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Tip of the Week

Collect new or updated permanent address information from graduating students before they leave campus. If your registrar's office already collects this information, make sure it can be made available to lenders and servicers. For help facilitating data exchanges with lenders and servicers, call TG at (800) 338-4752.

TG updates

TG will continue to waive student loan guarantee fee through September 2005 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, 2005, and continue to evaluate its guarantee fee policy for subsequent periods. This will mark the sixth consecutive year that TG has waived the one-percent guarantee fee for TG borrowers of Federal Stafford student loans or PLUS (Parent) loans under the Federal Family Education Loan Program (FFELP).

"TG's waiver of the guarantee fee allows students and their families to apply the savings directly to educational expenses," said Milt Wright, TG's president and CEO. "We are pleased to be able to extend this benefit to students and families for another year."

Wright went on to note that TG's management and Board of Directors gave the issue careful consideration. "While we appreciate the difference that the guarantee fee waiver can make for student and parent borrowers, we certainly will continue to carefully consider the long-term implications for the higher education and lending communities as well. We take our obligation to maintain the financial integrity of the FFELP seriously, to ensure that the program remains strong for generations to come." Wright also noted that developments in the pending Reauthorization of the

Higher Education Act could have implications for the guarantee fee policies of the entire guarantor community, and some proposals, if enacted, could affect the period of waiver of the federal insurance premium by TG.

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, TG has waived this fee for all student and parent borrowers of Federal Stafford and PLUS loans, saving students and their families about \$90 million dollars during that time.

Federal updates

Three volumes of 2004-2005 FSA Handbook now available online

ED is making some significant revisions to its Federal Student Aid (FSA) Handbook for the 2004-2005 edition. Three volumes have been released so far:

- The Application and Verification Guide
- Volume 1, Student Eligibility
- Volume 2, School Eligibility and Operations

All three of the new volumes are currently available on *TG Online* at www.tgslc.org/resources/fsa_handbook.cfm. Other volumes will be posted as they are released. Once all the volumes of the 2004-2005 FSA Handbook have been released, TG will provide a summary of the changes and a single download encompassing all the volumes. Watch future editions of *Shoptalk Online* for details.

ED e-mails parents and students who estimated income

On April 20, 2004, ED announced that it will begin sending e-mails to students and parents who indicated that the income provided on the 2004-05 Free Application for Federal Student Aid (FAFSA) was based on estimated income. ED is requesting that students and parents compare and update the income stated on their Student Aid Report (SAR) with the 2003 income information that they recently filed with the Internal Revenue Service (IRS).

This request comes as ED continues to develop a system that compares income information provided by students and parents on the FAFSA to the income information reported to the IRS.

You can access ED's announcement and view copies of the e-mails that will be sent to students and parents online at <http://ifap.ed.gov/eannouncements/0420EstimatedIncomeInfo0405.html>.



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