

In this issue:

TG updates	1
TG adjusts hours and processing schedules for holiday and system upgrade	1
Federal updates	3
Interest rates drop to new lows — again	3
Trends and issues	4
June 8 chat to explore student loan consolidation..	4
TG's Cal Abbott recognized for volunteer service ...	5

Tip^{of}the Week

If your institution is struggling with cohort default rates, TG offers default prevention consultants who can help design an effective plan just for you. To learn more, contact your school consultant or account representative, or call (800) 252-9743 and enter ext. 4765 or ext. 4696.

TG updates

TG adjusts hours and processing schedules for holiday and system upgrade

Memorial Day weekend represents an all-too-brief break for many professionals in financial aid and student loans. It marks the end of a busy packaging and spring conference season, and the beginning of peak student loan processing for the fall. As you wrap up your work this week, please keep in mind TG's special hours and processing schedules for the upcoming holiday weekend.

As noted in recent editions of *Shoptalk Online*, TG will be taking advantage of the 3-day weekend to upgrade its mainframe systems for default prevention, claims, and collections. Upgrading these "back-end" systems over the long weekend should help minimize any disruption for TG customers.

Special hours

All TG offices will be closed on Monday, May 31, for Memorial Day.

In addition, TG default prevention and collections call centers and claims representatives will be unavailable by phone, fax, and e-mail from 5 p.m. on Thursday, May 27, through the end of this week, while mainframe systems for those areas are upgraded.

TG team members in all areas will be back to serve you on Tuesday, June 1. Operations will resume with normal business hours on that day.

CAM file processing

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 our system upgrade, 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.

ESR and DMR reports

Two reports that rely heavily on the “back-end” systems that TG is upgrading are the Default Management Report (DMR) and the Electronic School Report (ESR). The system upgrade should have only minimal impact on these reports. The same information will be provided to you in these reports — only the source of the data on TG’s systems will change.

Electronic School Report (ESR)

The ESR provides schools with a listing of borrowers who are delinquent on their student loan payments or whose accounts are in a claim-pending status. When reviewing the ESR, keep in mind that any DAARs and claims submitted to TG after 10 a.m. on Wednesday, May 26, will be held during the system upgrade and processed on Tuesday, June 1. The ESR should be available for use on June 1.

Default Management Report (DMR)

Schools will continue to receive their DMR report according to the run date they specify on the DMR request screen. If your DMR is set to run on any date ranging from the 17th through the 27th, you should receive your May 2004 DMR as usual.

To ensure optimum service, TG urges customers to refrain from requesting a DMR during the system upgrade, from Friday, May 28, through Monday, May 31.

One difference that customers will notice on any DMR produced after June 11, 2004, relates to the loan status code. The loan status included on the report will be modified from NSLDS values and replaced by a TG Loan Status. This change is being made in anticipation of some enhanced DMR functionality planned for fall 2004. The change will allow for more frequent weekly updates to reports. TG will be providing more details on the new codes in an upcoming edition of *Shoptalk Online*.

Front-end systems and solutions

The system upgrade should have no affect on TG's front-end systems, including our loan guarantee system, AdvanTG Web™, TG Loans By Web™, and Real Time Access.

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 you with the increased customer service and performance this upgrade will make possible.

If you have questions about how our system upgrades 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

- **ESR and DMR inquiries**

Product Support Group
(800) 332-1455
product.support@tgslc.org

Federal updates

Interest rates drop to new lows — again

ED announced yesterday that interest rates on Stafford and PLUS loans have dropped for the fourth straight year, to the lowest point in nearly 35 years. The reduced rates are expected to save families and students millions nationwide.

How low did they go?

On July 1, 2004, interest rates on new and existing Federal Stafford, SLS, and PLUS loans that are subject to the variable-rate provision will be as follows:

- 2.77 percent for Federal Stafford loans during in-school, grace, and deferment periods.

- 3.37 percent for Federal Stafford loans during repayment and forbearance.
- 4.17 percent for Federal PLUS and remaining SLS loans.

More rates to come

Some older PLUS and SLS loans have variable interest rates based on the weekly average of the one-year constant maturity Treasury yield for the last calendar week ending on or before June 26. As a result, new rates on such loans won't be available until late June.

Another interest rate not expected until late June is the one applicable to the HEAL portion of Federal Consolidation loans, which is based on the average of the bond equivalent rates of the 91-day T-bills auctioned for the quarter ending June 30.

More information

TG will provide more information on the new rates and associated disclosure requirements in future editions of *Shoptalk Online*. ED's press release on the new interest rates is available online at www.ed.gov/news/pressreleases/2004/05/05242004b.html.

For questions about the interest rate changes, contact TG customer assistance at (800) 845-6267 or send an e-mail to cust.assist@tgsic.org.

Trends and issues

June 8 chat to explore student loan consolidation

With the low student loan interest rates currently in effect, should borrowers consolidate their student loans? *Mapping Your Future* counselors will help answer this and other consolidation questions during an online chat on Tuesday, June 8, from 2 to 3 p.m. CDT.

The chat is designed to help students, parents, and others interested in student loan consolidation learn more about the advantages and disadvantages of consolidation. Financial aid and career experts from all over the country will answer questions during the chat event, which is one in a series of chats offered by *Mapping Your Future*.

Topics

During this "Loan Consolidation" chat event, students and their families will learn more about:

- Advantages and disadvantages of loan consolidation programs
- How to determine if loan consolidation is a good option
- Eligibility requirements

- Steps to apply for loan consolidation
- Other sources of information

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

About MYF

A national collaborative, public-service project of the financial aid industry, *Mapping Your Future* brings together the expertise of the industry to enable individuals to achieve life-long success. The site does this by empowering schools, students, and families with free, web-based college, financial aid, career, and financial literacy information and services. The site is sponsored by the nation's student loan guarantors and supported by many lenders and servicers.

TG's Cal Abbott recognized for volunteer service

Cal Abbott, TG corporate business and financial analyst, was recently recognized with a *Mapping Your Future* 2004 Excellence Award. *Mapping Your Future* (mapping-your-future.org) is a public service web site providing college, career, financial aid, and financial literacy information and services for students and families.

The award was presented April 28 during the *Mapping Your Future* "Gateway to the Future" Conference 2004 in St. Louis, and recognizes Abbott for his outstanding volunteer work as treasurer and business planning team leader for *Mapping Your Future*.

"Cal is a very important team player, sharing his time, knowledge and excellent advice on accounting and financial matters," said Cathy Mueller, executive director for *Mapping Your Future*. "A supportive and dedicated professional, his leadership has made a huge difference in the structure and organization of *Mapping Your Future*."



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

Contributors to this edition: Andrés Cordero, Lisa Gregory, Art Martinez, Susan Martinez, and Steve Schmidt. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

©2004 Texas Guaranteed Student Loan Corporation.
 AdvanTG Web, TG Loans By Web, and the TG logo are trademarks of Texas Guaranteed Student Loan Corporation.