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Tip^{of} the Week

Consider starting a systemic default aversion program on your campus, involving staff and faculty across the institution to help students avoid default. Call TG at (800) 338-4752 for more information about how to get started.

TG updates

TG's updated online forms ordering

As always, TG strives to provide you with the best customer service possible. One way we hope to accomplish this is by offering you a quick and easy way to order printed forms, brochures, publications, and other materials from TG. By ordering online direct from TG, you can ensure that you have the items you need to efficiently serve your families, students, and borrowers.

You can order MPNs and other school and lender forms, TG financial aid awareness pieces, and default aversion resources. You can also order preprinted Stafford MPN, PLUS MPN, or MPN School Certification forms online. Simply choose the materials you need, and TG does the rest.

We recently updated our Online Forms Ordering Web page to make ordering easier and faster for our customers. Our updated Web page offers an easy-to-use catalog,

colorful thumbnail images and detailed descriptions of each product for easy identification, and a helpful Search function.

Visit TG's Online Forms Ordering Web page at www.tgslc.org/publications/index.cfm and see for yourself how easy it is to order your publications online from TG.

Order TG, Council's newest default awareness poster



Over the past few years, TG and the Council for the Management of Educational Finance (Council), a collaborative group of higher education lending and servicing professionals, have teamed up to produce a series of award-winning posters that encourage student loan repayment.

TG and the Council recently unveiled this year's poster titled "We help you go the distance." The cycling-themed poster focuses on the various default prevention resources that TG offers to help students better manage their finances and successfully repay their student loans.

The free posters are available to student financial aid professionals to hang in their offices, hallways, and bulletin boards around campus to promote default awareness and successful student loan repayment.

Since it was established in 1997, the Council and TG have partnered to promote financial responsibility and default awareness among students and families. One way the Council and TG have accomplished this is through the annual default prevention poster. This year, however, the poster selection process was just a little different than usual.

The Council initially came up with five ideas for this year's poster theme. TG then presented those ideas to a focus group of college students and asked them to provide feedback on all five ideas. The students offered very useful information on what type of visuals and information presentation students respond to most. Based on the focus group's suggestions, this year's cycling poster theme was chosen.

The careful insight from the focus group will ensure that the poster reaches student loan borrowers and will encourage them to take an active role in managing their finances and seek help, if needed, to successfully repay their loans.

To order your copies of this year's "We help you go the distance" poster, visit TG's Online Forms Ordering Web page at www.tgslc.org/publications/index.cfm.

To find out more about the Council for the Management of Educational Finance contact Maria Luna-Torres from TG's educational alliances at (800) 252-9743, ext. 4632, or e-mail maria.luna-torres@tgslc.org.

Federal updates

President Bush signs Taxpayer-Teacher Protection Act of 2004

Have you heard the buzz around the office about Congress increasing the maximum forgiveness amount under the Teacher Loan Forgiveness (TLF) Program, but like most rumors feared it was just that — a rumor? Well, what you heard is true. On October 30 President Bush signed into law the Taxpayer-Teacher Protection Act of 2004 (HR 5186), which:

- Eliminates a 9.5 percent subsidy on certain student loans for one year;
- Increases teacher loan forgiveness benefits to teachers who teach in targeted subject areas and who received their first student loan between October 1, 1998, and October 1, 2005; and
- Enhances the eligibility criteria for teacher loan forgiveness by aligning the requirements with provisions established in the No Child Left Behind Act of 2001.

Where's the money coming from?

The new law reduces the 9.5 percent special allowance payment to holders of certain student loans and sets a quarterly rate of special allowance for holders of loans that meet certain criteria. The quarterly special allowance rate formula established in the law applies to loans:

- Financed through tax-exempt securities that have matured or been retired or defeased after September 30, 2004, and before January 1, 2006 (the period);
- Refinanced during the period with funds from another source; or
- Sold or transferred to any other holder during the period.

The savings from the reduced loan subsidies will be redirected to pay for an increase in the TLF Program.

Teaching service beginning before October 30, 2004

Teachers whose eligible teaching service began before October 30, 2004, may be eligible to receive up to \$5,000 in teacher loan forgiveness benefits. The chief administrative officer must certify that the teacher is:

- Teaching at an eligible Title I school, and
- Teaching a subject matter that is relevant to his/her degree if they are a secondary school teacher, or

- Demonstrating the knowledge and teaching skills in reading, writing, mathematics and other areas of the elementary school curriculum if they are an elementary school teacher.

Teaching service beginning on or after October 30, 2004

Teachers whose eligible teaching service began on or after October 30, 2004, may be eligible to receive up to \$5,000 in teacher loan forgiveness benefits. The chief administrative officer must certify that the teacher is:

- Teaching at an eligible Title I school, and
- *Highly qualified* as defined in section 9101 of the Elementary and Secondary Education Act of 1965.

Additionally, teachers who teach secondary math or science, or elementary or secondary special education, may be eligible to receive up to \$17,500 in teacher loan forgiveness benefits.

Additional teacher loan forgiveness eligibility

If a teacher has received \$5,000 in teacher loan forgiveness benefits and teaches secondary math or science, or teaches elementary or secondary special education, he or she may be eligible for an additional \$12,500 in teacher loan forgiveness benefits. Also, if you know teachers who applied but did not qualify under the previous law, you may want to suggest that they reapply. There are some slight differences in the new law that may allow previously rejected applicants to qualify.

More Information

Watch future editions of TG's *Shoptalk Online* for Questions and Answers on the new teacher loan forgiveness provisions. Also, for more information on the Taxpayer-Teacher Protection Act of 2004 (HR 5186), go to *TG Online* and access TG's Reauthorization Bills Web site at <http://www.tgslc.org/reauth/index.cfm>.

Order your 2005-2006 FAFSAs now

What's black, green, and purple all over? If you guessed the 2005-2006 paper FAFSA, you'd be right. Last week ED announced that the English and Spanish versions of the paper 2005-2006 FAFSA are available and ready to be ordered. Schools may order their 2005-2006 FAFSAs using ED's Bulk Publication Ordering System (BPOS) at www.fsa4schools.ed.gov. You will need your 8-digit OPEID number when placing your order.

How many should you order?

Due to continued increases in the number of students filing the FAFSA electronically, ED is encouraging schools to voluntarily reduce the number of FAFSAs they order. ED has posted the *Number of Applications Received by School by Source for 2004-2005* report — which outlines the number of applicants who

completed the FAFSA electronically and by paper for each institution — to aid schools in determining the appropriate number of FAFSAs to order. This report is available at

<http://www.ifap.ed.gov/eannouncements/1020AppbySchoolbySource.html>

When is delivery expected?

ED expects to ship the paper FAFSAs by early November. The 2005-2006 version of FAFSA on the Web becomes available on January 1, 2005.

What else can be ordered?

The English and Spanish FAFSAs are not the only publications available through ED's Web site. Schools can also use the BPOS to order current-year *Student Guides* and other ED materials.

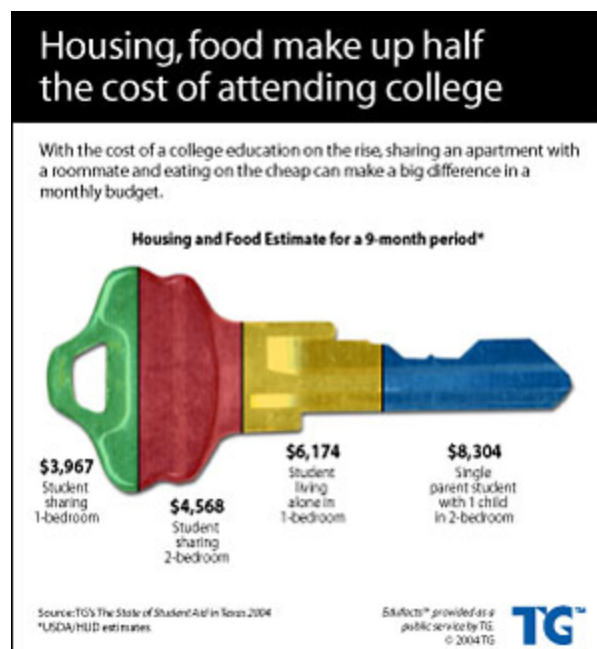
More information

The full announcement from ED is available online at <http://www.ifap.ed.gov/eannouncements/1025FinalBPOS.html>.

Trends and issues

Each month, TG provides current information about education issues through *Edufacts*. Produced by TG as a public service, *Edufacts* illustrate studies and surveys conducted by TG and other educational organizations, and trends observed. School financial aid officers and administrators may download *Edufacts* free of charge for use in their campus publications, brochures, posters, etc. targeted to students. This month, *Edufacts* looks at the impact that the cost of food and housing has on a college student's budget.

Edufacts™ — November 2004



Housing, food make up half the cost of attending college

Room and board is not a discretionary cost in a college student's budget. Students must eat and have somewhere to live — and four-fifths of college students do not live with family and must pay rent. However, they do have some discretion in their choices, which will affect how much they must pay for food and housing.

The stereotype of the student who drives an SUV coexists with that of a student

who lives with six roommates and subsists on instant noodles.

Based on areas where their students tend to live, Texas universities estimate the cost of food and housing to be \$5,759 for the 2003-2004 academic year, or \$640 per month. The USDA estimates that an adult can eat with \$196 per month if all meals are prepared at home, leaving \$420 per month for rent and utilities. The U.S. Department of Housing and Urban Development says the average nine-month cost of rent and utilities for a one-bedroom unit in areas where Texas universities are located is \$4,414 or \$490 per month. Sharing housing lowers that amount, while students living alone and single parents will pay more.

Source: TG's The State of Student Aid in Texas 2004

More information about planning for college and/or finding sources of financial aid is available on TG's public service Web site at www.AdventuresInEducation.org.

Legislative update

The November 1 issue of TG's *Legislative Report* includes updates on the Texas Higher Education Coordinating Board's publication of their priorities for the upcoming state legislative session, the growing national deficit that the winner of today's presidential election will face, and an update of the Sunset Advisory Commission Review of TG. 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

Demographics are changing at historically black colleges

The number of white students enrolling at the nation's 120 historically black colleges and universities (HBCUs) and universities has increased 65 percent over the past 25 years — from 21,000 to 35,000 — according to an article in the October 31 edition of *The Washington Post*.

The article attributes the increase partly to court orders aimed at desegregation and partly to students' interest in academic programs these schools offer. Some HBCUs are actively recruiting talented students of all racial and ethnic backgrounds to increase the status of their programs.

To read the story in its entirety, visit the *The Washington Post's* Web site at www.washingtonpost.com/wp-dyn/articles/A12377-2004Oct30.html.



P.O. Box 83100
Round Rock, TX 78683-3100
(800) 252-9743
(512) 219-5700
(512) 219-4560 TDD

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To ask questions about *Shoptalk Online*, please contact Communications at (800) 252-9743, ext. 4732 or communications@tgslc.org.

Contributors to this edition: Jennifer Evrard, Nina Hold, Art Martinez, and Susan Martinez. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

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