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Tip^{of} the Week

Plan a debt management session as part of your orientation activities for your next group of incoming students. Call TG at (800) 252-9743, ext. 4696 or ext. 4765 for information on POSITIVE+BALANCE™ and other resources.

Federal updates

ED issues memo to lenders regarding interest reimbursement for certain borrowers affected by recent hurricanes

On June 2, ED released a memorandum to lenders providing additional guidance regarding the treatment of accrued interest for lenders holding unsubsidized Stafford and PLUS loans made to certain borrowers who were impacted by Hurricanes Katrina and Rita. The memorandum can be downloaded from the ED Financial Partners Web site at www.fp.ed.gov/fp/attachments/activities_whatsnew/LenderInterestMemo.pdf. The associated spreadsheet described in the memorandum is available at www.fp.ed.gov/fp/attachments/activities_whatsnew/2006HurricaneInterestRequest.xls.

More information

If you have questions about this memorandum, call TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

ED issues guidance on special allowance for certain PLUS loans

On June 5, ED released Dear Colleague Letter (DCL) FP-06-10. This letter provides guidance about the payment of special allowance for certain PLUS loans affected by the Higher Education Reconciliation Act (HERA). DCL FP-06-10 is available for download on the Information for Financial Aid Professionals (IFAP) Web site at www.ifap.ed.gov/dpclletters/FP0610.html.

Prior to the passage of the HERA, there were limitations on the payment of special allowance for PLUS loans that were first disbursed on or after January 1, 2000, and before July 1, 2006. These limitations have been eliminated by the HERA. Therefore, lenders may receive special allowance payments on PLUS loans that were first disbursed on or after January 1, 2000, and before July 1, 2006, for periods beginning April 1, 2006. DCL FP-06-10 explains how lenders will bill for these payments on the Lender's Interest and Special Allowance Request and Report (LaRS).

More information

If you have questions about DCL FP-06-10, call TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

ED issues DCL on interest rate options for Consolidation loan processing

On May 29, ED released Dear Colleague Letter (DCL) FP-06-09. This letter provides options for lenders to use when determining Consolidation loan interest rates as of July 1, 2006 and shortly thereafter. DCL FP-06-09 is available for download on the Information for Financial Aid Professionals (IFAP) Web site at www.ifap.ed.gov/dpclletters/FP0609.html.

Since interest rates on loans that are subject to the variable interest rate provision are scheduled to increase significantly this July 1 (see *Shoptalk Online* Edition [359](#)), ED is authorizing consolidating lenders to use the lower of the weighted average of the interest rates on the loans being consolidated as of July 1 or on the date the lender received the borrower's substantially complete Consolidation loan application. This will help borrowers obtain the lowest statutory weighted average interest rate. FP-06-09 provides details with which a lender must comply in order to exercise this authority.

More information

If you have questions about DCL FP-06-09, call TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

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 May 2006 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
00660000	Methodist Hospital School of Nursing 251 South Claybrook Memphis, TN 38104-3499	N/A	04/20/2006

TG updates

TG publishes HERA reference sheets for customers

To assist customers with understanding, communicating, and implementing changes required by the recent passage of the Higher Education Reconciliation Act of 2005 (HERA), TG has prepared and published a series of reference sheets. The reference sheets are available for download from TG's HERA pages on *TG Online* at www.tgslc.org/reauth/hera.cfm. These useful tools can be printed and distributed to financial aid staff during trainings or meetings regarding operational changes and can serve as references for posting in work spaces.

Information organization

Each reference sheet provides a high-level summary of changes in the Federal Student Aid programs as they relate to schools, to lenders, and to borrowers and students, respectively. Information is grouped and summarized by topic, allowing the reader to progress logically through the changes as they relate to the student financial aid administrative process. Information sheets have been prepared separately for each audience, allowing users to print and refer only to those items that are most relevant to their primary customers. However, since several HERA topics overlap multiple audiences, customers are encouraged to examine all of the reference sheets for information they may find useful.

Additional resources available

Customers are encouraged to use these tools to assist with understanding and considering changes required by recent HERA developments. However, as always, if customers have questions or need clarification on any of the items presented, they

are encouraged to contact TG's customer assistance team at (800) 845-6267 or by sending an e-mail message to cust.assist@tgslc.org.

Stop by the TG reception at NASFAA

Join TG at the NASFAA conference in Seattle for a reception to celebrate TG's 25 years of service to students and their families.

Stop by for some food and drinks and stay to enjoy the music of a live jazz band while meeting and catching up with your colleagues and TG friends. The reception will be held on Thursday, July 6, from 6:30 p.m. to 8 p.m. in the Leonesa Room of the Grand Hyatt Seattle at 721 Pine Street.

The student financial aid industry has come a long way in the past 25 years and so has TG. For the past quarter-century TG has been committed to helping students and families access a higher education through partnerships with our schools, lenders, servicers, and others in higher education — that's something we can all celebrate!

We look forward to having you join us.

Where else can you find TG at NASFAA?

Don't forget to stop by the TG booth (#501). TG representatives will be there to show you the latest innovations that TG has to offer.

In addition, several TG team members will be presenting training sessions on a variety of industry and professional development topics at the NASFAA conference. For more details, see *Shoptalk Online* Edition [359](#).

Learn more

For more information about the reception, please contact Sheila Casey at (800) 252-9743, ext. 4576, or send an e-mail message to sheila.casey@tgslc.org.

Question of the week

Q: Is there a timeframe in which ED no longer wants a school collecting unearned aid (i.e., an overpayment that the student owes as a result of the return of Title IV funds calculation) from a student?

A: When a student is notified that he or she has an overpayment, the student has 45 days to repay it in full or to make repayment arrangements with either the school or ED. If the student either doesn't repay the overpayment in full or doesn't make arrangements with the school or with ED by the 45-day deadline, the school must refer the overpayment to ED's FSA Borrower Services — Collections (Collections) and the student loses his or her Title IV aid eligibility. If the student makes repayment arrangements with the school, he or she has up to two years from the date the school determined that the student withdrew to repay the overpayment. If the student doesn't repay the overpayment by the

end of the two-year period, the school must refer the student's overpayment to Collections.

Note: see the *Federal Student Aid Handbook*, pages 5-8 and 5-91, for more information about referring an overpayment to ED Collections.

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>.

Legislative update

The June 8 issue of TG's *Legislative Report* includes highlights of the FY 2007 Labor, HHS, and Education appropriations bill funding details. 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

Over the next several months, ED will be offering a variety of Web-based and on-site, instructor-led training on the Higher Education Reconciliation Act of 2005 (HERA). The training is being offered to help clarify the changes brought about by the HERA and the resulting number of recent Dear Colleague Letters released by ED.

To find out more about specific training events that could benefit your office and for registration information, visit <http://ifap.ed.gov/dpcletters/ANN0605.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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