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Tip^{of} the Week

Involve parents in entrance counseling for any students enrolling midyear. TG can provide a list of items to cover during entrance counseling sessions. Call (800) 338-4752 to find out more.

Federal updates

ED issues return of Title IV funds policy change

TG recently learned of guidance issued by ED on the subject of Return of Title IV Funds (RT4). This guidance clarifies that a school may include as “aid that could have been disbursed” in the RT4 calculation the initial disbursement of a Stafford loan for a first-year, first-time undergraduate Stafford loan borrower who withdraws within the first 30 days of his or her program of study, provided that all of the conditions for making a late disbursement are met.

This is a change in ED policy. The change brings into alignment the treatment of disbursements that are subject to the 30-day delayed disbursement provisions with the treatment of second and subsequent disbursements, which schools have been able to include in the RT4 calculation as aid that could have been disbursed since ED issued guidance on this subject in Dear Colleague Letter GEN-00-24.

Post-withdrawal disbursement rules remain the same

Please note that a first-year, first-time undergraduate Stafford loan borrower who withdraws before completing the 30th day of his or her program of study *remains ineligible to receive any Stafford loan funds as a post-withdrawal disbursement* even if the amount of the initial disbursement was included in the RT4 calculation

as aid that could have been disbursed. As a reminder, when a student withdraws prior to completing the period for which the loan is intended, no portion of any second or subsequent FFELP disbursement may be disbursed as a post-withdrawal disbursement even if the amount of the second or subsequent disbursement was included in the RT4 calculation as aid that could have been disbursed.

More information

For more information on RT4, access the 2003-2004 *Federal Student Aid Handbook*, Volume 2, Chapter 6 (Return of Title IV Funds) at www.ifap.ed.gov/sfahandbooks/attachments/0304Vol2Ch6aReturnofFunds.pdf.

TG updates

TG will continue to waive guarantee fee for students, parents

TG will continue to waive the federal insurance premium, also known as the guarantee fee, for student and parent borrowers through September 30, 2004, and will continue to evaluate its guarantee fee policy for subsequent periods. This is the fifth consecutive year that TG has waived the one-percent guarantee fee for TG borrowers of Stafford and PLUS loans under the FFELP.

“In the past four years, TG’s waiver of the guarantee fee has saved borrowers over \$60 million — allowing students to apply the savings directly to educational expenses,” said Milt Wright, TG’s president and CEO.

“We certainly want to explore the issue fully and carefully consider the long-term implications for the higher education and lending communities, as well as the families and students we all serve. Also, we will take into account the developments in the process of the reauthorization of the Higher Education Act that may address the issue of the guarantee fee.”

Wright went on to note that the decision to continue the guarantee fee waiver comes after much thought and deliberation by TG’s management and Board of Directors. “We take our obligation to maintain the financial integrity of the FFELP seriously, to ensure that the program remains strong for generations to come,” said Wright.

The Higher Education Act specifies that guarantors may charge a fee of up to one percent of the borrower’s requested loan amount to create a federal reserve that allows the guarantor to pay claims on defaulted loans. Since 1999, however, TG has waived this fee for all student and parent borrowers of Federal Stafford and PLUS loans.

TG proud to announce ninth annual FAFSA Teleconference

To assist families and students in preparing the Free Application for Federal Student Aid (FAFSA) and beginning their journey into postsecondary education in the coming academic year, TG will broadcast its ninth annual FAFSA Teleconference on Thursday, February 5, 2004, from 7 p.m. to 8:30 p.m. CST.

Applying for Financial Aid: The FAFSA Process is a free satellite broadcast that guides students and parents through the process of completing and submitting the FAFSA. This year's program will include a segment from the Office of the State Attorney General, focusing on how families can deal with scholarship or financial aid scams.

TG also produces a companion FAFSA presentation in Spanish, *Solicitando ayuda económica: Llenando la FAFSA*, which will coincide with the broadcast of the English program.

Become a host site

TG cordially invites schools, lenders, and community organizations to serve as host sites for the FAFSA Teleconference. As a host site institution or organization, you can:

- Assist high school students in your community or area of service.
- Provide prospective students with exposure to your campus.
- Offer an opportunity to foster relationships with parents of students.
- Advance your partnerships with counselors and local non-profit organizations.

Registration and information

To register as a host site for this free program, visit TG's *Adventures In Education* Web site at www.aie.org. You can also contact Richard Sapp, TG's Director of Awareness Programs, at (800) 252-9743, ext. 2865, or awareness@tgsic.org for more information.

Trends and issues

College and financial aid questions to be answered during online chat in January

Students, high school counselors, and parents can get answers to their college and financial aid questions and receive assistance with federal financial aid forms during a January 13, 2004, live chat event at www.mapping-your-future.org. Financial aid experts from all over the country will answer questions during the chat event, scheduled for 2-3 p.m. CST.

Topics

The chat is designed to help students who are planning to attend a college or university next fall understand the college application and financial aid process. During the chat, students and their families will learn more about:

- Paying for school.
- Choosing a career.
- Completing the FAFSA application.
- Determining eligibility for federal student aid.
- Figuring financial need and expected family contribution.

How to join

Anyone with Internet access can join the chat by visiting www.mapping-your-future.org on the afternoon of the chat and selecting the chat session. Simple instructions will explain how to join the event.

More chats to come

The chat is one in a series of chats being offered this year by *Mapping Your Future*, a public service Web site providing college, career, and financial aid information and services. Other chats scheduled during the coming year include:

- March 9, 2004 - FAFSA, financial aid, and careers
- April 6, 2004 - Student loan default prevention
- May 11, 2004 - Student loan forgiveness, cancellation, and discharge
- June 8, 2004 - Loan consolidation
- Aug. 10, 2004 - Student loan default prevention
- Sept. 7, 2004 - FAFSA and financial aid

Mapping Your Future 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

Like most of you, the *Shoptalk Online* team is taking a break for the holidays. This edition is our last for the year, but we look forward to bringing you more financial aid news in 2004. You will receive your next weekly edition of *Shoptalk Online* on Tuesday, January 6, 2003.

Please note that TG will be closed Thursday and Friday, December 25 and 26, for the Christmas holiday and Thursday, January 1, for New Year's Day.

Happy Holidays!



P.O. Box 83100
Round Rock, TX 78683-3100
(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.

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

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