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## TG updates

### Your input helps TG enhance AdvanTG Web™

Another round of enhancements has been made to AdvanTG Web, the flexible loan processing solution from TG. The product development team at TG thanks all the users — especially those active in the TG Users Group (TUG) — for their valuable input and feedback.

#### What's new

The following enhancements were added to AdvanTG Web on July 19, 2003:

- **Improved usability.** TG has enhanced the layout of AdvanTG Web screens to allow you to navigate through the screens more easily, with less scrolling. Some of the new features include:
  - Borrower and student names are now displayed at the top of the screens.
  - Buttons are now placed at the top and bottom of each screen.
  - A new tabbing feature has been added to take you to the next screen.
  - The tabs for the application and loan screens have been reordered.
  - Search results are now displayed from all 'List' screens to reduce scrolling.
- **"Select all" and "deselect all" options.** Boxes that allow you to select all criteria or deselect all criteria on a particular screen have been added. Users can also select criteria by checking individual boxes one at a time when necessary.
- **PLUS MPN e-signatures.** TG Loans By Web™ and AdvanTG Web now allow for PLUS MPN e-signatures. Lenders interested in offering PLUS MPN e-signatures through TG Loans By Web should contact TG's business integration team at (800) 332-1455.

- **Prepopulation of revised disbursement date.** This revised disbursement date field on CommonLine @1-09 change transactions can now be prepopulated to reduce data entry.
- **Mailing-friendly font size.** To better accommodate the use of window envelopes by schools and lenders, the font size on the Anticipated Graduation Date (AGD) letter has been increased.

### **More information**

If you have any questions about the new enhancements or using AdvanTG Web, please contact TG product support at [product.support@tgslc.org](mailto:product.support@tgslc.org) or (800) 332-1455.

To learn more about how switching to AdvanTG Web can help simplify student loans in your office, contact your TG account representative at (800) 252-9743. To look up your account representative, go to the map at [www.tgslc.org/custfocus/national2.cfm](http://www.tgslc.org/custfocus/national2.cfm) and choose your state.

An automated AdvanTG Web demo is also available on *TG Online* at [www.tgslc.org/resources/advantgweb.cfm](http://www.tgslc.org/resources/advantgweb.cfm).

## **TG produces teacher loan forgiveness brochure, nears half-million-dollar forgiveness mark**

TG has just completed publication of a brochure for borrowers that highlights key information about the Teacher Loan Forgiveness Program (TLFP). To view a downloadable PDF version of the brochure, go to [www.tgslc.org/pdf/teacher\\_loan.pdf](http://www.tgslc.org/pdf/teacher_loan.pdf).

The brochure contains the followingz:

- An overview of the TLFP.
- The basic eligibility requirements to qualify under the program.
- An outline of the TLFP application process.
- An explanation of the order in which forgiveness is administered.
- Information on the availability of forbearance during qualifying teaching service and during TLFP application review.
- Frequently asked questions about the TLFP.

### **Distribution and availability of the brochure**

TG is proactively distributing paper copies of the brochure to the Texas Education Agency as well as the Texas Higher Education Coordinating Board, so that they may further disseminate information about the TLFP to potentially eligible borrowers.

TG customers may order paper copies of the brochure at [www.tgslc.org/forms/forms.cfm](http://www.tgslc.org/forms/forms.cfm). Financial aid administrators may especially want to order copies so that they can use them to spread the word about the availability of the TLFP to their education majors.

## **Almost \$500,000 in forgiveness through TG**

In the short period of time since the inception of the TLFP (i.e., since July 2001) TG customer assistance has approved applications for 102 borrowers with a cumulative discharge amount of \$487,980. TG is optimistic that this amount will continue to grow significantly as more borrowers become eligible — and become aware of their eligibility — for the program.

### **More information**

For more information on the TLFP, call TG Customer Assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgsic.org](mailto:cust.assist@tgsic.org).

## **Default prevention team works with customers to manage debt, avert default**

TG is committed to helping schools, lenders, and servicers in the financial aid community support borrowers in averting default. By providing exceptional service and counseling, the default prevention team at TG helps borrowers recover from loan delinquency and successfully manage their student loan debts.

Several teams within the default prevention area at TG help to make TG's default aversion efforts as effective as possible.

### **Delinquency prevention team**

The first line of defense against default is the new delinquency prevention team. The primary objectives of this team are:

- To counsel, advise, and guide borrowers toward becoming successful in the repayment of their student loans.
- To promote the continuance of postsecondary education.
- To effectively impact the reduction of cohort default and delinquency rates.

The delinquency prevention counselors work proactively with borrowers who withdraw or otherwise discontinue their education. Counseling efforts focus on encouraging these borrowers to re-enroll in higher education; informing borrowers about the social and economic benefits of a postsecondary education; and educating borrowers about their account status, available options, and default consequences.

Counselors begin by identifying the reasons for the student's decision to leave school and help the student assess available options for re-enrollment. Counseling efforts sometimes require proactive contact with both the borrower and the borrower's school.

After providing initial counseling, counselors follow up with borrowers to determine any continued need for assistance, and provide further repayment guidance.

### **Default prevention team**

One of the primary functions that guarantors perform is assisting lenders and servicers in resolving delinquent student loan accounts.

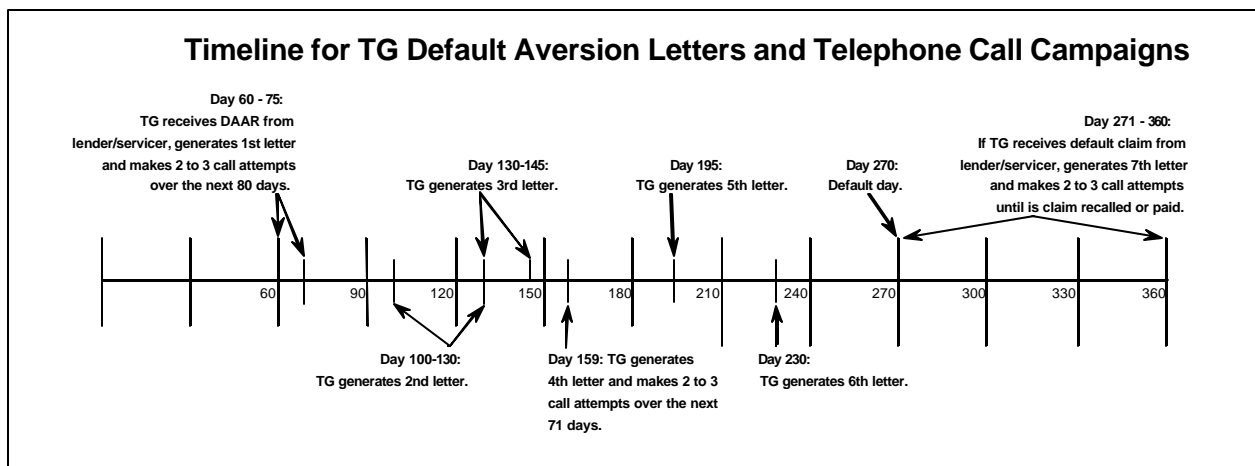
Lenders or servicers may submit a default aversion assistance request (DAAR) to TG as soon as a student loan borrower reaches the 60th day of delinquency. The earlier a lender or servicer submits the DAAR, the more time TG has to contact the borrower and encourage him or her to take advantage of the wide range of options available to avert default.

When a lender or servicer submits a DAAR to TG, the default prevention team begins a letter and call campaign to encourage the borrower to resolve his or her delinquency. Resolution of the delinquency often involves counseling the borrower in the use of deferments, forbearance, flexible repayment options, loan consolidation, or loan combination.

During the letter campaign, the default prevention team sends the borrower a series of up to six letters through the 230th day of delinquency. The letters advise the borrower of available repayment options and actions that may be taken should he or she default.

The team also calls the borrower two to three times between the initial DAAR filing and the 159th day of the borrower's delinquency. Additional telephone calls are scheduled periodically until the 230th day of delinquency.

As with the due diligence activities that lenders and servicers perform, there is no gap longer than 45 days between TG's due diligence activities.



### Borrower locate team

The borrower locate specialists are responsible for locating borrowers with inaccurate phone and address information. The 15 representatives on this team research information and databases to locate borrowers. They use credit bureau reports, a predictive dialer, municipal utility files from major cities, National Change of Address forms, web-based directories, and information provided by schools (such as references from exit interviews) to find borrowers. The Unit also accesses information from various government agencies such as the Texas Comptroller and the Texas Workforce Commission — information not available to many commercial organizations.

## **Recall team**

The default prevention team at TG continues to counsel borrowers even after lenders file claims. When a loan becomes 270 days delinquent, the team sends a claim pending letter. Because this is the crucial, last opportunity to prevent default, TG recently created a new team that focuses solely on contacting borrowers for whom lender claims are pending.

This recall team, made up of three default prevention counselors and one borrower locate specialist, takes a proactive approach in their efforts to recall default claims. They call borrowers and continuously follow up with servicers to ensure that recall letters are received by TG whenever possible.

## **Support service representatives**

TG's support service representatives enter data from any hard-copy DAARs received from lenders and servicers and correct any discrepancies that may exist in DAARs submitted electronically. The support service representatives make every effort to resolve DAAR discrepancies in order to avoid returning the DAAR to the lender or servicer. Only DAARs that require lender or servicer action are returned.

## **Correspondence specialists**

Correspondence specialists answer all correspondence, including e-mail, and provide deferment and forbearance forms when requested by the borrower. The Correspondence team acts as a liaison between schools, lenders, servicers, and borrowers regarding borrower disabilities, death, bankruptcy, and loan forgiveness when necessary, and also prepares formal responses to borrowers.

## **Reports for schools and lenders**

In addition to telephone and correspondence campaigns, TG provides several reports designed to assist schools and lenders in their own default aversion efforts.

### *Notice of Default Prevention Activity/Electronic School Report (ESR)*

Through a subscription service, the default prevention team provides schools with a weekly Notice of Default Prevention Activity report. The comprehensive report notifies schools of borrower delinquencies at day 60, day 159, and again at day 210. This report also identifies borrowers who cannot be located; borrowers whose accounts have been resolved by deferment, forbearance, and payment; and borrowers who are in a claim-pending status with TG.

This report is also available in an electronic format called the Electronic School Report (ESR). The ESR can be requested and delivered through AdvanTG Web™ or the Report Request/Distribution (RRD) system. Both options provide a fast, convenient way for schools, lenders, and servicers to request and receive TG reports and default management information. The ESR also includes letters that can be sent by schools, lenders, and servicers to borrowers. This report is especially valuable to schools that have implemented default management programs. The information provided on the report is derived directly from DAAR updates received by TG from lenders and servicers.

### *Default Management Report (DMR)*

Another valuable report provided by TG is the Default Management Report (DMR). The DMR lists all TG borrowers at a school who entered repayment during a specified fiscal year. The report allows a school to determine which borrowers are currently in delinquency, have claims pending on their account, or have defaulted loans with TG. A third section of the DMR provides addresses and telephone numbers for borrowers who entered repayment during the last cohort year. This report can assist schools in managing a specific cohort year.

### *Lender and Servicer Cohort Default Rate reports*

These reports provide cohort default rate estimates for lenders and servicers based on TG borrowers at a particular school. The reports also provide estimates of the overall cohort default rates of lenders and servicers based on TG data. The school's estimated cohort default rate is displayed on the report. Lenders and servicers are listed on separate reports.

### *School and Lender Fact Sheets*

TG also provides its *School and Lender Fact Sheets* to deliver basic TG student loan program data, enrollment statistics, academic outcomes, student cost information, and other data about each postsecondary institution and each financial institution in the state of Texas that participates with TG. *School and Lender Fact Sheets* can be viewed on *TG Online* at [www.tgslc.org/schlfs/](http://www.tgslc.org/schlfs/) and [www.tgslc.org/schlfs/new\\_lender.cfm](http://www.tgslc.org/schlfs/new_lender.cfm), respectively.

### **Default awareness support for schools**

Above and beyond the other default aversion activities mentioned in this article, TG's default prevention area actively participates in TG default awareness programs. Through its Achieving Systematic Default Aversion (ASDA) program, TG works with institutions of higher learning in their effort to reduce cohort default rates. The program is based upon *Default Prevention: A Model for Institutions of Higher Learning*, a guide developed by TG and the Council for the Management of Educational Finance to improve default prevention efforts. The Council consists of schools, lenders, and servicers who are dedicated to lowering defaults.

TG employs two default aversion consultants who work in conjunction with the Council to help schools who want assistance in developing default prevention plans. These consultants serve as liaisons for schools. They are available by request to assist each institution in lowering cohort default rates.

### **Achieving optimum results**

TG's extensive default aversion activities and offerings add value and complement default aversion activities performed by schools, lenders, and servicers early in a borrower's delinquency. These activities and offerings, together with the innovative approach of TG's Voluntary Flexible Agreement (VFA), are making a significant difference in averting default for borrowers, schools, and lenders.

Over the past five years, the TG cohort default rate has dropped 10 full percentage points as a result of these various efforts. In addition, TG has helped some of its

school partners achieve their own double-digit declines in cohort default rates through TG's ASDA program.

## Questions

For questions regarding TG's default aversion program, contact the default prevention management team at (800) 252-9743. Questions should be addressed to Shelia Dunlap, assistant vice president for default prevention, at ext. 4642, or Lesley Barbiaux, assistant team manager for default prevention, at ext. 4647. Or you can e-mail your questions or requests to [shelia.dunlap@tgslc.org](mailto:shelia.dunlap@tgslc.org) or [lesley.barbiaux@tgslc.org](mailto:lesley.barbiaux@tgslc.org).

## Legislative updates

The July 15, 2003, issue of TG's *Legislative Report* provides updates on a number of appropriations bills for FY 2004 and a Congressional Budget Office (CBO) budget review projecting a record deficit for FY 2003. Also included are updates on the status of major student aid-related legislation filed during the first session of the 108th Congress, including proposed Higher Education Act changes, appropriations, budget resolutions, and technical amendments.

Read the full report on *TG Online* at [www.tgslc.org/lege\\_report/index.cfm](http://www.tgslc.org/lege_report/index.cfm).

## This, that, and the other...

Private or alternative student loans now account for more financial aid dollars than the federal SEOG, Work-Study, and Perkins Loan Programs combined. With college costs increasing faster than federal student aid, private loans are becoming a critical factor for students in school choice, according to a new study from the Institute for Higher Education Policy.

A report on the study, "Private Loans and Choice in Financing Higher Education," is available online at [www.ihep.org/Pubs/PDF/PvtLoans.pdf](http://www.ihep.org/Pubs/PDF/PvtLoans.pdf). Key findings are highlighted in a news release at [www.ihep.org/Organization/Press/PR20030714.htm](http://www.ihep.org/Organization/Press/PR20030714.htm).



P.O. Box 201725  
Austin, Texas 78720-1725  
(800) 252-9743  
(512) 219-5700  
(512) 219-4560 TDD

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

**Contributors to this edition:** Lesley Barbiaux, Janet Bibb, Teresa Bobadilla, Andrés Cordero, Art Cruz, Shelia Dunlap, Kelly Kaelin, Art Martinez, Steve Schmidt, George Torres, and Aurora Wilson. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

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