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## Federal updates

### President gives act a HEROES welcome, again

On August 18, 2003, President Bush signed into law the Higher Education Relief Opportunities for Students Act of 2003 (HEROES Act). The Act authorizes the Secretary of Education to waive certain Title IV student aid statutory and regulatory requirements, as necessary, as a result of the military mobilization spawned by the 2003 war in Iraq or as the result of a national emergency.

This is the second HEROES Act. The first was the HEROES Act of 2001, signed by President Bush on January 15, 2002. The first HEROES Act was drafted in response to the September 11, 2001, terrorist attacks and gave the Secretary of Education similar waiver authority.

#### Affected individuals and institutions

The HEROES Act is intended to provide financial and administrative relief to the following affected individuals:

- Those serving on active military duty or in the National Guard during an emergency.

- Those who reside in or are employed in a declared disaster area connected to an emergency.
- Those who have suffered economic hardship as a direct result of an emergency.

The HEROES Act is also intended to provide reporting relief to the following institutions, if they are located in declared disaster areas connected to the emergency:

- Institutions of higher education.
- Lenders.
- Guarantors.
- Other entities participating in the administration of Title IV student aid.

### **Intent**

The legislation is intended to ensure that:

- Affected education loan borrowers are not placed in a worse financial position because of their status as affected individuals.
- Administrative requirements on affected borrowers are minimized to ease their burden and help them avoid technical violations or default, without affecting the integrity of the loan programs.
- An affected individual's current year income is used to determine need for federal aid.
- Affected institutions participating in federal aid programs receive temporary administrative relief.

### **Additional provisions**

The HEROES Act also indicates that schools should provide a full refund of tuition and fees, or a comparable credit against future tuition and fees, to any students who withdraw because they are called to active duty in the Armed Forces. The Act also indicates that the same students should be given flexible re-enrollment options should they return to their school. Furthermore, the Act establishes that, when publishing any applicable waivers, the Secretary of Education shall publish examples of the use of professional judgment to adjust financial need and eligibility determinations for affected individuals.

## **TG offers guidance on late disbursements after 120 days**

TG has recently learned of the successful submission of a late disbursement request to ED after the 120-day timeframe allowed by federal regulations. TG suggests that if a school finds itself in a similar situation and needs to submit a request of this nature, that it follow the guidance provided in this article.

### **Background**

The November 1, 2002, final rules made several changes to late disbursement regulations. Among these changes, which became effective July 1, 2003, the rules increased the time frame within which a school may make a late disbursement from 90 to 120 days. For those cases in which the student is not at fault, ED may approve a school's request to make a late disbursement after 120 days.

The FFELP industry has sent ED a proposal for a process that schools may use to request a post 120-day late disbursement. Although ED generally agrees with the proposal, it has not officially approved the industry's submission and is also developing a Web site that would enable schools to send their requests (which include the student's SSN) electronically and securely.

### **In the meantime**

At the National Association of Student Financial Aid Administrators (NASFAA) annual conference last month, Jeff Baker, Policy Liaison and Implementation Director of ED's office of Federal Student Aid, mentioned during a conference session that in lieu of an approved procedure to request permission to make a post 120-day late disbursement, schools could fax a written request directly to his office. Mr. Baker provided his fax number, which is (202) 275-4552.

According to the preamble language to the November 1, 2002, final rules, the student's (or parent's, in the case of a PLUS loan) name, the type and amount of Title IV aid, and the circumstances necessitating the disbursement are required information for the successful submission of a post 120-day late disbursement request. A school recently requested a post 120-day late disbursement by submitting a fax to Mr. Baker with all of the above information, as well as the student's SSN and the loan period. ED approved the late disbursement in just over a week's time. TG recommends that if a school needs to make a post 120-day late disbursement, it include all of the information provided above in its fax to Mr. Baker to ensure that the school's request is handled in an expeditious manner.

### **More information**

If you have additional questions about this process, please contact TG customer assistance at [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org) or (800) 845-6267. *Shoptalk Online* will keep you informed when an official process for post 120-day late disbursements is approved by ED.

## TG update

### Peak season's greetings

TG sends best wishes to all of its school and lender partners as the fall semester begins. With peak season now underway, remember that TG is here to assist you with any questions and concerns that you may have. As always, we share your goal of providing superior service to students and families.

### Available resources

TG provides many resources for you to use should you require assistance:

- If you have a borrower issue or question, TG customer assistance is available at [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org) or (800) 845-6267.
- If you need assistance with a guarantee issue, TG loan guarantee operations is available at [lgo.helps@tgslc.org](mailto:lgo.helps@tgslc.org) or (800) 446-5616.
- You may also want to "Ask TG." Ask TG™ is an online tool containing a wide range of answers and solutions on subjects like delivery and disbursement, change transactions, AdvanTG Web™, and much more. Check it out — your questions may have already been answered through this innovative online database. If not, you can ask your questions online at <http://tgslc.custhelp.com>.

### Fall disbursement totals

As of August 22, 2003, TG has made 151,123 disbursements accounting for \$363,457,802 in FFELP proceeds for its school and lender partners. These numbers reflect all partners' collaborative efforts to ensure that our students and families receive funds in a timely manner.

### Special thanks

As always, TG thanks you for your business and for enabling us to fulfill our vision — to be the premier source of information, financing, and assistance to help all families and students realize their educational and career dreams.

## Trends and issues

### TG cosponsors chat event on deferment, forbearance, and default prevention

Borrowers who are experiencing economic hardship or other difficulties that present obstacles to repaying their student loans will benefit from an interactive chat on *Mapping Your Future* (MYF) ([www.mapping-your-future.org](http://www.mapping-your-future.org)) — a college, career, and financial aid Web site.

This “Deferments, Forbearances, and Default Prevention” live chat, scheduled for September 9, 2003, from 2 p.m. to 3 p.m. (Central), provides a unique opportunity for borrowers to receive information about deferments and forbearances, how to prevent default, and the consequences of default. MYF chat events are a great way for borrowers to speak to a counselor and have financial aid, college, and career questions answered — all from the convenience of a personal computer.

Experts in career counseling and from all over the country will take part in the chat. During this event, participants will learn about:

- Deferment options and eligibility criteria.
- Forbearance options and eligibility criteria.
- The process for requesting a deferment or forbearance.
- Other options to help prevent borrowers from defaulting on their loans.

Anyone with Web access can join in the chat by visiting [www.mapping-your-future.org](http://www.mapping-your-future.org). Interested participants can even register in advance and choose to have a reminder sent a few days before the event.

On the day of the chat, visitors will go to [www.mapping-your-future.org](http://www.mapping-your-future.org) and select the chat session. Simple instructions will explain how to join the event.

MYF is cosponsored by TG and other guarantors. 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.

## ***Common Manual***

### **New training briefs help users get the most out of manual**

*Common Manual* users have spoken, and the nation’s guarantors have responded. In the most recent annual survey of *Common Manual* users across the financial aid community, several respondents asked for focused and concise information to help ease the transition to the newly reorganized manual. To meet this need, the *Common Manual* Policy Committee has introduced a new resource: *Common Manual* training briefs.

#### **Briefs online**

The first training brief explains the manual’s use of numbered figures (charts and tables). The second one highlights changes to two *Common Manual* appendices: appendix F and appendix H. Both are now available on *TG Online* at [www.tgslc.org/resources/cm\\_training.cfm](http://www.tgslc.org/resources/cm_training.cfm).

## Future topics

Additional training briefs on the reorganization of the manual will be issued two to three times a month. After that, training briefs on other topics — tips for navigating the electronic manual, how an idea becomes a policy proposal, etc. — will follow approximately once a month.

Watch *Shoptalk Online* for announcements on upcoming training briefs.

## Feedback

TG hopes that you find the training briefs useful. If you have any topic suggestions or ideas for improving the briefs, please contact Michelle Anderson, senior policy advisor for TG and a member of the *Common Manual* Policy Committee, at [michelle.anderson@tgslc.org](mailto:michelle.anderson@tgslc.org) or (800) 252-9743, ext. 4608.

## Legislative update

The August 19, 2003, issue of TG's *Legislative Report* provides updates on the status of major student aid-related legislation filed during the first session of the 108th Congress and the latest federal budget deficit estimates from the Congressional Budget Office. Also included is an update on a proposal from Senator John Edwards (D-NC), a presidential candidate, to repeal the Federal Family Education Loan Program.

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

Need to brush up on your Title IV cash management skills? ED is here to help. From September through December 2003, ED is hosting "2003-2004 Cash Management Life Cycle Training." The training is offered through Federal Student Aid (FSA) University and will include the following topics:

- Review of Cash Management Principles
- Common Origination and Disbursement (COD) System Overview
- Cash Management Tools
- Reconciling Title IV Program Funds and Program Year Close-Out
- Assessing Your Cash Management Procedures

To find out when ED will be hosting a training session near you and to register, visit the FSA University Web site at [www.ed.gov/offices/OSFAP/sfau/](http://www.ed.gov/offices/OSFAP/sfau/).



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:** Kristin Boyer, Andrés Cordero, Jr., David Garza, Jeffrey Grove, Kelly Kaelin, Art Martinez, Steve Schmidt, and George Torres. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

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