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Tip^{of} the Week

Get prepared to announce your cohort default rate campus-wide. Use the release of 2001 cohort default rates to educate faculty, staff, and administrators about the importance of student loan default prevention. For ideas, call TG Default Prevention at (800) 338-4752.

Federal updates

ED releases FY 2001 cohort default rates

ED has begun releasing FY 2001 cohort default rates to schools. ED recently announced it would begin transmitting official electronic cohort default rate (eCDR) notification packages to all schools located in the United States via the Student Aid Internet Gateway (SAIG) this week. ED has also indicated that hard copy cohort default rate (CDR) packages were mailed to foreign schools, which are not required to participate in the new electronic process, on Monday, September 8, 2003.

The official FY 2001 cohort default rates are now available at www.ed.gov/offices/OSFAP/defaultmanagement/cdr.html. The site also provides information related to the FY 2001 rates, such as a sample default management plan for schools.

New electronic process

Through eCDR, domestic schools will receive official cohort default rate packages instantly and electronically rather than through a courier service in hard copy, as in previous years.

The new eCDR process will mean a new way for schools to determine when various appeal time frames begin. For domestic schools that are eCDR participants, these time frames now begin with the sixth business day following the announced

transmission date for eCDR packages. In other words, if the announced transmission date is September 15, 2003, the appeal clock starts ticking on September 23, 2003. For foreign schools, appeal time frames continue to begin on the date the hard copy cohort default rate package arrives.

Cohort Default Rate Guide available online

ED's *Cohort Default Rate Guide*, which accompanied the cohort default rate mailings until 2001, is available exclusively online again this year. You can download the latest version of the guide (or parts thereof) at www.ifap.ed.gov/drmaterials/finalcdrg.html. You can also contact EDPUBS to request a hardcopy version of the guide at 1-877-4EDPUBS or www.ed.gov/pubs.

Please note that updates to the guide will be reflected *only* at www.ifap.ed.gov/drmaterials/changelog.html. Therefore, periodic review of the site is recommended for maintaining an up-to-date version of the guide. Several changes were recently posted on the Information for Financial Aid Professionals (IFAP) Web site at www.ifap.ed.gov/eannouncements/0712CDRChangePage.html.

Consequences of cohort rates

Schools with official cohort default rates of 25 percent or greater for the three most recent fiscal years (FY 1999, FY 2000, and FY 2001) will lose FFELP, Direct Loan Program, and Federal Pell Grant Program eligibility unless those schools successfully appeal the eligibility loss. Schools that were not participating in the FFELP or Direct Loan Program on October 7, 1998, and that have not participated in those programs since that time, are exempt from the loss of Pell Grant Program eligibility.

Schools with official FY 2001 cohort rates that exceed 40 percent are also subject to loss of eligibility to participate in the FFELP and Direct Loan program unless the schools successfully appeal the eligibility loss. Due to recent changes in federal regulations, these schools will not lose eligibility to participate in other Title IV programs based on a single cohort default rate exceeding 40 percent.

Cohort rate appeals and adjustments

Schools may appeal official FY 2001 cohort default rates based on allegations of incorrect data, improper loan servicing and collection, and/or exceptional mitigating circumstances, as described in federal regulations and the *Cohort Default Rate Guide*. As in the past, appeals based on incorrect data and improper loan servicing of FFELP loans must be submitted to the school's guarantor(s) within specified time frames to permit the school's continued eligibility while the appeal is pending. Appeals regarding exceptional mitigating circumstances must be submitted by schools directly to ED. Appeals of Direct Loans are also submitted directly to ED.

Schools also may be eligible to submit an Uncorrected Data Adjustment or a New Data Adjustment based on official FY 2001 cohort rates. The guide explains the

procedures, time frames, and other requirements for submitting these requests for adjustment.

Schools are advised to send cohort appeals to TG compliance administrative operations at either address below:

Mailing address

TG
Attn: Compliance Analyst
P.O. Box 201725
Austin, Texas 78720-1725

Overnight delivery services

TG Distribution Center
Attn: Compliance Analyst
2929 Longhorn Blvd., Suite 106
Austin, Texas 78758

Loan record detail report

All schools with FY 2001 cohort rates of 10 percent or greater should receive a Loan Record Detail Report (LRDR) along with ED's notification of the official cohort rate. If a school does not receive its report at that time or wishes to request the Loan Record Detail Report in an electronic format (also known as the eLRDR), the school may request a FY 2001 official eLRDR through ED's NSLDS Web site at www.nslsdfap.ed.gov. For more details about the eLRDR, visit www.ifap.ed.gov/eannouncements/0211Draft2000eLRDR.html.

Questions

For questions about the FY 2001 official cohort rate appeal procedures, call Ken Johnson at (800) 252-9743, ext. 4701, or send an e-mail message to ken.johnson@tgsic.org.

TG updates

Sneak preview: TASFAA sessions to feature several TG team members

As the TASFAA Fall Conference approaches, everyone is looking forward to spending some time away from the office to reconnect with colleagues and friends, share experiences, and learn about developments within the industry. Several team members at TG are looking forward to presenting sessions that will help make the conference theme, "Destination: Education," a reality for all in attendance.

Now for the sneak preview. TG is pleased to present the following guide to sessions that will involve our team members. We hope that you will find these sessions informative and enriching.

Professional development sessions

- *Whale Done!™: Creating powerful, positive relationships*

In this highly popular session based on the book by Ken Blanchard, Tom Sharp, TG assistant vice president for corporate learning and development, will share the Whale Done! program with participants. Cynthia Mayberry, TG assistant manager for customer services, will moderate the presentation.

Whale Done! focuses on the power of giving positive reinforcement, praising progress, and catching people doing things right. How often are you “caught” doing things right? How often do you “catch” others? Participants who follow the program’s philosophy will improve relationships in their work and personal life, increase motivation, and enhance their own performance as well as the performance of their colleagues.

- *Say what? Getting the message across*

Is the message received always the same as the message sent? Darron Grussendorf, TG customer services trainer, will deliver a program on interpersonal communication that reinforces the basics of both sending and receiving messages. Paul Lewis, TG assistant manager for customer services, will moderate the session.

Participants will learn specific techniques they can use to become more effective communicators. Some of the issues covered will include the use of “I” messages, the power of non-verbal communication, active listening, and conflict resolution.

Financial aid sessions

- *Getting the latest on reauthorization*

Join Jimmy Parker of Panhandle-Plains Higher Education Authority, George Torres, TG assistant vice president for government relations, and moderator Debra Wilkison of Collin County Community College for an up-to-date review of current issues related to reauthorization of the Higher Education Act, and TASFAA’s involvement in the process.

- *Practical application of privacy laws at your institution*

Offering a session titled “Gramm, Leach, Bliley,” Sue McMillin, TG senior vice president for customer relations and business operations, and Chris Christensen of Texas A&M University will present valuable information on the FTC Safeguards Rule, which requires institutions to implement a plan to secure customer records and information.

This session, moderated by Debbie Dohmann, TG school consultant for customer services, will cover required elements of the rule, who should be involved in setting up the plan on your campus, suggested practices related to training and oversight of third-party services, and how to communicate with your business partners, including lenders and guarantors, when exchanging information.

- *Reaching out early: Early awareness*

Creating relationships with families and students begins even before they set foot on campus. Irene Smith of COSTEP, Richard Sapp, TG director of awareness programs, Cynthia Butler of Collegiate Funding Services, and moderator Jan Benton of Amarillo National Bank will share best practices, resources, and tools that student financial aid administrators can benefit from in fostering positive, beneficial relationships with students and families — future customers of schools and other industry partners.

- *School as lender: From concept to reality*

Has your school considered the potential benefits of setting up a school-as-lender program? Attend this informative session delivered by Stan Eddy, associate director of financial aid loans and grants at Southern Methodist University (SMU), and Steven Smith, TG's assistant vice president for strategic planning and development. Neil Mac Quarrie, TG senior consultant, will moderate.

Steve will provide some background on this growing trend, as well as some things to consider if you are planning to develop a school-as-lender program. Stan will share SMU's experiences in creating a school-as-lender loan program for the school's graduate and professional programs, including the benefits, drawbacks, expectations, and realities. He will offer insight into working with industry partners in accomplishing objectives, and provide information on how the program has performed to date.

- *Where to find the answers: Financial aid research tools*

Financial aid professionals are continually in need of statistical and policy information. In this session, Kelly Kaelin, TG senior policy advisor, will add to your arsenal of research resources by providing you with several electronic avenues to find the fact and figures you need. Kathy Bassham of Weatherford College will moderate this session.

- *Part of the financial aid delivery team: The role of student loan servicers*

Servicers play a vital and important role in delivering student financial aid. In this session, presented by Lance Teinert of LoanStar Systems, and moderated by Delton Moore, TG school consultant for customer services, this session will describe roles, best practices, and other aspects of the servicer in the equation of student financial aid administration.

Bringing valuable training sessions back to your campus

If you cannot join us for the conference in Wichita Falls next month, remember that TG can bring the training to you. The TG Speakers Bureau offers an array of industry and professional development programs you can customize to meet your institution's needs. To learn more, visit *TG Online* at www.tgslc.org/speakers/index.cfm, or speak with your TG school consultant.

Common Manual

New training brief explains how to find information in the reorganized manual

The *Common Manual* Policy Committee last week released the fourth in a series of training briefs on the reorganization of the *Common Manual*. The new brief, available online at www.tgslc.org/resources/cm_training.cfm, explains how readers may use the Restructuring Subcommittee Matrices to find information that was moved with the reorganization of the manual.

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

Legislative update

The September 15 issue of TG's *Legislative Report* includes updates on FY 2004 appropriations bills in the House and Senate, the HEA reauthorization outlook, and the status of other 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

Been to ED's Web site lately? If not, head on over to www.ed.gov and check out the new look! Not only has the site's appearance been improved, but [ed.gov](http://www.ed.gov) has also been reorganized with sections to provide information tailored to students, parents, teachers, and administrators. Also, five new "Information Centers" have been established for the important topics of Grants & Contracts, Financial Aid, Research & Statistics, Policy, and Programs.



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Shoptalk Online is published by TG. Unless specifically noted, the policies and procedures outlined in *Shoptalk Online* apply only to loans made under the TG guarantee and not to loans underwritten by other guarantors.

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

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