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Tip^{of} the Week

Take advantage of TG’s Integrated Default Assistant (IDA™) and learn how it can help your school manage its TG cohort default rate. To find out more, call (800) 338-4752 to learn more.

TG updates

TG updates Consolidation Station Web page with information about “in-school” consolidation

In [edition 305](#) of *Shoptalk Online*, TG provided guidance from ED that allows students to enter repayment on their Stafford loans while still in school in order to obtain a Consolidation loan. In accordance with this guidance, TG has updated Consolidation Station, TG’s practical Web resource for borrowers who are contemplating consolidation.

Now included in the pages of Consolidation Station is text that addresses the availability of this “in-school” consolidation option. Updated sections include the following:

- An overview of the Federal Consolidation Loan Program
- Things you should know before you consolidate
- Frequently asked questions about student loan consolidation

More information

To access Consolidation Station, visit the Web page on *TG Online* at www.tgslc.org/borrowers/consol.cfm.

Borrowers also may contact TG's customer assistance representatives at (800) 845-6267 or send an e-mail message to cust.assist@tgsic.org. TG's student loan experts can help borrowers understand the details of student loan consolidation and whether it is a good choice for their situation.

TG supports Hispanic-Serving Institutions, provides testimony at congressional hearing

Sue McMillin, TG president and CEO, provided testimony to the U.S. House Select Education Subcommittee on the critical issue of graduate education opportunities at Hispanic-Serving Institutions (HSIs). The written testimony provided a synthesis of how graduate students pay for college, referenced the lack of a federal need-based grant program for graduate students, and compared borrowing trends at HSIs and non-HSIs.

The testimony supported H.R. 761, or the Next Generation Hispanic-Serving Institutions Act, at a subcommittee hearing on expanding opportunities for graduate study at HSIs held at the University of Texas – Pan American campus on May 2.

An HSI is defined in Title V of the Higher Education Act (HEA) as a postsecondary institution in which 25 percent or more of the student body is Hispanic and 50 percent or more of that Hispanic population is low-income. More than 200 2-year and 4-year institutions nationwide are designated as HSIs.

Testimony highlights

McMillin's testimony noted that Hispanics make up 34 percent of the Texas population, but received only 7 percent of the doctoral degrees in 2001, the last year for which data is available. Also, more than half of Hispanics who received their doctorates during that year earned them from two non-HSIs — Texas A&M University and the University of Texas at Austin.

In her testimony, McMillin stated that because there is no federal need-based grant program for graduate study, graduate students generally have fewer financial aid options than undergraduates. "The questions for graduate students are whether or not to work and how much, whether or not to borrow and how much, and whether or not a graduate assistantship is available and for how much," said McMillin.

But the availability of assistantships and fellowships at HSIs is not what it could be. A lack of funding under Title V of the HEA has led to a shortage of such awards. Therefore, a higher percentage of graduate students at HSIs must work long hours or borrow to finance their education.

This has caused median borrower indebtedness (MBI) at HSIs to grow from \$26,623 in 2003 to \$30,004 in 2004. By contrast, the MBI for non-HSI borrowers decreased by more than \$1,000 between 2001 and 2004.

To address this increasing “funding gap” at HSIs, TG is calling for consideration as to whether there is sufficient aid and support for graduate assistantships and fellowships at HSIs.

McMillin pointed out that this issue is relevant not only to Hispanic students who wish to pursue graduate studies at HSIs, but to the availability of graduate education opportunities for all students enrolled at all graduate institutions.

More information

To read the testimony, visit the President’s Corner on *TG Online* at www.tgslc.org/newsroom/presidentscorner/index.cfm. To learn more about H.R. 761, visit the Library of Congress Web site at <http://thomas.loc.gov> or the House of Representatives Web site at www.house.us.gov.

Trends and issues

State-funded student financial aid increases in 2003-04

States awarded \$7.3 billion in total state-funded student financial aid in 2003-04 — a 6 percent increase over the \$6.9 billion awarded in 2002-03, according to annual survey report of the National Association of State Student Grant and Aid Programs (NASSGAP).

NASSGAP’s 35th annual survey on state-funded expenditures for postsecondary student financial aid reports that states made about 3.7 million awards of grants, loans, work-study conditional grants, tuition waivers, and other programs to students pursuing higher education in 2003-04. Grant aid made up 84 percent of the total aid awarded.

States that spent the most

California, Illinois, Indiana, New Jersey, New York, Pennsylvania, and Texas collectively awarded more than \$2.7 billion in undergraduate need-based grant aid, representing 64 percent of undergraduate need-based grant aid.

South Carolina, Washington, D.C., Georgia, New York, and Indiana, provided the most grant aid per capita and the largest amount of aid per capita for students between ages 18 and 24. Georgia, South Carolina, New York, New Jersey, and Kentucky provided the most undergraduate aid, compared to the undergraduate full-time enrollment in those states.

About NASSGAP

NASSGAP is a nonprofit organization dedicated to the promotion, strengthening, encouragement, and enhancement of high standards in the administration and operation of student grant aid programs. NASSGAP’s membership is drawn from single agencies in each state or territory which are responsible for state-funded student aid programs.

More information

To learn more about the NASSGAP survey, visit the organization's Web site at www.nassgap.org.

Legislative update

The May 27 issue of TG's *Legislative Report* includes a congressional update on the FY 2006 appropriations legislation and an update on Texas legislation that affects higher education and student financial aid. 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

The Texas Legislature has extended TG's charter of operations for another 12 years — the maximum allowable extension. As an entity created by the state, TG is subject to the Texas Sunset Act. TG's Sunset Bill, H.B. 2274, became law on May 27, 2005. More information on the reauthorization of TG will be available in the next issue of *Shoptalk Online*.



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