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TG updates

Meet Aubrey Stelly, senior partnership consultant

Partnering with school and lender customers is a cornerstone of TG's business. Whether it's automating a process or providing training, TG works closely with schools and lenders as they meet today's growing regulatory and processing challenges. Someone who ensures that lender customers benefit from TG's resources in technology and training is Aubrey Stelly of TG's strategic partnerships.

For more than 17 years, Aubrey has worked at TG, learning all facets of the financial aid business — from federal policy to loan servicing to technological tools. That makes Aubrey a valuable resource when customers ask for help or begin to use TG's products and services.

As the legislative year winds down and peak financial aid processing season heats up, *Shoptalk*

Online talked with Aubrey, posing particular questions about his experience in financial aid. In the process, we learned about what makes him a passionate problem solver, committed to making a strong fit between TG's solutions and a customer's needs.

Shoptalk Online: Can you share with us what you do to serve TG's customers?

Aubrey: Part of what I do is to introduce new lender customers to TG's many products and services. That means I present what TG offers in the way of technology and a service-based culture — comprehensive training and great customer care. When a customer chooses to work with us, I create a fit between our systems and the customer's systems. I help to figure out how things are going to work, so the lender's school customers aren't affected. That can be a complicated thing to do, since software systems in financial aid tend to be very complex. Schools from different parts of the country can have different needs, which can lead to specialized processing. Our goal is to meet those needs with our technology.

Once a lender begins using our solutions and tools, I serve as a liaison or advocate for the customer, making sure the fit between our systems is effective. I'll field questions from lenders about our software, or put in touch the appropriate technical staff on both sides in order to start that dialogue.

I'm on the road for TG about 70 percent of the year. I spend that time presenting at seven to 10 trade associations, talking with customers in person or over the phone, or going on-site to provide training. I offer training to lender customers at all levels — operational support staff, technical staff, and management. I'll train customers on the products and services TG offers and how the lender can work effectively with TG. I'll even offer suggestions to customers about how to improve their loan processing.

Shoptalk Online: What attracts lenders to TG's products and services?

Aubrey: We stress customization and our value-added services at TG. We bring in a whole suite of solutions and tools and help lenders integrate them with their own systems at every step. We also stress our program of training — the Speakers Bureau — which offers lots of comprehensive regulatory information, all provided by some very knowledgeable people in the industry. And any way we can automate a particular function is always welcome. TG Loans By Web™ and TG Awards By Web™ are two examples of software systems that schools and lenders really appreciate, because they provide seamless automation of the application process.

Shoptalk Online: What makes for good customer service?

Aubrey: It's all about asking the right questions — those questions that anticipate a customer's needs — and then getting the information or the answer quickly. Also, a lot of times it's not the "what" that a customer needs; it's the "how." They need applications processed a certain way, or they would like e-signature, for example. TG has the flexibility to provide all that and we show it. Many times, as you get to know a customer and that customer's other business partners, you can anticipate issues before they arise and plan for them. I think customers appreciate that forethought and attention.

Shoptalk Online: What keeps you motivated in your work?

Aubrey: Actually, it's those little gains that keep me going. Being recognized at conferences and other types of meetings and called on for advice is really affirming. It tells me I'm doing the right things to get the message out, and our lenders and schools respect what TG stands for. I also like the challenge of fitting together different systems or finding the solution when a customer has a unique processing problem.

The contact with customers is also another real motivator. I like meeting the diverse people who work in financial aid. There's always an opportunity to learn something new. And, as I've said before, when you work in financial aid, you can feel good at the end of the day because you know you've helped someone, and that's our business. It's gratifying to think we're helping the next generation of great inventors or scientists go to school. I can't do what these people can or will do, but I can help them achieve their dreams by helping them get the education they need.

Skill builders: Managing paper effectively and efficiently

There's no doubt that the electronic revolution has made an impact in today's work environment. From computers and CD-ROMs, to flash drives and PDAs, the information that required ink and paper in the past is now handled electronically.

Of course, paper has not entirely disappeared from the workspace.

Take a look around your office or cubicle. If you're like many others, you probably still have stacks of loose paper, groups of stapled and paper-clipped sheets, legal-sized sheets folded quickly to "fit" into regular stacks, and file folders of multiple colors. Self-stick notes dot the landscape, some attached to documents and others to computer monitors or phones. Some sticky notes somehow end up crumpled into reference books, attached to business cards, or stuffed into other strange locations.

Paper is here to stay. Even though you may be organized enough to keep your business card information in your e-mail system, and your electronic documents are neatly organized in folders on your hard drive, everyone can probably benefit from some tips on handling the "holdout" paper from a bygone era. Here are a few recommendations:

When a document lands on your desk, act on it, assign it to someone, or toss it out immediately.

The fastest way to create stacks of useless paper is to collect printed matter "for later review." Commit yourself to act on a document the first time you pick it up — either act on it, delegate it to someone to handle, or throw it out if it requires no action. One easy way to see how much time and effort you may be wasting in handling paper is to add a tick mark with a pencil to the front of the document every time you touch it. If you end up with lots of marks on a document, you may be wasting valuable time handling paper unnecessarily.

Create a month and year "progression" file to manage papers as they come due for action.

To set up a progression file, obtain 43 individual file folders. Label 12 of these folders for the months of the year (January to December) and the remaining 31 with the numbers 1 to 31 (one for each day of the year). Your numbered folders should be used to file current month items; the month folders should be used for items due later. Now, just file documents and notes in the day or month they will require action. Review your day folder each day, and sort and file monthly items at the beginning of each month.

Keep only active documents (those you must use at least once a day) on your desktop.

Any document that is not needed at least once a day should not be kept on your desktop; it only creates clutter. Weekly and monthly items should be kept in a filing cabinet close by, organized for easy retrieval. Documents used less than monthly can be stored away from your immediate work area.

Avoid self-stick notes; they make you more vulnerable to information loss.

Self-stick notes have become extremely popular, but they can be dangerous if used inappropriately. Critical phone numbers, names, and numbers scribbled on self-stick notes can be lost if they are separated from the document on which they are attached, so be very careful. Even notes attached to telephones and computer screens frequently contain information that is best stored elsewhere; often they contain sensitive information that should not be displayed for all to see.

Set up and keep a daily planner to document your activities.

Getting started using a daily planner can be difficult, but once you discipline yourself, this resource can save you significant time and effort. There are many planning systems available, and most can be configured to meet your preferences and needs. At a minimum, use planners to keep schedule information, tasks to complete, and notes on meetings and conversations. One other thing — avoid keeping planner information in multiple places. You'll lose information and become frustrated when your information is not centralized.

When keeping progressive edits, clearly identify source, date received, and date acted upon.

If you are editing documents on paper, and you must keep revisions and comments or suggestions from others, try to clearly identify the source of the edits along with which items were incorporated into your final document. Use a highlighter to indicate which suggestions were included, and store all revisions together. This will make it easier to identify the source if any changes are challenged.

Learn to use electronic editing features of word processing software.

Almost all popular word processing applications now offer editing and tracking features. Learn to use these features whenever possible. By documenting everyone's changes electronically, you can minimize the need for printed revisions, and in most instances you can display changes made even after the document has been completed. If your document is to be released electronically to the public, make sure you use software that permanently removes these editing notes.

Good luck organizing your workspace.

TG resources: Plan ahead with TG's Events Calendar

TG's online Events Calendar is a useful tool that financial aid professionals can use to plan for important industry-related dates and events.

The calendar, available online at www.tgslc.org [For Schools | Events Calendar], lists TG's annual events schedule, holiday calendar, and other non-TG events and dates useful to financial aid professionals.

Customers who would like to attend certain TG-sponsored events are just a click away from the online registration page. In addition, some conferences and workshops included on the calendar are hyperlinked to Web sites that provide more information about each event and its sponsor. TG's Events Calendar is useful to financial aid professionals who want to keep up with what is happening in our industry.

Question of the week

Q: Is a school required to keep a copy of a borrower's completed Master Promissory Note (MPN)?

A: Federal regulations do not require a school to retain a copy of the borrower's completed MPN. However, there are several loan-related records that a school is required to retain, and they are outlined in sections 668.24, 682.401, and 682.610 of Title 34 of the Code of Federal Regulations. To find them in one comprehensive resource, see section 4.5 ("Recordkeeping Requirements") of the *Electronic Common Manual*, available for download at www.tgslc.org/resources/integrated_online_manual.cfm#icm.

TG has a question for you

Does your school keep a copy of completed MPNs? If so, would you share with TG how you use this record? Send an e-mail to communications@tgslc.org.

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.

Coming up…

The following events are taking place during the upcoming months.

TG Users Group
Teleconferences — Early repayment and consolidation
August 4 – 5

Mapping Your Future™
Chat Event
August 9
Daytime Chat — College admissions and standardized tests

Labor Day
September 5
TG offices closed

Mapping Your Future™
Chat Event
September 13
Evening Chat — Debt management strategies

TASFAA (Texas Association of Student Financial Aid Administrators)
Annual Conference
October 5 – 7
El Paso, TX

Council for the Management of Educational Finance
Quarterly Meeting
October 27
San Antonio, TX

Trends and issues

TG answers questions on loan delivery

About this time last year, TG developed the following article to provide schools with a comprehensive resource they could use to make sure that they were complying with applicable policies related to the delivery of Stafford and PLUS loans (*Shoptalk Online* ran the article in Edition 267). In response to recent questions from customers on cash management issues, *Shoptalk Online* has decided to run the article again. The following information will allow you to see if your office could use a loan delivery "tune up" before money starts going out the door.

As we approach peak loan processing season, many schools are preparing to deliver financial aid funds to their student and parent borrowers. At this time of year, it is common for TG to receive questions from schools on the subject of loan delivery. In the spirit of awareness and edification, TG has compiled a series of loan delivery queries that financial aid administrators (FAAs) tend to focus on during peak loan processing season.

Q: What are the definitions of "disbursement" and "delivery" as the terms relate to Stafford and PLUS loans?

A: While ED uses the term "disbursement" to apply to the issuance of all types of financial aid from the school to the student, the FFELP industry maintains a distinction between the transfer of funds by a lender and the transfer of funds by a school. Therefore, the *Common Manual* uses "disbursement" for lender activities and "delivery" for school activities. Both terms are defined as follows:

- Disbursement: The transfer of loan proceeds by individual check, master check, or electronic funds transfer (EFT) by a lender to a borrower, a school, or an escrow agent. (*Common Manual*, glossary)
- Delivery: A school's processing of Stafford and PLUS loan proceeds and delivery of those proceeds to borrowers. (*Common Manual*, chapter 8)

Q: When the school credits loan funds to a student's school account, the school must notify the borrower. What information must the school provide in its notification?

A: The school's notification must include the following information:

- The amount of the disbursement and the date that it was credited to the student's school account.
- A statement explaining that the borrower has the right to cancel all or portion of the loan or loan disbursement and have the school return funds to the lender, if funds were disbursed by EFT or master check.
- The method and date by which the borrower must notify the school to cancel all or a portion of the loan or loan disbursement.

Q: Within what timeframe must a school send the borrower notification of a credit to the student's school account?

A: The school must send the notification no earlier than 30 days before and no later than 30 days after the school credits the student's account.

Q: Within what timeframe must a school honor a borrower's request to cancel a loan disbursement?

A: A school must cancel and return all or a portion of a loan disbursement if the school receives the borrower's request within either of the following timeframes:

- Within 14 days after the date the school sent the notification to the borrower that the school has credited the student's school account.
- By the first day of the payment period, if the school sends the notification that it has credited the student's school account more than 14 days prior to the first day of the payment period.

Q: Which cash management activities require a school to obtain written authorization from the student or parent borrower?

A: A school must obtain written authorization from the borrower to perform the following activities:

- Deliver Stafford or PLUS loan proceeds received by EFT or master check to the student or parent borrower.
- Use the Stafford or PLUS loan proceeds to pay for current charges other than tuition, fees, and contracted room and board.
- Deliver Stafford or PLUS proceeds to the borrower's personal bank account.
- Hold a credit balance on behalf of a student or parent borrower.
- Use Stafford or PLUS loan proceeds (for the current year) to pay for minor prior-year charges.

Q: When does a written authorization expire?

A: The authorization is valid for the entire period during which the student is enrolled unless the student or parent borrower, as applicable, modifies the authorization(s).

Q: What is the earliest date that a school can deliver funds to students?

A: For a student enrolled in a standard term-based, credit-hour program, the earliest a school can deliver funds is 10 calendar days before the first day of the payment period. For a student enrolled in a nonstandard term-based program or a clock-hour program, the earliest a school can deliver funds is the later of:

- 10 days before the first day of the payment period.
- The date the student completes the previous payment period for which the student received FFELP funds.

Q: What are the timeframes that a school must follow for crediting a student's school account with a loan disbursement received from the lender via EFT?

A: The delivery timeframes cover three separate periods as outlined below:

- Initial period — the school must deliver the loan disbursement within 3 business days of receipt.

- Conditional period — the school may deliver the disbursement within this 10-business-day period after the initial period if the school expects the student to meet all FFELP eligibility requirements within this timeframe.
- Return period — the school must return an undeliverable disbursement to the lender within a 10-business-day period following the initial or conditional period, as applicable. If the school determines that the student meets FFELP eligibility requirements during this period, the school may deliver the disbursement to the borrower.

Q: What is the timeframe for delivering a credit balance (i.e., any amount of funds that exceeds a student's institutional charges) to a student or parent borrower?

A: The school must deliver a credit balance to the student or parent borrower no later than 14 days after one of the following:

- The first day of the payment period if the credit balance occurs on or before the first day of the payment period.
- The date the credit balance occurs if the credit balance occurs after the first day of the payment period.
- The date the school receives notification from the student or parent borrower to cancel his or her authorization to have the school manage the credit balance.

Q: If a scholarship or some other financial resource comes in to the school after a borrower's loan has been fully delivered, does the school have to return some of a borrower's Stafford or PLUS loan proceeds in order to resolve an overaward?

A: If all disbursements of the Stafford or PLUS loan have been delivered to the student before the overaward occurs, no adjustment to the loan is required under federal regulations. However, the school may be required to adjust the student's campus-based or other type of aid, as appropriate, to offset the student's receipt of additional funds.

Q: Are there any tables or charts that FAAs can use as a point of reference on the subject of loan delivery?

A: Many FAAs utilize the *Table of Figures* page located in the *Common Manual* as a point of reference on a variety of subjects. The table features several figures that pertain to loan delivery, including figures 8-1 through 8-6. These figures illustrate a variety of related topics (e.g., "School Requirements before Delivering a FFELP Loan," "Earliest Disbursement and Delivery Dates," "Delivery or Return of Loan Funds").

Available resources

The information in this article is available in Chapter 8 of the *Common Manual*. To access and download the 2005 *Electronic Common Manual*, go to www.tgslc.org/resources/integrated_online_manual.cfm. For questions, you may *Ask TG*™ at http://tgslc.custhelp.com, or you may contact TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

Give yourself an entrance counseling checkup

With the traditional fall semester just a couple of weeks away, schools will be making sure that their first-time Stafford loan borrowers complete entrance counseling. Now is the time to double-check that the entrance counseling you are providing to your students has all of the requisite components. Requirements are listed below.

Entrance counseling

According to federal regulations, entrance counseling must explain to the Stafford loan borrower:

- The use of the Stafford Master Promissory Note (Stafford MPN).
- The seriousness and importance of acquiring loan debt.
- The likely consequences of default.
- The borrower's obligation to repay the loan even if the borrower doesn't complete or doesn't like his or her education.

Entrance counseling must also provide the borrower with sample monthly loan repayment amounts based on either:

- Several levels of student indebtedness.
- The average indebtedness at the school or in the same program of study at the school.

In addition to the required components, a school may choose to include in its entrance counseling sessions information on:

- Other types of available financial aid.
- The importance of budgeting and managing living expenses.
- The terms and conditions of the loan.
- The student's rights and responsibilities.
- An overview of repayment, deferment, forbearance, cancellation options and conditions, loan consolidation, and refinancing options.

- The school's policy on the frequency of annual loan limits.
- The school's refund, withdrawal, and satisfactory academic progress (SAP) policies.
- Information on the consequences of borrowing several education loans and of delinquency and default.
- An explanation of loan sales and the servicing of loans.
- The importance of reading and retaining loan records.
- The importance of communication with the lender.

More information

This information was taken from the *Electronic Common Manual*, subsection 4.4.B. To access and download the 2005 Electronic Common Manual, visit www.tgslc.org/resoruces/integrated_online_manual.cfm.

Legislative update

The August 1 issue of TG's *Legislative Report* includes updates on the progress of the reauthorization of the Higher Education Act, including the provision in Section 108 of HR609 that proposes to implement a "college affordability index." 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

As elementary and secondary teachers prepare to begin another school year, some who borrowed student loans to prepare for their careers have something extra to smile about. TG is pleased to announce that it has awarded more than $2 million in loan forgiveness under the Teacher Loan Forgiveness Program (TLFP).

Now, TG doesn't want to say that it's a teacher's pet, but since the TLFP began in July 2001, TG has approved TLFP applications for 414 borrowers, forgiven 730 student loans, and issued a cumulative forgiveness amount of $2,035,320! TG is glad to see that the TLFP is providing such a wonderful benefit to these very deserving borrowers.

For more information about the TLFP, contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

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