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Tip^{of} the Week

Help your students and their families find the IRS tax benefits that can help them pay for their higher education. Visit TG's tax benefits page on *TG Online* at www.tgslc.org/resources/tax.cfm.

Federal updates

Industry provides Q&A on new teacher loan forgiveness provisions

Now that ED has released revised teacher loan forgiveness forms (see *Shoptalk Online* [Edition 294](#)) that implement the provisions of the Taxpayer-Teacher Protection Act of 2004 (Act), you may start to receive questions from borrowers about the new teacher loan forgiveness qualifications. If you're not thoroughly familiar with the provisions of the Act, you may need resources to help you obtain the answers you and your borrowers need.

Q&A

Fortunately, an industry workgroup consisting of members of the National Council of Higher Education Loan Programs (NCHELP) Program Regulations and Operations Committees, and the Student Loan Servicing Alliance (SLSA) has created a set of questions and answers to assist FFELP participants with implementing the Act's provisions and evaluating a borrower's eligibility for teacher loan forgiveness. This Q&A, titled *Taxpayer-Teacher Protection Act of 2004 Industry Questions and Answers*, is available for download on *TG Online* at www.tgslc.org. To access *Taxpayer-Teacher Protection Act of 2004 Industry Questions and Answers*, go to www.tgslc.org/pdf/tlfqa.pdf.

TG customer assistance

In addition, TG is always here to assist borrowers, as well as business partners, with questions they may have about teacher loan forgiveness. Those with questions or needing assistance should contact TG customer assistance at (800) 845-6267 or e-mail cust.assist@tgslc.org.

TG updates

Updated TG Conference agenda now available

The 2005 TG Conference, *Breakthrough! Higher expectations in higher education* is quickly approaching. TG team members are putting the finishing touches on the informative and up-to-the-minute training sessions that will be presented at this year's premier financial aid conference.

You can view the updated TG Conference agenda on *TG Online* at www.tgslc.org. A full list of conference session topics and times is now available. Use the updated agenda to plan which sessions you will attend. You and your colleagues will benefit from the wealth of knowledge to be shared this year on industry updates, TG solutions and tools, and professional development topics. From the return of Title IV funds, to customer service best practices, to accountability in your office, and everything in between — you'll find what you need to enhance the knowledge of yourself, your staff, and your financial aid office.

If you haven't already registered for the TG conference, consider registering today. Visit *TG Online* at www.tgslc.org to register and to view the updated conference agenda.

TG announces availability of TG PLUS Credit Connection™

This week TG announces the release of its latest solution, TG PLUS Credit Connection™ (PCC). Offered through TG Loans By Web™ (LBW), this enhancement streamlines the process of managing PLUS loans by supplying lenders with the information needed to render a credit decision. In addition, this solution

simultaneously updates schools with an electronic notification of credit approval or denial, creating significant efficiencies in the entire process.

The benefits of PCC

PCC has many benefits for schools, lenders, and borrowers. The enhancement streamlines what can be a slow and frustrating task by simplifying workflow through:

- Instant electronic access to PLUS credit approvals and denials
- A system to logically consolidate borrower information
- The ability to maximize guarantees by making it possible to send only approved PLUS applications to TG
- Enhanced customer service options that schools and borrowers have become accustomed to with LBW
- A fully CommonLine compliant process

Understanding the challenge

TG approaches the development of new solutions and tools by first listening to the needs of our customers – this approach was integral to the development of PCC.

After receiving a number of initial suggestions, TG worked with members of the TG Users Group (TUG) as well as the TG Lender/School Advisory Committee to identify specific improvements that could be made to TG's PLUS guarantee process. One recommendation was to eliminate the need to cancel PLUS guarantees when borrowers subsequently fail the credit check.

As part of this cooperative effort, TG discovered that schools were receiving manual PLUS approvals and denials from lenders by fax and by e-mail. The denial of PLUS loans is equally as important as their approval for financial aid offices because if a parent's PLUS loan is denied, the student then is eligible for additional unsubsidized Stafford loans. The current faxing and e-mailing processes were inefficient, and TG was challenged to produce a more effective solution.

Prior to the testing of PCC, school participants expressed some dissatisfaction with existing PLUS credit approvals processes. Many lenders had introduced their own proprietary solutions that provide school parent borrowers with an electronic interface to accommodate the credit approval process. Although these existing systems worked well, they were not considered a consolidated and integrated approach. There were still challenges in updating the information within an electronic format.

Meanwhile, LBW had gained popularity with TG customers, with 82 school customers using LBW and hundreds of lenders accommodating the electronic signature process. TG realized that schools had come to rely on LBW as a premier borrower interface that offered entrance counseling, loan award information, update capability, promissory note printing, and electronic signatures. In addition, LBW allowed schools to electronically create lender lists.

Creating the solution

Based on information collected from schools, and with the understanding of how schools appreciate the integrated processing features of LBW, TG chose to enhance LBW to accommodate a PLUS pre-approval routing process. The resulting process offers the lender the information needed to render a credit decision, and it simultaneously updates schools with an electronic notification of credit approval or denial.

After nearly two years of analysis, TG has completed the development of an enhanced LBW with PCC. Three lenders and three schools have tested the new application: Panhandle-Plains Servicing Center, Nelnet, LoanStar, the University of Houston, the University of Texas at Dallas, and Wharton Junior College. Customer input resulted in additional recommendations and eventual enhancements to PCC processing.

More information

PCC is now available for all TG customers. For more information about PCC, AdvanTG Web™, or LBW, please contact your TG school or lender consultant, call TG product support at (800) 332-1455, or send an e-mail message to product.support@tgslc.org.

TG introduces IDA™ — your Integrated Default Assistant

This week, TG introduces the latest tool to help you effectively manage your TG cohort default rate — TG's new Integrated Default Assistant, or IDA™ for short.

IDA is a comprehensive, easy-to-use database accessed through AdvanTG Web™ that turns TG's existing Default Management Report (DMR) into an interactive application that schools and lenders can use to more easily track borrowers who may become delinquent or default on their student loans.

IDA was designed with the specific purpose of helping schools and lenders achieve successful default aversion goals.

Benefits of IDA

With IDA, your office will be able to:

- Request reports through AdvanTG Web and receive them on the same day
- Produce letters ready to mail to defaulted and delinquent borrowers
- Produce reports to project future cohort default rates, identify trends, and detect cohort-related patterns
- Retrieve updated data weekly
- Pinpoint the delinquency level of borrowers to the day, instead of at 60-day and 159-day milestones

IDA also provides a series of helpful preformatted reports, many of which had to be requested on an ad-hoc basis in the past. These preformatted reports are an excellent tool to help schools and lenders focus on at-risk borrowers within the institution's overall default aversion strategy, thereby allowing the institution to allocate its resources more effectively.

Some new reports are unique to IDA, such as the Delinquency and Claim Status Report, which gives a breakdown of the number of borrowers at various stages of delinquency and claim processing. This new report gives schools and lenders a picture of how close their borrowers are to default claim payment, and indicates how much time they have left to help these borrowers avoid default.

More information

IDA is now available for all TG customers. To learn more about IDA, contact your TG school or lender consultant. You may also contact TG product support at (800) 332-1455, or send an e-mail message to product.support@tgslc.org.

2005 FAFSA videoconference clips available online

Did you miss the 2005 broadcast of the FAFSA videoconference in February? Would you like to be able to share the valuable information on how to complete the Free Application for Federal Student Aid that was presented in the videoconference with your students and parents?

Good news — clips from *The FAFSA Made Easy* and its Spanish version *La FAFSA Simplificada* are available for download from TG's public service Web site, Adventures In Education (AIE), at www.AdventuresInEducation.org.

The clips contain footage of TG representatives guiding students and their families step-by-step on how to complete the FAFSA. Topics of the video clips include:

- Five ways to make your financial aid process a success
- Avoiding financial aid and scholarship scams
- Determining a student's dependency status
- Identifying which parent's information to use in special circumstances
- Common questions from students and parents
- Managing financial aid and avoiding credit card debt

In addition to these online video clips, free videos of both the English and Spanish versions of the event are also available.

More information

To learn more about the videoconference, to download clips, or order videos, visit AIE at www.AdventuresInEducation.org/Events/2005FAFSAVideoconference/.

Don't forget to attend TG's free RT4 telephone conference

TG's telephone conference on the return of Title IV funds, "RT4 Basics and Beyond," will be held on Thursday, March 17, from 2 p.m. to 3 p.m. (CT).

TG is hosting the teleconference to help new and seasoned financial aid officers demystify the RT4 calculation and to empower them with some suggestions on how to improve the RT4 process within their offices. Conference topics include:

- General principles of the RT4 process.
- The elements of an RT4 calculation.
- Recommendations on how to avoid some of the more common RT4 findings in a program review.

A brief question-and-answer session will follow the presentation. Questions may be submitted in advance of the event to sheila.casey@tgslc.org. The telephone conference is free of charge and open to participants from any institution.

To register

To register and get further details, contact Premiere Teleconferencing at (800) 289-0579 and reference confirmation number 7746253.

Common Manual

Common Manual updates

On February 17, 2005, guarantor representatives who serve on the *Common Manual* Governing Board 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.

Loan Origination

The *Common Manual* has been updated to incorporate guidance initially provided by ED in the *2002-2003 Federal Student Aid Handbook*, which allows a borrower to grant power of attorney to a third party allowing the third party to sign an MPN on the borrower's behalf. In this case, the school must obtain a separate written authorization from the borrower to credit loan funds to the student's school account. When a third party using power of attorney signs the MPN on the borrower's behalf, the school must pay any credit balance to the student or parent borrower, as applicable, using a check or other instrument that requires the borrower's endorsement. If power of attorney is used to sign the MPN, the MPN is valid for only one loan. If the MPN is submitted through the school, the school must retain a copy of the original power of attorney and either the school or the

individual with power of attorney must provide a copy of the power of attorney document to the lender—a photocopy or fax of the document is acceptable.

- Affected Sections:** 4.6 Withdrawal Dates
- Effective Date:** Withdrawal determinations made by the school on or after November 17, 2004.
- Basis:** DCL GEN-04-12.
- Policy Information:** 816/Batch 119
- Guarantor Comments:** None.

Inadvertent Overpayments

The *Common Manual* has been updated to include a new subheading and information pertaining to inadvertent overpayments. An inadvertent overpayment exists when a school delivers loan funds to a student who is no longer in attendance. When the school completes a return of Title IV funds calculation, an inadvertent overpayment must be included as “aid that could have been disbursed.” The student must qualify for a late disbursement to be eligible to retain funds that were delivered as an inadvertent overpayment. If the student is ineligible for all or a portion of the inadvertent overpayment, the school must return the ineligible amount to the lender within 30 days of the date of the school’s determination that the student withdrew.

- Affected Sections:** 4.7.A Return Amounts for Title IV Grant and Loan Programs
- Effective Date:** Any student who withdraws on or after February 13, 2004.
- Basis:** DCL GEN-04-03; 2004-05 *Federal Student Aid Handbook*, Volume 5, Chapter 2, page 5-47.
- Policy Information:** 817/Batch 119
- Guarantor Comments:** None.

Student Enrollment Status Reporting Requirements for Foreign Schools

The *Common Manual* has been updated to reorganize information in section 4.8 and to include student enrollment status reporting requirements for foreign schools. In most cases, foreign schools receive a request for enrollment information from the guarantor. The school must review the report, update the student enrollment information, and return the report to the guarantor within 30 days of the date it receives the guarantor’s request. If the foreign school has the capability of reporting electronically, the school will receive Enrollment Reporting information from the NSLDS electronically or on tape. In this case, the school must update the enrollment information and return the updated file to the NSLDS within 30 days of the date it receives the guarantor’s request. Foreign schools that do not respond to

Enrollment Reporting requests within 30 days are not in compliance with Enrollment Reporting requirements.

- Affected Sections:** 4.8 Student Enrollment Status Reporting
- Effective Date:** Retroactive to the implementation of the *Common Manual*.
- Basis:** *Student Financial Aid Handbook for Foreign Schools*.
- Policy Information:** 818/Batch 119
- Guarantor Comments:** None.

Multiple School Enrollment

Section 5.14 has been renamed "Multiple School Enrollment" and the current section 5.14 has been re-designated as section 5.15. A student who is enrolled simultaneously on at least a half-time basis in more than one school may be eligible to receive a Stafford loan — and the parent may be eligible to receive a PLUS loan — at both schools for the same payment period or period of enrollment. If one school has already certified a loan for the student, the other school is required to take the following actions:

- Eliminate the student's living costs from the cost of attendance (COA) because those costs were included in the COA at the first school.
- Ensure that the student does not receive loan funds in excess of annual loan limits at that school and that the total amount of the loans received by the student for enrollment at both schools does not exceed the student's highest applicable annual loan limit.

If neither school is aware of the student's simultaneous enrollment in two different schools until after both schools have certified Stafford loans and the student receives loan funds in excess of his or her highest applicable annual Stafford loan limit, the schools must coordinate with each other to adjust the student's aid package at one or both schools to eliminate the excess loan amount. If neither school is able to eliminate the excess loan amount, the excess loan amount must be reported to the lender. Refer to subsection 6.11.D for information regarding borrowers who exceed annual loan limits.

- Affected Sections:** 5.14 Ineligible Borrowers
- 5.14.A Ineligibility Based on Borrower Error
- 5.14.B Ineligibility Based on School Error
- 5.14.C Ineligibility Based on Lender Error
- Effective Date:** Loans certified by the school on or after July 1, 2003.
- Basis:** 2004-05 *Federal Student Aid Handbook*, Volume 3, Chapter 4, page 3-57.

Policy Information: 819/Batch 119

Guarantor Comments: None.

Texas legislative update

The March 3 issue of TG's *Legislative Report* includes a statement TASFAA issued to the Texas Legislature in response to their initial recommendations for funding the state's student financial aid programs. In addition to communicating the statement to the entire legislative membership, the statement is being personally delivered to select members and staff. TASFAA's statement titled *Improving Student Financial Aid in Texas: Stretching Limited Resources* is available in its entirety on *TG Online* at www.tgslc.org/lege_report/index.cfm.

This, that, and the other

The *Mapping Your Future*™ Web site will be unavailable for periods of time between noon and 8 p.m. (CT) on Wednesday, March 16. The Web site's recent growth has required the expansion of its computer network, which will be relocated during this time. The new site will allow for further expansion and growth.



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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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