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FEDERAL UPDATES

Stafford Loan MPN Update

In October 2002, *Shoptalk Online* Edition 175 announced the availability of the revised Federal Stafford Loan Master Promissory Note (Stafford Loan MPN). Effective January 1, 2003, FFELP participants can only distribute the revised Stafford Loan MPN to borrowers.

It is important to note that lenders may process the prior version of the Stafford Loan MPN if they receive the form after January 1, 2003, regardless of the date the borrower signed the form.

TG has posted the revised Stafford Loan MPN on its web site at www.tgslc.org/tgslc/forms/mpn/index.htm. TG has also modified the application print processes in AdvanTG™, TG Loans By Web™, and its mainframe Application Printing and Processing Services (APPS) process to reflect the revised Stafford Loan MPN.

More Information

To order the revised Stafford Loan MPN, contact Joyce Henderson at (800) 252-9743, ext. 4546, or send an e-mail message to joyce.henderson@tgslc.org.

Final TRA School Reporting Rules Issued

On December 19, 2002, the Internal Revenue Service (IRS) issued final rules for school reporting of qualified tuition and related expenses. The rules establish reporting procedures under the Taxpayer Relief Act of 1997, which established the Hope and Lifetime Learning Credits. These credits allow students or parents to claim qualified tuition and related expenses as a credit against their tax liability.

Effective Date

The final rules apply beginning in 2004 with the reporting of qualified tuition and related expenses paid during the 2003 tax year. The rules were developed by the IRS based on comments received in response to a Notice of Proposed Rulemaking (NPRM) issued on April 29, 2002.

Changes from NPRM

The final rules contain several changes or clarifications from the provisions of the NPRM (discussed in *Shoptalk Online* Edition 156). The most important items are:

- A clarification that schools are required to report qualified tuition and related expenses on a calendar-year basis in order to coincide with the tax year (not on an academic-year basis, as one commenter had requested).
- A provision stating that schools are not required to report amounts paid for courses for which no academic credit is offered, even if the student is enrolled in a degree program.
- A specification that a school is not required to report amounts paid through a formal billing arrangement between the school and a governmental entity (such as the Veterans' Administration) in which the school only bills the entity and does not maintain a separate financial account for a student.
- A clarification that a school does not violate the Family Educational Rights and Privacy Act by reporting a student's qualified tuition and related expenses.
- A clarification that requires reporting to indicate amounts paid during one calendar year that are for an academic period that begins during the first three months of the following calendar year. Several comments in response to the NPRM requested that the requirement to designate those amounts as such be dropped; the IRS has indicated that this is not legally possible.

Find Out More

Read the final rule notice, which includes a summary/explanation of the regulations and the text of the regulations, at <http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2002/pdf/02-31915.pdf>.

TG UPDATES

2003 TG Conference Information and Registration Now Online

TG is ready to rock! Make your plans to join us for the jam session of the year: the 2003 TG Conference, "FFELP: Live in Concert!" The conference will be held in Austin from April 23-25, 2003, at the Marriott at the Capitol.

Register now to be a part of this year's program, where you can gain expertise, trade ideas and stories with old and new friends, and be recognized for your accomplishments. Then, at the end of each day, check out some of the sights and sounds in the Live Music Capital of the World.

Details on the conference and accommodations are now available on the TG web site at <http://www.tgslc.org/tgslc/conference/index.htm>. Online registration is available from the main conference page or directly at http://www.tgslc.org/tgslc/conference/conf_entryform.cfm.

TRENDS AND ISSUES

MYF Chat to Cover Tests, Admissions, Financial Aid

Students and parents who have questions about what it takes to get admitted to and pay for college can get the answers they need during a chat event on Mapping Your Future (MYF) in February. MYF, a public-service web site providing college, career, and financial aid information and services, will offer a “Standardized Tests and College Admissions” chat on February 4, 2003.

This live event, scheduled for 2 to 3 p.m. CST, provides a unique opportunity to receive information and advice about standardized tests and college admissions, as well as financial aid information and instructions for completing the Free Application for Federal Student Aid (FAFSA). The interactive event is designed to help students navigate through what some consider a maze of career, college, and financial aid information—all from the privacy and convenience of a personal computer.

Chat Topics

During the chat event, students and their families will learn more about:

- The three main standardized tests for undergraduate students.
- Information about each of the exams and how to get more information.
- Tips to prepare for the exams.
- College admission applications via the web.
- Where to find online scholarship search services and what to look for in those services.
- Online tools for determining the cost of college and how to pay for it.
- Completing the FAFSA online.
- Other financial aid and college admission topics.

How It Works

Anyone with Internet access can join in the chat by visiting www.mapping-your-future.org. On the evening 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>.

Mapping Your Future is a national financial aid industry project sponsored by TG and other guarantors and supported by lenders and servicers.

THIS, THAT, AND THE OTHER...

Shoptalk Online and TG’s corporate web site at www.tgslc.org will soon be getting a new look. Watch for the changes in February, and learn more in next week’s *Shoptalk Online*. Although the designs are changing, one thing will *never* change: TG will continue to provide you with all of the useful, insightful, and timely information you’ve come to expect from us.

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