basis:</b>	§682.211.
<b>Policy Information:</b>	624/Batch 97
<b>Guarantor Comments:</b>	None.

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

A new report finds that students with greater family and work responsibilities tend to participate in distance education programs at higher rates than those with fewer family and work responsibilities. The report, *A Profile of Participation in Distance Education: 1999-2000*, was released by ED's National Center for Education Statistics (NCES).

In addition to student demographics, the report also examines the different types of technology used in distance education and how students rate their satisfaction with distance education courses and traditional courses held on campus.

For the full report, visit the NCES web site at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2003154>

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