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Tip^{of} the Week

Involve parents in entrance counseling for any students who are borrowing their first Stafford loan midyear. TG can provide a list of items to cover during entrance counseling sessions. Call (800) 338-4752 to find out more.

Federal updates

Closed school corner

Following is a list of newly reported school closures and error corrections from the Postsecondary Educational Participants System (PEPS) and from the November 2005 Closed School Monthly Report supplied by the Department of Education:

Newly reported closures

OPE School ID	School Name and Address	Unofficial Closure Date	ED's Official Closure Date
03106800	Houston Allied Health Careers 7655 Bellfort Ave. Houston, TX 77061-1703	N/A	7/6/2005

02326305	MedVance Institute – Baton Rouge 9255 Interline Ave Baton Rouge, LA 70809-1908	N/A	12/31/2004
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00174610	Robert Morris College – Joliet 1215 Houbolt Rd. Joliet, IL 60431-8938	N/A	9/24/2005
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ED releases guidance on subsequent disbursements for students displaced by Hurricanes Katrina and Rita

Last week, ED released two identical electronic announcements (one applicable to schools and students affected by Hurricane Katrina, and the other applicable to schools and students affected by Hurricane Rita) on the subjects of the “regular student requirement” and “annual and aggregate grant and loan limits.” The Katrina announcement (#10 in the series) is available at www.ifap.ed.gov/eannouncements/1205HK10FSAREgularstudentreggrantloanlimit.html; the Rita announcement (#7 in the series) is available at www.ifap.ed.gov/eannouncements/120105HURRICANERITA7Regstudentrequirgrantloanlimit.html.

Regular student requirement

The recent announcement states that the authority granted in Hurricane Katrina electronic announcement #1 (available at <http://ifap.ed.gov/eannouncements/0902HurricaneKatrinaGuid.html>) that allows a receiving school to award federal student aid to a student who is not enrolled as a “regular student” (i.e., a student who is considered a transient, visiting, or guest student) expires December 31, 2005. In order for a receiving school to award a student beyond this date, the school must admit the student as a regular student or establish a consortium agreement with the impacted school the student was originally scheduled to attend. A receiving school may award a student who is not a regular student or for whom there is no consortium agreement beyond the December 31, 2005, expiration date only if the student was scheduled to attend an impacted school that does not reopen in January 2006, or that does reopen but does not offer the student’s educational program.

Annual and aggregate grant and loan limits

The announcement states that a receiving school that enrolled a student originally scheduled to attend a school impacted by one of the hurricanes may deliver a spring disbursement of federal student aid to such a student without regard to disbursements that were made to, or on behalf of, the student in fall 2005 — if the impacted school is included on a list attached to the announcement. This guidance will allow the student to exceed the annual limits of applicable federal grant and loan programs.

For example, a second-year student was originally scheduled to attend an impacted school in fall 2005. The impacted school received a Pell grant disbursement of \$2,025 and a Stafford loan disbursement of \$1,697.50 (\$1,750 minus the origination fee) for the student. The school applied the total amount of available aid toward the student's institutional charges at the receiving school and gave the student any remaining credit balance.

As a result of Hurricane Katrina causing his school to be inoperable, the student withdrew from the impacted school and soon enrolled at a receiving school. Per the guidance issued in Hurricane Katrina electronic announcement #1 (available at <http://ifap.ed.gov/eannouncements/0902HurricaneKatrinaGuid.html>), the receiving school awarded the student \$4,050 in Pell grant funds and \$3,500 in Stafford loan funds for fall 2005 and spring 2006. The receiving school received a Pell grant disbursement of \$2,025 and a Stafford loan disbursement of \$1,697.50 (\$1,750 minus the origination fee). The school applied the total amount of available aid toward the student's institutional charges at the receiving school and gave the student any remaining credit balance.

Although the student has received his annual Pell grant maximum and his annual Stafford loan maximum for the 2005-2006 academic year, the receiving school, per the recent guidance in Katrina electronic announcement #10, may deliver the spring disbursement of grant and loan funds to the student. Per *Shoptalk Online Edition 332*, any grant overpayment that the student owes back to the impacted school due to the student's withdrawal in fall 2005 is waived. However, until further guidance is received from ED, the borrower is responsible for the repayment of all loan disbursements released by both the impacted and receiving schools.

Guidance forthcoming

Per *Shoptalk Online Edition 333*, the pending reconciliation bills that each passed their respective houses of Congress (but which will need to be negotiated in a conference committee) would provide the following provisions for students and schools impacted by Hurricanes Katrina and Rita:

- Cancellation of an impacted school's obligation to return or repay any funds the school received on behalf of its affected students for a cancelled enrollment period.
- Forgiveness of student loan disbursements for a cancelled enrollment period (and federal reimbursement to schools and lenders).
- Exclusion of loans and grants from the affected student's annual or aggregate grant or loan limits if released for a cancelled enrollment period.

More information

For more information about these electronic announcements, call TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgsic.org.

TG updates

TG names new regional account executive for New York

Steve Kakaty is the newest addition to TG's national sales team, serving as the regional account executive for student financial aid professionals in New York.



Kakaty joins TG with six years of experience in customer relationship building and sales. Prior to joining TG, he worked in sales and marketing positions for Johnson & Johnson, Janssen Ortho-McNeil and FastWeb.com, Inc. He holds a bachelor's degree in marketing and business from Kennesaw State University in Georgia.

"Steve has demonstrated a great ability to anticipate, understand, and respond to customer needs. He brings tremendous enthusiasm and energy to this position and will be a solid resource for the financial aid community in New York," said Margie Harvey, TG assistant vice president for relationship management and consulting.

Kakaty can be reached at (800) 252-9743, ext. 2510, or by e-mail at steve.kakaty@tgsllc.org.

PESC launches CRC, TG joins as member

The Postsecondary Electronic Standards Council (PESC) has announced the release of Common Record: CommonLine (CRC) as a PESC member-approved community standard for the transmission of FFELP and alternative loan data. CRC Version 1.1.0 is an important first step in ensuring industry-wide student loan processing simplification for financial aid offices.

What is Common Record?

The Common Record is a recent standard originally developed by the Office of Federal Student Aid (FSA) that allows schools to transmit data and receive funds for several different types of aid using a single structure to format and transport the data. The Common Record standardizes the data elements, definitions, edits, and structure of all of the incorporated aid programs. Currently, Common Record accommodates the Pell grant, Direct loan, and campus-based aid programs and is a "flexible record" that can now be used for FFELP and alternative loan processing.

The evolution of CRC

FFELP service and software providers were looking to converge with FSA's XML-based Common Record and data dictionary to capitalize on commonalities across programs and minimize the use of multiple electronic standards. As a result, members of the Electronic Standards Committee (ESC) of the National Council of Higher Education Loan Programs (NCHELP), in collaboration with PESC and FSA,

developed a new XML-based version of CommonLine named Common Record: CommonLine (CRC). NCHelp and PESC assisted FSA with the development of the Common Record and the Core Components Data Dictionary. This collaborative effort enables the Common Record and Core Components Data Dictionary to bring consistency and standardization to the transmission of student financial assistance data.

CRC will be the mechanism used by schools to transmit student financial assistance data to their guarantor, lender, and servicer partners for FFELP and alternative loans. CRC moves the exchange and processing of FFELP student loan data from flat files to the XML format that schools are currently required to implement for Pell grants, campus-based aid, and Direct loans. Thus, for a school that implements CRC, whether the school participates in the FFELP or Direct Loan Program, it will process financial aid data using the Common Record.

In the future, CRC is expected to support the origination of more than \$40 billion in student loans annually.

TG joins PESC

As a technological leader and innovator, TG has joined PESC as a member.

"For well over a decade, TG has been an advocate for collaborative efforts and developing industry standards to improve service for students and lower costs for colleges and universities," said Lloyd Dodge, TG senior vice president for information technology, policy, and compliance. "We are delighted to join PESC as a full member and continue to work with the association to better serve the needs of the higher education community."

As a PESC Member, TG is entitled to all member benefits, including the right to vote on PESC issues such as approving community standards; the right to lead or chair a workgroup or committee; and the right to serve on the PESC Board of Directors.

More information

For questions about CRC, call Kyle Smith, TG assistant vice president for loan guarantee operations/data reporting at (800) 252-9743, ext. 4894, or send an e-mail message to kyle.smith@tgsllc.org. For more information on CRC, go to www.tgsllc.org/resources/common.cfm.

For more information on PESC and member benefits, please visit www.pesc.org.

TG EFT enhancement updates provide customers with more options

Based on customer feedback and suggestions, TG will begin offering schools the option to choose the Electronic Funds Transfer (EFT) process that best meets their needs — TG's new Next Day Funding (NDF) EFT process, or TG's standard EFT process.

In addition, TG will offer its EFT customers the following enhancements:

- Disbursement customization, which will allow schools the option to receive student loan funds by day of the week
- Hourly processing of change transactions and disbursement rosters
- More customized reporting options and flexibility on TG's Enhanced EFT Reporting Web page

Choose your EFT process

The first step for schools will be to choose the EFT process that works best for them — either switch to the new NDF process or continue with TG's standard EFT process.

TG's new NDF process shortens the time between loan guarantee and disbursement of loan funds. With NDF, schools can guarantee a loan in the morning and receive funds on the next business day. Schools that choose NDF will receive their Disbursement Rosters, Advanced Debit Notifications, and Payment Details reports in the afternoon with funds disbursed and/or returned on the next business morning.

Schools that choose to remain on TG's standard EFT process will continue to receive Disbursement Rosters, Advanced Debit Notification reports and Payment Details on the first business morning following loan guarantee with funds disbursed and/or returned on the second business morning.

Regardless of which option a school chooses, the lender and servicer partners with which a school works will not have to track their schools' EFT profile. Lenders and servicers will receive Disbursement Acknowledgements, Payment Detail reports, and Advanced Debit Notifications in the morning for schools using TG's standard EFT process and in the afternoon for schools using the NDF EFT process. Funds will move on the morning of the next business day after the reports are generated.

Customize your disbursements

The second step for schools, whether using NDF or standard EFT, will be to decide whether they will use the new option to customize their disbursement schedules. Disbursement customization is a new profile option that allows schools to specify which day of the week they wish to receive EFT disbursement per loan type. For example, a school can choose to receive all Stafford disbursements on Monday, PLUS disbursements on Wednesday, and alternative disbursements on Friday — or any other combination they choose.

Another disbursement customization feature is the disbursement "snooze" function, which will allow a school to suspend and resume all disbursement activity during a specified period of time. To request a snooze, a school will need to contact TG and provide a begin date and an end date for the snooze period. While a school is in snooze, no funds will be moved. In addition, an immediate snooze feature will allow

a school to address unexpected or emergency situations, such as a natural disaster, a fire, or some other unforeseen situation.

Hourly roster and change transaction processing

TG also will introduce hourly processing of disbursement rosters and change transactions. TG has offered hourly guarantee processing for almost a year, and now change transaction and disbursement rosters also will be processed hourly. This new feature will allow our business partners to receive processing results faster and to make corrections to error transactions within the same business day. In addition to the hourly processing, TG will continue to offer overnight processing.

Enhanced EFT reporting

Finally, TG is improving the Enhanced EFT Reporting Web site that provides TG business partners access to the EFT reports and information that they use daily. TG business partners will be able to download customized Payment Detail and Advance Debit Notification reports, Disbursement Rosters (schools only), custom disbursement data for ad hoc reporting, and three new reports:

- Loan Type Report
- Volume Report
- Loan Period Report (school only)

Each of these reports will be available in a summary or a detailed version, and an option will exist to create pie charts, bar charts, and tables to illustrate the resulting data.

Perhaps the most anticipated enhancement to the Web site reporting functionality will be the inclusion of all of the following loan types in the reports: TG FFELP, Non-TG FFELP, and alternative loans. Users will be able to choose any of these reports and receive information on all of these loan types they process. In addition, the Web site will allow a user to select reports by loan, loan category (all, TG, non-TG, and alternative), and/or by loan type (all, Stafford, PLUS, and alternative) to create a more customized report.

Learn more

TG remains committed to providing flexibility, innovation, and choice for our customers. For more information about TG's new EFT features, options, and processes, contact your TG account executive.

If you have questions, please send an e-mail message to PMRequests@tgsllc.org.

Skillbuilders: The Elements of E-communication

E-mail has become as ubiquitous in business communication as the interoffice memorandum once was. While e-mail is a technological necessity that can make communicating much more efficient, there are certain rules and guidelines that can

help those in the financial aid industry use e-mail in both an efficient and secure manner.

Most everyone has heard the advice on proper e-mail etiquette. However, for those who work in the financial aid office, protecting your students' personal and financial information when sending an e-mail can be a more challenging, but more important, task.

To help financial aid offices enhance their e-mail skills, TG Speakers Bureau offers *The Elements of E-Communication*. This professional development session goes beyond the basics of e-mail etiquette and offers practical skills to protect personal data in electronic communications.

Why is this important?

Although e-mail is a great tool for communication, it also unfortunately has become a way for criminals to steal information such as people's names, addresses, Social Security numbers, and account numbers. This can lead to bank and credit card fraud and, in the worst-case situation, identity theft.

The Elements of E-Communication is designed specifically for financial aid professionals and addresses the various ways you can protect your students', parents', and borrowers' personal information when communicating by e-mail.

"We already know not to send social security numbers via e-mail, but we really need to understand how we can protect all financial information and the 'box' that holds the data," said Tom Sharp, TG assistant vice president for corporate learning and development.

Locking your computer when you leave your desk, choosing strong passwords, and adopting the attitude that all e-mail is public and permanent are some of the safeguards that financial aid professionals can perform to protect sensitive data.

"Always remember that just because you deleted an e-mail, doesn't mean it's not still out there, saved on a server somewhere," Tom said.

Learn more

To learn more about *The Elements of E-Communication* or other TG Speakers Bureau training sessions, visit the TG Speakers Bureau page on *TG Online* at www.tgslc.org/speakers/index.cfm. To schedule a TG Speakers Bureau event, call (800) 252-9743, ext. 4650, or send an e-mail message to customer.services@tgslc.org.

Question of the week

Q: What does "default" mean?

A: When a borrower is 270 days or more delinquent in making payments on his or her student loan, the borrower is considered to be in default. Once a borrower is

in default, the lender may file a default claim with the guarantor of the loan. Provided that the lender has met applicable federal servicing requirements, the guarantor will pay the lender 98 percent of the amount of outstanding principal and eligible interest for each default claim filed on a loan first disbursed on or after October 1, 1993, or consolidated on or after that date. The guarantor will pay 100 percent of outstanding principal and eligible interest for a default claim filed on a loan that was first disbursed before October 1, 1993.

Once the guarantor has paid the lender's default claim, the guarantor becomes the holder of the loan and is responsible for collecting on the loan on behalf of the federal government. If the borrower fails to comply with a voluntary repayment schedule in order to rehabilitate the defaulted loan, the guarantor can implement collection activities such as wage garnishment or seizure of any U.S. Treasury payments the borrower is due (including, but not limited to, the borrower's IRS tax refund) in order to collect on the loan.

For additional information on the consequences of default, visit *TG Online* at www.tgslc.org/borrowers/conseque.cfm.

Do you have a question?

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

Common Manual

Common Manual updates

On November 17, 2005, guarantor representatives who serve on the *Common Manual* Governing Board 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.

Please note that the Bulletin Language for Policy Proposals #840 Consolidation Loan Disbursement and #845 Required Information on the Default Aversion Assistance Request Form has been moved to considered by the Policy Committee.

Acceptable Source Documents for Social Security Number Changes, Date of Birth and First Name Changes or Corrections

The *Common Manual* is revised to include guidance for lenders and schools regarding acceptable source documents for making date of birth and first name changes or corrections.

Acceptable Source Documents for Reporting the Correction of a Date of Birth

- Birth certificate
- Current driver's license (if it contains a birth date)
- State ID (if it contains a birth date)
- Passport
- Unexpired U.S. military ID

Acceptable Source Documents for Reporting a First Name Change

- Court order
- Marriage certificate
- U.S. Certificate of Naturalization (Form N-550 or N-570)
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Acceptable Source Documents for Reporting the Correction of a First Name

- Social Security card
- Current driver's license
- Birth certificate
- State ID
- U.S. Certificate of Naturalization (Form N-550 or N-570)
- Court order
- Marriage certificate
- W-2 Form
- Passport
- Unexpired U.S. military ID
- U.S. military discharge papers (Form DD214)
- U.S. Certificate of Citizenship (Form N-560 or N-561)
- Alien Registration Card (Form I-551 or I-151)

Affected Sections: 3.5.F Social Security Number Change Reporting
9.1 Reporting Social Security Number Changes

Effective Date: Date of birth and first name changes or corrections made on or after July 1, 2006, unless implemented earlier by the guarantor.

Basis: *Acceptable Forms of Documentation* (12/17/04), NSLDS Quick Access, Financial Partners Portal Web site (www.fp.ed.gov).

Policy Information: 841/Batch 125

Guarantor Comments: None.

Determining PLUS Loan Eligibility

The *Common Manual* has been updated to clarify that a school is not required to perform need analysis to determine a student's eligibility for a PLUS loan. Likewise, a school is not required to determine a student's eligibility for a Pell grant or a subsidized or unsubsidized Stafford loan prior to certifying a PLUS loan or

disbursing PLUS loan funds. A parent may choose to borrow the entire amount of the cost of attendance (COA) minus the estimated financial assistance (EFA) for an eligible dependent student regardless of whether the student is eligible to receive other Title IV aid including a Pell grant, a subsidized Stafford loan, or an unsubsidized Stafford loan. However, if the student is seeking such aid, the school must include that aid in the EFA when determining the student's PLUS loan eligibility.

- Affected Sections:** 6.15.C PLUS Loan Certification
- Effective Date:** PLUS loans certified by the school on or after July 1, 2004.
- Basis:** 2004-05 *Federal Student Aid Handbook*, Volume 3, Calculating Awards, Packaging and Originating, Chapter 6 Packaging Aid, page 3-91.
- Policy Information:** 842/Batch 125
- Guarantor Comments:** None.

School Certification of the Loan

The *Common Manual* is revised to align information in the loan certification section of the manual with information that is currently included in subsection 7.7.G. Specifically, under School Certification of the Loan, language has been added to state that in order for a loan to be eligible for disbursement, the loan must be certified by the school before the end of the loan period or the date on which the student ceases to be enrolled at least half time, whichever is earlier.

- Affected Sections:** 6.15 School Certification of the Loan
- Effective Date:** Retroactive to the implementation of the *Common Manual*.
- Basis:** None.
- Policy Information:** 843/Batch 125
- Guarantor Comments:** None.

Clarifying False Certification Provisions

The *Common Manual* has been amended to clarify that if a borrower meets all of the criteria specified in the text that pertains to a particular type of false certification loan discharge, he or she will be eligible to have his or her applicable loan(s) discharged. In addition, the revised text is corrected to state that the borrower may qualify for a discharge of the loan, in full or in part, depending on the type of false certification discharge that is appropriate to the borrower's situation. Previous text indicated that the borrower would qualify for discharge of the entire loan which is not accurate in all circumstances.

- Affected Sections:** 13.8.D False Certification
- Effective Date:** Retroactive to the implementation of the *Common Manual*.

Basis: 682.402(e)
Policy Information: 844/Batch 125
Guarantor Comments: None.

Lenders May Send the False Certification Loan Discharge Application

The *Common Manual* has been corrected to include a statement that, in some cases, the borrower first contacts the lender to assert that his or her loan was falsely certified. In these cases, the lender may initiate the false certification loan discharge process by sending the loan discharge application to the borrower. Previously, *Common Manual* text indicated only that the guarantor would send the loan discharge application to the borrower or that the guarantor would send the loan discharge application to the lender for the lender to forward to the borrower.

Affected Sections: 13.8.D False Certification
Effective Date: Retroactive to the implementation of the *Common Manual*.
Basis: 682.402(e)(12)(i)
Policy Information: 846/Batch 125
Guarantor Comments: None.

Refund of Interest Benefits and Special Allowance

The *Common Manual* has been revised to add the requirement that if a guarantor determines that a loan is eligible for false certification loan discharge because the borrower did not endorse and did not receive the proceeds of a loan disbursement check, the lender, within 30 days of receiving the notification from the guarantor, must adjust the loan record for any interest benefits and special allowance payments that the lender received on the loan or portion of the loan being discharged and report the adjustment on the next scheduled Lender's Interest and Special Allowance Request and Report (LaRS report).

Affected Sections: 13.8.D False Certification
Effective Date: Retroactive to the implementation of the *Common Manual*.
Basis: 682.402(e)(8)(ii)(B)(4)
Policy Information: 847/Batch 125
Guarantor Comments: None.

This, that, and the other

Remember to register for the upcoming TG telephone conference — Things that make you go “hmmm...” which will be held a week from this Thursday, December 15, from 2 p.m. to 3:30 p.m. (CST).

The telephone conference will cover a variety of recurring policy issues, including some of the key topics from ED's recent Dear Colleague Letter (DCL) GEN-05-16, titled "Responses to recent, recurring Federal Student Aid questions." Participants are also strongly encouraged to submit their own persistently perplexing policy questions in advance of the event to viola.perez@tgslc.org.

To register and to get further details, contact Premiere Teleconferencing at (800) 289-0579 and reference confirmation number 8317574. The telephone conference is free of charge and open to participants from any institution. For more information about the event, visit www.tgslc.org/custfocus/teleconf.cfm or contact Viola Perez at (800) 252-9743, ext. 4576, or send an e-mail message to viola.perez@tgslc.org.



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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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