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TG updates

TG hosts free telephone conference this week

Join TG this Thursday, September 16, for a free telephone conference on “Protecting Social Security Numbers in Student Financial Aid.” There’s still time to sign up for the conference, which will run from 2 to 3 p.m. CDT.

TG is hosting the free telephone conference to assist financial aid professionals in enhancing their knowledge of privacy-related issues. The information age presents unique challenges to financial aid professionals charged with assuring the security of personal information. The growing popularity and convenience of processing student loans and other financial transactions electronically has simultaneously created an increased concern for the protection of consumer information, including Social Security numbers. Recent surges in identity theft and heightened national security concerns have made this an increasingly relevant issue.

Conference presenters Sue McMillin, TG’s senior vice president for customer relations and business operations, and Elaine Marsolais, TG’s privacy and regulatory counsel, will provide an overview of the topic, points of consideration, and additional resources related to consumer privacy in the student loan industry.

Submit your questions

A brief question-and-answer session will follow the presentation. Questions may be submitted in advance of the event to sheila.casey@tgslc.org.

How to sign up

The telephone conference is free of charge and open to participants from any institution. To register and get further details, contact Premiere Teleconferencing at (800) 289-0579 and reference confirmation number 560703.

Federal updates

ED releases FY 2002 cohort default rates

ED announced it would begin transmitting electronic cohort default rate (eCDR) notification packages to all schools located in the United States via the Student Aid Internet Gateway (SAIG) this week. ED has also indicated that hard-copy cohort default rate packages were mailed to foreign schools, which are not required to participate in the electronic process, on Monday, September 13, 2004.

The official FY 2002 cohort default rates are now available at www.ed.gov/offices/OSFAP/defaultmanagement/cdr.html. This site also provides information related to the rates, such as sample default management plans for schools.

Guide available online

ED's *Cohort Default Rate Guide* is available online. You can download the latest version of the guide at <http://ifap.ed.gov/drmaterials/finalcdrg.html>. You can also contact ED to request a hard copy of the guide at 1-877-4EDPUBS or www.edpubs.org/webstore/Content/search.asp.

Please note that updates to this publication will be reflected *only* at <http://ifap.ed.gov/drmaterials/changelog.html>. Therefore, periodic review of the site is recommended for maintaining an up-to-date version of the guide.

Consequences of cohort rates

Schools with official cohort default rates of 25 percent or greater for the three most recent fiscal years (FY00, FY01, and FY02) will lose eligibility to participate in the Federal Family Education Loan Program (FFELP), Direct Loan Program, and Federal Pell Grant Program unless those schools successfully appeal the eligibility loss. Schools that were not participating in the FFELP or Direct Loan Program on October 7, 1998, and that have not participated in those programs since that time, are exempt from the loss of Pell Grant eligibility.

Schools with official FY 2002 cohort rates that exceed 40 percent are also subject to loss of eligibility to participate in the FFELP and Direct Loan program unless the schools successfully appeal the eligibility loss. Due to recent changes in federal

regulations, these schools will not lose eligibility to participate in other Title IV programs based on a single cohort default rate exceeding 40 percent.

Time frame for appeals

The time frame for domestic schools to initiate the appeals process begins the sixth business day following the announced transmission date of the eCDR packages. In other words, if the announced transmission date is September 13, 2004, the appeal clock starts ticking on September 21, 2004. For foreign schools, appeal time frames begin on the date the hard-copy cohort default rate package arrives.

Appeals and adjustments

Schools may appeal official FY 2002 cohort default rates based on allegations of incorrect data, improper loan servicing and collection, and/or exceptional mitigating circumstances, as described in federal regulations and the *Cohort Default Rate Guide*. As in the past, appeals based on incorrect data and improper loan servicing of FFELP loans must be submitted to the school's guarantor(s) within specified time frames to permit the school's continued eligibility while the appeal is pending. Appeals regarding exceptional mitigating circumstances must be submitted by schools directly to ED. Appeals of Direct Loans are also submitted directly to ED.

Schools also may be eligible to submit an Uncorrected Data Adjustment or a New Data Adjustment based on official FY 2002 cohort rates. The guide explains the procedures, time frames, and other requirements for submitting these requests for adjustment.

Schools are advised to send cohort appeals to TG's Compliance Administrative Operations at the corporate mailing or overnight shipping address as appropriate:

Mailing address

TG
Attn: Compliance Analyst
P.O. Box 83100
Round Rock, Texas 78683-3100

Overnight delivery services

TG Distribution Center
Attn: Compliance Analyst
3500 Wadley Place, Building C, Suite 303
Austin, Texas 78728-1244

Loan Record Detail Report

All schools with FY 2002 cohort rates of 10 percent or greater should receive a Loan Record Detail Report (LRDR) along with ED's notification of the official cohort rate. If a school does not receive its report or wishes to request the LRDR in an electronic format (also known as the eLRDR), the school may request a FY 2002 official eLRDR through ED's NSLDS Web site at www.nslsdfap.ed.gov. For more details about the eLRDR, visit www.ifap.ed.gov/eannouncements/0211Draft2000eLRDR.html.

Questions?

For questions about the FY 2002 official cohort rate appeal procedures, call Ken Johnson in compliance administrative operations at (800) 252-9743, ext. 4701, or send an e-mail message to ken.johnson@tgsic.org.

Closed school corner

Listed below is a newly reported school closure from the Postsecondary Educational Participants System (PEPS) and the August 2004 Closed School Monthly Report supplied by the Department of Education:

Newly reported closure

OPE School ID	School Name and Address	Unofficial Closure Date	ED's Official Closure Date
00363406	Texas State Technical College – Laredo West and Washington St. Laredo, Texas 78040-4395	N/A	8/25/2004

Common Manual

Common Manual leadership changes announced

The *Common Manual* Governing Board is pleased to announce several changes to its Executive Management Team leadership for the 2004–2005 fiscal year, which began August 1, 2004. The Executive Management Team coordinates the annual update and production of the *Common Manual* and e-Collection CD-ROM.

Governing Board elects new leadership

Betsy Mayotte, manager of regulatory compliance at American Student Assistance (ASA), became the Governing Board's chair on August 1, 2004. Ms. Mayotte has 8 years of education financing experience. She represents ASA on the National Council of Higher Education Loan Programs (NCHELP) Program Regulations Committee and is also a member of the Massachusetts Association of Student Financial Aid Administrators' Government Relations Committee. As a prior member of the *Common Manual* Policy Committee, she has been directly involved in developing policy. Ms. Mayotte also writes a monthly student loan column for a newspaper in Boston.

Reitha Scott, policy manager at the Florida Department of Education, Office of Student Financial Assistance, began her term as chair-elect on August 1, 2004, and will become Governing Board chair on August 1, 2005. Ms. Scott has worked in the FFELP industry for 22 years and has worked within program policy for the past 10 years. She has vast experience working on FFELP community projects and has served three years on the NCHELP Program Operations Committee. In addition, Ms.

Scott has supported the *Common Manual* efforts with her service as a board member for five years and as production director for the past two years.

Jessie Cooper, lender client relations and compliance specialist for the Georgia Student Finance Commission (GSFC), is the new production director. In that role, she will be responsible for all of the production tasks associated with producing the paper version of the *Common Manual* as well as the *e-Collection* on CD-ROM. Ms. Cooper currently represents GSFC on the *Common Manual* Governing Board. Prior to joining GSFC, she was the manager of the debt management office at Clark Atlanta University in Atlanta and had an extensive career in retail banking and commercial lending.

Joe Bradley became the new communications director in August. He will be responsible for communicating information about the *Common Manual* and activities of the Governing Board to the student loan and financial aid communities. For more than 25 years, Mr. Bradley has been involved in student financial aid at both the state and federal level at the Higher Education Services Corporation (HESC) in New York. Since 1990, he has served as HESC's director of bureau of program policy and institutional review in the office of counsel. Mr. Bradley was one of the original members of the *Common Manual's* Common Claims Initiatives workgroup, has worked with the NCHelp Program Regulations Committee, and served as the 1999-2000 *Common Manual* Governing Board chair.

Governing Board member to continue in leadership position

Pete Pundt, director of compliance services at AES/PHEAA, was re-elected to another two-year term as treasurer. He is responsible for developing and managing the *Common Manual* budget. Mr. Pundt, currently a member of the NCHelp Program Regulations Committee, has worked with AES/PHEAA for 13 years, where he is responsible for the development and dissemination of AES/PHEAA guarantor policy as well as program review, investigations, and institutional eligibility.

Policy Committee veteran returns to leadership position

The *Common Manual* Governing Board is also pleased to announce that a valued and highly experienced Policy Committee member has resumed a leadership role for the 2004–2005 fiscal year. Beginning on August 1, Jacki Fairbairn from Great Lakes began a one-year term as policy committee chair. Ms. Fairbairn has been a member of the Policy Committee since its inception in 1995. Also beginning as Policy Committee's co-chair-elects are Dan Tryon and Kevin Burke.

Dan Tryon has worked with the Michigan Higher Education Assistance Authority/Michigan Guaranty Agency (MGA) since 1990. His experiences at MGA have provided him with extensive insight and comprehensive knowledge of the FFELP. He is currently MGA's manager of audit and program review.

Kevin Burke has worked in the student loan industry for 12 years, allowing him the opportunity to gain a wealth of knowledge in the FFELP. Prior to joining ASA, Kevin

worked at Nellie Mae. Since joining ASA, Kevin has worked in the school and lender review department as a program reviewer.

TG participation continues

Members of TG's policy and regulatory affairs team continue to serve on the *Common Manual* Policy Committee and Governing Board.

TG senior policy advisors, Michelle Anderson and Kelly Kaelin, continue to serve on the Policy Committee. Michelle, twice co-chair of the committee, continues to serve as a voting member. Kelly continues as editor of the manual. Nina Hold, TG assistant vice president for policy and regulatory affairs, continues to serve on the *Common Manual* Governing Board. Nina served on the team that originally developed the *Common Manual* and has represented TG on the Governing Board since that time.

Legislative update

The September 8 issue of TG's *Legislative Report* includes updates on Congress' agenda for the next four weeks — which doesn't include reauthorization of the Higher Education Act — and the latest Congressional Budget Office projections for the federal budget deficit and federal debt. Keep up with the latest developments by reading the full report on *TG Online* at www.tgslc.org/lege_report/index.cfm.

This, that, and the other

According to a report recently released by ED's National Center for Education Statistics, federal support of education has risen by \$108.2 billion from FY 1990 to FY 2003, an increase of 102 percent, adjusted for inflation. This increase includes federal subsidies for \$33.8 billion in new FFELP loans in 2003.

The report "Federal Support of Education: Fiscal Years 1980 to 2003" was released in August and provides an in-depth analysis of federal education spending trends — where it is being spent and how much — over the past 23 years. ED has become the primary provider of federal money for postsecondary education, accounting for 77 percent of \$29.3 billion spent on postsecondary education in FY 2003. The report includes summaries, charts, graphs, and analyses of all federal support, including subsidies for student loans, federal allocations to schools, federal student aid, and federal tax credits to families.

For more information, visit the NCES Web site at <http://nces.ed.gov>.



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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@tgslc.org.

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