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## TG updates

### TG’s delinquency prevention unit shows impressive results

TG’s new delinquency prevention unit is validating once again the wisdom of the adage, “An ounce of prevention is worth a pound of cure.” Coupling early education on the student loan repayment process with personal contact with the borrower before repayment begins is proving to be just what the doctor ordered. Recent statistics collected by TG show the increasing impact that this team is having on borrower behaviors.

### Positive results

TG is a performance-based organization that establishes corporate goals and measures for all teams and views default aversion as a major corporate priority. TG’s delinquency prevention team has helped to catapult TG’s delinquency prevention rate to within 1.22% of the corporate goal established for this team.

“Downstream” statistics also indicate positive trends for TG’s default aversion efforts. Even though the economy remains weak with employment opportunities for recent graduates elusive, the number of default aversion assistance requests (DAARs) that TG has received from lenders has declined steadily since the delinquency prevention program began. For the current calendar year through June, TG has experienced a 2.9% reduction in DAARs. In addition, the number of default claims that TG has received continues at a stable rate with slight declines. In these difficult times, stability in these numbers is a solid indicator of success as historical trends indicate that these numbers should be on the rise.

Activities of the delinquency prevention unit from June 2002 through June 2003 include:

- Receiving 8,198 inbound calls;
- Placing 95,967 outbound calls; and,
- Mailing 128,242 portfolios offering valuable default prevention tools to borrowers.

Every contact that TG makes with a borrower provides an opportunity to get that borrower onto the path of successful repayment of his or her loan.

### **Improving Customer Services**

TG is constantly looking for ways to improve its services, and customer surveys are one vehicle that TG uses to gather input directly from borrowers. Survey responses from borrowers regarding the delinquency prevention team have been very positive. Here are some of the responses that the team has received:

- "When I hung up [with the TG delinquency prevention counselor], I felt good about the call I placed. My worries were gone."
- "This was the first time someone called me to help me out, and I actually got all of my questions answered."
- "This program is a wonderful idea."

### **Benefits of delinquency prevention**

The goal of TG's delinquency prevention team is to provide borrowers with "just-in-time" contact during the borrower's grace period, to prevent borrowers from ever becoming delinquent. This early contact with borrowers is proving to be the key to the success of the TG delinquency prevention team. Reaching borrowers before they enter repayment offers a variety of benefits:

- The borrower learns the process of student loan repayment.
- The borrower is better prepared to plan for timely repayment.
- The borrower is educated on the difference between TG and the lender/servicer.
- Lines of communication are open early, which builds a trusting relationship.
- If the borrower is experiencing hardship, he or she can learn about options for avoiding delinquency and make arrangements to delay repayment, such as requesting a deferment or forbearance.
- The withdrawn borrower receives re-enrollment information, which may help prepare him or her to meet future obligations.
- The borrower can avoid the stigma of delinquency.
- The borrower can prevent damage to his or her credit history.

Borrowers are not the only benefactors of the TG delinquency prevention team's efforts. Schools benefit as well, because TG's increased focus on preventing delinquency results in fewer defaults, which may contribute to lower cohort default rates.

## **More information**

TG's delinquency prevention team is just one of the latest innovations in TG's tradition of creative approaches to preventing default. For more information on the activities of the delinquency prevention team, see *Shoptalk Online* [Edition 158](#), or contact Shelia Dunlap at (800) 252-9743, ext. 4642 or Lesley Barbiaux at ext. 4647.

## **TG expands national sales team**

TG has named three individuals to serve as national account representatives. Effective immediately, their responsibilities will include managing key marketing and sales activities and providing service and attention to meet the needs of TG's growing customer base.

### **Andrea Becker, TG National Account Representative for Northern California**

Andrea Becker joins the TG team with over five years of student loan experience. She began her student loan career in 1998 at Educaid, working in loan origination, marketing, and strategic initiatives. She further broadened her student loan expertise by serving as project manager on ELMNet for Educaid. In 2000, Becker received an Essence of Educaid Award for her work in student loan operations. She holds a bachelor's in business from Pacific Union College in Angwin, California.

Becker can be reached at (800) 252-9743, ext. 2509, or by e-mail at [andrea.becker@tgslc.org](mailto:andrea.becker@tgslc.org).

### **Bennie Hayden, TG National Account Representative for Michigan and Ohio**

Bennie Hayden joins TG with nearly 20 years of sales and marketing experience. He has held progressive account executive positions with industry leaders Xerox, Unisys, Motorola, Sprint, and AT&T, earning awards for top performance at each step along the way. He also worked closely with nationally chartered banks during 4 years with the U.S. Department of the Treasury. Hayden is a graduate of University of Detroit Mercy, with a bachelor's degree in marketing management.

Hayden can be reached at (800) 252-9743, ext. 2508, or by e-mail at [bennie.hayden@tgslc.org](mailto:bennie.hayden@tgslc.org).

### **Gene Vitale, TG National Account Representative for Florida**

Gene Vitale joins the TG team with nine years of experience in higher education, with six of those years spent in student financial aid. Most recently, Vitale served as associate director of financial aid for Palm Beach Community College in Lake Worth, Fla., where he received the 2002 Student Services Award for Excellence in student processing and retention. Vitale is an active member of the National Association of Student Financial Aid Administrators, the Southern Association of Student Financial Aid Administrators, and the Florida Association of Student Financial Aid Administrators. He holds a bachelor's degree in psychology from Florida Atlantic University.

Vitale can be reached at (800) 252-9743, ext. 2507, or by e-mail at [eugene.vitale@tgsllc.org](mailto:eugene.vitale@tgsllc.org).

## **Trends and issues**

### **TG cosponsors MYF chat on standardized tests, college admissions, and financial aid**

Students and parents who have questions about standardized tests, college admissions, and financial aid can get the answers they need during a chat event on Mapping Your Future (MYF). MYF (<http://mapping-your-future.org>), a public-service Web site providing college, career, and financial aid information and services, will offer an evening "Standardized Tests and College Admissions" chat on August 5, 2003.

This live event, scheduled for 7 p.m. to 8 p.m. (Eastern); 6 p.m. to 7 p.m. (Central); 5 p.m. to 6 p.m. (Mountain); and 4 p.m. to 5 p.m. (Pacific), provides a unique opportunity to receive information and advice about standardized tests and college admissions, as well as financial aid information and instructions for 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.

### **Topics of interest to students and counselors**

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

- The three main standardized tests,
- 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 costs of college and how to pay for it,
- Completing the FAFSA application online, and
- Other financial aid and college admission topics.

Anyone with Internet access can join in the chat by visiting [mapping-your-future.org](http://mapping-your-future.org) on the World Wide Web. On the evening of the chat, 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.

### **About Mapping Your Future**

MYF is a national collaborative public service project of the financial aid industry – bringing together the expertise of the industry to provide free college, career, financial aid, and financial literacy services for schools, students and families. MYF

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

## **Topsy-turvy terminology**

The ultimate goal of student financial aid is to put money into students’ hands so that they can pay for postsecondary education. So what do we call that activity—the task of actually putting the money into students’ hands? Well, it goes by a few different names.

### **Disbursement and payment**

“Disbursement” has always been used as a sort of catch-all term in the financial aid industry. ED generally uses the term “disbursement” for all of the federal aid programs to signify the school’s release of funds to the student.

ED also uses the term “payment” to mean the same thing, although this word is used most often with the Pell Grant Program. We’re all familiar with some of the derivatives of “payment”: payment period (the basis on which a school must pay a student funds for a particular period of enrollment) and overpayment (which occurs when a student receives more aid from a particular Title IV aid program than he or she was eligible to receive).

### **Disbursement vs. delivery**

In the FFELP, to indicate the transfer of funds to the student, we use a different word entirely. This is necessary because we have to distinguish between the activity of lenders providing funds to schools and the activity of schools releasing funds to students. To maintain this distinction, the *Common Manual* uses the terms “disbursement” and “delivery.”

“Disbursement,” according to the *Common Manual*, is the transfer of loan proceeds by individual check, master check, or electronic funds transfer (EFT) by a lender to a borrower, or to a school, either directly or through an escrow agent. In most cases, the lender sends the proceeds to the school—it is only in certain rare circumstances that a lender disburses directly to a borrower.

“Delivery,” on the other hand, encompasses a school’s processing of loan proceeds and release of those proceeds to borrowers and students.

So, to simplify, a lender “disburses” and a school “delivers.”

Some locations within the federal regulations now contain this distinction between “disbursement” and “delivery,” although “disbursement” is still used more universally between the two terms.

### **More information**

For more information on disbursement and delivery, see the *Common Manual*, introduction to chapter 8, as well as the manual’s glossary. You can access or download the latest *Electronic Common Manual* from *TG Online* at [www.tgslc.org/resources/integrated\\_online\\_manual.cfm](http://www.tgslc.org/resources/integrated_online_manual.cfm).

## Legislative update

The July 28, 2003, issue of TG's *Legislative Report* provides updates on a number of appropriations bills for FY 2004 and a letter sent by the Texas financial aid community to the House Subcommittee on 21<sup>st</sup> Century Competitiveness on ways to improve access to postsecondary education. Also included are updates on the status of major student aid-related legislation filed during the first session of the 108th Congress.

Read the full report on *TG Online* at <http://www.tgslc.org/shoptalk/index.cfm>.

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

In the 2000-2001 academic year, there were an estimated 3,077,000 enrollments in all distance education courses offered by 2-year and 4-year institutions, according to a report recently released by the National Center for Education Statistics (NCES).

During the same period, there were an estimated 2,876,000 enrollments in college-level, credit-granting distance education courses, with 82 percent of these at the undergraduate level.

The full report, entitled *Distance Education at Degree-Granting Postsecondary Institutions: 2000-2001*, was released this month on the Web, and is accessible at [www.nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2003017](http://www.nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2003017).



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