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## TG updates

### TG expands customer-focused teams to better serve schools and lenders

TG recently welcomed four new financial aid professionals to its customer services and strategic partnership teams. The four bring extensive experience in financial aid, student lending, higher education, and customer service.

“As the needs of families and students change, financial aid processes and operations tend to change, too,” said Kim Alexander, TG vice president for customer focus. “It is critical that our representatives and consultants demonstrate the exceptional customer service and expertise in implementing technology that have come to define TG. We are pleased to welcome to our team four professionals who have clearly demonstrated their ability to make a positive difference for the customers they serve.”



**Caroline Hernandez – School consultant**

Caroline is TG’s new customer service consultant for schools in San Antonio and other south central Texas communities. Caroline has 10 years of financial aid experience, most recently at Educaid. She has also previously worked for TG in loan guarantee operations.

Caroline holds a bachelor’s degree in management from Park University and an associate degree in criminal justice from Austin Community College. Caroline also serves as vice president of membership with the Hispanic Women’s Network of Texas’ Austin chapter.

Caroline can be reached at (800) 252-9743, ext. 4759, or by e-mail at [caroline.hernandez@tgscl.org](mailto:caroline.hernandez@tgscl.org).

**Barbara Stapleton – National account representative**



Barbara has joined TG’s national sales team and will serve schools in Kansas and Colorado. Barbara brings with her more than 10 years of sales and marketing experience and four years of student financial aid experience. Most recently, she worked as a student loan marketing officer for Commerce Bank and Trust in Kansas. Barbara also is an active member of RMASFAA and KASFAA.

Barbara holds a bachelor’s degree in political science from Purdue University and a master’s degree in management from Baker University.

Barbara can be reached at (800) 252-9743, ext. 2502, or by e-mail at [barbara.stapleton@tgscl.org](mailto:barbara.stapleton@tgscl.org).



**Jennifer Heller – National account representative**

Jennifer will serve schools in Arizona and Southern California. Jennifer has more than 15 years of experience in the student financial aid industry, working in both public and private institutional aid offices. Most recently, she marketed and provided customer support nationally for the Education Solutions program at Nelnet. She has served on the board of AASFAA and represented AASFAA at the NASFAA Leadership Conference.

Jennifer holds a bachelor’s degree in communications from Arizona State University and a master’s degree in education from Northern Arizona University.

Jennifer can be reached at (800) 252-9743, ext. 2509, or by e-mail at [jennifer.heller@tgscl.org](mailto:jennifer.heller@tgscl.org).



### **Carly McGuire - Business integration consultant**

Carly will serve as a business integration consultant for school and lender partners across the nation. Carly has more than seven years of experience working in school financial aid offices, most recently at the University of North Texas. She will be providing schools and lenders with onsite support of TG's solutions and tools, customer training, and technical support.

Carly holds a bachelor's degree in psychology from Texas A&M University and a master's degree in business administration from the University of North Texas.

Carly can be reached at (800) 252-9743, ext. 4863, or by e-mail at [carly.mcguire@tgsic.org](mailto:carly.mcguire@tgsic.org).

### **Holiday schedule for the fall semester**

As you plan for the upcoming semester, you might want to keep in mind the following holiday schedule. TG offices will be closed on the following days:

- Labor Day – Monday, September 6, 2004
- Veteran's Day – Thursday, November 11
- Thanksgiving – Thursday, November 25 and Friday, November 26
- Christmas – Thursday, December 23 and Friday, December 24
- New Year's Eve – Friday, December 31

### **Federal updates**

#### **ED reminds partners about relief available to those affected by Hurricane Charley**

Last week, ED issued an announcement reminding schools and financial partners that certain regulatory relief and flexibilities are available to Title IV participants affected by Hurricane Charley. The announcement instructs schools, lenders, servicers, and guarantors to review Dear Colleague Letter (DCL) GEN-04-04, which provides general guidance for assisting Title IV participants affected by a federally-declared disaster.

#### **For more information**

The announcement is available on ED's Information for Financial Aid Professionals (IFAP) Web site at [www.ifap.ed.gov/eannouncements/0825HurricaneCharley.html](http://www.ifap.ed.gov/eannouncements/0825HurricaneCharley.html).

DCL GEN-04-04 is also available on IFAP at [www.ifap.ed.gov/dpcletters/GEN0404.html](http://www.ifap.ed.gov/dpcletters/GEN0404.html). The guidance in the DCL letter supplements previous information published in the 2003-2004 *Federal Student Aid Handbook*, in Disaster Letter 99-28, and in DCL GEN-99-27.

## **ED extends consolidation cutoff as reauthorization stalls**

Due to delays in the Higher Education Act (HEA) reauthorization process — which is expected to address several issues regarding consolidation — ED recently issued Dear Colleague Letter (DCL) FP-04-06. This DCL extends the cutoff date for the continued reinsurance of consolidation loans that do not comply with ED's interpretation of the "single-holder rule" from September 1, 2004 (see *Shoptalk Online* Edition 253), to the date that the HEA is reauthorized or September 30, 2005, whichever is earlier.

The DCL extends the ability of FFELP Consolidation loan lenders to consolidate loans for a borrower who has both (1) a FFELP loan(s) held by a single FFELP holder, and (2) one or more non-FFELP loans.

## **Direct Loans to resume processing LVCs**

Due to the extension of the insurance cutoff date, ED also released DCL FP-04-07 announcing that Direct Loan Servicing will resume the completion of Loan Verification Certificates (LVCs) submitted by FFELP lenders seeking to make FFELP Consolidation loans for borrowers who have a Direct Consolidation loan, or Direct Consolidation and Federal Perkins Loan(s).

## **More information**

To access DCL FP-04-06, go to ED's Information for Financial Aid Professionals (IFAP) Web site at <http://ifap.ed.gov/dpcletters/FP0406.html>. DCL FP-04-07 is available on the site at <http://ifap.ed.gov/dpcletters/FP0407.html>.

You can view TG's consolidation policy on *TG Online* at [www.tgslc.org/forms/frms\\_con.cfm](http://www.tgslc.org/forms/frms_con.cfm).

## ***Common Manual***

### ***Common Manual updates***

On August 19, 2004, guarantor representatives 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).

Following are summaries of the latest policy changes. In addition to these policy changes, non-substantive modifications were made to add a list of guarantor codes in chapter 1 and an overview of *Mapping Your Future* in appendix F.

### **Loan Verification Certificate**

The Department published additional exceptions under which the loan holder is **not** required to certify a Federal Consolidation Loan Verification Certificate (LVC). According to regulations, the holder has 10 business days from the date the LVC is received to respond to the consolidating lender either by completing the LVC and returning it to the consolidating lender, or by providing a written explanation to the consolidating lender and the guarantor(s) of the loan(s) included on the form regarding the circumstances that prevent the holder from certifying the LVC. If there is a technical issue that will result in a delay of the loan holder's certification, the loan holder must inform the consolidating lender within 10 business days of the holder's receipt of the LVC that a delay will occur.

Additional circumstances that may prevent a holder from completing the LVC include those in which:

- There is a judgment against the borrower on the loan for which the borrower has requested consolidation.
- The loan has been sold.
- The loan is more than 270 days past due and a default claim has been submitted to the guarantor.
- The holder believes it is the single holder of the borrower's FFELP loans and that the borrower does not qualify for consolidation by the consolidating lender.

If the holder is unable to certify the LVC due to one of the above additional circumstances, the reason should be included on the LVC and the holder should return the LVC, or other written explanation, to the consolidating lender within 10 business days of the loan holder's receipt of the LVC.

If the holder is unable to certify the LVC because the holder believes that it is the single holder of all the borrower's FFELP loans such that the borrower does not qualify for consolidation with the consolidating lender, the holder must provide written notification to the consolidating lender and provide documentation supporting the single-holder assertion. The supporting documentation may include National Student Loan Data System (NSLDS) records or a statement from the guarantor indicating the single-holder status. It is not the borrower's responsibility to demonstrate to the loan holder that multiple lenders hold his or her FFELP loans.

**Affected Sections:** 14.3.C Completing the Verification Certificate

**Effective Date:** None.

**Basis:** DCL GEN-03-02; DCL FP-04-02.

**Policy Information:** 797/Batch 115

**Guarantor Comments:** None.

### **Initial and guarantee disclosures**

Section 7.6 of the *Common Manual* has been revised to clarify that certain information must be disclosed to:

- The borrower by the lender in an initial disclosure at or before the first disbursement of the loan.
- The lender by the guarantor when the loan is guaranteed.

Cross-references to subsections 7.6.A, 7.6.B, and 7.6.C have been added to section 7.6.

Revised policy in subsection 7.6.C clarifies that some lenders use the guarantee disclosure to fulfill certain initial disclosure requirements, and cross-references subsection 3.3.B for more information about loans made under a blanket guarantee agreement.

**Affected Sections:** 7.6 Borrower Disclosures  
7.6.C Guarantee Disclosure

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

**Basis:** §682.205(a).

**Policy Information:** 798/Batch 115

**Guarantor Comments:** None.

### **Disbursements for students in study-abroad programs**

The *Common Manual* has been updated to emphasize that the lender is required to comply with the student's requested disbursement method if the student is enrolled in a study-abroad program.

**Affected Sections:** 7.7.E Disbursement for Students in Study-Abroad Programs or Foreign Schools

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

**Basis:** §682.207(b)(1)(v)(C).

**Policy Information:** 799/Batch 115

**Guarantor Comments:** None.

## Due diligence gaps

The *Common Manual* has been revised to clarify that a lender must ensure that no gap in collection activity of greater than 45 days (60 days in the case of a loan sale or transfer) occurs through the 270th day of delinquency (330th day for loans with repayment obligations less frequent than monthly). In addition, subheadings have been revised to clarify that the lender is required to engage in efforts to urge the borrower to make the required loan payments during the 181-270 days delinquent time frame for loans with monthly repayment obligations and the 241-330 days delinquent time frame for loans with repayment obligations less frequent than monthly. These efforts must continue through the earlier of the date the lender mails the final demand letter or the 270th day of delinquency (330th day for loans with repayment obligations less frequent than monthly) and each effort must urge the borrower to make the required payments on the loan. Lenders must ensure, however, that any collection effort made after the date the final demand letter is mailed supports the final demand.

**Affected Sections:** 11.4 Due Diligence Requirements  
11.4.A Due Diligence Requirements for Loans with Monthly Repayment Obligations  
11.4.B Due Diligence Requirements for Loans with Repayment Obligations Less Frequent Than Monthly

**Effective Date:** Loans on which the first day of delinquency on the oldest outstanding due date is on or after July 1, 1996, unless implemented earlier by the guarantor.

**Basis:** §682.411(e) and (j); §682 Appendix D; DCL 96-L-186/96-G-287, Q & A #54.

**Policy Information:** 801/Batch 115

**Guarantor Comments:** None.

## Consistent use of the term “discharge”

The *Common Manual* has been revised to consistently use the term “discharge” as it is defined in the *Common Manual* glossary. Instead of referring to loan obligations that are paid due to consolidation or refinancing as loans that are “discharged,” the manual now refers to such loans as “paid in full.”

**Affected Sections:** 9.11.E Applying Funds Returned by the School  
14.4 Disbursement  
14.5.A Establishing the First Payment Due Date  
14.5.B Disclosing Repayment Terms  
appendix B PLUS/SLS Refinancing  
appendix B.3 Option 3: Refinancing to Discharge a Previous Loan

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

**Basis:** None.

**Policy Information:** 802/Batch 115

**Guarantor Comments:** None.

## Legislative update

The August 25 issue of TG's *Legislative Report* includes updates on several key Senate races and how their outcomes may affect the balance of power and next year's reauthorization of the Higher Education Act. Keep up with the latest developments by reading the full report on *TG Online* at [www.tgslc.org/lege\\_report/index.cfm](http://www.tgslc.org/lege_report/index.cfm).

## This, that, and the other

Labor Day traditionally represents the last official holiday of summer and is celebrated with parades, cookouts, and picnics. But do you know the history of this holiday? According to the U.S. Department of Labor, the holiday is a creation of the labor movement of the late 1800s. It is dedicated to the social and economic achievements of American workers in trade and labor and is an annual tribute to the contributions workers have made to the strength, prosperity, and well-being of the country.

In celebration of Labor Day this year, ED has partnered with the History Channel to present a youth-oriented documentary "The Story of Labor Day." The documentary explores the origins of the holiday, the history of labor in America, and the ingenuity of workers in the pursuit of the "American Dream." It also includes interviews with students from around the country about what Labor Day means to them and what jobs they would like to pursue when they grow up.

The 30-minute documentary will air nationally on Monday, Sept. 6, on the History Channel at 8 a.m. and 2 p.m. ET/PT. It is part of a series of documentaries jointly produced by ED and the History Channel aimed at making students more aware of national holidays.

For more information visit [www.dol.gov/opa/aboutdol/laborday.htm](http://www.dol.gov/opa/aboutdol/laborday.htm) or [www.ed.gov/news/pressreleases/2004/08/08252004.html](http://www.ed.gov/news/pressreleases/2004/08/08252004.html) or [www.historychannel.com](http://www.historychannel.com).



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