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

Helping your students to find a job is a great way to ensure successful student loan repayment. Have students and recent graduates check out [www.JobGusher.com](http://www.JobGusher.com), TG's job search site designed for first-time job seekers and students looking for internships, part-time jobs, or seasonal work.

## TG Updates

### TG offers workshops to help you do more with less

TG is gearing up to offer a new series of workshops nationwide, focused on the needs of seasoned financial aid professionals. Each workshop will offer important information and fresh ideas to help you do more with less.

#### Timely topics

Workshops will feature sessions on the following topics:

- Federal Update/Reauthorization
- Leadership: Believing that You Make a Difference

- Customer Service in Financial Aid: Principles and Best Practices
- Doing More with Less: Strategies for Optimizing Efficiency

In the final session, workshop attendees will participate in a special brainstorming forum on doing more with less. This forum will provide you and your colleagues an opportunity to generate ideas about this timely topic.

For more details on these sessions, review the agenda online at [www.tgslc.org/workshops/winter/agenda.cfm](http://www.tgslc.org/workshops/winter/agenda.cfm).

### **Times and places**

You can find the nearest location and training dates online at [www.tgslc.org/workshops/winter/locations.cfm](http://www.tgslc.org/workshops/winter/locations.cfm). Each session will begin promptly at 9 a.m. and conclude around 3 p.m. Training is offered free of charge, and TG will provide lunch.

Online registration is available at [www.tgslc.org/workshops/winter/register.cfm](http://www.tgslc.org/workshops/winter/register.cfm).

### **Questions and more information**

For questions or more information, contact Vickie Reyes in TG strategic partnerships at (800) 252-9743, ext. 4549.

## **TG enhances Default Management Report for AdvanTG Web™ users**

TG recently enhanced its Default Management Report (DMR) for schools, to give financial aid professionals more flexibility and control. Schools now have the ability to customize their DMR and control when the report is produced, using a new request process in AdvanTG Web.

The Default Management Report (DMR) is a valuable tool for schools to use in managing their cohort default rates. The report identifies student loan borrowers who are at risk of defaulting on their TG-guaranteed student loans, and borrowers who have already defaulted.

### **A new process**

TG will continue to automatically distribute the DMR to schools through February 2004. In order to continue receiving the report after February, schools must set up a request through AdvanTG Web. This is a one-time step that takes only a few minutes to complete.

### **Setting your preferences**

To request your DMR, go to the Reporting Menu in AdvanTG Web:

- Select the Request Default Management Report link.

- Click the Add button on the Default Management Report Request screen.
- On the New Default Management Report Request screen, enter your parameters.
  - Select Comma Delimited (data file for export) or select Text (ready to print)
  - Select all or a combination of the following report types:
    - Basic Report – identifies the loan, the student, and the most current loan and enrollment statuses associated with the student.
    - Delinquency, Claim and Default Report – details TG’s knowledge of what happens to a loan after it enters repayment.
    - Address Report – lists the best address information TG has on the students.
  - Select which year you want, the current year (loans entering repayment from 10/01/2003 to 09/30/2004) or the previous year (loans entering repayment 10/01/2002 to 09/30/2003). You can select one or both.
  - The Institution ID will default to the ID you logged in to AdvanTG Web with.
  - Create a run schedule by selecting the date that you want to submit your request to TG. This date should be a current or future date and should be after the 15th of the month. This ensures that you will receive the most up to date report information. Data for the DMR is updated on or after the 15th of every month, depending on weekends and holidays.
  - Select the frequency at which that you want to receive the DMR: monthly, quarterly, annually, or upon request. For example, if you indicate a next run date of 1/18/2004 and that you want this report to be sent to you monthly, AdvanTG Web will submit your DMR request to TG on 1/18/2004. AdvanTG Web will then submit your DMR request on the 18th of each month that follows.
- Click Save.

AdvanTG Web will submit your request on the “Next Run Date” you selected, and will continue to do so according to the “Run Interval” you chose — e.g., monthly or quarterly.

### **Ready to help**

When using AdvanTG Web, look to the Online Help on the Request a Default Management Report screen for useful tips and answers to common questions. If you have questions, TG’s product support group is ready to help at (800) 332-1455.

## Federal updates

### ED publishes revised regulations in accordance with HEROES Act

To enable financial aid industry partners to implement the provisions of the Higher Education Relief Opportunities for Students Act of 2003 (HEROES Act) signed by President Bush last August (see *Shoptalk Online* Edition 219), ED has provided waivers and modifications to the federal regulations. These regulatory amendments provide clarifications and extensions to similar waivers provided under the HEROES Act of 2001, signed in January 2002, and Dear Colleague Letter (DCL) GEN-03-06, issued in April 2003 (see *Shoptalk Online* Edition 198).

#### Effective dates

The current waivers and modifications were published in the December 12, 2003, *Federal Register*, and will expire on September 30, 2005.

#### Documentation requirements

ED will have to report to Congress on the effects of providing these waivers and modifications for the benefit of affected individuals; therefore, industry partners (schools, lenders, servicers, and guarantors) must document their application of a waiver or modification for each affected individual. Industry partners may be asked to provide this documentation to ED for reporting purposes. Thus, in order to collect information required by ED, industry partners may have to make enhancements to their internal systems or changes to their operational processes.

#### Categorization of waivers and modifications

Because certain regulatory amendments apply to specific segments of affected individuals, ED has divided the waivers and modifications into four categories. These categories and their applicable waivers and modifications are outlined below.

##### Category 1

The waivers and modifications in this section are applicable to schools. Individuals affected by the waivers and modifications under this category include persons who:

- Are serving on active duty during a war or other military operation, or national emergency.
- Are performing qualifying National Guard duty during a war or other military operation, or national emergency.
- Reside or are employed in an area that is declared a disaster area by any federal, state, or local official in connection with a national emergency.
- Suffered direct economic hardship as a direct result of a war or other military operation, or national emergency.

### *Verification of AGI and income tax paid*

ED has modified specific documentation requirements necessary for verification of adjusted gross income (AGI) and income tax paid for FAFSA purposes. An affected individual whose income was used to determine a FAFSA applicant's expected family contribution (EFC), and who has not filed a tax return because he or she was granted an extension, is no longer required to submit a copy of the IRS Form 4868 or IRS approval of an even longer extension if the applicant is selected for verification.

### *Return of Title IV funds (RT4)*

For students who withdraw from school due to their status as affected individuals, ED is waiving the requirement that a student return or repay an overpayment of grant funds for which the student is deemed responsible according to the RT4 calculation.

The school may not deny Title IV aid eligibility to an affected individual who owes an overpayment. In addition, the school is not required to contact the student, notify the National Student Loan Data System (NSLDS), or — and this is a change to previous guidance — refer the overpayment to the Department. The school must, however, document the amount of the overpayment in the student's file for reporting purposes.

Furthermore, the school must not apply any Title IV credit balance toward an overpayment before paying the credit balance to the student (or parent, in the case of a PLUS loan).

In addition, for an affected individual for whom a school is performing an RT4 calculation, a school should now exclude from the amount of a student's *total* institutional charges any institutional charges that the school paid using non-Title IV sources of aid. For example, if a school used \$1000 in TEXAS Grant funds to pay \$1000 in institutional charges, the school would use \$0 in institutional charges in the RT4 calculation. Prior to this modification, the initial, total amount of the institutional charges would have been used in the calculation even if the school fully refunded or adjusted the amount of the institutional charges after the student withdrew.

Lastly, if the RT4 calculation requires a school to return funds to specific Title IV programs, the school must do so, as it must for any student who withdraws.

### *Need Analysis*

For FAFSA purposes, a school has the option of using an affected individual's original EFC or one that is based on the data from the first calendar year of the award year. If the school uses an alternate EFC, it should follow the professional judgment procedures outlined below.

### *Professional judgment*

For affected individuals, ED has also modified the statutory requirement that professional judgment be used on a case-by-case basis. The modification allows a financial aid administrator (FAA) to use professional judgment across the board for these affected individuals in order to more accurately reflect their financial need. As always, the FAA must document the reasons for any professional judgment decision made.

### **Category 2**

The waivers and modifications under this category are applicable to schools, lenders, and servicers. Individuals affected by the waivers and modifications under this category include persons who are:

- Serving on active duty.
- Performing qualifying National Guard duty during a war or other military operation, or national emergency.
- Residing or employed in a disaster area.

### *Borrowers in a grace period*

For affected individuals with Perkins or FFELP loans, ED has modified applicable statutory and regulatory provisions to exclude from the borrower's initial grace period any period of time not to exceed 3 years during which the borrower is in an affected status. The excluded period must include time for the borrower to resume enrollment, if applicable. The borrower is also entitled to another 6- or 9-month grace period (depending on whether the loan is a FFELP or Perkins loan) upon completion of the excluded period of service.

### *Borrowers in an "in-school" period*

ED has modified the statutory and regulatory provisions that obligate an "in-school" borrower who has dropped below half-time status to begin repayment if the individual is an affected borrower. The loan holder must maintain the loan in an "in-school" status for a period not to exceed 3 years. This period should also include time to allow the borrower to resume enrollment during the next available period, if applicable.

### *Borrowers in an in-school or graduate fellowship deferment*

For borrowers under an in-school or graduate fellowship deferment who were required to interrupt their deferment due to their affected status, ED is instructing the holder of the loan to maintain the loan in an in-school or graduate fellowship deferment status not to exceed 3 years during which the borrower is an affected

individual. This period includes the time for a borrower to resume enrollment during the next available period, if applicable.

### *Forbearance*

Affected individuals with Perkins or FFELP loans may now receive a forbearance based on their affected status for a 1-year period along with a 3-month transition period without supporting documentation or a written agreement. The borrower, a family member of the borrower, or another reliable source may make a written or verbal request. In order to grant forbearance to the borrower beyond the 1-year period, the loan holder must obtain supporting documentation.

### *Collection of defaulted loans*

Schools and guarantors (i.e., holders of Perkins and FFELP loans) may cease collection activities on a defaulted loan upon notification of a borrower's affected status. Notification may be made by the borrower, a family member of the borrower, or another reliable source. Collection activities must resume after the borrower has notified the loan holder that he or she is no longer an affected individual and for the 3-month transition period. The loan holder must document why it has suspended collection activities; however, the loan holder is not required to obtain evidence of the borrower's affected status while collection activities have been suspended.

### *Consecutive payments for rehabilitation, reinstatement, and consolidation*

For borrowers who are making consecutive, monthly, on-time payments to rehabilitate a defaulted loan, reinstate Title IV eligibility, or establish eligibility to consolidate a defaulted loan, a loan holder should not treat any payment missed during the time that a borrower is an affected individual or during the 3-month transition period as an interruption in required payments. Once a borrower is no longer an affected individual, the loan holder may resume the required sequence of qualifying payments at the point in which they were discontinued.

### *Loan forgiveness and cancellation*

To qualify for loan forgiveness or cancellation (under the FFELP and Perkins Loan Program), certain eligible borrowers must perform uninterrupted, qualifying service for a specified timeframe (e.g., teacher loan forgiveness). The period during which a borrower is an affected individual, including a 3-month transition period, will not be considered an interruption in this required service obligation.

### *Return of Title IV funds — post-withdrawal disbursements*

The 14-day time frame by which a student or parent has to respond to the offer of a post-withdrawal disbursement has been extended to 45 days for affected individuals. If the student or parent responds to the offer after 45 days, the school

may, but is not required to, make the disbursement. As always, the school must disburse the funds within 120 days of the student's withdrawal date.

#### *Treatment of Title IV credit balance when a student withdraws*

A school must pay any credit balance to the student (or parent, in the case of the PLUS loan), within 14 days after the balance has occurred. In the case where a student withdraws due to his or her affected status, the school will have met this 14-day requirement if it makes an attempt to contact the student to obtain permission to return the credit balance back to the loan programs. The school should allow for a response time of 45 days. Based on the borrower's response, the school will deliver funds or return funds to the loan programs. If there is no response within 45 days, the school must promptly return funds to the Title IV programs.

#### *Leaves of absence*

A school is no longer required to receive a written request for a leave of absence (LOA) if an affected individual would have difficulty providing a written request as a result of his or her affected status. The school's documentation of its decision to grant the LOA must include both the reason for the LOA and the reason for waiving the requirement that the LOA be requested in writing.

#### *Borrower request for loan cancellation*

The school must allow an affected borrower 60 days, rather than 14 days, to request the cancellation of all or a portion of loan proceeds that have been credited to the student's institutional account. If the school receives the loan cancellation request from the borrower after the 60-day period, the school may, but is not required to, honor the request.

#### *Student and parent authorizations*

The school may accept an affected individual's verbal, instead of written, authorization to allow the school to:

- Disburse Title IV funds to a bank account.
- Use Title IV funds to pay for charges other than tuition, fees, room, and board.
- Hold Title IV funds on behalf of the student or parent that would otherwise be directly paid to the student or parent.

#### *Satisfactory academic progress*

A school may apply the exception provision of "other special circumstances" to allow an affected individual continued Title IV eligibility if the student fails to meet

satisfactory academic progress standards due to his or her status as an affected individual.

### **Category 3**

The waivers and modifications under this category are applicable to schools, lenders, and servicers. Individuals affected by the waivers and modifications under this category include persons who are:

- Serving on active duty.
- Performing qualifying National Guard duty during a war or other military operation, or national emergency.

#### *Military deferment*

The statutory and regulatory requirements that limit military deferments to a 3-year cumulative period have been modified so that the time that an affected individual spends serving on active duty is excluded from the 3-year period. In addition, ED is waiving the requirement that a borrower request the deferment — now, a family member or another reliable source may request the deferment on the borrower's behalf. ED is also allowing a loan holder to waive the requirement that a borrower submit supporting documentation to request an initial 1-year deferment. In order to grant the deferment to the borrower beyond the initial 1-year period, the loan holder must obtain supporting documentation.

#### *Institutional charges and refunds*

The HEROES Act encourages schools to provide a full refund or credit for institutional charges for the period of instruction that the student was unable to complete because he or she is an affected individual. In addition, schools should consider providing flexible reenrollment options for these affected individuals who choose to resume their education.

### **Category 4**

The waivers and modifications under this category are applicable to schools. Individuals affected by the waivers and modifications under this category include the dependents and spouses for persons who are:

- Serving on active duty.
- Performing qualifying National Guard duty during a war or other military operation, or national emergency.

#### *Verification signature requirements*

Specific to the verification of household size and number in college for FAFSA purposes, ED has waived the requirement that a dependent student submit a

statement signed by one of the student's parents when no responsible parent can provide the required signature because he or she is an affected individual.

### *Required signatures on the FAFSA or SAR*

An applicant need not provide a parent's signature on a FAFSA or Student Aid Report (SAR) when there is no responsible parent to provide his or her signature because he or she is an affected individual. In these situations, a high school counselor or an FAA may sign on behalf of the parent as long as the student provides documentation concerning the parent's inability to sign due to his or her status as an affected individual.

### **More information**

To access the *Federal Register* that contains these waivers and modifications, go to <http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2003/pdf/03-30781.pdf>.

If you have a question on these regulatory amendments, feel free to submit your question via *Ask TG™* (available at [tgslc.custhelp.com](http://tgslc.custhelp.com)) or contact TG customer assistance at (800) 845-6267 or [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## **Current special allowance rates: quarter ending December 31, 2003**

The following rates apply for the quarter ending December 31, 2003:

- The average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending December 31, 2003, is 0.93 percent.
- The average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter ending December 31, 2003, is 1.09 percent.

The FFELP special allowance rates for the most recent quarter are available at [www.tgslc.org/pdf/SA010504.pdf](http://www.tgslc.org/pdf/SA010504.pdf).

### **Questions**

For questions about special allowance rates, contact TG customer assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## Closed school corner

Listed below is a newly reported school closure from the Postsecondary Educational Participants System (PEPS) and the December 2003 Closed School Monthly Report supplied by the Department of Education:

### Newly reported closure

OPE School ID	School Name and Address	Unofficial Closure Date	ED's Official Closure Date
01256200	California Paramedical and Technical College 3745 Long Beach Blvd. Long Beach, CA 90807--3377	N/A	11/17/2003

## Trends and issues

### Topsy-turvy terminology

Who is ED?

Working in the financial aid industry, you often see references to "ED." These are not, of course, references to a person, but to the U.S. Department of Education, one of the 15 executive departments of the President's Cabinet, and the department that oversees the federal role in the nation's education system. ED administers programs that affect every level of education, from K-12 to postsecondary to lifelong learning.

But why is ED called ED? If the Department of Defense is called the DOD and the Department of Justice is called the DOJ, why isn't the Department of Education called the DOE?

Well, by the time the Department of Education was established as a Cabinet-level agency in 1980, the Department of Energy, established in 1977, had already staked its claim to the acronym DOE.

What about "USDE"?

Some participants in the financial aid industry use "USDE" to refer to the Department of Education. There is some logic to this acronym (the U.S. Department of Agriculture is the USDA, after all). However, the Department of Education officially uses ED (short for "Education Department") as its acronym. So TG will always refer to ED as, well, ED.

### More information

For more information about ED, visit its Web site at [www.ed.gov](http://www.ed.gov).

# **Common Manual**

## **Common Manual updates**

On December 18, 2003, guarantor representatives who serve on the *Common Manual* Governing Board approved several changes to the *Common Manual*. Details on these changes and a newly updated *Integrated Common Manual* incorporating the changes are now available online at [www.tgslc.org/resources/integrated\\_online\\_manual.cfm](http://www.tgslc.org/resources/integrated_online_manual.cfm).

## **Treatment of aid that could have been disbursed in the return of Title IV funds calculation**

The U.S. Department of Education has recently revised its guidance regarding the treatment of *aid that could have been disbursed* in the return of Title IV funds calculation.

In accordance with the revised guidance, there are times when a school may include FFELP funds as aid that could have been disbursed even if the school was prohibited from delivering the funds on or before the date the student withdrew. This includes:

- Loan funds for a first-year, first-time undergraduate borrower who withdraws before completing the 30th day of his or her program of study.
- The second or subsequent disbursement(s) of a loan even if the school was prohibited from delivering the funds on or before the date the student withdrew

However, in all cases, the following conditions for making a late disbursement must be met in order for FFELP funds to be included as aid that could have been disbursed:

- Except in the case of a PLUS loan, the Department processed a valid Student Aid Report (SAR) or Institutional Student Information Record (ISIR) with an official expected family contribution (EFC) on or before the date of the student's withdrawal,
- The school certified a loan on or before the date of the student's withdrawal.

In these cases, although the loan funds may be included as aid that could have been disbursed in the return of Title IV funds calculation, under no circumstances may the school deliver the loan funds to the borrower as a post-withdrawal disbursement.

If a school is completing the return of Title IV funds calculation on a payment period basis, FFELP funds scheduled for disbursement in a subsequent payment period may not be included as aid that could have been disbursed.

**Affected Sections:** 4.7.A Return Amounts for Title IV Grant and Loan Programs

<b>Effective Date:</b>	Effective for any student who withdraws on or after July 1, 2003.
<b>Basis:</b>	2003-04 <i>Federal Student Aid Handbook</i> , Volume 2, Chapter 6, page 2-116; 2003 National Association of Student Financial Aid Administrators (NASFAA) Conference, Return of Title IV Funds session.
<b>Policy Information:</b>	726/Batch 109
<b>Guarantor Comments:</b>	TG has already issued guidance on this subject in <i>Shoptalk Online</i> , Edition 235.

### **Lender responsibilities for processing borrower loan requests**

The *Common Manual* has been updated to align the manual with federal regulations to include two additional responsibilities a lender must perform in processing a borrower's loan request. Specifically, the text has been amended to add that a lender must ensure that the school has properly completed the school certification and must determine the correct interest rate applicable to the loan.

<b>Affected Sections:</b>	7.3 Processing the Loan Request
<b>Effective Date:</b>	Retroactive to the implementation of the <i>Common Manual</i> .
<b>Basis:</b>	§682.206(b).
<b>Policy Information:</b>	727/Batch 109
<b>Guarantor Comments:</b>	None.

### **Federal origination fee**

The *Common Manual* has been revised to relocate information regarding a lender's ability to charge a lesser federal origination fee to Stafford loan borrowers to a more appropriate location in the manual. Also, specific subheadings have been added to ease the reader's reference to information about the lender fees, and reporting and paying the federal origination fee. Finally, references to the ED Form 799 have been updated to reflect the Lender's Interest and Special Allowance Request and Report (LaRS).

<b>Affected Sections:</b>	3.5.A Federal Origination Fee and Lender Fees: Payment and Reporting 7.9.A Assessing the Origination Fee
<b>Effective Date:</b>	Retroactive to the effective date of the <i>Common Manual</i> , except for the ability of a lender to charge a lesser federal origination fee to a borrower who demonstrates a "greater financial need," which is for fees owed by the lender effective on or after July 1, 2000.
<b>Basis:</b>	§682.202(c).
<b>Policy Information:</b>	728/Batch 109

**Guarantor Comments:** None.

### **Exclusions from loan proration**

The *Common Manual* has been updated to clarify that loan proration is not required for a student completing coursework necessary for a professional credential or certification from a state, or for a student completing preparatory coursework necessary for admission into either an undergraduate or a graduate program of study.

**Affected Sections:** 6.11.A Stafford Annual Loan Limits  
6.11.E Prorated Loan Limits

**Effective Date:** Retroactive to the implementation of the *Common Manual*.

**Basis:** §682.204(a)(6) and (7); 2003-04 *Federal Student Aid Handbook*, Volume 8, Chapter 2, page 8-9.

**Policy Information:** 729/Batch 109

**Guarantor Comments:** None.

### **Request for additional loan funds**

The *Common Manual* has been revised to remove references to the Stafford loan application and to align the text with the Stafford Master Promissory Note (Stafford MPN) process. As revised, the policy clarifies that if a student becomes eligible for additional Stafford loan funds during an academic year due to a change in his or her enrollment status, the school may certify the borrower's eligibility for additional funds under an existing Stafford MPN. The borrower is no longer required to complete a new application to request the additional funds for that academic year.

**Affected Sections:** 6.11.E Prorated Loan Limits

**Effective Date:** For all loans certified by the school using a Stafford Master Promissory Note (Stafford MPN).

**Basis:** None.

**Policy Information:** 730/Batch 109

**Guarantor Comments:** None.

### **Discretionary forbearance encouraged**

The *Common Manual* has been updated to specify that a lender is encouraged to grant a discretionary forbearance to a borrower or endorser who intends to repay a loan, but is temporarily unable to make payments due to poor health or other personal problems and does not qualify for a deferment, mandatory administrative forbearance, or mandatory forbearance. Cross-references have been added to guide the reader to additional information about deferment and mandatory administrative forbearance.

**Affected Sections:** 11.3.C Forbearance Option  
**Effective Date:** Retroactive to the implementation of the *Common Manual*.  
**Basis:** §682.211.  
**Policy Information:** 731/Batch 109  
**Guarantor Comments:** None.

### **Due diligence – rolling delinquency**

The *Common Manual* has been revised to provide a more general example of a rolling delinquency that requires due diligence activities appropriate to the new level of delinquency on the loan. The previous example in the text iterated specific due diligence activities that are required for certain due diligence time frames. Cross-references have been added to guide the reader to additional information about due diligence requirements.

**Affected Sections:** 11.3.E Rolling Delinquency  
**Effective Date:** Retroactive to the implementation of the *Common Manual*.  
**Basis:** §682.411(d)(3).  
**Policy Information:** 732/Batch 109  
**Guarantor Comments:** None.

### **Due diligence – special occurrence**

The *Common Manual* has been updated by revising the example of a “special occurrence” for clarity. The revised example more clearly iterates that the due diligence requirements on a loan on which a special occurrence takes place are specific to the type of contact information the lender receives (valid address or valid telephone number) and the level of delinquency on the loan at the time the lender receives the new information. Also, cross-references have been added to guide the reader to additional information about due diligence requirements in the case of a special occurrence.

**Affected Sections:** 11.3.F Special Occurrence  
**Effective Date:** Loans on which the first day of delinquency on the oldest outstanding due date is on or after July 1, 2000, unless implemented earlier by the guarantor.  
**Basis:** §682.411(i).  
**Policy Information:** 733/Batch 109  
**Guarantor Comments:** None.

## ED Form 799 definition replaced with “LaRS”

The *Common Manual* has been updated to remove the outdated definition of the ED Form 799 and add a definition of the Lender’s Interest and Special Allowance Request and Report (LaRS). The new definition indicates a lender may submit the LaRS report using the automated Lender Reporting System or the paper form.

<b>Affected Sections:</b>	appendix G
<b>Effective Date:</b>	For quarterly billings submitted by a lender on or after October 1, 2002.
<b>Basis:</b>	June 2002 Department of Education Announcement.
<b>Policy Information:</b>	734/Batch 109
<b>Guarantor Comments:</b>	None.

## School definitions

Currently, the *Common Manual* includes glossary definitions of “school,” “eligible school,” “participating school,” “institution,” and “institution of higher education.” The manual has been updated to eliminate the definitions of “institution” and “eligible school.” The definitions of “participating school” and “institution of higher education” have been updated to align the text in the manual with text in federal regulations. The definition of “school” has been updated to align the text with the definition of an “eligible institution” in federal regulations, because when the *Common Manual* includes a reference to a school, the school is presumed to be eligible to participate in Title IV programs.

<b>Affected Sections:</b>	appendix G
<b>Effective Date:</b>	Retroactive to the implementation of the <i>Common Manual</i> .
<b>Basis:</b>	§600.2; §600.4; §668.2.
<b>Policy Information:</b>	735/Batch 109
<b>Guarantor Comments:</b>	None.

## Legislative updates

Two new issues of TG’s *Legislative Report* are now online. Read them to catch up with the latest news on federal and state student aid issues and initiatives.

The January 6 edition provides updates on the Congressional Budget Office’s long-term outlook on the federal budget, upcoming hearings of the Texas Joint Interim Committee on Higher Education, and the Sunset Advisory Commission review of TG. The report also features a list of key dates for the activities of the Second Session of the 108th Congress in 2004.

The January 8 edition previews the state and federal legislative environment for 2004.

Read the full reports on *TG Online* at [www.tgslc.org/lege\\_report/index.cfm](http://www.tgslc.org/lege_report/index.cfm).

## This, that, and the other

Many high schools are placing a growing emphasis on getting their students involved in volunteering and community service. Some schools encourage students to get involved while others actually require it. But does “involuntary volunteering” really make students any more likely to remain active in their communities after they graduate? The answer appears to be no, according to a new study from the National Center for Education Statistics (NCES).

Young adults who performed only mandatory volunteer service in high school were no more likely to volunteer eight years after graduation than their peers who never volunteered (28 vs. 26 percent, respectively).

In contrast, 43 percent of students who were strongly encouraged to volunteer or who got involved on their own in high school continued to perform volunteer service eight years after graduation.

These are just a few of the findings in the NCES report “Volunteer Service by Young People from High School through Early Adulthood.” The report explores the characteristics of young adults who volunteered, when they volunteered, why they volunteered, and for which types of organizations they volunteered.

The report is available online at [www.nces.ed.gov/pubs2004/2004365.pdf](http://www.nces.ed.gov/pubs2004/2004365.pdf).



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