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Tip^{of} the Week

Contact former students during their grace period to inform them of repayment options. TG has form letters and templates that can help.

To learn more, contact TG at (800) 338-4752.

TG updates

TG names new assistant vice president for planning

Kara Thompson has been selected to serve as TG’s assistant vice president for strategic planning and development. Kara will direct the ongoing development and enactment of TG’s strategic and operational plans, manage TG’s strategic initiatives process, and act as a liaison with the planning committee of TG’s board of directors.



“Kara brings particular expertise in risk-based strategic planning to her new role,” says TG Senior Vice President and Chief Financial Officer James Patterson. “Her experience — especially in the area of fiscal accountability — will help ensure that TG remains one of the strongest guarantors in the nation and can continue to improve the quality and efficiency of financial aid operations for schools, lenders, and students.”

Kara began her career with TG as assistant controller in 2001. Since then, she has played an integral role in the development of TG’s electronic funds transfer process. She also has proven to be a valuable resource for the corporation in the areas of financial reporting, accounting operations, federal reporting, and project management.

Before joining TG, Kara served as director of strategic risk services for PricewaterhouseCoopers, with particular emphasis in managing the guaranteed student loan consulting practice for the firm. In her role at PwC, Kara was recognized as a technical leader for the federal regulatory requirements within the guaranteed student loan industry.

Kara's extensive consulting background has provided her with a customer-oriented approach to planning. Through her experience working one-on-one with customers, Kara understands the need and value of integrating customer needs and perspectives into TG's initiatives and long-range plans.

"I look forward to interacting with as many of our customers as I possibly can," Kara said. "The customer perspective is invaluable in planning for TG's future, and I fully recognize the importance of integrating our customers' needs into TG's planning process and the integral role they play in TG's continued success."

TG offers solutions for automating alternative loans

When alternative loans first emerged on campuses, most financial aid offices considered them a last resort. Higher interest rates, cosigner requirements, and mandatory credit checks made them less attractive to both borrowers and financial aid professionals than federally guaranteed loan options. Today however, the realities of federal loan program loan limits and tuition increases have made alternative loan funding not only more attractive, but often a necessity for families and students funding a higher education.

Automation — a hot topic

The automation of alternative loans has become a hot topic at industry conferences and within institutional work groups. Although CommonLine standards have accommodated alternative loan processing, from origination through disbursement, some FFELP participants have been slow to upgrade their systems to automate alternative loan processing. Often, the reasons cited for this include limited resources and competing priorities.

One common challenge is that lender loan management systems are typically programmed to produce CommonLine responses only for FFELP loans. In addition, most school financial aid management systems (FAMS) are not programmed to accept a CommonLine Unique ID initiated by another institution, as is the case in the typical lender-initiated alternative loan flow. In the lender-originated model, this becomes an issue since borrowers often apply for alternative loans on lender Web sites, and lenders then perform credit checks and submit a certification request to the school. This process flow is efficient for some schools, because there is certainty that the loan will be funded, and there are fewer adjustments and cancellations than for loans originated by the school prior to the credit check.

There are some options available to schools to resolve this issue. Some of these options are:

- To modify the school FAMS to accept Unique IDs generated by the lender.
- To find a workaround outside the FAMS' normal process flow. For example, some FAMS will allow the Unique ID to be modified after the certification has been exported.
- To request that lenders retain the school's CommonLine Unique IDs by matching the school's certifications to the certification requests sent to the school.
- To allow the school FAMS to generate the Unique ID and allow the lender certification request to be deleted from AdvanTG Web™.

These workarounds for alternative loan processing can help to minimize manual and cumbersome alternative loan processes.

TG can help

TG is available to help schools automate their alternative loan processes via AdvanTG Web. As of July 2005, TG has helped 26 schools and eight lenders using AdvanTG Web to automate their alternative loan processing. We also have 41 lenders and 35 schools using TG's electronic funds transfer (EFT) process for the funding of alternative loans which is reported on the CommonLine disbursement roster along with FFELP disbursements. AdvanTG Web's robust reporting features can help both schools and lenders track and audit the alternative loan process.

If your institution would like to learn more about how to use these alternative loan processing functions to simplify or streamline your operations or why other TG business partners are participating in the process, please contact your school consultant at consultantschoolinquiries@tgsic.org or your lender consultant at lenderrequests@tgsic.org. Our team is committed to delivering an effective solution to your alternative loan processing needs.

Skill builders: Introductions as foundation for work success

Often one of the most important but overlooked aspects of developing professional relationships in the workplace is making proper introductions. Whether you are introducing new employees or colleagues joining your team or business partners assigned to your project, it is important to make solid introductions whenever possible. Properly handling introductions can minimize any awkward situations resulting from having to ask a new colleague his or her name or role in the organization or on the project. It also provides an opportunity to learn key information about new colleagues, such as prior jobs or projects, favorite hobbies or activities, or specialized skills that the group can use to build the working relationship.

When to make introductions

Essentially, any situation where two individuals have never met presents an opportunity to make an introduction. Some situations may include:

- Introducing a new employee or project team member to a group
- Introducing a supervisor to his or her employees, or vice versa
- Introducing a business partner to existing colleagues
- Introducing a new customer to colleagues or others in your organization who will help to deliver services to that customer

You can often tell when individuals have not been introduced. Extended glances or side conversations among those “in the know” are indicators. Eliminate these situations as soon as possible, because new groups and situations can be intimidating to incoming participants. Avoid hindering the ability of new colleagues to make valuable contributions or adapt to the styles and approach of the group by assuring that they have been properly introduced.

Question of the week

Q: May a school certify an additional unsubsidized Stafford loan for a dependent student (above the amount of his or her base Stafford loan annual limit), if the school does not participate in the PLUS Loan Program?

A: No. According to subsection 6.15.D of the *Common Manual*, the school may not certify additional unsubsidized Stafford loan funds for a dependent student based on the school’s decision not to participate in the PLUS Loan Program. A school that does participate in the PLUS Loan Program may certify additional unsubsidized Stafford loan funds for a dependent student whose parent is unable to obtain a PLUS loan.

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*[™], visit <http://tgslc.custhelp.com>.

Trends and issues

The in-school consolidation “aftermath”: MPN implications

Shoptalk Online continues its series examining the issues that the FFELP industry will need to consider in the aftermath of the recent “in-school” consolidation rush. In last week’s [issue](#), *Shoptalk Online* discussed the inevitable increase in Stafford aggregate loan calculations that schools will have to perform for borrowers who now have Consolidation loans. In this issue, we explore the impact that consolidating while in school has on a borrower’s Stafford Master Promissory Note (MPN).

If a borrower consolidates while in school (by entering repayment early), and his or her school subsequently certifies a new Stafford loan for the borrower, does the borrower have to complete a new MPN? That depends on several factors. A new MPN is required if, among other conditions: the school or lender requires a new MPN; the borrower requests a new MPN; the prior MPN has expired; or the borrower changes to a different lender for his or her Stafford loans.

Assuming that neither the borrower nor the school wants a new MPN, the prior MPN has not expired, and the borrower has not changed Stafford lenders, the only factor that remains is whether the lender requires a new MPN. And that depends on the borrower's underlying Stafford lender's business practice. If a lender, upon receiving the payoff amounts for the underlying Stafford loans included in a borrower's Consolidation loan, stamps the borrower's Stafford MPN as "paid in full" (by Consolidation) and returns the MPN to the borrower, the MPN is no longer valid. The borrower will need to complete a new MPN for future Stafford loans. If the lender does not stamp the MPN as "paid in full" and return the MPN to the borrower, the borrower may continue to borrow under his or her existing MPN for future Stafford loans.

Lenders should keep in mind that they are not required to stamp a borrower's MPN as "paid in full" when a borrower consolidates. The lender can, instead, (per the terms listed on the note) send the borrower a written notice of the loan payoff in place of the MPN and continue to use the MPN for any future Stafford loans that the borrower obtains as he or she continues the educational process.

Schools should keep in mind that if a borrower consolidates and his or her underlying Stafford lender decides to stamp the student's MPN as "paid in full," the borrower must be directed to complete a new MPN and submit it to his or her Stafford lender in order for the borrower to obtain a new Stafford loan.

More information

For more information on the multi-year use of the MPN, refer to the 2005 *Electronic Common Manual*, section 6.16, subheading "Processes Applicable to Both the Stafford and PLUS MPN." To download the 2005 *Electronic Common Manual*, go to www.tgslc.org/resources/integrated_online_manual.cfm.

For questions on awarding and processing additional Stafford loans after a student has consolidated, call TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org, or call TG loan guarantee operations at (800) 446-5616, or send an e-mail message to lgo.helps@tgslc.org.

This, that, and the other

Even the smartest and most savvy college grads may not have everything it takes to get a foot in the door when it comes to entering the job market. According to an article in the July 15 issue of *The Chronicle of Higher Education*, one school understands its graduates' dilemma and is poised to help.

The Office of Career Development at Barnard College began a program in 2004, with a grant from the Goldman Sachs Group, called "Suitable Suits." Barnard realized that students entering fields where a suit is not a necessary part of the everyday job aren't typically inclined to invest in a suit simply to look good at a job interview. That's where the Suitable Suits comes in handy. A student may borrow a black suit from the program's closet, and only has to dry-clean the garment before returning it. So far, approximately 120 students have borrowed suits under the program. To learn more, visit <http://chronicle.com/prm/weekly/v51/i45/45a00802.htm>. *Chronicle* membership is required to access the article.



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Editor's Note: In *Shoptalk Online* 318, there was an unintentional omission of a contributor. Reneé Gilmer, TG Product Manager, wrote the article titled TG announces upcoming Electronic Funds Transfer (EFT) enhancements. We apologize for this omission.

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