

## In this issue:

<b>TG updates</b> .....	<b>1</b>
TG prepares for move to new offices .....	1
With EFT, timing is everything.....	2
TG doubles support for grant program, awards \$1 million to benefit students.....	4
<b>TG policies</b> .....	<b>5</b>
TG implements recent foreign schools DCL .....	5
<b>Trends and issues</b> .....	<b>6</b>
Your input wanted for upcoming teleconference on FTC rules .....	6
Online chat to answer questions on college admission and financial aid .....	7
<b>This, that, and the other</b> .....	<b>8</b>

## Tip<sup>of</sup> the Week

Compile a calendar of important dates for students to remember regarding their financial aid. Then submit it to your campus newspaper editor to be included in the publication's calendar of events.

## TG updates

### TG prepares for move to new offices

TG is making final preparations to relocate its corporate headquarters in October. The move will occur over the weekend of October 10-13.

TG offices will be closed on Columbus Day, Monday, October 13, for the move. Operations are scheduled to resume by 8 a.m. (CDT) on October 14.

### Phone and Web outages

Phone service and access to TG Web sites and services will be unavailable during the move. AdvanTG Web™, TG Loans By Web™, TG Loans By Phone™, EFT, and all TG call centers and Web sites will be unavailable beginning at 2 p.m. on Friday, October 10. Service is scheduled to resume by 8 a.m., Tuesday, October 14.



Main entrance of TG's new offices at 301 Sundance Parkway in Round Rock, Texas.

## **New address**

Effective October 14, TG's new mailing address for general correspondence will be:

TG  
P.O. Box 83100  
Round Rock, Texas 78683-3100

When sending correspondence to TG, please keep in mind that TG will not begin receiving mail sent to this new address until our relocation is complete on Tuesday, October 14.

Any mail sent to our existing addresses after the move will be forwarded to our new address through October 14, 2004.

## **Phone and fax numbers**

All phone numbers will remain the same. However, some fax numbers may change after the relocation. More information will be provided to business partners who may be affected by fax changes after the move.

## **New view, same vision**

Although our "view" is changing, TG's vision will be the same — to be the premier source of information, financing, and assistance to help families and students realize their educational and career dreams. We appreciate your patience and look forward to continuing to provide you with excellent service from our new location.

## **With EFT, timing is everything**

For more than 10 years now, TG's Electronic Funds Transfer (EFT) tool has made the student loan disbursement process more efficient. Based on your feedback, it continues to be a very effective tool. Through August 2003, TG has disbursed over \$6.6 billion in student loan funds through our EFT process — on time and efficiently. Today, TG disburses for over 145 schools and 245 lenders and servicers across the nation.

As we solicit feedback about the EFT process, customers often ask about two situations involving the timing of disbursements. To help schools and their lender and servicer partners get the most out of TG's EFT, we would like to offer some practical information about these two EFT timing issues.

### **Situation 1: Changes in approval processes may affect timing of EFT disbursements**

From the start, the TG EFT process has been designed to initiate EFT disbursement as soon as TG receives both a "release" from the school and an "approval" from the lender. In fact, it doesn't matter which happens first, the lender approval or the school release.

In some cases, the school sets “release” as its default disbursement status, so that no action by the school is necessary. In these cases, initiation of EFT is completely dependent on the timing of the lender approval.

For many years, the lender “approved” a disbursement based on receipt and verification of a loan application/promissory note **prior** to the school’s “hold” and then later, student action (e.g., entrance counseling) triggered the school “release.” In this scenario, when the school triggered the release, it could expect the EFT process to be initiated immediately — that is, it could expect to receive EFT reports the next day and funds the following day.

However, with the emergence of the Master Promissory Note and CommonLine standards, some lenders and servicers have changed their EFT approval practice from a TG-proprietary process to the CommonLine disbursement roster process. In making this switch, some lenders and servicers have also changed the timing of their approvals. With CommonLine processing, some now initiate approvals based on notification of a school release. As a result, an increasing number of lenders are now approving disbursements later than they used to — upon receiving the release notification (which often occurs on or after the disbursement date) rather than when they receive and verify the loan request (which usually occurs well before the disbursement date).

For schools, the result is a delay in when they expect EFT disbursements to move.

*Example 1: The Old Scenario*

Friday	Lender reviews loan request, approves EFT
Monday	School releases EFT disbursement, initiating EFT
Tuesday	School receives EFT reports from TG
Wednesday	School receives EFT disbursement

*Example 2: The More Common New Scenario*

Friday	Lender reviews loan request
Monday	School releases EFT disbursement
Tuesday or Wednesday*	Lender approves EFT, initiating EFT
Wednesday or Thursday*	School receives EFT reports from TG
Thursday or Friday*	School receives EFT disbursement

\*Depends on lender or servicer reaction time to initial release notification.

As TG and the financial aid community move to “next-day” and even “same-day” funding processes, TG will be ready to provide EFT reports to lenders, servicers, and schools earlier and move funds from lenders and servicers to schools more quickly. But the timing of EFT approvals will be a critical factor, as well. TG consultants will be available to help schools, lenders, and servicers proactively coordinate the timing of their release and approval processes, to help ensure that all program participants enjoy the promised benefits of these faster funding scenarios.

## **Situation 2: Announcements of new EFT schools will now include the school's desired implementation date**

TG is making a minor procedural change that we hope will improve the implementation process for both new EFT schools and their lenders/servicers. When TG completes testing for new EFT participants, we announce the institution's EFT status through messages posted to the TG Users Group (TUG) listserv. In the past, these messages have typically announced that the new school was in "production" for EFT Stafford and/or PLUS disbursements as of the date the message went out.

To help ensure a smoother transition, TG will be making those announcement messages more specific. In the future, the school's desired EFT implementation date will be included in the announcement. When we complete EFT testing with a new school, we will discuss their desired EFT effective date, ideally at least 3 to 5 business days after testing is complete. As soon as the EFT effective date is determined, we will announce the school's target EFT effective date on the TUG listserv. The announcement will also provide the date by which lenders should have their EFT approval process in place for that school (two business days before the EFT effective date), to ensure the smoothest possible transition for their school customer.

Our hope is that these more specific dates will provide lenders with more reaction time to shift their process from check generation to the EFT approval process, based on the school's desired EFT implementation date. Ideally, this procedural change will make for a smoother transition for schools new to EFT.

### **Your input makes a difference**

As always, TG appreciates your input to help improve processes and tools as we work with you, our business partners, to accomplish our mutual goal of better serving students. We want to continue to be your Guarantor of Choice!

If you would like to discuss EFT or have any questions, please contact your TG school or lender consultant at (800) 252-9743.

## **TG doubles support for grant program, awards \$1 million to benefit students**

More than 100 Texas colleges and universities have qualified to receive Charley Wootan Grant funds from TG, the state's designated student loan guarantor. TG allocated \$1 million for awards during the 2003-2004 academic year, doubling the amount it awarded to schools last year.

"In light of the financial challenges facing many institutions, we wanted to demonstrate our commitment to educational access by increasing available funds for the Charley Wootan Grant program," said Milt Wright, TG president and chief executive officer. "We are especially pleased to know that these funds directly impact students with financial need."

Each designated school will receive a check for \$8,549 to be awarded to eligible students at the discretion of the school's financial aid office. The amount of the award is determined each year based on the typical student loan debt for Texas undergraduates. In 2002, the median borrower indebtedness for college students in Texas was \$8,549. TG selects Charley Wootan Grant recipients based on the level of student financial need at each institution.

TG established the grant program in 2000 to provide assistance to students who have difficulties pursuing their higher education dreams because of financial need. In 2001, the TG board of directors expanded and renamed the program to honor the memory of former TG Board Chairperson Dr. Charley V. Wootan, in recognition of his generous contributions and service to the state of Texas and the nation.

A full list of institutional recipients is available online at [www.tgslc.org/newsroom/news/2003/press030925.cfm](http://www.tgslc.org/newsroom/news/2003/press030925.cfm).

## **TG policies**

### **TG implements recent foreign schools DCL**

For years, TG has played an active role in confirming the eligibility of borrowers applying for FFELP loans to attend foreign schools. TG continues this commitment with the implementation of minor "behind the scenes" changes to foreign school loan processing initiated in response to the recent DCL G-03-348 announced in *Shoptalk Online*, Edition 220.

#### **Actions required of guarantors**

Here is an outline of requirements issued by ED in DCL G-03-348. For loans made to students attending foreign schools, a guarantor must:

- Confirm a foreign school's eligibility in ED's Postsecondary Education Participants System (PEPS) database prior to the disbursement of FFELP funds directly to a student in attendance at that school.
- Verify a student's enrollment at a foreign school, as indicated on the promissory note, prior to disbursing FFELP funds directly to the student.
- Send paper Student Status Confirmation Reports (SSCRs) to foreign schools that are not providing enrollment reporting information directly to the NSLDS.
- Perform program reviews of foreign schools, if appropriate.

#### **TG's current loan processing procedures for foreign schools**

TG already has several measures in place that partially fulfill the requirements in the DCL, as outlined in this section. First, prior to issuing a guarantee, the TG Loan Guarantee Operations (LGO) team takes steps to validate the eligibility of students attending foreign schools. Specifically, LGO requests and examines certain

documentation from various entities to confirm the student's eligibility. The information that is collected includes:

- A copy of the Master Promissory Note and school certification from the lender.
- A letter or e-mail from the school verifying the cost of attendance.
- A copy of the Student Aid Report from the student.

In addition, TG's system has edits in place that confirm school eligibility prior to guarantee of the loan.

TG also regularly sends SSCRs to foreign schools as well as domestic schools that are not able to report to NSLDS electronically, and loan guarantee staff complete periodic checks to ensure that schools submit the SSCRs.

### **Additional procedures to be implemented by November 25, 2003**

To fulfill provisions in the DCL that TG has not already implemented, TG will also:

- Verify student enrollment with the appropriate foreign school representative listed in the PEPS database prior to disbursement. The lender can rely on TG's notice of guarantee to signify that this verification has been completed.
- Monitor foreign school eligibility during the period between guarantee and disbursement and notify the appropriate lender if a school becomes ineligible for which a disbursement is pending.
- Perform program reviews of foreign schools, as appropriate.

### **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](http://www.ifap.ed.gov).

## **Trends and issues**

### **Your input wanted for upcoming teleconference on FTC rules**

Recently, TG inquired about interest in a teleconference on the Gramm-Leach-Bliley (GLB) Safeguard rules. Based on the community's response to this inquiry, the Federal Trade Commission (FTC) has agreed to participate in a teleconference with interested participants to discuss the Safeguard rules. The FTC has asked that TG post information regarding the rules for prospective participants to view and collect questions from them about the rules. This will enable the FTC to research issues and collaborate on responses so that the teleconference can provide useful information on issues specific to educational institutions and student lending.

Please review the materials located on the FTC web site through the links provided below and formulate your questions. Submit these questions to [sheila.casey@tgsllc.org](mailto:sheila.casey@tgsllc.org) by this Friday, October 3, 2003.

- [www.ftc.gov/privacy/glbact/index.html](http://www.ftc.gov/privacy/glbact/index.html) ? Brief summary of GLB
- [www.ftc.gov/opa/2003/05/safeguards.htm](http://www.ftc.gov/opa/2003/05/safeguards.htm) ? Press release and extended summary of GLB requirements
- [www.ftc.gov/privacy/privacyinitiatives/safeguards030623.pdf](http://www.ftc.gov/privacy/privacyinitiatives/safeguards030623.pdf) ? FTC presentation on Safeguards rule
- [www.ftc.gov/bcp/online/pubs/buspubs/safeguards.pdf](http://www.ftc.gov/bcp/online/pubs/buspubs/safeguards.pdf) ? Business applications
- [www.ftc.gov/os/2002/05/67fr36585.pdf](http://www.ftc.gov/os/2002/05/67fr36585.pdf) ? Final rule
- <http://www.ftc.gov/privacy/privacyinitiatives/safeguards.html> ? Links to other information

TG hopes to schedule the teleconference for late October or early November. TG appreciates your interest and looks forward to hearing from you.

## **Online chat to answer questions on college admission and financial aid**

For students thinking about college next fall or in a few years, it's not too early to begin researching college choices, reviewing admission guidelines, and saving for college. For high school seniors, it's already time to prepare for college admission and financial aid applications for next year. Students and families with questions on these topics can join an online chat on October 7 for answers.

*Mapping Your Future* ([www.mapping-your-future.org](http://www.mapping-your-future.org)) will offer a "Finding the school of your dreams and gaining admission" chat for middle and high school students from 6 to 7 p.m. CDT on October 7, 2003.

This live event provides a unique opportunity to receive advice on the college admissions and financial aid processes. 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**

During this chat, students and their families will learn more about:

- Preparing academically for college
- Considering different types of schools
- Applying to school

- Considering various options for paying for school
- Completing the Free Application for Federal Student Aid (FAFSA)
- Calculating financial need and expected family contribution
- Determining eligibility for federal student aid

### **How to join**

Anyone with Web access can join in the chat. On the evening of the chat, visitors should 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.

### **More chats to come**

Several other chats are scheduled for the coming months:

- Nov. 4, 2003 Evening Chat for Student Loan Borrowers - Loan consolidation
- Dec. 9, 2003 Evening Chat - Student loan forgiveness, cancellation, and discharge
- Jan. 13, 2004 Daytime Chat for High School Seniors and College Students - FAFSA, financial aid, and careers
- March 9, 2004 Evening Chat for Adult Students - FAFSA, financial aid, and careers
- April 6, 2004 Daytime Chat - Student loan default prevention
- May 11, 2004 Evening Chat - Student loan forgiveness, cancellation, and discharge
- June 8, 2004 Daytime Chat for Student Loan Borrowers and Adult Students - Loan consolidation

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.

### **This, that, and the other**

Public institutions of higher education are more likely to offer distance education courses than private institutions, according to a recent study from the National Center for Education Statistics (NCES). In 2000–2001, distance education courses were offered at 90 percent of public 2-year institutions, and at 89 percent of public 4-year institutions. During that same year, distance education courses were offered by 16 percent of private 2-year institutions, and 40 percent of private 4-year institutions.

A detailed report on the NCES study, which was conducted through the Postsecondary Education Quick Information System (PEQIS), is available online at <http://nces.ed.gov/surveys/peqis/publications/2003017/>.

---



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

*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](mailto:communications@tgslc.org).

**Contributors to this edition:** Kristin Boyer, Andrés Cordero, Jr., David Garza, Kelly Kaelin, Art Martinez, and Steve Schmidt. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

©2003 Texas Guaranteed Student Loan Corporation.

AdvanTG Web, TG Loans By Web, TG Loans By Phone, and the TG logo are trademarks of Texas Guaranteed Student Loan Corporation.