

In this issue:

TG updates	1
Your suggestions help improve TG Loans By Web™ borrower interface	1
Default prevention and collections call centers to close early for holiday weekend, system upgrade..	2
New data reporting team continues tradition of enhancing efficiency and ensuring quality	4
Federal updates	4
Multi-agency collaboration releases latest report on efforts to prevent scholarship fraud	4
ED postpones e-mails to parents and students who estimated income.....	6
Trends and issues	6
<i>Edufacts™</i> — April 2004.....	6
Legislative update	7
This, that, and the other	7

Tip^{of} the Week

Meet with your institution's alumni office to discuss ways to communicate about successful personal finance and loan repayment strategies for new grads. Call TG at (800) 338-4752 for ideas and other resources.

TG updates

Your suggestions help improve TG Loans By Web™ borrower interface

On May 1, TG introduced a newly enhanced borrower interface for TG Loans By Web™ (LBW). TG made improvements to LBW based on suggestions and enhancement ideas received from schools and student loan borrowers who use LBW. TG recently sent "instruction letter" templates to help schools inform borrowers of the changes.

The changes have greatly streamlined the LBW borrower interface. Some of these enhancements include:

- **Printer test removed** — Borrowers can test their printer capability if they wish, but the test is no longer integrated into the flow of LBW. Customers requested

that the test no longer be mandatory because most computers now have access to high-quality printers, eliminating most printing problems.

- **Residency question removed** — We have removed the Texas residency question. In its place is a check box for borrowers to indicate that they agree to provide their Social Security Number, a new borrower privacy measure.
- **Borrowers no longer have to enter reference information twice** — Reference information that borrowers enter during online loan counseling through *Mapping Your Future* now carries forward to LBW.
- **Easier access to reprint and e-signature options** — Borrowers can now access reprint and e-signature capabilities directly from the LBW login screen.
- **Borrowers no longer need to specify their school** — The LBW school selection now is integrated with the loan award display. Borrowers no longer have to choose a school from a drop-down list.
- **Improved communication with borrowers** — By using the auto-dispatch e-mail feature, schools can immediately dispatch an e-mail notification to the borrower stating that he or she has a certification available to complete on LBW. In order to use this feature, the record must contain a student's valid e-mail address at the time it is saved to the AdvanTG Web™ database.
- **List of lenders offering e-signature on PLUS loans growing** — A growing number of lenders are providing an e-signature option for PLUS loans. These lenders are now designated with an asterisk on schools' lender lists within LBW, just as they are for their Stafford loan e-signature offerings.

The enhancements to the LBW borrower interface do not affect the functionality of the product or the school interface. Schools continue to have the option of using LBW for both Stafford and PLUS loans, and in borrower-initiated process flows, as their needs dictate.

More information

If you have any questions or need additional information about TG Loans By Web or any of the new enhancements, please contact your TG consultant, account representative, or the TG product support team at (800) 332-1455. Support is also available by e-mail at product.support@tgsic.org.

Default prevention and collections call centers to close early for holiday weekend, system upgrade

Over the Memorial Day weekend, TG will upgrade its default prevention, claims, and collections systems. Because these systems will be unavailable during the conversion, TG is announcing special processing schedules and special hours for its default prevention and collections teams, so that schools, lenders, and servicers may plan their interactions with TG accordingly.

Availability of representatives

TG's default prevention and collections call centers will be unavailable by phone, fax, and e-mail beginning at 5 p.m. on Thursday, May 27, and all day Friday, May 28. In addition, claims representatives will be unavailable during this period as well. Representatives in default prevention, claims, and collections will resume their normal business hours at 8 a.m. on Tuesday, June 1. (TG offices are closed Monday, May 31, for Memorial Day.)

Processing reminder

With the system upgrade only a week away, lenders and servicers may wish to consider TG's special processing schedule, announced in last week's *Shoptalk Online*, when planning file exchanges. For Common Account Maintenance (CAM) file submissions, including Default Aversion Assistance Requests (DAARs) and claims, to be processed before the upgrade, TG will need to receive them before 10 a.m. on Wednesday, May 26. Files submitted before 10 a.m. will be processed that same day. Any files received by TG after 10 a.m. on Wednesday, May 26, or at any other time during the conversion, will be processed after the upgrade is complete. Normal CAM processing of both DAARs and claim submissions is scheduled to resume on the morning of Tuesday, June 1.

More information

TG wishes to thank all of its business partners in advance for their understanding and support during this transition. We look forward to providing all of our customers with the increased customer service and performance this upgrade will make possible.

If you have questions about our schedule or how this new system may impact your organization, please contact any of the following TG team members for assistance:

- **Default Prevention inquiries**

Shelia Dunlap, assistant vice president for default prevention
(512) 219-4642
shelia.dunlap@tgslc.org

- **Collections inquiries**

Susan High, assistant vice president for default recovery services
(512) 219-4723
susan.high@tgslc.org

- **Claim inquiries**

Ron Stroud, assistant vice president for claims
(512) 219-4779
ron.stroud@tgslc.org

New data reporting team continues tradition of enhancing efficiency and ensuring quality

TG introduced a new data reporting team at its annual conference in April. The new team evolved out of TG's renowned NSLDS team, which has undergone several changes since January of this year.

TG's assistant vice president for NSLDS, Kay Morgan, widely known throughout the industry for her leadership and expertise on the National Student Loan Data System (NSLDS), officially retired in January, but continued with TG through March to ensure a successful transition.

New name

The team's new name — data reporting — was chosen to better describe its responsibilities. The data reporting team is accountable for the integrity of the Lender Manifest reporting, the monthly NSLDS submission to ED, the Student Status Confirmation Reporting (SSCR) process, and over half the Common Account Maintenance (CAM) transactions traded with TG's business partners.

New leadership

Cheri McAdow assumed the role of program director for data reporting in January, and brings to the position six years of student loan experience and a background in information technology. Under Cheri's direction, the team is undergoing a successful reorganization. As program director, Cheri's primary goals are to enhance operational efficiency and ensure data quality. This effort will provide the foundation for increased productivity as TG becomes the guarantor of choice for an increasing number of families, students, schools, and lenders.

More information

To reach the data reporting team at TG, e-mail good.data@tgsic.org, call (800) 252-9743, ext. 4570, or fax (512) 219-2849.

Federal updates

Multi-agency collaboration releases latest report on efforts to prevent scholarship fraud

This month, in compliance with the College Scholarship Fraud Prevention Act of 2000 (the Act), the Federal Trade Commission (FTC), the Department of Justice (DOJ), and the Department of Education (ED) released their third collaborative report to Congress, detailing their ongoing efforts to combat scholarship and financial aid fraud.

Why the Act was created

With each new high-school graduating class, new perpetrators of scholarship and financial aid fraud seem to emerge. Their victims are unsuspecting students and parents, armed with increased access to the Web and a dogged determination to find fresh and creative ways to meet the rising cost of higher education. In the process of researching financial aid options, some families and students fall prey to scholarship and financial aid scam artists. In an effort to prevent and prosecute those who promote such scams, Congress passed the College Scholarship Fraud Prevention Act of 2000.

What the Act accomplishes

The Act brings together the cooperative efforts of the FTC, DOJ, and ED. The mission of the Act is for these three agencies, working together, to:

- Empower families, students, and the higher education community through education and awareness campaigns.
- Enforce regulations pertaining to scholarships and financial aid programs.
- Investigate and prosecute consumer complaints submitted through the FTC's Consumer Sentinel database.

The Act also incorporates the efforts of the FTC's ongoing program "Project Scholarscam," developed to prevent and prosecute scholarship fraud. Since the project's inception in 1996, the FTC's consumer education and outreach efforts have reached more than 3.3 million English- and Spanish-speaking consumers through its publications.

The latest report

The 2004 College Scholarship Fraud Prevention report provides Congress with:

- An update of the activities of the three participating agencies to combat scholarship and financial aid fraud.
- An assessment of the nature and quantity of scholarship fraud during the past year.

The report shows that the number of scholarship and financial aid complaints has increased steadily since 2001. In 2003 alone, the number of reported complaints rose by 13.5 percent (from 514 in 2002 to 594 in 2003). However, the agencies feel strongly that the increase in complaints can be largely attributed to increased consumer awareness and better reporting by schools and students.

More information

For more information about reporting scholarship and financial aid fraud, visit the FTC Web site at www.ftc.gov/opa/2004/05/scholarshipfraudrpt.htm. This site offers fraud prevention publications.

Working together, all of us in the financial aid community can help students and their families avoid scams, and encourage them to seek out free and more reliable sources of financial aid and scholarship information.

ED postpones e-mails to parents and students who estimated income

In April, ED announced that it would be sending e-mails to students and parents who estimated their income on their 2004-2005 FAFSAs, reminding them to update their Student Aid Reports with recently reported income tax information (see *Shoptalk Online* 252). This month, ED announced in a May 5 Dear Colleague Letter (DCL) that it will postpone sending these e-mails until May 17. ED has decided to delay this transmission of e-mails due to overwhelming feedback from the financial aid community, and to allow time for changes to the schedule, selection criteria, and text for the e-mail messages.

In an effort to reduce potential confusion, students who were selected for verification on their last transaction, and first-year students who indicated a grade level of "0" or "1" on their 2004-2005 Free Application for Federal Student Aid (FAFSA) will not receive the e-mail notifications. Graduate and professional students will be excluded as well. Because this is a new approach for ED, the notification pool will be reduced further to include only those applicants whose estimated family contribution (EFC) is \$7,500 or less.

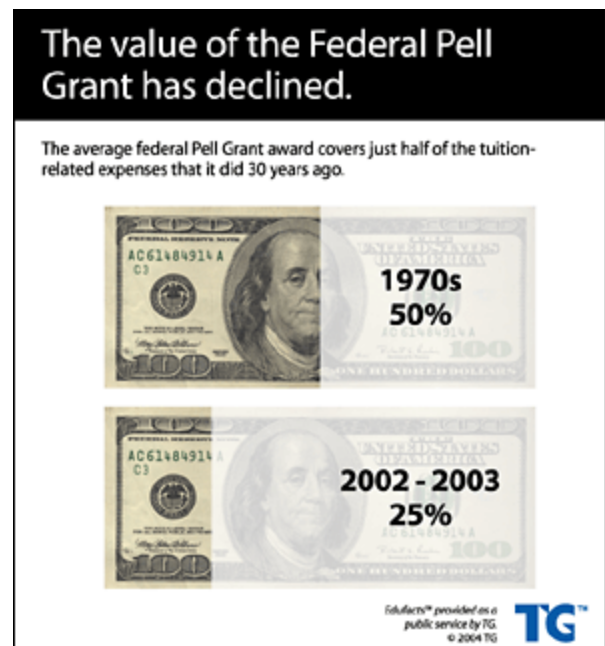
You can access this DCL and view copies of the e-mails that will be sent to students and parents online at <http://ifap.ed.gov/dpcletters/GEN0405.html>.

Trends and issues

Edufacts™ — April 2004

The largest federal grant program, the Pell Grant, was established in 1972 and was designed to be the foundation for student financial aid packaging. However, the buying power of the Pell Grant, which is reserved for the neediest of students, has steadily declined over the past 30 years.

A Pell Grant award used to cover the majority of a student's tuition expenses. In the mid-1970s, the average Pell Grant covered about 50 percent of "fixed costs" (tuition and fees plus room and board) at public four-year universities. In the 2002-2003 Award Year, the average Pell Grant of



\$2,421 covered just 25 percent of these costs.

While the average Pell Grant rose by \$123 in 2002-2003, the total cost (tuition, room and board, books and supplies, transportation, and personal expenses) at four-year public universities in the U.S. rose by \$755.

The buying power of the Pell Grant has also declined. In 2002-2003, the average Pell Grant covered just 18 percent of the average total cost (tuition, fees, room, board, books, supplies, transportation, and personal expenses) of one year of attendance at a public university.

For more higher education and financial aid statistics and facts, check out the April 2004 edition of TG's *State of Student Aid in Texas* on *TG Online* at www.tgslc.org/djaknow.

More information

TG's public service Web site at www.AdventuresInEducation.org provides resources and information that can also help students and families prepare for the higher education experience. Included are profiles of "A Day in the Life" of several students from Texas colleges and universities. For more information about how to plan for college or how to finance higher education, have families and students visit www.AdventuresInEducation.org or call TG customer assistance at (800) 845-6267.

Legislative update

The May 17 issue of TG's *Legislative Report* provides updates on HEA reauthorization bills before Congress. The report also provides updates on the Texas Sunset Advisory Commission review of TG, the growing involvement of the state's financial aid community on issues facing the Texas Legislature, and the endorsement of the Task Force on Enrollment Strategy recommendations by University of Texas at Austin president Dr. Larry R. Faulkner. Keep up with the latest developments by reading the full reports on *TG Online* at www.tgslc.org/lege_report/index.cfm.

This, that, and the other

We live in a world where everything, it seems, is expressed with an acronym. Everything from government agencies (NASA and FBI) to fast food restaurants (BK and KFC) are expressed with these abbreviations, which become words unto themselves. The Internet has spurred a whole slew of new acronyms. In fact, "www" and "URL" are now entries in the Merriam-Webster dictionary.

And, as you are probably well aware, the financial aid community is known for its long list of acronyms. From FAFSA, to EFC, to NASFAA, the industry is a veritable alphabet soup. So, to help you digest the soup, we're providing a link to a list of financial aid acronyms and their meanings, courtesy of the National Council of Higher Education Loan Program (NCHELP – of course). To view the 13-page list,

visit www.nchelp.org/elibraryII/Main/10-RefMaterial/10A-RateInfo/2004-03_Glossary_Initials_Acronyms.pdf.

You'll even find TG listed right there on page 12.



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