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

Looking for a handy FAQ on loan repayment that your students can use? Direct your borrowers to this page on *TG Online* for general questions about loan repayment: [www.tgslc.org/borrowers/faqs.cfm](http://www.tgslc.org/borrowers/faqs.cfm).

## Federal updates

### President signs (another) HEA extension into law

On September 30, the president signed legislation (H.R. 6138) to extend the Higher Education Act (HEA) through June 30, 2007.

H.R. 6138, the third Higher Education Extension Act of 2006, is the sixth overall extension in the current reauthorization cycle. Unlike the previous two extensions enacted this year, H.R. 6138 is not "clean" (i.e., free from extraneous provisions). Language affecting the following provisions is also included:

- Eligible Lender Trustee Relationship with Eligible Institutions
- Hispanic-Serving Institutions (HSIs)
- Guaranty Agency Account Maintenance Fees
- Cancellation of Student Loan Indebtedness for Survivors of Victims of the September 11, 2001 Attacks

H.R. 6138 was introduced by chairman of the House Subcommittee on 21st Century Competitiveness Ric Keller (Fl.), along with chairman of the House Subcommittee on Select Education Patrick Tiberi (Ohio), and chairman of the House Committee on Education and the Workforce Howard P. "Buck" McKeon (Calif.).

### **To learn more**

To read the complete text, find the legislation on the Library of Congress *Thomas* Web site at <http://thomas.loc.gov>.

## **ED releases guidance on distance education accreditation**

On Thursday, September 29, ED released Dear Colleague Letter (DCL) GEN-06-17. GEN-06-17 provides guidance on institutional accreditation for distance learning programs. Schools identified by ED as not having a primary accrediting agency that includes distance education in its scope should have received DCL GEN-06-17 directly.

The Higher Education Reconciliation Act of 2005 (HERA) modified the Title IV aid eligibility requirements of distance education programs by no longer considering telecommunications courses as correspondence courses. Under the new requirements, a school that offers more than 50 percent of its courses via telecommunications or enrolls 50 percent or more of its students in telecommunications courses is now eligible to participate in the Title IV aid programs.

### **Accreditation details**

A school that offers programs through distance education and is currently eligible to participate in the Title IV programs, and whose accreditation is maintained by an agency that doesn't include distance education in its scope, will continue to be eligible to participate in the Title IV programs through December 31, 2007. However, the school must implement a new program participation agreement placing the school on provisional certification. If the school cannot gain assurance that its accrediting agency will gain recognition to accredit distance education programs by December 31, 2007, the school must begin the process of securing accreditation by an agency recognized by the Secretary of Education as having distance education in its scope.

## For additional information

To access GEN-06-17, visit <http://ifap.ed.gov/dpcletters/GEN0617.html>. For questions about institutional eligibility, contact Charles Krcy of TG compliance administrative operations at (800) 252-9743, ext. 4877, or send an e-mail message to [charles.krcy@tgslc.org](mailto:charles.krcy@tgslc.org).

## Closed school corner

The following table provides a list of newly reported school closures and error corrections from the Postsecondary Educational Participants System (PEPS) and from the September 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
02538902	<b>International Business School</b> 2006 West University Denton, TX 76201-0644	N/A	9/22/2006
02538904	<b>International Business School</b> 1434 North Central Expressway #116 McKinney, TX 75070-2143	N/A	9/11/2006

## TG updates

### TG awards more than \$3.8 million in competitive grants to schools and other institutions

For the second consecutive year, TG has awarded grants to advance college access, student retention, and educational research. The Public Benefit Grant Program, a philanthropic initiative of TG, will award more than \$3.8 million in competitive grants to 28 institutions and nonprofit organizations for the 2006-07 academic year. Recipients will use the grant funds to enhance opportunities and access to higher education and improve student success in preparing for and earning a college degree.

"Since TG's founding 25 years ago, we have believed that everyone who aspires to complete a college degree should have the opportunity to do so," said Sue McMillin, president and CEO. "Through TG's Public Benefit Grant Program, we're pleased that we can help educational partners and like-minded organizations reach out to students and families."

## Recipient selection

TG asked applicants to describe how they would use funds. Recipients chosen for grants described various projects, services, and initiatives that will serve students in many ways.

To give a sense of the variety, here is a short list of how grants will be used:

- Financial aid, in the form of need-based grants to students
- Student mentoring and internships
- Pre-college outreach to students and parents
- Academic support and instruction
- Student retention
- Student transfer guidance and support
- Education research

## Other initiatives

During the first year of funding through the Public Benefit Grant Program, TG awarded \$1.8 million to various nonprofits. As in 2005-06, the current grant funds are offered in addition to ongoing support for the Charley Wootan Grant Program, a need-based grant program established by TG in 2000 that provides \$1 million each year to help students enrolled in postsecondary education. Earlier this year, TG's Public Benefit Grant Program also set aside \$500,000 to help students whose education was interrupted by hurricanes Katrina and Rita. The TG Textbook Awards program provided 1,000 students with grants to purchase textbooks and education-related supplies for the 2006 summer session or fall semester.

## To learn more

If you'd like to learn more about TG's Public Benefit Grant Program, you'll find a description of its purpose and process on *TG Online* at [www.tgslc.org/public\\_benefit/index.cfm](http://www.tgslc.org/public_benefit/index.cfm).

## Keep borrowers on track with TG's *Managing Repayment* brochure

You can measure student success in a number of ways: good grades, a promising career, or long-term financial prosperity. But one of the clearest indications of success comes with something that sounds a little less glamorous: paying off a student loan. That can sometimes be a hard concept to sell to students, who may not see the immediate value in long-term diligence and effective financial planning. To help you as you educate your students and borrowers about their student loan obligations, TG has put together a brochure called *Managing Repayment*, available in English and Spanish.

“Giving students the tools they need to pay off their loans is a responsibility we all share in the financial aid industry,” said Shelia Dunlap, assistant vice president of TG’s default prevention team. “This brochure captures the essential information your borrowers need to know as they embark on the repayment process. It spells out in simple language the options and responsibilities every borrower has. In so doing, it offers students a blueprint for long-term success.”

### What’s inside

The brochure guides borrowers through the issue of repayment, describing default consequences and offering repayment options. Here are some highlights.

- **Helpful repayment options:** Deferment and forbearance are detailed in straightforward language.
- **Consequences of delinquency and default:** The brochure provides a look at the repercussions of default including credit bureau reporting, wage garnishment, and tax refund seizure.
- **Alternative repayment plans:** Income-sensitive repayment, graduated repayment, and extended repayment plans are defined clearly so that borrowers understand the purpose of each.
- **Ten ways to avoid default:** The brochure comes with a handy list of ways to stay on track with repayment.



### To order

You can order both English and Spanish versions of the brochure. To order the brochure in English or Spanish, visit the *Online Forms/Publications* ordering page on *TG Online* at [www.tgslc.org/forms/index.cfm](http://www.tgslc.org/forms/index.cfm).

### To learn more

TG’s default prevention team works with schools and lenders to prevent the default of student loans. The team also works with borrowers offering information about default and repayment. If you have questions about how you can use the team’s service in your default prevention work, contact them by calling (800) 338-4752 or by sending an e-mail message to [prevent.default@tgslc.org](mailto:prevent.default@tgslc.org).

## Going to the TASFAA Conference? You're invited to TG's reception

Financial aid industry conferences offer a great way to learn more about student aid through trainings and workshops; they're also an opportunity for catching up with colleagues and friends. If you're attending this year's TASFAA Conference in San Antonio, Texas, be sure to drop by TG's reception. You'll be treated to hors d'oeuvres from the six historical cultures of Texas; enjoy some unique entertainment; and talk with administrators and other professionals from colleges around Texas.

### Where to meet

TG's reception will be held on Thursday, October 12, from 5:30 p.m. to 7 p.m. in the Texas Ballroom of the Crowne Plaza Riverwalk, the host hotel for this year's conference.

### Learn more

For more information about the reception, please contact Judith Cunningham at (800) 252-9743, ext. 2905, or send an e-mail message to [judith.cunningham@tgsllc.org](mailto:judith.cunningham@tgsllc.org).

## Reporting Back: 1997

The annual report for 1997, titled *Serving the Investment in Education*, reviews the history of the FFELP and TG's role within it, emphasizing TG's commitment to customer service and technological innovation. Here are some highlights from that report:



"Fiscal Year 1997 (FY97) was exciting for TG. On May 8, 1997, we surpassed \$10 billion in gross guarantees since our first guarantee in January of 1981. We guaranteed another 401,000 new loans for families and students for \$1.4 billion during FY97. We signed a landmark agreement with Guarantec, an information technology service provider, to help shape the future of the FFELP through development of a shared mainframe system. We expanded our solutions and tools to schools and lenders, improved our Internet-based services, helped thousands of borrowers fill out the Free Application for Federal Student Aid (FAFSA), and strengthened our internal operations

to be ever more geared to the needs and expectations of our customers — the families and students of Texas. In all, it was a good year and we look forward to continuing our work in FY98.

"The FFELP is a different industry than it was 30 years ago, 20 years ago, and even 10 years ago. Loan volumes in Texas and the entire nation have multiplied. Delivery of FFELP funds, a process that a decade ago could take months, is now routinely completed in a matter of days. TG's daily operations have become more

specialized. [But] one objective unites all of TG's efforts — the customer focus approach to business. TG is a service company. Our mission is to promote the success of students investing in their education. Our loyalty remains united with families and students, whose success created our vision and drives our mission, and with the educational institutions, lenders, servicers, and secondary markets who are our FFELP partners."

## Trends and issues

### Texas high school students gaining valuable knowledge about financial literacy

Beginning this year, all Texas high school students will be exposed to concepts that teach life skills, as Texas joins eight other states that require a course in personal financial literacy for graduation. According to a study conducted by the Jump\$tart Coalition, only about 19 percent of the nation's high school graduates have taken a course on financial literacy.

While many Texas high schools have included financial literacy in their curricula in the past, until now it hasn't been a requirement. Texas House Bill 492, signed by Gov. Rick Perry on June 17, 2005, requires school districts and charter schools to incorporate personal financial literacy into any course meeting the requirement for an economics credit beginning with the 2006-07 school year. Students will learn personal finance fundamentals including budgeting, consumer economics, insurance, investment principles, credit management, monetary policy, financial planning, retirement saving, consumer loans, and mortgages.

#### Want to know more?

Additional information about personal financial literacy in Texas schools can be found on the Texas Education Agency's Web site at [www.tea.state.tx.us/ssc/whatsnew/financial\\_literacy/financial\\_literacy.htm](http://www.tea.state.tx.us/ssc/whatsnew/financial_literacy/financial_literacy.htm).

The Jump\$tart Coalition for Personal Financial Literacy strives to ensure that students learn financial literacy during grades K-12. Additional information about the Jump\$tart Coalition can be found at [www.jumpstart.org/index.cfm](http://www.jumpstart.org/index.cfm).

### Question of the week

**Q: Can more than one parent borrower obtain a PLUS loan for the same dependent student and loan period?**

**A:** Yes. According to the *Common Manual* subsection 5.1.C, all of a dependent student's eligible parent borrowers may borrow separately to provide for the educational expenses of the student — provided that the combined borrowing of the parent borrowers does not exceed the student's cost of attendance minus the student's estimated financial assistance (EFA), also known as resources. Also,

remember that for the purposes of obtaining a PLUS loan, an eligible parent borrower is a student's biological or adoptive mother or father. The spouse of a parent who is remarried is also an eligible parent borrower if the spouse's income and assets would have been taken into account when calculating a dependent student's expected family contribution (EFC).

### 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).

## Legislative update

According to the October 2 issue of TG's *Legislative Report*, upcoming congressional elections will return slim majorities for either party that wins. This situation will place an even stronger emphasis on bipartisanship to get legislation passed. Learn more 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

Some colleges are looking closer at the stress that students suffer during the admissions process. Competition to be accepted, especially at Ivy League schools, is taking more of an emotional and physical toll on high school students, says a recent *CNN.com* article. Administrators at colleges like the Massachusetts Institute of Technology (MIT) are calling for a re-evaluation of the philosophy behind campus admissions. They emphasize the need for well-adjusted students who have a healthy self-regard and look at grades in a balanced way. But they feel the admissions process contributes to a win-at-all-costs atmosphere, robbing students of a sense of accomplishment or enjoyment in their work.

To learn more about the issue, read the complete story online at [www.cnn.com/2006/EDUCATION/09/18/admissions.game.ap/index.html](http://www.cnn.com/2006/EDUCATION/09/18/admissions.game.ap/index.html).



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