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Tip^{of}the Week

Compile a calendar of important dates for students to remember regarding their financial aid. Then submit it to your campus newspaper editor to be included in the publication's calendar of events.

TG updates

NASFAA countdown: TG partners with financial aid offices to share best practices

On your way to the NASFAA Conference in Minneapolis next month? As you plan your itinerary, consider the following sessions for some fresh insight and proven strategies on issues affecting financial aid offices. TG has been working with several of its school customers and other financial aid professionals to prepare presentations highlighting best practices that can benefit any institution:

- **Customer Service in Financial Aid: Principles and Best Practices**

Monday, July 19, 4:15 p.m.

Tuesday, July 20, 9 a.m.

Through its Speakers Bureau, TG has conducted more than 25 workshops on customer service with more than 800 financial aid professionals across the United States. Participants in these workshops have identified dozens of "Keys to Customer Service in Financial Aid." In this session, TG will count down the Top Ten principles of customer service that have been identified in its

workshops. Financial aid professionals from four leading colleges and universities will then share specific examples of how these principles have been implemented on their campuses.

Presenters:

Carolyn Cunningham, University of North Texas

Guy Fisher, Bethel College

Santa Garza, University of Texas at Austin

Becky Wilson, Texas Tech University

Tom Rebstock, TG Speakers Bureau

- **Regulatory Perils for Financial Aid Administrators Who Serve Graduate and Professional Students**

Monday, July 19, 4:15 p.m.

Tuesday, July 20, 10:45 a.m.

Special circumstances and issues often arise when determining aid for graduate and professional students. Learn how to sift through the complex regulations governing financial aid to these students while meeting their needs. Topics covered include constructing a cost of attendance for non-traditional graduate students, examining the effects of graduate resources on cost of attendance, and issues related to the Gramm-Leach-Bliley Act.

Presenters:

Emily Attridge, Stetson University College of Law

David Garza, TG Policy and Regulatory Affairs

- **Success through Partnerships: Breaking New Ground**

Tuesday, July 20, 10:45 a.m.

In 1999, ED eliminated the cohort default rate exemption for Historically Black Colleges and Universities (HBCUs). Consequently, six HBCUs in Texas were challenged to achieve substantial reductions in their rates. The Texas HBCUs and TG created a partnership and, in conjunction with lender and servicer partners, found a means to achieve a dramatic turnaround. This session will highlight proven strategies for default aversion and student retention, and include a discussion of ongoing challenges faced by all institutions in default aversion.

Presenters:

Bronte Jones, Huston-Tillotson College

Kenon Woods, Jarvis Christian College

Joe Braxton, TG Default Prevention

See you there

Don't forget to stop by the Exhibit Hall and visit the TG Booth (#421), too. Come find out how TG is simplifying the student loan process for students, schools, and

lenders. While you're there, you can learn more about TG's free resources and go fishing for a prize!

Watch the next two editions of *Shoptalk Online* for more on what TG has in store for you at NASFAA 2004.

TG brings together alternative loan processing, EFT, AdvanTG Web™, and you

When alternative loans first started to emerge on campuses, most financial aid offices considered them a last resort. Higher interest rates, cosigners, and credit checks made them less attractive than federally guaranteed loan options. However, the realities of static loan limits in the federal loan programs and tuition increases have made alternative loan funding not only more attractive, but more often a necessity for families and students funding a higher education.

Automation — a hot topic

CommonLine standards have accommodated alternative loan processing, from origination through disbursement. However, some FFELP participants have been slow to upgrade their systems for automation of alternative loan processing due to issues that are all too common: limited resources and competing priorities. As alternative loans become more popular, with no slow-down foreseen, their automation has become a hot topic at industry conferences and within institutional work groups.

For many in the student loan community, FFELP loan processing has been the primary focus. Lender loan management systems are typically programmed to produce CommonLine responses for FFELP loans only. Most school financial aid management systems (FAM systems) are not programmed to accept a CommonLine Unique ID initiated by another institution, as is the case in the typical lender-initiated alternative loan flow.

In the lender-originated model, this becomes an issue. Borrowers apply for alternative loans on lender web sites; lenders then perform credit checks and submit a certification request to the school. This process flow is efficient for schools in that there is certainty that the loan will be funded and there are fewer adjustments and cancellations than for loans that are originated by the school prior to the credit check. Some options available to schools to resolve this issue are:

- Modify the FAM system to accept Unique IDs not generated by the school.
- Find a workaround outside the FAM system's normal process flow. For example, some FAM systems will allow the Unique ID to be modified after the certification has been exported.
- Request that lenders match the school's certifications to the certification requests sent to the school, to retain the school's CommonLine Unique IDs.

- Allow the FAM system to generate the Unique ID and allow the lender certification request to purge or be deleted from AdvanTG Web™.

Without one of these workarounds, alternative loan processing may become manual and cumbersome for both parties in the transaction. School-generated applications resolve the CommonLine Unique ID issue; however, more often than not, lenders do not have the ability to return a CommonLine response for alternative loans. Without this response, schools cannot automate change transaction processing, and have to resort to manually entering all components of these transaction types.

Solutions available through TG's EFT and AdvanTG Web

While it is evident that all industry partners must adapt their systems to accommodate alternative loan processing, outlined below are TG's EFT and AdvanTG Web™ features that can help support alternative loan processing at your institution:

Origination and certification

- AdvanTG Web™ facilitates a school-initiated alternative loan application submission to all business partners via AdvanTG Web™ or a POP3 encrypted file transmission.
- AdvanTG Web™ facilitates a borrower-initiated flow when the lender submits a certification request, which is then forwarded to the school. As mentioned above, some FAM systems cannot accommodate CommonLine Unique IDs that are not generated by the school. Because the institution knows the loan has gone through the application and/or credit check processes with the lender and will be funded, schools submit an application request to the lender for that same loan using a school-generated CommonLine Unique ID. The lender may or may not have the ability to return a CommonLine response for this loan type, which means that record may remain in an application status within AdvanTG Web™.
- AdvanTG Web™ accommodates CommonLine version 4 and 5 response files for alternative loan providers who have the ability to return a response. This means that the status in AdvanTG Web™ will change from an application to 'guaranteed' and will facilitate electronic change transaction processing.
- It is becoming increasingly popular for lenders to utilize lender IDs that were not assigned by the Department of Education for alternative loans. These lender IDs allow for tracking of the alternative loan process. TG's loan management products and mainframe systems can accommodate non-ED-assigned lender IDs to facilitate alternative loan processing.

Disbursement and reconciliation

- TG's EFT is designed to electronically disburse all loan types: Stafford, PLUS, and alternative.

- AdvanTG Web™ provides CommonLine Disbursement Rosters and Acknowledgement files that include all loan types. Institutions have the option to separate Disbursement Rosters for alternative loans, if desired, for easier account reconciliation.
- Lenders using non-ED-assigned IDs for alternative loan processing are able to utilize these IDs in the disbursement process, and can process through separate funding accounts if desired.

Cancellations and returns

- Change transactions can be processed through AdvanTG Web™ if the loan provider initially returns a loan response. Cancellations and loan reductions on alternative loans are forwarded to the loan provider. Processing is dependent on the capabilities and processes of the alternative loan lender.
- Post-disbursement returns can also be processed through TG's EFT solution for all loan types. Alternative-specific transactions are @1-10 and @1-11s for CommonLine 4 and @28 and @29 for CommonLine 5.
- AdvanTG Web™ provides multiple change transaction reporting options.

Future enhancements

- TG is working to accommodate day-specific disbursements. This means that institutions will be able to tailor which days loan funds are received, with the ability to separate loan types to disburse on separate days if desired. This enhancement is currently scheduled for fall 2004 implementation.
- TG is in the preliminary stages of evaluating several options for enhancing EFT reporting and delivery, including the addition of alternative and Non-TG FFELP information to TG's proprietary EFT reports (Payment Detail and Advance Debit Notification). More information will become available as the project progresses.

TG strives to be your single loan-processing source. For a complete list of schools that are in production for alternative loans, visit *TG Online* at www.tgslc.org/resources/ef_schools.cfm. A list of lenders in production for alternative loans is available at www.tgslc.org/resources/ef_lend.cfm.

Getting started

If your institution would like to be set up for alternative loan processing through AdvanTG Web™ or TG's EFT process, please contact product support at (800) 332-1455 or by e-mail at product.support@tgslc.org.

TG launches online financial aid awards system with University of Houston-Victoria

TG has successfully implemented an online financial aid award packaging system that is helping financial aid professionals at pilot school University of Houston-Victoria operate more efficiently and provide more convenient access to financial aid information for their students.

TG Awards By Web™ allows the university to notify students electronically as soon as their financial aid package is ready. Students then go online to view the scholarships, grants, work study, and loan amounts for which they are eligible and accept or decline them, or note any requested reductions in loan amounts.

"TG Awards By Web has been well received by our students," said Carolyn Mallory, financial aid director at University of Houston-Victoria (UHV). "Students are able to accept their awards within 24 hours of being awarded. The students are actually more inquisitive about financial aid and want to learn more about their financial status now, instead of asking, 'Where do I sign my award letter?'"

Working together, TG and UHV have taken full advantage of the flexibility afforded institutions by TG Awards By Web. The system has been customized to include descriptions of the institution's awards and links to its Web site, financial aid policies, and other information of interest to UHV students.

TG Awards By Web is saving time and money for the financial aid office at UHV, as well. The system has eliminated the need for four types of student mailings, significantly lowering the postage, paper, and printing costs incurred by the university, and saving valuable hours of staff time formerly spent on preparing the mailings.

To create a seamless student loan process from award through application, guarantee, and disbursement, TG Awards By Web is being fully integrated with TG's suite of innovative solutions, including its premier loan management tool AdvanTG Web™ and online loan application tool TG Loans By Web™. TG also plans to offer TG Awards By Web, which was adapted from the online awards system developed by OvertureSM Technologies, as a stand-alone solution for financial aid offices using other products in the future.

"TG is always looking for new ways to simplify financial aid for everyone involved, especially students and institutions of higher education," said Kim Alexander, TG vice president for customer focus. "We are pleased to be partnering with the University of Houston-Victoria to help them meet the increasing demand for 24/7 Web-based services for their students. And we are thrilled that TG Awards By Web is reducing paperwork, mailing costs, and administrative time for the financial aid office."

TG anticipates making TG Awards By Web available to any interested financial aid office later this year. The program will be offered at no cost to institutions, students, or families.

For more information on any of TG's solutions or tools, visit www.tgslc.org, or call (800) 252-9743.

Federal updates

Additional interest rates announced

There are two categories of interest rates that are announced at the end of June, as mentioned in *Shoptalk Online* 256. Interest rates for older PLUS and SLS loans are based on the weekly average of the one-year constant maturity Treasury yield for the last calendar week ending on or before June 26.

Following are the resulting interest rates, which are effective July 1, 2004, through June 30, 2005:

- 5.26 percent for loans first disbursed on or after October 1, 1992, but before July 1, 1998.
- 5.41 percent for loans disbursed on or after July 1, 1987, but before October 1, 1992.

One rate still to come

The 91-day T-bills auctioned for the quarter ending June 30 will establish the HEAL portion of the Federal consolidation loan interest rate. This rate will be released later this week.

More information

To access TG's annual interest rate chart for applicable interest rates, visit www.tgslc.org/pdf/intratechart.pdf.

ED releases another volume of 2004-2005 FSA Handbook

ED had released a new volume on campus-based programs for its 2004-2005 *Federal Student Aid Handbook* (FSA Handbook), which is undergoing significant revisions this year. The new volume 6 joins three others released in April:

- The Application and Verification Guide
- Volume 1, Student Eligibility
- Volume 2, School Eligibility and Operations
- Volume 6, Campus-Based Programs

All four volumes are currently available on *TG Online* at www.tgslc.org/resources/fsa_handbook.cfm. Three remaining 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.

Legislative update

The June 25 issue of TG's *Legislative Report* reprints a letter on the status of reauthorization from House Education and Workforce Committee Chair John Boehner and 21st Century Competitiveness Subcommittee Chair Howard McKeon. Also provided are updates on the likelihood of a lame duck session of Congress after the November election to address unfinished business, the fourth bi-annual Regional Leaders Issues Conference hosted by U.S. Representative Rubén Hinojosa of Texas, and a Texas Senate subcommittee hearing on the state's "Top 10 Percent" law on college admissions. 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

TG wants to catch you at NASFAA. If you're making the trip to Minneapolis, mark your calendars now and come join TG for a special reception!

Unwind after a long day of sessions by joining your colleagues and TG for drinks, hors d'oeuvres, music, and prizes. The TG reception will be held at the conference hotel, the Hilton Minneapolis, from 6 p.m. to 7:30 p.m. on Tuesday, July 20.

If you plan to attend, drop us a line by visiting www.tgslc.org/nasfaa2004/rsvp.cfm.

We hope you can join us.



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