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Tip^{of} the Week

Learn more about TG's Center for Financial Aid Policy in Community Colleges on *TG Online* at www.tgslc.org/cfapcc/index.cfm.

Federal updates

Updated information available pertaining to Hurricane Katrina

ED has released a new electronic announcement (the sixth of the series since the disaster occurred) that provides guidance on the length of the academic year for schools affected by Hurricane Katrina. According to the announcement, ED will allow affected schools in the Hurricane Katrina federally declared disaster areas of Alabama, Louisiana, and Mississippi, that offer a two-year program leading to an associate degree or a four-year program leading to a baccalaureate degree, to reduce their 2005-2006 academic year from 30 weeks of instructional time to a minimum of 26 weeks of instructional time.

To access this electronic announcement as well as the others in the series, visit <http://ifap.ed.gov/eannouncements/katrina.html>.

More information

Students, parents, schools, lenders, servicers, and guaranty agencies may contact ED with questions related to Hurricane Katrina by sending an e-mail message to KatrinaFSAHelp@ed.gov. You can also contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgsic.org.

ED provides additional guidance for making post-120-day late disbursements

On September 29, ED released Dear Colleague Letter (DCL) GEN-05-13, announcing updates to its previous guidance in DCL GEN-05-07 (See *Shoptalk Online* [301](#)) on procedures for requesting approval to make a post-120-day late disbursement, also called a "late" late disbursement.

Additional guidance

ED has provided an update to the following items from its earlier guidance in GEN-05-07:

Updated fax number: Now schools must fax requests for approval on the school's letterhead to ED at (202) 275-5522, with a fax cover sheet addressed to: ATTN: FSA LLD Processing Team, "Late" Late Disbursement Approval Request.

The point of contact to which a school or its third-party servicer may direct questions about the procedures for requesting approval must be sent by e-mail to FSALLDProcessing@ed.gov.

Schools and third-party servicers should update their internal procedures and begin using the new fax number and contact information immediately. A school or third-party servicer is not required to resubmit approval requests that were sent by fax prior to the release of this guidance.

More information

For other questions concerning post-120-day late disbursements, contact ED's FSA Customer Service Call Center at (800) 433-7327, or send an inquiry by fax to (202) 275-5532, or by e-mail to FSA.Customer.Support@ed.gov. To access DCL GEN-05-13, visit the Information for Financial Aid Professionals (IFAP) Web site at: www.ifap.ed.gov/dpclletters/GEN0513.html.

Current special allowance rates: Quarter ending September 30, 2005

The following rates apply for the quarter ending September 30, 2005:

- The average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending September 30, 2005, is 3.46 percent.
- The average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter ending September 30, 2005 is 3.74 percent.

The FFELP special allowance rates for the most recent quarter are available at www.tgslc.org/pdf/SA093005.pdf.

Questions

For questions about special allowance rates, contact TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

TG updates

TG, Council for the Management of Educational Finance recognize schools with "student success" awards

TG and the Council for the Management of Educational Finance have recognized four schools with "Commitment to Student Success" awards. California State University — Sacramento, GateWay Community College in Arizona, Texas State University — San Marcos, and The University of Texas — Pan American were chosen based on the exceptional programs they have in place to effectively prepare students for successful student loan repayment.

"It is particularly rewarding to review and recognize the work of these schools, which have successfully developed innovative debt management and default prevention strategies and measures to ensure success in educational debt repayment among alumni," said Terry Bazán, co-chair of the Council and director of student assistance at Austin Community College.

To qualify for the award, each school demonstrated its Title IV eligibility, its participation in any of the federal student loan programs, and provided evidence that it had, within the last three academic years, implemented new debt management and default aversion strategies or implemented significant improvements to existing strategies.

A team of financial aid professionals representing a cross-section of higher education institutions reviewed all applications before selecting the winning entries. Details about each award-winning institution are listed below:

California State University — Sacramento: In collaboration with its campus and industry partners, CSUS's Student Financial Services Office developed a program titled "Your Money Matters," which consists of an interactive Web site, comprehensive handbook, and presentation that gives students valuable information on wise money management skills.

GateWay Community College: Over the last three years, the financial aid office at GateWay Community College has undergone a complete makeover. The office restructuring resulted in a number of electronic enhancements, streamlining of processes, cross-functional staff, and student development. Although there were many challenges, the financial aid office succeeded in creating an environment that allowed the staff to dedicate more time to educating students on proper money management.

Texas State University – San Marcos: What began in 2002 as a proposal became a reality at the beginning of this year for the office of student financial aid at Texas State University – San Marcos. Earlier this year, the loan management team launched an online loan/debt management seminar for its students. The seminar was created to reinforce information specific to the responsibilities and consequences of borrowing, as well as debt and repayment issues. As of June 2005, more than 1,200 students have completed and benefited from the seminar.

The University of Texas – Pan American: Over the last decade, UTPA's financial aid office has actively worked with its staff and campus administrators to address proper student loan management. In 2003, UTPA enhanced its default prevention efforts by identifying its most at-risk populations and providing them with additional education on proper student loan management. For instance, freshman borrowers and delinquent borrowers in repayment are provided with individualized and in-depth loan information. Having reduced its double-digit cohort default rate to a single digit has not kept UTPA from being proactive in providing its students and alumni with critical information about their educational debt.

"In particular, these honorees demonstrated the value of effective communication and partnership within and among various campus departments in order to equip students with those tools necessary for successful student loan repayment," said Sue McMillin, TG's president and CEO. "We are especially pleased to recognize these schools for their successful efforts."

More information

To learn more about the Commitment to Student Success Award program, contact Maria Luna-Torres, TG director of education finance initiatives, at (800) 252-9743, ext. 4632, or send an e-mail to maria.luna-torres@tgslc.org.

Coming up...

The following events are taking place during the upcoming month.

AASFAA (Alabama)
Fall Conference
October 12 – 14
Huntsville, Alabama

GASFAA (Georgia)
Fall Conference

October 13 – 14
Macon, Georgia

MASFAA (Midwest)
Annual Conference
October 16 – 19
Charleston, West Virginia

NYSFAA (New York)
Annual Conference
October 18 – 21
Long Island, New York

CAFAA (Colorado)
Annual Conference
October 19 – 21
Copper Mountain, Colorado

WFAA (Washington)
Annual Conference
October 19 – 21
Spokane, Washington

TG Regional Training
October 20
Lubbock, Texas

NHASFAA (New Hampshire)
Annual Conference
October 23 – 24
North Conway, New Hampshire

TASFAA (Tennessee)
Fall Conference
October 23 – 25
Franklin, Tennessee

FASFAA (Florida)
Fall Conference
October 25 – 28
Orlando, Florida

AASFAA (Arizona)
Fall Conference
October 26 – 28
Phoenix, Arizona

KASFAA (Kansas)
Conference

October 26 – 28
Great Bend, KS

OASFAA (Oklahoma)
Fall Conference
October 26 – 28
Tulsa, Oklahoma

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

Electronic Access Conference
October 30 - November 2
San Diego, California

Trends and issues

Question of the week

Q: Does the requirement to disburse Stafford and PLUS loans in multiple disbursements apply on a loan-period or payment-period basis?

A: According to the *Common Manual*, section 8.7, "The school must deliver loan proceeds on a payment-period basis in substantially equal installments, with no installment exceeding one half of the loan amount. For a loan period that consists of more than one payment period, the school must deliver loan proceeds at least once in each payment period. If a loan period consists of only one payment period, the school must deliver loan proceeds at least twice during that payment period." Information on this topic can also be found in sections 6.4 and 7.7.B of the *Common Manual*.

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>.

Common Manual

Common Manual updates

On September 15, 2005, guarantor representatives 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. Following are summaries of the latest policy changes.

Please note that the Policy Proposal #831, Bankruptcy Filed Before First Disbursement Date, has been moved to considered by the Policy Committee.

Cessation of Collection Activity

The *Common Manual* has been updated to remove language stating that a borrower is ineligible for a FFELP loan if he or she has had a prior FFELP loan partially or totally written off by the lender. A borrower whose prior FFELP loan has been partially or totally written off by a lender is not required to reaffirm the written-off loan as a condition of eligibility for a new FFELP loan.

Affected Sections: 5.3 Prior Loan Written Off

Effective Date: Retroactive to the implementation of the *Common Manual*

Basis: §682.201(a)(4); DCL 96-L-186, Q & A #4, #5, #7, and #8

Policy Information: 832/Batch 123

Guarantor Comments: None.

Eligibility for Additional Unsubsidized Stafford Loan Funds

The *Common Manual* has been revised to align information in this subsection with longstanding federal regulations. Revised language states that in order for a school to certify additional unsubsidized Stafford loan funds for a dependent student, the student's parent must be unable to obtain PLUS loan funds and the student's family must be otherwise unable to meet the expected family contribution (EFC).

Affected Sections: 6.15.D Additional Unsubsidized Stafford Loan Certification

Effective Date: Retroactive to the implementation of the *Common Manual*

Basis: §682.201(a)(3)

Policy Information: 833/Batch 123

Guarantor Comments: None.

Borrower Eligibility

The *Common Manual* is revised to remove language indicating that a defaulted loan may be discharged because the parent borrower is unable to complete a program of study due to the school's closing. A PLUS loan may be discharged if the student for whom the parent borrowed a PLUS loan is unable to complete a program of study due to the school's closing.

Affected Sections: 5.2.E Prior Default

Effective Date: Retroactive to the implementation of the *Common Manual*.

Basis: None.

Policy Information: 834/Batch 123

Guarantor Comments: None.

This, that, and the other

Officials at several colleges and universities across the country say the number of students who apply but then ask for a deferment is increasing, according to an October 11 article in *The Washington Post*.

Students are taking time out of the classroom to travel, reflect, participate in community service jobs or, in many cases, work so they can pay for college. Some use the time to improve their résumés to help them gain admittance to elite schools that rejected them the first time. Others are telling counselors that they simply want to decompress from the unrelenting pace and structure of their lives. A 2003 poll by the *Princeton Review* reported that of 350 students surveyed, 55 percent of those who had taken time off said the experience improved their grades when they returned to school. Fifty-seven percent said their experiences away from the classroom benefited their job search. To read the article, visit

<http://www.washingtonpost.com/wp-dyn/content/article/2005/10/10/AR2005101001166.html>



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To ask questions about *Shoptalk Online*, please contact Communications at (800) 252-9743, ext. 4732 or communications@tgslc.org.

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