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

With peak season, financial aid offices become more involved in reviewing borrower tax returns for FAFSA verification purposes.

To get help in doing verifications, visit *TG Online's* IRS Resources for the FAA at [www.tgslc.org/resources/irs\\_resources.cfm](http://www.tgslc.org/resources/irs_resources.cfm).

## TG updates

### TG marks HBCU week with successful partnership

The White House Initiative on HBCUs designated September 10 - 16 as National Historical Black College and University (HBCU) Week, a time to honor the contributions HBCUs make to the cause of higher education.

To celebrate, schools are holding awareness events, town hall meetings, student performances, and other activities at many of the nation's 123 two-year and four-year HBCUs. The White House Initiative has also organized a four-day conference in Washington, D.C. (September 10 – 13) to highlight the work of the HBCUs and to provide a forum for discussing issues critical to these schools.

### TG and HBCUs

Since its inception in 1980, HBCUs have played a significant role in higher education. HBCUs offer students, regardless of race, an opportunity to develop their

skills and talents. They enroll 14 percent of all African American students in higher education, although HBCU schools comprise only 3 percent of the U.S.'s 4,084 institutions of higher education. In 1999, HBCUs awarded master's degrees and first-professional degrees to about one in six African American men and women, and awarded 24 percent of all bachelor's degrees earned by African Americans nationwide.

TG has long served as an advocate for HBCUs. In 1999, TG developed the Texas Consortium of HBCUs, an organization devoted to helping HBCU schools lower their default rate and maintain Title IV eligibility. At the time, the majority of HBCUs faced consecutive years of cohort default rates far above the statutory threshold for non-HBCUs. Some reached a dangerously high rate of 40 percent or more. To maintain their eligibility, schools now must have a cohort default rate of 25 percent or less.

Under the leadership of Huston-Tillotson College, the Texas HBCUs agreed to establish a formal Consortium, which would share resources among members to ensure all affected HBCUs lowered their default rates. Founding members of the Consortium included Huston-Tillotson College, Texas College, Wiley College, Paul Quinn College, Jarvis Christian College, and Southwestern Christian College, and later grew to include Prairie View A&M University and Texas Southern University.

### **TG's contributions to the success of HBCUs**

To help these HBCUs lower their cohort default rates, TG proposed a default management plan, technical assistance, and support, which included the grant assistance services of an Independent Third Party Servicer (ITPC). ED approved the proposal.

TG's initiative was comprehensive in many ways. It took into account the role of admissions, academic affairs, financial aid, and career placement in addressing default management and related issues. TG understood that committing the entire campus to help students was imperative to a successful default management plan.

TG's work with the Consortium has helped HBCUs achieve dramatic reductions in their cohort default rates over the past seven years, dropping from as much as 50 percent to single-digit figures.

### **The Consortium today**

Shelia Dunlap, TG's assistant vice president for default prevention, leads the Consortium and conducts quarterly meetings with representatives from member schools.

With their default rates under control, the HBCUs have shifted from a reactive to a more proactive mode. The group is working on revising their 2007 goals, developing Consortium bylaws, and tackling issues typical of many schools today — customer service, student retention, and leadership change.

“The Consortium has been there for us to help us transition from a cohort default rate of more than 25 percent,” said Ida Miller, default manager, financial aid counselor, and Work-Study coordinator for Paul Quinn College. “It has given us the tools, the creative ideas, and skills we need to move beyond our default rate and look at other areas in which we want to improve.”

Cecilia Jones, financial aid and student loan coordinator for Texas College, agreed. According to Cecilia, cohort default rates are still a priority for the schools, but the Consortium has evolved into a forum for looking ahead, planning for the future, and sharing best practices among members.

“It’s one thing to have a plan,” she said. “But the Consortium works the plan to actually achieve the goals.”

### **More information**

To learn more about the mission and history of TG’s HBCU Consortium, read TG’s publication *Breaking New Ground* at [www.tgslc.org/publications/reports/hbcu/hbcu\\_bkgd.cfm](http://www.tgslc.org/publications/reports/hbcu/hbcu_bkgd.cfm). To find out more about TG’s default prevention work, refer to the default aversion section on the *TG Online* pages for schools ([www.tgslc.org/schools/index.cfm](http://www.tgslc.org/schools/index.cfm)) or for lenders ([www.tgslc.org/lenders/index.cfm](http://www.tgslc.org/lenders/index.cfm)).

## **With TG borrower, Mapping Your Future™ notches 6 millionth counseling session**

In late August, *Mapping Your Future*™ (MYF) announced a milestone in its 10-year history as a provider of college and career services to students and schools. A student from Temple College in Temple, Texas completed loan counseling through MYF’s Online Student Loan Counseling (OSLC) module, which brought the number of completed counseling sessions to a high of 6 million.

TG is Temple’s sole guarantor, which means the session served a student taking out a TG-guaranteed loan, a fact that seems entirely appropriate given the long partnership between MYF and TG.

### **Close collaboration**

Co-sponsored by TG and other student loan guarantors, MYF is a public-service project of the financial aid industry that brings together the expertise of the industry to provide free college, career, financial aid, and financial literacy services for students, families, and schools. Each year, millions of students and families, and thousands of schools, colleges, and universities around the country use the free services available through the MYF Web site.

Milt Wright, former TG president and CEO, originated the idea for MYF, dedicating TG resources to develop the initial product for a consortium of all 35 guarantors. At the beginning, and until a little over a year ago, TG housed the infrastructure and

the employees for MYF and provided overall administrative support to nurture the project.

These efforts paid off in October 2005 when MYF became a completely independent organization — financially sound and operationally autonomous. Along the way, MYF also grew into a very successful and innovative product for its customers, named to a “Best of the Web” list by *Forbes* magazine and garnering praise from various industry leaders. Today, about 2,700 schools in the U.S. and abroad use MYF’s counseling services.

### **A model for partnerships**

TG extends a warm congratulations to MYF as it celebrates this service accomplishment, a mark of the great counseling product it offers to schools and borrowers.

“TG is very proud to have partnered closely with an award-winning and highly regarded financial aid Web site like MYF,” said Lloyd Dodge, TG senior vice president for technology and policy and compliance. “I feel positive that as the industry explores ways to advance higher education, MYF will serve as a model of how financial aid partnerships can work together to achieve results.”

Cathy Mueller, executive director for MYF, agreed and reaffirmed the important connection between the two organizations.

“TG’s support of MYF goes to the very beginning of our organization,” said Cathy. “TG served as the incubator site for MYF and Online Student Loan Counseling, and so it is very appropriate that, in the year of our 10th anniversary, our 6 millionth record is a TG-guaranteed loan.”

### **More information**

To learn more about MYF’s varied services for students, families, and schools, visit the Web site at [www.mapping-your-future.org](http://www.mapping-your-future.org).

## **Reporting Back: 1996**

TG’s annual report for 1996, titled *Working Today for Tomorrow*, focuses on innovations in technology and customer service. Here are a few highlights from that year’s report:

“As we look back on 1996, we see a year in which the schools, lenders, and TG have remained steadfast in the delivery of services to students and families. During FY 96, TG served customers in the financial aid industry through a number of products and services and continued developing new ways to enhance those products and services.

Our Loan Information Network Clearinghouse (LINC) software, an easy-to-use PC-based package enables the transition of loan application data electronically to TG for overnight guarantee. During FY 96, LINC for Windows® was developed, making

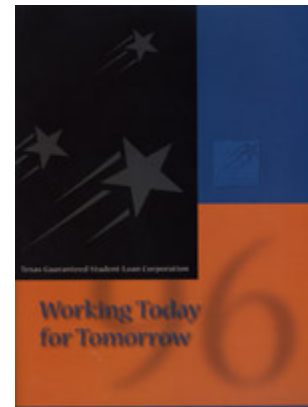
loan processing simpler and increasing the number of functions that can be performed with the software.



FY 96 also brought about an increase in the number of schools that participated in Electronic Funds Transfer (EFT), increasing by more than 100 percent from 20 to 41 schools.

Keeping in mind our strategic priorities themes of putting Texas first and doing what we do best, we developed TG Loans By Phone™ in FY 96. Students participating in the Loans By Phone program are able to apply for a Stafford subsidized or unsubsidized loan by calling a TG Loans By Phone toll-free telephone number.

We continued to enhance our award-winning Web site, *Adventures In Education*. Among the awards granted to the site in FY 96 was a Gold Quill from the International Association of Business Communicators. Among the enhancements to *Adventures In Education* in FY 96 was the development of Student Loan Inquiry, a service which allows borrowers to access their student loan information anytime from anywhere.



We expanded our Internet expertise and worked with other guarantors across the country to develop another award-winning Web site, titled *Mapping Your Future™*. ([www.mapping-your-future.org](http://www.mapping-your-future.org)). *Mapping Your Future* offers information on career planning, college selection, and financial aid."

## Tech report

### For school customers: HERA/Grad PLUS changes roll out in TG Loans By Web™

The Higher Education Reconciliation Act of 2005 (HERA) enacted changes to the federal student loan program, including expanding the PLUS loan program so that graduate students can take out PLUS loans. TG is implementing these changes in its online application software, TG Loans By Web™ (Loans By Web). TG has already put into effect HERA changes in its loan management tool, AdvanTG Web™, effective June 26, 2006.

Starting September 16, borrowers using Loans By Web will be able to request and complete a Grad PLUS loan. At the same time, schools that initiate the loan process will be able to direct students to Loans By Web to complete any Grad PLUS applications. Schools should note that *other* HERA changes are also being implemented in Loans By Web.

Student customers and schools that log in to Loans By Web will find different features depending on how they use the software. Here is a short list of modifications. For a more complete list, refer to the HERA implementation page for Loans By Web at [http://www.tgslc.org/resources/lbw\\_hera.cfm](http://www.tgslc.org/resources/lbw_hera.cfm).

- In Loans By Web, borrowers requesting or completing a Grad PLUS loan will be able to identify themselves as a graduate borrower.
- Depending on their preferences, schools will be able to process either school-certified Grad PLUS loans or requests for certifications for Grad PLUS loans or a combination of the two.
- Schools will now be able to specify which lenders they prefer for Grad PLUS loan processing.

### **Need help or want to know more?**

For more information about these changes, contact TG customer assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org). Customer assistance team members can answer all your questions relating to TG's implementing of HERA.

### **For lender customers: HERA/Grad PLUS changes implemented in TG Loans By Web™**

Starting September 16, lender customers that use TG Loans By Web™ (Loans By Web) will be able to process Grad PLUS loans. This change is part of TG's effort to implement the Higher Education Reconciliation Act of 2005 (HERA) in its online software products. TG has already made HERA modifications in its loan management tool, AdvanTG Web™, effective June 26, 2006. Lenders should note that *other* HERA changes are also being implemented in Loans By Web.

Most of these alterations will affect borrowers. However, lenders may have some choices to make related to Grad PLUS processing, specifically decisions on e-sign settings and process preferences.

Here's a partial list of what lenders should keep in mind with regard to HERA changes. For questions, use the contact resource provided below. For a more complete list, refer to the HERA implementation page for Loans By Web at [http://www.tgslc.org/resources/lbw\\_hera.cfm](http://www.tgslc.org/resources/lbw_hera.cfm).

- Effective September 16, TG will automatically make every lender that uses Loans By Web able to process Grad PLUS loans. Lenders who do not wish to have their profile settings changed to enable processing for Grad PLUS must contact TG.
- TG will automatically update e-sign URL profiles for Grad PLUS with a lender's existing PLUS e-sign URLs.

- The TG PLUS Credit Connection™ application send file will still be a CommonLine 5 application send record; it will be updated to reflect the new values associated with Grad PLUS loan types.
- Lenders that wish to add additional profiling options, or that want to change existing URLs, should contact their lender partnership consultant at [lenderrequests@tgslc.org](mailto:lenderrequests@tgslc.org). No action is required of lenders and servicers that have no changes and are comfortable with their current PLUS e-sign URLs.

### **Need help or want to know more?**

For more information about these changes, contact TG customer assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org). Customer assistance team members can answer all your questions relating to TG's implementing of HERA.

## **Trends and issues**

### **Going to a conference? Share your knowledge – Part 3 in a series**

Conference season is in full swing with large conferences planned over the next several months in states like Utah, Florida, and Georgia. In this final installment of a three-part series, *Shoptalk Online* offers you ways to capitalize on what you learn at conferences so that you and your organization get the most from your training investment. To access previous installments in this series, see *Shoptalk Online* 370 ([www.tgslc.org/shoptalk/2006/st370/st37000.cfm](http://www.tgslc.org/shoptalk/2006/st370/st37000.cfm)) and 369 ([www.tgslc.org/shoptalk/2006/st369/st36900.cfm](http://www.tgslc.org/shoptalk/2006/st369/st36900.cfm)).

#### **Preserve what you learn**

Identify three to five of the most important ideas or concepts you learned at the conference. Summarize them in an e-mail or one- or two-page "idea log." Explain how these ideas could be implemented in your office and share it with your supervisor. If appropriate, distribute this document to your other colleagues — it may start discussions for future improvements in your office.

#### **Write thank you notes and follow-ups to new acquaintances**

A quick e-mail message or note to a new acquaintance can go a long way towards building a permanent working relationship. Share a thought or idea you discussed, or offer additional information on you, your office, or your products and services. Offer your assistance in the future — everyone appreciates a helping hand.

#### **Share your experience with colleagues**

Spend 10 to 15 minutes visiting with colleagues, detailing your experiences, and distributing copies of useful information. Ask your supervisor for a few minutes during the next staff meeting to share what you learned. If you participated in any

"fact-finding" activities for a colleague, now is the time to share this information as well.

### **Stay on top of house-keeping**

Complete your expense reports and other documents as soon as possible. The longer you wait, the more difficult it becomes to fill out travel reimbursement forms and reports. Prepare these items when your activities are fresh on your mind. If you find you have limited time, spend at least five minutes sorting out receipts and sketching out basic costs and descriptions. These will jog your mind when you return to the task.

### **Upcoming Event Information**

For a listing of several association meeting dates, visit the events calendar on *TG Online* at [www.tgslc.org/abouttg/calendar.cfm](http://www.tgslc.org/abouttg/calendar.cfm).

### **Question of the week**

#### **Q: May a student with a bachelor's degree receive a Pell Grant?**

**A:** Under most circumstances, a student who has obtained a bachelor's degree is not eligible for Pell. However, the *2006 - 07 Federal Student Aid Handbook* states on page 1-64 that a student enrolled in a post-baccalaureate teacher certification or licensure program is eligible to receive a Pell Grant if:

- The program doesn't lead to a graduate degree;
- The school doesn't offer a bachelor's degree in education;
- The student is pursuing an initial certification or license within a state; and
- The program consists of courses required by a state to receive a professional certification or license necessary for employment as a teacher in elementary or secondary school in that state.

#### **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 [tgslc.custhelp.com](http://tgslc.custhelp.com).

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

Forty-three states are getting failing grades in affordability according to a recently released study conducted by the National Center for Public Policy and Higher Education. An article on *CNN.com* reports that the Center gave passing marks of a "C" to only two states — Utah and California. The Center rates institutions on a variety of variables; its affordability score reflects how much an average family's income it costs to go to college. Rising education bills aren't news to many families,

which shell out — or borrow the equivalent of — as much as 30 to 40 percent of an annual paycheck to send one child to school. However, state and federal lawmakers aren't taking enough notice since financial aid is not keeping pace with the rise in tuition.

To read the complete *CNN* article, visit the site at

[www.cnn.com/2006/EDUCATION/09/07/higher.education.report.ap/index.html](http://www.cnn.com/2006/EDUCATION/09/07/higher.education.report.ap/index.html).



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