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Tip^{of} the Week

Involve parents in students' entrance counseling. TG can provide a list of topics to cover during entrance counseling sessions. Call (800) 845-6267 to find out more.

Federal updates

ED announces approval of the total and permanent disability loan discharge application

On Monday, July 31, ED released Dear Colleague Letter (DCL) GEN-06-14, announcing the Office of Management and Budget's (OMB's) approval of the Loan Discharge Application: Total and Permanent Disability. The DCL also provides guidance on the implementation of the newly approved form.

The application has been approved by OMB with no changes from the previously approved version of the form that had an expiration date of December 31, 2005. The new OMB expiration date for the re-approved form is May 31, 2008. ED states that FFELP participants should begin using the re-approved form with the new expiration date as soon as possible. FFELP participants may continue to use paper

loan discharge applications with the old expiration date until existing supplies run out.

More information

To access GEN-06-14, visit <http://ifap.ed.gov/dpcletters/GEN0614.html>.

To access the newly approved Loan Discharge Application: Total and Permanent Disability, visit http://www.tgslc.org/forms/frms_tpd.cfm.

For questions about the Loan Discharge Application: Total and Permanent Disability, contact TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

ED announces new credit bureau reporting information for TPD and death discharges

Last month, ED released an electronic announcement publishing changes to credit bureau reporting for assignments to ED's Conditional Disability Discharge Unit. The Conditional Disability Discharge Unit monitors a borrower's loan(s) during the conditional period after ED has made an initial determination that the borrower is eligible for loan discharge due to total and permanent disability (TPD) and the loan(s) has been assigned to ED.

The announcement states that ED approved the credit bureau reporting changes as a result of recommendations made by the Consumer Data Industry Association (CDIA) and the National Council of Higher Education Loan Programs (NCHELP).

The guidance in the electronic announcement, available at <http://www.ifap.ed.gov/eannouncements/0705CDDCCreditBureau.html>, replaces and supersedes the guidance regarding credit bureau reporting that was originally provided to loan holders in [DCL GEN-02-03](#), published in May 2002.

Death claim reporting

ED has also adopted NCHELP and CDIA recommended credit reporting for PLUS loans for which a death claim has been filed in order to distinguish between situations in which the parent borrower is deceased and the dependent student for whom the parent has borrowed a PLUS loan is deceased.

The information below applies to reporting of a PLUS loan when the parent is deceased:

- For a loan "not in default" prior to the borrower's death, the lender should report an "Account Status Code 13". The lender should report an ECOA Code "X" if the borrower is deceased. If the lender is unable to differentiate between the dependent and borrower's death, the lender should report an ECOA Code of "1".
- For a loan "in default" prior to the death of the borrower, the lender would continue to report the default. At the time of reclassification to a death claim,

the guarantor should report an "Account Status Code 62". If the guarantor previously reported a default status ("93"), an "Account Status Code 13" can be reported instead of a "62". The guarantor should report an ECOA Code "X" if the borrower is deceased. If the lender is unable to differentiate between the dependent and borrower's death, the lender should report an ECOA Code of "1".

- NOTE: A guarantor can choose to report a Special Comment Code "AU" along with the "62" code. The "AU" code translates to "Account paid in full for less than full balance".

The information below applies to reporting of a PLUS loan when the dependent is deceased:

- For a loan "not in default" prior to the death of the dependent, the lender should report an "Account Status Code 13" with an ECOA Code of "1".
- For a loan "in default" prior to the death of the dependent, the lender would continue to report the default. At the time of reclassification to a death claim, the guarantor should report an "Account Status Code 62" with an ECOA code of "1". If the guarantor previously reported a default status ("93"), an "Account Status Code 13" can be reported instead of a "62".
- NOTE: A guarantor can choose to report a Special Comment Code "AU" along with the "62" code. The "AU" code translates to "Account paid in full for less than full balance".

For more information on these new codes, see the July 17 edition of the NCHELP Daily Briefing. Back issues of the NCHELP Daily Briefing can be found on the NCHELP e-Library at <http://www.nchelp.org/elibrary/index.cfm?parent=1>. User name and password are required.

TG updates

Watch for the updated *Adventures In Education* Web site

On Tuesday, August 8, TG will launch its newly designed public-service Web site, *Adventures In Education* (www.AIE.org).

AIE provides middle school, high school, and college students and counselors a wealth of information on career selection, the college application process, and financial aid. TG has redesigned the Web site to give it an updated look and make it more interactive.

See for yourself on Tuesday at www.AIE.org.

TG en español: Bilingual resources ease path to school for Spanish-speaking students

While the Hispanic population in the United States is continuing to grow, fewer Hispanics per capita are receiving degrees than their non-Hispanic counterparts.

Two significant factors contribute to this disparity: the lack of awareness in Hispanic communities about the financial resources available to help pay for college; and the need among Hispanic parents and students for information in Spanish.

To help fill this void, TG has assembled a set of Spanish-English resources, including an *English-Spanish Glossary*, that serves to encourage potential Hispanic college students and their families and to ease their path to a higher education.

TG's Spanish-language offerings

TG provides other education resources for Spanish-speakers. *TG Online's* Spanish Resources page contains links to Spanish-language Web sites and college planning resources. The Web page also promotes uniform language usage, serves as a resource for TG team members who communicate with Spanish speakers, and provides access to Spanish-language public information materials.

TG's public-service Web site, *Adventures In Education* (www.AIE.org) offers middle- and high-school students information in Spanish about all aspects of choosing a career and obtaining a higher education.

In addition to online resources, TG continues to strengthen its commitment to promoting access to higher education and financial aid by providing TG awareness tools in Spanish, as well as in English. Such efforts include *The FAFSA Made Easy* videoconference and many of TG's print materials, including brochures and bookmarks.

The English-Spanish glossary

Another way TG works to bridge the language barrier to promote higher education for Hispanics is by providing an *English-Spanish Glossary*. The glossary, available on *TG Online's* Spanish Resources page at www.tgslc.org/spanish/index.cfm offers higher education professionals a translation of standard terms relating to higher education, which aims to promote greater consistency in the vocabulary used in Spanish-language materials about higher education.

"TG had its own glossary and ED had its version as well," said Maria Luna-Torres, director of educational finance initiatives at TG. "There were too many glossaries with similar terminology that were being used by different organizations."

The latest edition, released in July, has evolved in its scope and includes additional entries, many of which relate to changes made to the federal student aid programs under the Higher Education Reconciliation Act (HERA) of 2005. For more information, refer to *Shoptalk Online* edition [363](#).

Learn more

Spanish-language materials can be ordered online by visiting TG's Online Forms and Publications Ordering page on *TG Online* at www.tgslc.org/forms/index.cfm.

For more information about TG's Spanish-language resources and to access the Spanish-English Glossary, visit *TG Online* at www.tgslc.org/spanish/index.cfm.

Reporting Back: 1993



TG's Annual Report for 1993, titled "Future Focus," describes a corporation adjusting to new circumstances — such as the introduction of the Federal Direct Loan Program (FDSLPL) and the possible elimination of the FFELP — while continuing to focus on its core mission of increasing access to higher education. Below are some highlights from that report:

TG will remember FY 1993 as our strongest financial performance to date, highlighted by record loan volume, a healthy portfolio mix, strong reserves, and record surplus. But these heady internal achievements were accompanied by federal policy revisions that forced an industry-wide re-evaluation of purpose and resource allocation and a shifting financial reality...

The most head-spinning initiative for the student loan industry was the establishment of the FDSLPL — overriding the pilot program set forth in the 1992 Reauthorization. The FDSLPL calls for a shift over the next six years in the financial structure to a reliance on federal treasury funds, thus eliminating private sector involvement by lenders and guaranty agencies.

While TG management and staff adjusted its operations and projections to this conceptual change to the student lending framework, we were also making changes within TG's structure and administration. In March, the Board of Directors selected Milton G. Wright as the new president and CEO...

Just a few years ago, borrowers...waited days to hear if their loan application was approved, followed by more anxious days or weeks waiting for their disbursement checks. Today, our electronic enhancements are invisible to students...but the results are apparent. What used to be a three-week process now can be completed in as little as 24 hours...

FY1993 began with TG's first annual fall conference. This brought financial aid professionals, lenders, and secondary markets together in unprecedented numbers to exchange ideas, solve problems, and seek solutions in higher education finance...

TG soon will be an active participant on the Internet, a primary learning resource for postsecondary students nationwide. The Internet will let TG reach secondary school advisors, students, and parents with loan program information and application forms. And as the "information superhighway" brings more services into

the homes of families in Texas and the Southwest, TG's products and services will become increasingly individualized.

Trends and issues

Question of the week

Q: What are a school's responsibilities if the school unknowingly delivers loan funds to a deceased student or parent borrower?

A: If a school inadvertently delivers loan funds to a deceased student or parent borrower, or a parent who borrowed a PLUS loan on behalf of a dependent student who is deceased, the school must return any funds delivered after the date of the student's or borrower's death to the lender (per the *Common Manual* subsection 8.9.D). The school should keep in mind that if a student dies, the school must, per the *Common Manual* section 9.4, determine the student's withdrawal date and, per subsection 9.5.A, complete a return of Title IV funds calculation.

To download the *Integrated Common Manual*, visit www.tgslc.org/resources/integrated_online_manual.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. It 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>.

Edufacts[™] — July 2006

TG provides a snapshot of a current education issue through *Edufacts*. Produced by TG as a public service, *Edufacts* summarizes studies and surveys conducted by TG and other educational organizations and trends observed. Each *Edufacts* is accompanied by a graphic that illustrates the data from the study or survey. School financial aid officers and administrators may download *Edufacts* and the graphic free of charge for use in their campus publications, brochures, posters, and other materials targeted to students.

Odds stacked against college dropouts

This month *Edufacts* looks at how dropping out of school before degree completion can have an adverse effect on student loan repayment.

The graphic illustrates the fact that a borrower who graduates from college is much more likely to pay back his or her student loans than one who drops out. In fact, a person who completes a four-year degree at a public college or university is nearly

five times less likely to default than someone who does not complete his or her degree from the same school.

To view the July 2006 *Edufacts* and download the accompanying graphic, visit www.tgslc.org/edufacts/edufacts_0706.cfm.

Legislative update

The July 26 issue of TG's *Legislative Report* includes an update on Congress's Month Long August Recess; House, Senate Pass Labor, Health and Human Services, Education FY 2007 Appropriations Bills; and the Secretary's Higher Education Commission Second Draft Report. 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

For generations, college-bound students in the South have visited colleges along the interstate from the heart of North Carolina into the northwest corner of South Carolina. In the last few years, thousands of students from the North have joined the caravan, according to *The New York Times*.

Because of aggressive marketing directed squarely at affluent neighbors and a confluence of other factors, students from the Northeast have become the campuses' fastest growing pool of applicants. Some admissions officials note interest from the previously ambivalent Midwest.

This demographic change has taken some getting used to for Southern and Northern families, alike.

To read the July 30 article, visit www.nytimes.com/2006/07/30/education/edlife/south.html?ref=education. Free site registration may be required.



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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.

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