

## In this issue:

<b>Federal updates</b> .....	<b>1</b>
Higher Education Act extended again.....	1
New Teacher Loan Forgiveness forms approved ...	2
Revised Return to Title IV worksheets released ....	2
NSLDS Newsletter #12: Real-time data and NSLDS reporting frequency .....	3
ED provides revised addendum for the Federal Consolidation Program.....	4
Regulations issued for new grant programs .....	5
Remaining 2006-07 interest rates released.....	6
Current Special Allowance Rates: Quarter Ending June 30, 2006 .....	6
Closed school corner .....	7
<b>TG updates</b> .....	<b>7</b>
Second edition of English-Spanish glossary of terms related to higher education and financial aid now available.....	7
<b>Trends and issues</b> .....	<b>8</b>
Question of the week .....	8
<b>Legislative update</b> .....	<b>9</b>
<b>This, that, and the other</b> .....	<b>9</b>

## Tip<sup>of</sup> the Week

This week, TG releases the new English-Spanish glossary of higher education and student financial aid terms.

TG also offers a variety of information in Spanish for our Spanish-speaking customers. To learn what is available, visit [www.tgslc.org/spanish/index.cfm](http://www.tgslc.org/spanish/index.cfm).

## Federal updates

### Higher Education Act extended again

Congress recently approved H.R. 5603, the latest in a series of bills to extend the Higher Education Act of 1965 (HEA). On Friday, June 30, the president signed H.R. 5603 (the second Higher Education Extension Act of 2006) into law, providing a “clean” extension of the HEA in its current state. Previous legislation (H.R. 4911)

had temporarily extended the HEA through June 30, 2006; this new legislation further extends the HEA through September 30, 2006.

### **More information**

If you have questions about this extension of the HEA, contact TG customer assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## **New teacher loan forgiveness forms approved**

Last week, ED released Dear Colleague Letter (DCL) GEN-06-13, which announced the approval of revised Teacher Loan Forgiveness (TLF) Application and Teacher Loan Forgiveness Forbearance form and provided guidance for the implementation of the new forms. The forms were revised to include changes brought about by the Higher Education Reconciliation Act of 2005 (HERA), including the provision that allows nonprofit private elementary and secondary school teachers to be considered highly qualified for the purpose of the Teacher Loan Forgiveness (TLF) Program.

Lenders and servicers may begin to use the new forms immediately, but must provide only the newly approved forms to borrowers beginning December 16, 2006. The expiration date for the forms remains November 30, 2007, but previous versions of the forms may continue to be processed after that date, if applicable.

Although the DCL notes that the Teacher Loan Forgiveness Forbearance form should be used in the case of an eligible borrower whose expected forgiveness amount will not satisfy the anticipated outstanding balance at the end of the borrower's fifth year of qualifying teaching service, the federal regulations governing the TLF Program [in 34 CFR 682.215(e)(i)] and the Teacher Loan Forgiveness Forbearance form itself state that a forbearance should be granted if the holder of the loan believes that the expected forgiveness amount *will* satisfy the anticipated remaining outstanding balance on the loan at the time of the expected forgiveness. TG hopes that ED will provide clarification on this issue in the near future.

PDF versions of the new forms are available as attachments in the DCL and on *TG Online* at [http://www.tgslc.org/forms/frms\\_tlf.cfm](http://www.tgslc.org/forms/frms_tlf.cfm).

### **More information**

To access GEN-06-13, visit <http://ifap.ed.gov/dpccletters/GEN0613.html>. For questions about TLF, contact TG customer assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## **Revised return of Title IV funds worksheets released**

On June 30, 2006, ED issued an Electronic Announcement making available new return of Title IV funds (R2T4) worksheets for clock-hour and credit-hour programs. The revised worksheets, which incorporate changes brought about by the Higher Education Reconciliation Act of 2005 (HERA), are to be used for all withdrawals that

take place on or after July 1, 2006, regardless of the beginning date of the associated period of enrollment.

Some of the changes in the new worksheets include the addition of the Academic Competitiveness Grant, National SMART Grant, and Grad PLUS programs to the calculation and the removal of the LEAP, SLEAP, and GEAR UP programs from the calculation. The requirement to perform post-withdrawal disbursement counseling has been added, as well as the use of scheduled hours in determining the percentage of the period completed for clock-hour programs. The reduction in the student's grant repayment responsibility to the amount by which the original grant overpayment exceeds half of the grant funds received by the student for the period has been incorporated into the calculation.

### **Other changes**

Prior to the passage of the HERA, a student was not liable for a grant overpayment when the original amount of the overpayment was less than \$25. HERA increased the repayment threshold to \$50, and along taking this change a step further, the new worksheets also include language indicating that the \$50 threshold is per program.

The Electronic Announcement reminds schools that ED's Web-based R2T4 system will be updated with HERA provisions in August; until then, the worksheets are the only available ED tools to assist schools in performing the R2T4 calculation. ED's PC-based R2T4 software will not be updated to conform to the HERA, and should not be used for withdrawals occurring on or after July 1, 2006.

In addition to providing the new worksheets, the Announcement also provides a new form for referring student overpayments due to withdrawal to ED's Borrower Services.

### **More information**

The Electronic Announcement, revised worksheets, and new overpayment referral form are available at <http://ifap.ed.gov/eannouncements/0630R2T4paperworksheets.html>.

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

## **NSLDS Newsletter #12: Real-time data and NSLDS reporting frequency**

Increasingly, guarantors, lenders, and servicers are offering real-time, Web-based tools that allow quick and easy access to borrower loan data. Recently, ED released NSLDS Newsletter #12, providing additional guidance regarding the use of these real-time, Web-based products in determining student aid eligibility. In addition, the newsletter discusses improvements in the National Student Loan Data System (NSLDS) reporting frequency by loan data providers.

## **Real-time source data**

Last fall, ED announced that, in addition to being able to rely on paper documentation, schools can use information accessed from a loan holder's authoritative database as documentation that a loan shown in the NSLDS that affects a borrower's eligibility, such as a loan in default, no longer impacts the borrower's eligibility. The use of real-time, Web-based products from guarantors, lenders, and servicers in determining Title IV eligibility is permitted under this guidance. However, the Web-based products must obtain data directly from the applicable authoritative database; the school must be able to verify the specific loan in question; and the school must retain an image of the information used identifying the borrower, loan status, and data source.

## **Reporting frequency**

The shift to electronic reporting, versus tapes or diskettes, has enhanced the timeliness, quality, and security of data available on the NSLDS. All 35 guaranty agencies now report FFELP information electronically on a weekly, bi-monthly, or monthly basis. Additionally, the Direct Loan Servicing System (DLSS) and Debt Management Collection System (DMCS) submit defaulted loan and grant overpayment data on a weekly basis, while conditional disability discharge and Perkins loan data are updated monthly. NSLDS will continue to work with data providers in an effort to further improve available information.

## **More information**

To access NSLDS Newsletter #12, visit

<http://ifap.ed.gov/nsldsmaterials/attachments/Newsletter12.pdf>.

For questions about NSLDS Newsletter #12, contact TG customer assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## **ED provides revised addendum for the Federal Consolidation Program**

Last week, ED issued Dear Colleague Letter (DCL) FP-06-12, announcing a revised addendum for the Federal Consolidation Loan Program Application and Promissory Note. The revised addendum is the result of changes stemming from the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (the Supplemental Appropriations Act), signed into law on June 15.

Along with providing information regarding revisions to the form due to the Supplemental Appropriations Act, ED also clarifies in the addendum that only the portion of a consolidation loan attributable to eligible underlying loans may be discharged under the new false certification loan discharge due to identity theft. The revised addendum should be provided to all borrowers that apply for a federal Consolidation loan on or after June 15, 2006.

DCL FP-06-12 follows the recent release of DCL GEN-06-12, which discusses changes to the Federal Consolidation Loan Program resulting from the Supplemental Appropriations Act. Topics covered in DCL GEN-06-12 include the repeal of the single-holder rule and the ability to consolidate defaulted FFELP loans into the Federal Direct Consolidation Loan Program.

The revised addendum to the Federal Consolidation Loan Program Application and Promissory Note is available on *TG Online* at [http://www.tgslc.org/forms/frms\\_addenda.cfm](http://www.tgslc.org/forms/frms_addenda.cfm).

### **More information**

To access DCL FP-06-12, visit <http://ifap.ed.gov/dpccletters/FP0612.html>.

To access DCL GEN-06-12, visit <http://ifap.ed.gov/dpccletters/GEN0612.html>.

For questions about the revised addendum, contact TG customer assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

### **Regulations issued for new grant programs**

ED has published interim final regulations, effective August 2, 2006, for the new Academic Competitiveness Grant and National SMART Grant programs. The regulations are available in the July 30, 2006, *Federal Register* at <http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/pdf/06-5937.pdf>. The regulations in their current form are effective for the 2006-07 award year, although ED will accept comments through August 17, 2006, for possible amendments for the 2007-08 award year. Negotiated rulemaking will occur for the 2008-09 and subsequent award years, as required by section 492 of the Higher Education Act of 1965, as amended.

The regulations are designated as part 691 of title 34 of the Code of Federal Regulations, following those governing the Pell Grant Program in part 690. Along with providing basic guidelines for the administration of the grant programs, the regulations provide clarification on several issues that have remained ambiguous since the passage of the Higher Education Reconciliation Act (HERA), including the eligibility of home-schooled students and dual-enrollment students, treatment of overpayments, evaluation of transfer credit, enrollment in correspondence coursework, calculation of grant eligibility for a payment period spanning two award years, and institutional recordkeeping and reporting requirements.

The financial aid community is still awaiting regulations regarding changes to the FFELP and other institutional and student eligibility issues impacted by HERA; ED is expected to release those regulations in the very near future.

## More information

For questions about the Academic Competitiveness Grant and National SMART Grant programs, or the recently released regulations, contact TG customer assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## Remaining 2006-07 interest rates released

There are two categories of interest rates that are announced at the end of June, as mentioned in *Shoptalk Online* edition [359](#). Interest rates for older PLUS and SLS loans are based on the weekly average of the one-year constant-maturity Treasury yield for the last calendar week ending on or before June 26. Interest rates for the HEAL portion of Federal Consolidation loans are based on the 91-day Treasury bill (T-bill) auctioned for the quarter ending June 30.

### PLUS and SLS

Following are the interest rates for older PLUS and SLS loans, which are effective July 1, 2006, through June 30, 2007:

- 8.34 percent for loans first disbursed on or after October 1, 1992, but before July 1, 1998.
- 8.49 percent for loans disbursed on or after July 1, 1987, but before October 1, 1992.

### HEAL Consolidation

Following is the interest rate for the HEAL portion of Federal Consolidation loans:

- 7.83 percent for loan applications received on or after November 13, 1997, but before October 1, 1998.

## More information

To access TG's annual interest rate chart for all applicable interest rates, visit [www.tgslc.org/pdf/int\\_rate\\_0607.pdf](http://www.tgslc.org/pdf/int_rate_0607.pdf).

## Current Special Allowance Rates: Quarter Ending June 30, 2006

The following rates apply for the quarter ending June 30, 2006:

- The average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending June 30, 2006, is 4.83 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 June 30, 2006, is 5.22 percent.

The FFELP special allowance rates for the most recent quarter are available at [www.tgslc.org/pdf/SA063006.pdf](http://www.tgslc.org/pdf/SA063006.pdf).

### Questions

For questions about special allowance rates, call TG customer assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgslc.org](mailto: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 June 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
00154900	<b>Atlanta College of Art</b> 1280 Peachtree St. NE Atlanta, GA 30309-3549	N/A	5/12/2006
025389010	<b>International Business School</b> 4107 N. Texoma Pkwy. Sherman, TX 75090-1937	6/15/06	N/A

## TG updates

### Second edition of English-Spanish glossary of terms related to higher education and financial aid now available

A consortium of national organizations has released the expanded second edition of the English-Spanish glossary of standard terms related to higher education access. The latest edition evolved in its scope and includes an additional 700 entries, many of which relate to changes made to the federal student aid programs under the Higher Education Reconciliation Act of 2005.

#### The glossary's purpose

This glossary aims to promote greater consistency in the vocabulary used in Spanish-language materials about higher education. Members of the initiative encourage professionals who produce these materials to use this glossary as a common reference. Those who may find this resource useful include secondary school administrators, postsecondary admissions and outreach professionals, and those involved in academic advising activities. Use of the glossary is entirely voluntary.

Studies have shown that, compared to other ethnic groups, fewer Hispanics continue their education after high school. Two significant factors lead to this discrepancy: (1) the lack of awareness in Hispanic communities about the financial resources available to help pay for college, and (2) the need or preference among Hispanic parents and students for information in Spanish. Thus, providing Spanish-language information about access to higher education may facilitate college attendance among Hispanics, particularly since parental support is such an important factor in a child's college attendance and completion.

### **Who should use the glossary**

In the summer and fall of 2004, participating organizations developed and published the first edition of the English-Spanish glossary to provide a consistent and easy-to-use resource for those who create Spanish-language materials and Web site content about higher education and student financial aid. Participating organizations established a standing workgroup of education, student financial aid, and Spanish-language experts who revise and publish this glossary on a regular basis.

The initiative includes organizations involved in promoting access to higher education to Hispanics throughout the country: Cuban American National Council, National Association for College Admission Counseling, National Association of Student Financial Aid Administrators, National College Access Network, National Council for Community and Education Partnerships, National Council of Higher Education Loan Programs, TG, and the U.S. Department of Education.

### **Accessing the glossary**

The glossary is free and available at [www.tgslc.org/pdf/Spanish\\_glossary.pdf](http://www.tgslc.org/pdf/Spanish_glossary.pdf) in an easily searchable Portable Document Format (PDF).

## **Trends and issues**

### **Question of the week**

**Q. If a graduate or professional student is denied a Grad PLUS loan based on an adverse credit history, is he or she eligible for additional unsubsidized Stafford loan funds?**

A. No. Additional unsubsidized Stafford loan funds are only available to a dependent undergraduate student whose parent is unable to borrow under the Federal PLUS Loan Program. Graduate and professional students, regardless of their eligibility for Grad PLUS, are considered to be independent and thus are eligible to borrow up to the maximum additional unsubsidized Stafford graduate limit of \$10,000 (which is over and above the base Stafford limit of \$8,500). Thus, the maximum amount that a graduate or professional student could borrow under the Stafford Loan Program in an academic year is \$18,500 (no more than \$8,500 of which can be subsidized).

Keep in mind that a Grad PLUS applicant who is determined to have an adverse credit history may, at the lender's discretion, still receive a Grad PLUS loan if he or she obtains a credit-worthy endorser.

### **Do you have a question?**

If you have a question that needs an answer, feel free to *Ask TG*<sup>™</sup>. *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 30 issue of TG's *Legislative Report* includes updates on S. 3593, The Student Debt Relief Act, and the draft report from the Secretary of Education's Commission on the Future of Higher Education. Keep up with the latest developments by reading the full report on *TG Online* at [www.tgslc.org/lege\\_report/index.cfm](http://www.tgslc.org/lege_report/index.cfm).

### **This, that, and the other**

A quarter-century after women became the majority on college campuses, men are trailing them in more than just enrollment, according to a recent *New York Times* article.

ED statistics show that men, whatever their race or socioeconomic group, are less likely than women to get bachelor's degrees — and among those who do, fewer complete their degrees in four or five years. Men also get worse grades than women.

And in two national studies, college men reported that they studied less and socialized more than their female classmates.

Given these statistics, it is no wonder that at elite institutions like Harvard, small liberal arts colleges like Dickinson, huge public universities like the University of Wisconsin and U.C.L.A., and smaller ones like Florida Atlantic University, women are walking off with a disproportionate share of the honors degrees.

It is not that men are in a downward spiral: They are going to college in greater numbers and are more likely to graduate than two decades ago.

Still, men now make up only 42 percent of the nation's college students. And with sex discrimination fading and their job opportunities widening, women are coming on much stronger, often leapfrogging the men to the academic finish.

To read the July 9 article, visit [www.nytimes.com/2006/07/09/education/09college.html?\\_r=1&oref=slogin](http://www.nytimes.com/2006/07/09/education/09college.html?_r=1&oref=slogin)



P.O. Box 83100  
Round Rock, TX 78683-3100  
(800) 252-9743  
(512) 219-5700  
(512) 219-4560 TDD

*Shoptalk Online* is published by TG. Unless specifically noted, the policies and procedures outlined in *Shoptalk Online* apply only to loans made under the TG guarantee and not to loans underwritten by other guarantors.

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

**Contributors to this edition:** Kelly Kaelin, Cindy Marrs, Art Martinez, Susan Martinez, Michael McSpadden, and George Torres. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

©2006 Texas Guaranteed Student Loan Corporation.

Ask TG and the TG logo are trademarks of Texas Guaranteed Student Loan Corporation.