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Federal updates

Additional interest rates released

As mentioned in *Shoptalk Online*, Edition 207, there are two categories of interest rates (besides those for existing Stafford, SLS, and PLUS loans) that are released at the end of June. These rates are now available and are as follows:

- **Older PLUS/SLS loans:** Interest rates for older PLUS/SLS loans are based on the weekly average of the one-year constant maturity Treasury yield for the last calendar week ending on or before June 26. The current rate is 4.05 percent for loans first disbursed on or after October 1, 1992, but before July 1, 1998, and 4.20 percent for loans disbursed on or after July 1, 1987, but before October 1, 1992.
- **HEAL portion of Federal Consolidation loans:** The HEAL portion of Federal Consolidation loans is based on the average of the bond equivalent rates of the 91-day T-bills auctioned for the quarter ending June 30. The current rate is 4.06 percent.

To access TG’s annual interest rate chart for all applicable interest rates, visit www.tgslc.org/pdf/intratechart.pdf.

TG updates

Steer borrowers into TG's Consolidation Station

TG is pleased to announce a practical Web resource for borrowers who are contemplating consolidation. The Web site, called Consolidation Station, is available on *TG Online* at www.tgslc.org under "For Borrowers." Simply click on the link in the right-hand column.

TG is debuting this resource today to coincide with the new July 1, 2003, interest rates (see "Interest rates – how low will they go?" in *Shoptalk Online* Edition 207). Because rates are dropping again for the third year in a row, there may be more borrowers than ever considering consolidation — and now they have a place to learn about all the ins and outs.

Information overload

Just as some students and parents can become overwhelmed by the financial aid application process, borrowers can also become exhausted by the consolidation process. Many are inundated with information that provides just one point of view on the subject of consolidation, without giving the borrower a broad perspective so he or she can make an informed decision.

Consolidation Station to the rescue

What prospective borrowers need is a convenient resource that allows them to consider all of the variables of their personal circumstances and the impact that they may have on whether and when to consolidate. Consolidation Station provides borrowers with:

- An overview of the Federal Consolidation Loan Program
- Six things borrowers should know before they consolidate — the pros and the cons
- Frequently asked questions about consolidation, on topics including:
 - Timing issues
 - Deferment issues
 - Lender issues
 - Underlying loan issues
 - Repayment issues
 - Spousal consolidation
 - General information
- A handy repayment comparison chart showing the advantages and disadvantages of a longer Consolidation loan repayment schedule
- Consolidation loan forms

TG encourages schools and lenders to steer borrowers to the Consolidation Station. You may wish to link to the site directly, so that borrowers can get the information they need, right when they need it.

Personal attention

Of course, many borrowers may also need a person they can talk to about the consolidation option. These borrowers can contact TG's customer assistance representatives. These student loan experts can help borrowers understand the nuances of the Federal Consolidation Loan Program and whether it is a good fit for them. Borrowers can contact customer assistance by phone at (800) 845-6267 or send an e-mail message to cust.assist@tgsllc.org.

Exit counseling booklet updated with latest rule changes

TG is offering a newly updated version of its popular booklet, "New Directions: A Guide to Repaying Your Student Loans." The updated version, hot off the presses, reflects new regulatory provisions going into effect today, July 1.

"New Directions" helps prepare students leaving school for the new challenges and responsibilities awaiting them in the working world. Useful information on several important topics is included:

- Establishing credit
- Managing money
- Estimating student loan payments
- Repaying student loans
- Understanding deferment and forbearance
- Considering consolidation
- Avoiding default

Because no booklet can replace one-on-one attention in many circumstances, "New Directions" urges students to contact the responsive support teams at TG whenever assistance is needed.

To order

Supplies of the updated "New Directions" are available now from TG. The booklets come 200 to a box. Order online at www.tgsllc.org/forms/forms.cfm or call Joyce Henderson in TG customer services at (800) 252-9743, ext. 4546.

New at NASFAA: TG debuts new default prevention training model

Guide incorporates strategic enrollment management principles

As announced last week, TG and the Council for the Management of Educational Finance are introducing a new default aversion resource: a training guide for schools that incorporates default prevention strategies within the context of strategic enrollment management (SEM) principles. Entitled "A Clear and Present Danger to Institutional and Student Success," the model provides methods and resources to help the entire campus community affect positive change in cohort default rates by engaging with students from pre-admission through graduation.

A paradigm shift

“This training manual illustrates a paradigm shift in the way we’ve thought about default prevention,” said Milt Wright, TG president and chief executive officer. “Student loan administration and default prevention efforts typically have been considered the responsibility of financial aid officers. This new approach recognizes the potential of incorporating default prevention strategies across all campus offices that impact student enrollment.”

The training manual provides practical guidance, activities, and exercises aligned with each of the four phases of strategic enrollment management:

- Identifying
- Recruiting
- Retaining
- Sustaining

Institutions have the flexibility to choose strategies from particular phases, or to incorporate all of the strategies within new or existing enrollment management plans.

A broad base of institutional input

Council Training Committee Chair Albert Barreda, registrar for the University of Texas – Brownsville and Texas Southmost College, noted the broad-based input from the committee members in developing the model.

“Our committee members represent public and private institutions, community colleges, and lending institutions — as well as a variety of institutional perspectives, from registrars and financial aid officers to enrollment managers,” said Barreda. “Because of the diverse input we received, we were able to put together a training model and practical strategies that may be applicable to all types of institutions.”

A compelling case study

In addition to the SEM-related strategies, the training model also includes a case study based on the default prevention success at the University of Texas – Pan American in Edinburg, Texas. The case study provides a clear illustration of one institution’s implementation of default aversion practices within its enrollment management plan, which resulted in a reduction of its cohort default rate by nearly 15 percentage points over the past 10 years, culminating with the achievement of a rate of 6.5 percent projected for the 2001 cohort year.

A holistic approach

“What’s really exciting to me about this new model is its holistic approach to the student,” said Ed Apodaca, associate vice president for enrollment management at the University of Houston – University Park, who also serves on the Council committee that developed the publication. “Not only will this integrated approach affect cohort default rates, it will help students develop and maintain connections with the institution. Ultimately, those connections help ensure that students successfully complete their program of study understanding the value of their education and the value of the financing that made it possible.”

How to get a copy

"A Clear and Present Danger to Institutional and Student Success" will make its national debut at the 2003 NASFAA Conference in Salt Lake City, July 9–12. Copies will be available at the TG booth, number 515, in the Salt Palace Convention Center. Electronic copies will also be available at www.tgslc.org beginning July 9. Watch for details in *Shoptalk Online* next week.

This fall, TG will offer on-site training based on the model to institutions that would like assistance in establishing or incorporating a strategic enrollment approach to default aversion on their campuses.

More information

To learn more about the new publication, to inquire about available training sessions, or to order printed copies of the guide, call (800) 252-9743, ext. 4622.

For more information on the NASFAA conference next week, visit the TG conference pages at www.tgslc.org/nasfaa2003/index.cfm or the NASFAA conference site at www.nasfaa.org/subhomes/annualconference2003/home.html.

Trends and issues

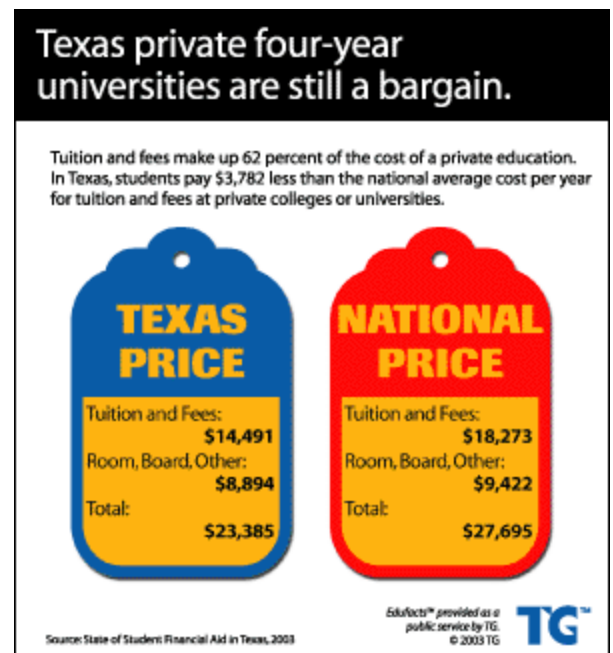
Edufacts™ – June 2003

At an average cost of \$23,385 for the 2002-2003 academic year, Texas private four-year universities are still a bargain compared to the national average. This is primarily because tuition and fees, which make up 62 percent of the cost of a private education, are \$3,782 less than at private schools in the rest of the nation.

However, these cost savings are only experienced by a minority of students. Just 11 percent of Texas students attend four-year private schools, versus 43 percent who attend four-year public schools.

In addition to charging less than the national average for tuition and fees, Texas private colleges and universities can often provide scholarships and grants that help reduce the out-of-pocket expenses even more.

For families and students who want to learn more about the types of colleges and universities available and how to finance their educational and career dreams, TG provides a public-service Web site at www.AIE.org. Information is also available by calling the Texas Financial Aid Information Center at (888)311-8881.



TG cosponsors chat on distance education and financial aid

Spend a summer evening finding out about online and distance education, and financial aid, during a special chat event on *Mapping Your Future* (MYF).

MYF (www.mapping-your-future.org) — a public service Web site cosponsored by TG and other guarantors that provides college, career, and financial aid information and services — will offer an “Online and Distance Education Chat” on July 8, 2003. The Chat is designed to help students who are interested in online or distance education learn more about these types of programs and find out about financial aid.

This live event, scheduled for 6–7 p.m. CDT, provides a unique opportunity for participants to receive answers to distance education and financial aid questions. Financial aid and career experts from all over the country will answer questions during the chat event, which is one in a series of chats offered by MYF.

Topics

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

- Online and distance education programs
- Advantages and disadvantages of online and distance education programs
- Financial aid eligibility requirements
- Financial aid opportunities
- Other resources of information

Joining in

Anyone with Internet access can join the chat by visiting www.mapping-your-future.org on the evening of the event (July 8) and selecting the chat session. Simple instructions will assist users in joining the chat.

Future topics

Other special chat events scheduled during the coming year include:

- August 5, 2003, Evening Chat – College Admissions and Standardized Tests
- September 9, 2003, Daytime Chat – Deferments, Forbearances, and Default Prevention

This, that, and the other...

More than 1 out of every 4 Americans participates in formal education, according to a new statistical digest. Last fall, 24 percent of Americans were enrolled in schools and colleges, 1.5 percent were employed as elementary and secondary school teachers and as college faculty, and about 1.7 percent were employed in professional, administrative, and support positions at educational institutions.

This finding opens the 2002 edition of *The Digest of Education Statistics*, posted last week by the National Center for Education Statistics (NCES) at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2003060>. The digest offers information on a variety of subjects, including the number of schools and colleges,

teachers, enrollments, achievement, dropouts, graduates, educational attainment, finances, federal funds for education, libraries, and international comparisons of education.

Of particular note is chapter 3 of the digest, which addresses postsecondary education. If your primary interest is student aid, be sure your reading list also includes TG's own *State of Student Aid in Texas*, available online at www.tgslc.org/pdf/statefinaid.pdf.



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To ask questions about *Shoptalk Online*, please contact Communications at (800) 252-9743, ext. 4732 or communications@tgslc.org.

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