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## Tip<sup>of</sup> the Week

Access the [English-Spanish Glossary](#) on *TG Online*, an easy-to-use reference tool to facilitate the creation of more consistent Spanish-language materials about higher education and student financial aid.

## Federal updates

### House education committee passes reauthorization bill

On July 22, the House Committee on Education and the Workforce approved HR 609, the College Access and Opportunity Act, a comprehensive bill to reauthorize the Higher Education Act (HEA). The approval came after several days of hearings during which many amendments to the bill were proposed by various members of the committee. After all was said and done, the following major provisions remained in the bill upon its passage. HR 609:

- Simplifies the FAFSA process by allowing low-income students whose families qualify for certain public assistance programs to complete an "EZ FAFSA."
- Increases the authorized Pell grant maximum to \$6,000 (according to the House appropriations bill for FY 2006, the actual award maximum would increase from \$4,050 to \$4,100).
- Makes Pell grants available year-round and limits eligibility for Pell grants to 18 semesters or 27 quarters.
- Establishes a new enhanced Pell Grant Program for State Scholars.

- Applies the “90/10 rule” to all postsecondary institutions — for-profit and not-for-profit.
- Eliminates funding for new Perkins Loan Federal Capital Contributions.
- Restructures the allocation formula for the campus-based programs.
- Reinstates the student loan disbursement exemptions from multiple disbursement and delayed disbursement for low default rate schools.
- Eliminates the fixed interest rate change of 6.8 percent for Stafford loans scheduled for implementation in 2006 and maintains the current variable interest rate with a cap of 8.25 percent.
- Increases Stafford loan annual limits for first- and second-year borrowers to \$3,500 and \$4,500, respectively.
- Reduces Stafford loan fees to 1 percent for both the FFELP and FDLP by 2010.
- Strengthens the “exceptional performer” provision.
- Reduces the loan insurance rate for lenders from 98 percent to 96 percent and creates a new annual “loan holder” fee of .25 percent applied to each holder’s outstanding balance of non-consolidated loans and increases the consolidation loan fee from .50 percent to 1 percent.
- Reduces the loan reinsurance rate for guarantors from 95 percent to 93 percent, with a commitment by the education committee’s chairman, Rep. John Boehner, to continue to review the rate because this provision neither saves nor generates revenue and may be destabilizing to the FFELP.
- Reduces the collection retention rate for guarantors on Consolidation loans from 18.5 percent to 10 percent.
- Repeals the “single-holder rule.”
- Aligns FFELP loan repayment plans with FDLP plans.
- Provides Consolidation loan borrowers the option of a variable interest rate (91-day T-bill + 2.3 percent) or fixed interest rate (91-day T-bill + 3.3 percent). A borrower who chooses the fixed interest rate will also be charged a .50 percent origination fee on his or her Consolidation loan.

### **Next steps**

HR 609 is scheduled to be considered by the full House later this legislative session, and may undergo further amendments at that time.

The Senate Health, Education, Labor, and Pensions (HELP) Committee is working on its own reauthorization bill. However, the Senate’s priorities right now include, among other things, passing the FY 2006 appropriations bills and considering the

Supreme Court nominee, John Roberts, whom Bush has proposed to replace Justice Sandra Day O'Connor, who recently resigned from the Court.

*Shoptalk Online* will provide further details as these bills progress through their respective houses.

## **TG updates**

### **Skill builders: Closing the generation gap in your workplace**

Baby boomers are all workaholics. Generation X is a bunch of slackers, and everyone in Generation Y is spoiled.

Have you heard people use these stereotypes about the people in your office? Do you believe some of them yourself? If so, TG's professional development training session *The Multi-Generational Workforce* may be just what your office needs to bridge the generation gap and promote understanding among your staff.

#### **Embracing diversity**

One of the challenges in today's workplace is uniting people from diverse backgrounds and of various ages into a team that can effectively meet your institution's goals. This can especially be a struggle in the financial aid office where older seasoned professionals often work side-by-side with younger student workers.

Each generation has its own behaviors, values, and attitudes about the workplace, said Judy Natividad, TG corporate trainer. The first step in working together effectively is learning about and understanding how these different styles can benefit your office.

"For example, Baby Boomers grew up playing Monopoly<sup>®</sup>, a game that took a long time to finish. This taught Baby Boomers to methodically analyze business situations, which can lead to a lengthy decision-making process," Judy said. "On the other hand, Generation X grew up playing video games, where they had to make quick decisions or 'die.' This has taught them to analyze situations and make decisions more quickly — a skill they've brought to the workplace."

#### **Closing the gap**

Judy pointed out that generational differences in work style can lead to stress and misunderstandings in the office, if they are not explored and talked about. The good thing, she added, is that the generation gap is getting smaller because more people are taking the time to better understand their coworkers.

"Learning about each other makes us more understanding and patient with our peers," Judy said. "We are less likely to make instant judgments about someone based solely on their age."

*The Multi-Generational Workforce* also helps offices campus-wide appreciate the differences between them and the students they serve.

“All school staff benefits from the awareness of who their customers are, because that’s who the students are — high-paying customers,” Judy said. “Sometimes we all can forget what it was like to be 18.”

### **More information**

To learn more about *The Multi-Generational Workforce* or to schedule a training session for your office, you may contact Judy Natividad at (800) 252-9743, ext. 2869, or send an e-mail message to [judy.natividad@tgslc.org](mailto:judy.natividad@tgslc.org).

To learn about TG’s other training sessions, visit the TG Speakers Bureau on *TG Online* at [www.tgslc.org/speakers/index.cfm](http://www.tgslc.org/speakers/index.cfm).

### **Question of the week**

*Shoptalk Online* is introducing a new weekly feature. Each week, *Shoptalk Online* will feature a question and answer from *Ask TG*<sup>™</sup>, TG’s online query tool for borrowers, schools, and lenders. *Ask TG* includes a database of frequently asked questions about financial aid, student loan processing, and TG’s products and services. Here is the first question of the series:

Q: What is the latest date on which a school can certify a Stafford or PLUS loan?

A: A school can certify a Stafford or PLUS loan for an eligible student up to the last day of the loan period or the date on which the student ceased to be enrolled half time, whichever is earlier. For more information, see the *Electronic Common Manual*, subsection 7.7.G. The *Electronic Common Manual* is available for download at [www.tgslc.org/resources/integrated\\_online\\_manual.cfm](http://www.tgslc.org/resources/integrated_online_manual.cfm).

Do you have a question?

If you have a question that needs an answer, feel free to *Ask TG*. To submit a question to *Ask TG*, go to <http://tgslc.custhelp.com>.

## **Trends and issues**

### **TG co-sponsors online chat event on applying to college and admissions tests**

Navigating the college admissions process and standardized tests will be the topics of an upcoming *Mapping Your Future*<sup>™</sup> online chat event scheduled for Tuesday, August 9, 2005 at 2 p.m. (CDT). The event is sponsored by TG and hosted on the *Mapping Your Future* Web site, [www.mapping-your-future.org](http://www.mapping-your-future.org).

One in a series of events sponsored by TG, the chat will feature experts in college admissions from across the country, answering questions about:

- Selecting a school;
- Preparing academically for college;
- Applying to school;
- Standardized tests, such as the ACT and SAT;
- Considering different types of schools; and
- Financial aid and the FAFSA.

Anyone with Internet access can join in the chat event by visiting [mapping-your-future.org](http://mapping-your-future.org) on the World Wide Web at the time of the chat and following the link to the chat at top of the home page. Simple instructions will guide them on how to join the event.

*Mapping Your Future* is a national, collaborative, public-service project of financial aid industry partners that provides free college, career, financial aid, and financial literacy services to students, families, and schools.

## **Legislative update**

The July 25 issue of TG's *Legislative Report* includes updates on the Reauthorization of the Higher Education Act; Health and Human Services, Labor, and Education FY 2006 Budget Reconciliation; and Appropriations bills advances. 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**

Students living at home with their parents while attending college face both advantages and disadvantages, according to an Associated Press news article. At least 37 percent of single undergraduates continue to live with their families while attending college, according to 2004 government figures provided by the American Council on Education. Challenges students and families face include establishing a new, more "adult" relationship, curfews, household rules, and chores. Research also has found that students who live at home are less engaged in extracurricular activities than students who live on campus. To read the article, visit [www.cnn.com/2005/EDUCATION/07/19/back.to.school.living.ap/index.html](http://www.cnn.com/2005/EDUCATION/07/19/back.to.school.living.ap/index.html).



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