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Federal updates

Jeff Andrade resigns from ED

Jeff Andrade, Deputy Assistant Secretary of the Office of Postsecondary Education (OPE), resigned from ED late last week. His resignation was effective Friday, August 29.

Andrade held his position at OPE for just over a year. He had previously worked as a professional staff member of the U.S. House of Representatives Committee on Education and the Workforce from 1987 to 1998. Andrade subsequently worked for his own consulting firm before coming to work for ED.

ED has not yet announced who will assume the role of deputy assistant secretary.

ED issues guidance regarding FFELP participation by foreign schools

On August 25, 2003, ED issued Dear Colleague Letter (DCL) G-03-348 to guarantors and lenders regarding necessary actions related to FFELP loan disbursements for students attending foreign schools. A follow-up DCL (GEN-03-10) was sent to foreign schools on August 27, to remind these schools of the various requirements that they must follow to participate in the FFELP. This article provides a synopsis of these DCLs and the actions required by foreign schools, lenders, and guarantors.

Actions required by foreign schools

Certification of loans

A foreign school approved to participate in the FFELP must obtain a copy of the Student Aid Report (SAR) for each student prior to loan certification. If the school has been approved to receive electronic files from ED, the school may keep on file an electronic copy of the Institutional Student Information Report (ISIR). If a lender or guarantor requests a copy of the SAR, the school must comply with this request.

Responding to lender and guarantor requests for information

When a foreign school certifies a student's loan eligibility, the school contact that is listed on the promissory note must be the school representative responsible for communicating with the guarantor and verifying the eligibility and enrollment status of the student borrower. This individual must also be the person listed in ED's Postsecondary Education Participants System (PEPS) Database. If the contact information on the promissory note does not match the designated school representative listed in the PEPS Database, the guarantor will have to resolve the discrepancy. This may result in delayed processing of the promissory note and, subsequently, the disbursement.

Student status confirmation reporting

When a foreign school receives a Student Status Confirmation Report (SSCR) from a guarantor, it must review the SSCR, make necessary changes as appropriate, and return it to the guarantor within 30 days of receipt. The return of the SSCR should be documented for auditing purposes to verify compliance. If the school submits SSCR data electronically through the National Student Loan Data System (NSLDS), it must update and submit the data within 30 days.

Submission of annual audits for foreign schools

Foreign schools that receive FFELP proceeds for U.S. students must submit an annual compliance audit in addition to audited financial statements as authorized under the HEA. Specifications and requirements for audits can be found in the Foreign School Audit Guide that ED issued in September 2002. All audits must be submitted no later than six months after the last day of the school's fiscal year.

Resolution for audits in past periods for foreign schools

ED has sent letters to foreign schools with FFELP loan volume of \$500,000 or greater per year that have past due audits; schools with FFELP loan volume of less than \$500,000 will also receive a letter specifying their past due audits. Each school must respond to ED within 45 days of the date of the letter and report that the school has engaged an auditor to perform the review for periods not yet submitted. Schools must submit these past due audits within 90 days of ED's letter.

PPA recertification requests for foreign schools

All foreign schools should review their Program Participation Agreement (PPA), as it includes the date that their current certification expires. Schools should submit their recertification applications no later than 90 days before the expiration of their PPA.

Actions required by guarantors and lenders

To ensure accuracy and accountability, ED is now requiring guarantors to reconfirm school eligibility *and* verify student enrollment with foreign schools prior to disbursing FFELP funds *for student borrowers who request that the FFELP check be sent directly to him or her*. Guarantors will access the PEPS Database to confirm student and school eligibility. Once confirmed, the guarantor must inform the lender of the following information:

- The name and telephone number of the school representative.
- The date of confirmation of school and student eligibility.
- Verification of the borrower's admission to the foreign school.
- The period of enrollment.
- Additional information from the school as appropriate.

After the lender has received this information, it must notify the school of the date when it disburses the funds directly to the borrower.

Guarantors and lenders must implement these extra procedures no later than November 25, 2003, for loans disbursed on or after this date.

TG's procedures concerning foreign schools

Fiscal accountability and integrity are vital to the continued success of the FFELP. TG currently has a variety of measures in place to ensure its compliance with ED guidelines. TG is examining internal procedures to make the necessary changes to implement the recently issued DCL. *Shoptalk Online* will keep you informed of these changes.

Referrals to OIG and other contacts

If a foreign school, lender, or guarantor finds that a student may have engaged in the submission of fraudulent information applicable to the FFELP, the school must contact the Office of the Inspector General (OIG). OIG can be reached via e-mail at oig.hotline@ed.gov or at (800) 647-8733. You may also forward questions to the Foreign Schools Team in ED's Office of Federal Student Aid at (202) 377-3168 or via e-mail at fsa.foreigh.schools.team@ed.gov. Foreign schools should also communicate regularly with guarantors and lenders regarding students receiving FFELP funds — these entities can assist schools in handling a multitude of issues.

For more information

To access DCL G-03-348 or DCL GEN-03-10, visit the Information for Financial Aid Professionals (IFAP) Web site at www.ifap.ed.gov.

TG update

TG names Brenda Smith national account representative



Brenda Smith has joined TG as a national account representative serving New York State. Brenda comes to TG with more than 23 years of experience in student financial aid, most recently serving as an assistant vice president for New York State Higher Education Services Corporation (HESC) in Albany. During her 20-year tenure with HESC, she was responsible for many facets of education loan administration, from training and customer service to policy making and loan operations.

"I am very pleased to have Brenda joining us as our newest national account representative," said Milt Wright, TG president and chief executive officer. "It would be hard to match her expertise and experience in the education loan industry. Among her colleagues, Brenda has a reputation as a caring, knowledgeable professional. I have enjoyed working with her in the past and on various industry committees. I am glad TG and our customers will now enjoy the benefit of her focus on customer care and extensive experience."

Brenda has served on various committees of the National Council on Higher Education Loan Programs. She is also an active member of the New York State Financial Aid Administrators Association.

In 2001, Brenda received the New York Governor's Award to African American Leaders of Excellence in State Service.

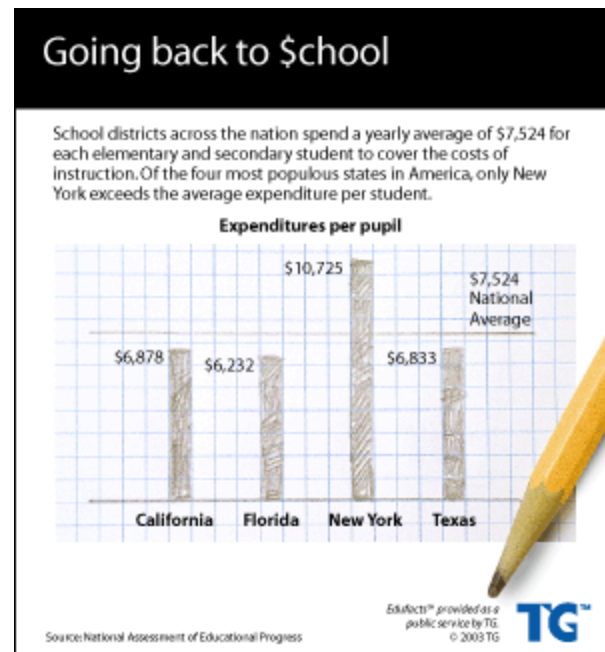
She begins her responsibilities with TG effective immediately. She can be reached at (800) 252-9743, ext. 2510, or brenda.smith@tgsic.org.

Trends and issues

Edufacts™ – August 2003

Think school supplies and clothes are the only costs associated with going back to school? Think again. School districts across the nation spend a yearly average of \$7,524 for each elementary and secondary student to cover the costs of instruction. These costs are related to teacher salaries, benefits, supplies, building operation and maintenance fees, administration, transportation, and support activities like counseling, libraries, and health services.

Of the four most populous states in America, only New York exceeds the average expenditure per student. According to information from the National Assessment of Educational Progress (NAEP), per-pupil expenditures total \$6,878 (CA), \$6,232 (FL), \$10,725 (NY) and \$6,833 (TX).



Source: National Center for Education Statistics, National Assessment of Educational Progress, Common Core of Data, 2001-2002 school year, available at <http://nces.ed.gov/nationsreportcard/states/>.

Legislative update

The August 28 issue of TG's *Legislative Report* provides updates on the Congressional Budget Office's new ten-year federal budget deficit projections and 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 www.tgslc.org/lege_report/index.cfm.

This, that, and the other

What ever happened to students who complete their degree in four years or less? They've actually become more common since the early 1990s, according to a new report from the National Center for Education Statistics (NCES). The percentage of first-time bachelor's degree recipients who finished in 4 years or less increased from 35 percent to 39 percent (nearly two-fifths) between 1993 and 2000.

The report, "Baccalaureate and Beyond: A Descriptive Summary of 1999-2000 Bachelor's Degree Recipients, 1 Year Later — With an Analysis of Time to Degree," sheds light on the experiences and demographics of recent graduates, their activities after graduation, and the amount of time they are taking to finish their degrees.

The full report is available online at
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2003165>.



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