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FEDERAL UPDATES

ED Updates Disability Discharge Form

ED recently published Dear Partner Letter GEN-02-12, approving an updated Loan Discharge Application: Total and Permanent Disability. A borrower must submit this form when requesting a total and permanent disability (TPD) loan discharge.

July 1 Changes

The new form is updated to reflect regulatory changes concerning TPD loan discharges that went into effect on July 1, 2002. ED previously outlined a new process for TPD discharges in response to these regulatory changes in Dear Partner Letter GEN-02-03, and the new process was explained in *Shoptalk Online* Edition 159.

Out With the Old...

Before the new form was approved, customers processing TPD discharge requests for borrowers on or after July 1, 2002, were required to provide those borrowers with additional information detailing the new TPD discharge eligibility criteria and discharge process. That information is now included on the revised TPD discharge request form; therefore, TG urges all customers to begin using the revised form right away.

...In With the New

The revised form is the only one that may be distributed for use for TPD discharge requests on or after March 31, 2003. Other TPD discharge applications may still be processed after that

date, but the revised form must be sent to borrowers for any TPD discharge request received on or after March 31, 2003.

Learn More

The new form is available to download or print from http://www.tgslc.org/tgslc/forms/frms_tpd.htm. To read ED's Dear Partner Letter GEN-02-12, visit the Information for Financial Aid Professionals website at <http://www.ifap.ed.gov/dpclatters/gen0212.html>.

If you have questions about the TPD discharge process, contact TG Customer Assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

Special Allowance Rates: Quarter Ending December 31

The following rates apply for the quarter ending December 31, 2002:

- The average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending December 31, 2002, is 1.36 percent.
- The average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter ending December 31, 2002, is 1.50 percent.

The FFELP special allowance rates for the most recent quarter are available at <http://www.tgslc.org/tgslc/lenders/SA123102.pdf>.

Questions

For questions about special allowance rates, contact TG Customer Assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

TG UPDATES

A Day in the Life of TG's Office of the Ombudsman

with Luanne Dodge, TG Borrower Advocate

Making Contact

TG created the Office of the Ombudsman (Ombudsman) in 1994 to provide borrowers with information and guidance to resolve their concerns about their student loans. The office provides borrowers with an advocate on whom borrowers can rely to research their problems and determine if they have been treated fairly. To empower TG borrowers who may feel exasperated from going through endless channels to get help, borrowers may contact the Ombudsman directly—without having to go through a prescribed process first.

Luanne Dodge, TG's Ombudsman, states, "When the Ombudsman position at TG was first established, and for a number of years following, there were very specific escalation procedures in place for the process of dispute investigations. I do not require that the borrower first follow any specific escalation path before bringing his or her issues to my attention. I welcome any borrower who calls me."

Handling Borrower Issues

The Ombudsman hears inquiries on a variety of issues ranging from less demanding topics such as how to complete the FAFSA to more onerous topics such as default collection. For instance, some borrowers may not understand the impact that interest capitalization has on their loans,

especially after a loan has defaulted. The Ombudsman provides borrowers with a detailed analysis of the status of their loans, but more importantly, she provides borrowers with impartial recommendations for the long-term resolution of their problems. Often this requires explaining, at a very elementary level, all aspects of a borrower's loan.

Luanne explains, "Defaulted borrowers have options that they didn't have when I started out in this business. I encourage these borrowers to start a positive plan of action to resolve the defaults rather than focusing on the unfortunate circumstances that may have occurred in the past. Fresh starts might have to begin by the borrower taking repayment baby steps, but initiating student loan repayment into a borrower's budget is critical to their long-term recovery from default. It is my job to get the borrower to stop, look, and listen and then be able to make informed decisions."

Remaining impartial allows the Ombudsman the ability to provide innovative solutions to a borrower's issues. To earn the borrower's trust, she works under the following principles:

- First, listen carefully and write down the borrower's concerns.
- Acknowledge the borrower's concerns.
- While communicating with the borrower, don't read the borrower's prior loan history; instead, listen carefully to what the borrower has to say.
- Don't try to correct the borrower during verbal communications.
- Don't be defensive.
- Be patient and respectful to the borrower.
- Always show real concern for the borrower.
- Hear everything the borrower has to say and then get back to the borrower:
 - After thoroughly researching the borrower's loan history and
 - After performing an analysis of the issue(s).

An Ombudsman needs a wide range of knowledge of the student loan industry and must possess certain behavioral traits, such as patience, compassion, and a deep-seated commitment to the job and to borrowers experiencing difficulty.

Growth of Awareness

Awareness of the Ombudsman has increased over the years and more and more borrowers are utilizing the Ombudsman's services. "The increase in case referrals is not due to increased problems with student loan servicing, but rather due to borrowers' increased awareness of the assistance that is now available on both the guarantor and federal levels," explains Luanne. Each guarantor now has an Ombudsman-type position. In addition, federal regulations require schools, lenders, servicers, and guarantors to provide borrowers with information on the availability of the Department of Education's (ED's) Student Loan Ombudsman's office if borrowers have disputes that have not been satisfied at any other level.

Creative Solutions

TG's Ombudsman has a great deal of flexibility in offering borrowers in need with resourceful solutions. According to Luanne, "TG's Office of the Ombudsman is a position that is organizationally disconnected from other TG departments and, therefore, has the autonomy to be able to provide innovative ways of solving problems."

The Office of the Ombudsman is separate from the oversight of any other internal department within TG, except for the Office of the President. Having the support of TG's President gives the Office of the Ombudsman the independence to remain impartial and give full attention to borrowers' issues.

Professional Collaboration

Although TG's Ombudsman works independently, she also relies on others to help find creative solutions. TG has an excellent relationship with ED's Ombudsman's office and with Ombudsmen from other guarantors.

TG's Ombudsman receives about 36 percent of its cases from ED. As a result, TG's Ombudsman confers daily with ED's Ombudsman office. If a borrower has contacted ED's Ombudsman first, then TG provides ED with the information and analysis needed for ED's evaluation and response. "However, there are some instances in which I will provide the response directly to the borrower on ED's behalf," says Luanne. Not all of the communication with ED is concerning borrower-specific issues. TG's Ombudsman often collaborates with ED about ways to handle difficult cases creatively.

Resolution Implementation

TG's Ombudsman makes recommendations, but never actually performs the corrections or adjustments herself. By the very nature of the position, her recommendations have to be handed off to experts for implementation. TG Collections most often implements the recommendations that come out of the Ombudsman's office, since a large volume of its cases deal with defaulted loans. ED, lenders/servicers, schools, and other agencies and partners such as Consumer Protection agencies and the Veterans Administration implement many of the Ombudsman's recommendations.

The final resolution of the borrower's issue or request relies upon how other internal areas and external partnerships complete a request for action.

Helping the Borrower

Luanne states, "I try to approach each borrower's problem with a great deal of empathy, but always with the understanding that I cannot always solve all issues to the borrower's 100% satisfaction. It is my daily goal to provide the borrower with attention, understanding, information, and some measure of satisfaction."

More Information

For more information on TG's Office of the Ombudsman and ways to resolve borrower concerns go to www.tgslc.org/tgslc/students/omb1.htm. Borrowers can contact TG's Borrower Advocate directly by sending written requests to:

TG Ombudsman
P.O. Box 201725
Austin, TX 78720-1725

In emergency situations, borrowers can call (800) 252-9743.

TRENDS AND ISSUES

JobGusher Rings in New Year with Online Job Fair

The New Year is here and it's time for new beginnings! JobGusher™ is hosting an "Online New Year, New Career Job Fair" from January 13–26, 2003. The "Online New Year, New Career Job Fair" gives job seekers the opportunity to view jobs across the nation.

By visiting JobGusher at www.JobGusher.com and clicking on the ticket in the upper right-hand corner, job seekers can view all participating employers and their positions. At the Online Job Fair, job seekers can decide which positions to apply for on the spot and then apply

electronically through the site. For employers, participation in the Job Fair improves exposure and access to job seekers without the high costs usually associated with traditional job fairs.

After visiting the Online Job Fair, job seekers are encouraged to return to the JobGusher home page, click on "Find a Job," and search for other opportunities in their area.

There is no cost for job seekers to attend the Online Job Fair. To participate, they simply need to visit JobGusher Monday, January 13, through Sunday, January 26.

Employers wishing to participate must be registered JobGusher employers. For more information on exhibiting, contact sales@jobgusher.com.

More Information

For more information on JobGusher, visit www.JobGusher.com or call (866) JOB-GUSH. Employers interested in participating must be registered with JobGusher. For more information on exhibiting, contact sales@jobgusher.com.

JobGusher is an online job recruitment service dedicated to connecting students, recent graduates, and experienced candidates with employers offering full-time and part-time positions, internships, seasonal employment, and other career opportunities.

MYF Chat to Assist FAAs with Default Management Efforts

Not sure what financial literacy tools are available for students? Want more information about intervention techniques for borrowers who are in their grace period or are already delinquent on their student loans? Financial aid administrators (FAAs) now have an opportunity to ask guarantors, lenders, and secondary markets about default prevention and debt management techniques during an online chat offered by Mapping Your Future (MYF) (<http://mapping-your-future.org>).

MYF, a public service web site providing college, career, and financial aid information and services, will offer a daytime Default Prevention and Debt Management Training Chat on February 12, 2003. This live event, scheduled from 2 to 3 p.m. CST, provides a unique opportunity for FAAs to receive advice about default prevention and debt management efforts they can implement on their campuses. The interactive event is designed to help FAAs develop or enhance their default management plans without leaving their offices.

Anyone with Internet access can join in the Chat by visiting <http://mapping-your-future.org>. On the day of the Chat, visitors will go to the site and select the Chat session. Simple instructions will explain how to join the event. Visitors can register to be reminded about the chat in advance by signing up online at <http://mapping-your-future.org/services/chatnight.htm>.

MYF is sponsored by TG and other student loan guarantors and supported by lenders and servicers nationwide.

LEGISLATIVE UPDATES

The December 20, 2002, issue of the *Legislative Report* provides updates on significant student financial assistance issues facing the 108th Congress, including HEA Reauthorization and Consolidation loan interest rates. Read the details at www.tgslc.org/tgslc/publications/lege_report/index.htm.

THIS, THAT, AND THE OTHER...

TG made more than 150,000 disbursements totaling nearly \$350 million for its school and lender partners on the first three business days of the new year—without a single hitch.

Schools using TG's Electronic Funds Transfer service get complete control over their FFELP and alternative loan disbursements, integrated with full CommonLine loan origination and change capabilities, using AdvanTG Web™. Check out the online AdvanTG Web demo at http://www.tgslc.org/tgslc/st/st_advantgweb.htm.

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