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Tip^{of} the Week

If you're researching an issue in the *Common Manual*, use TG's comprehensive online resource. This Web page provides links to the *Integrated Common Manual*, training briefs, and tips and tricks to help your research. To learn more, refer to *TG Online* at www.tgslc.org/resources/integrated_online_manual.cfm.

Federal updates

Current special allowance rates: quarter ending September 30, 2006

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

- The average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending September 30, 2006 is 5.05 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 September 30, 2006 is 5.45 percent.

The FFELP special allowance rates for the most recent quarter are available on *TG Online* at www.tgslc.org/pdf/SA093006.pdf.

Questions

For questions about special allowance rates, contact TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

TG updates

TG expands Hispanic Higher Education Initiative

As a part of its Hispanic Higher Education Initiative, TG has established partnerships with two national Latino-based organizations — Excelencia in Education and the American Association of Hispanics in Higher Education (AAHHE). TG will collaborate with these groups to increase postsecondary education access and success among Hispanics.

In addition to these new partnerships, TG's Initiative provides financial support through existing TG programs including the Charley Wootan Grant Program and the Public Benefit Grant Program, which help families and students achieve their educational goals.

"TG's history and success in Texas provides a keen perspective on the many issues and challenges facing Hispanic students and their families in achieving a college education," said Sue McMillin, TG's president and CEO. "We also realize that our future success as a nation depends on all students having access to educational opportunities beyond high school. We're committed to learning and growing through these partnerships, and we're excited to be able to expand assistance to Hispanic students and families — wherever they may live — to help ensure their success in higher education."

TG has established three areas of focus for efforts related to the Hispanic Higher Education Initiative: educational partnerships, competitive grant funding, and need-based aid.

"These elements provide a comprehensive, multifaceted approach," said Jacob Fraire, TG assistant vice president for educational alliances and partnerships.

Educational partnerships

The two educational organizations will add to the strength of TG's existing partnerships in serving the needs of Hispanic students and families.

- Excelencia in Education will receive a grant of \$239,447 from TG to conduct a comprehensive institutional assessment and best-practices plan based on the work of six Texas-based Hispanic-Serving Institutions (HSIs): the University of Texas — Pan American, South Texas College, the University of Texas at Brownsville, Texas Southmost College, the University of Texas at El Paso, and El Paso Community College. The partnership will involve teams of senior-level

administrators at each of the HSIs. TG will work with the organization throughout the assessment process and will make available the findings and recommendations that result.

- The American Association of Hispanics in Higher Education (AAHHE) will receive a grant of \$85,000 to establish a Hispanic Student Retention Institute, produce several scholarly and best-practices research papers on Hispanics in higher education, and provide fellowships for graduate students.

Competitive grants and need-based aid

TG's Public Benefit Grant Program will award \$3.8 million to 28 institutions and organizations for FY 2007. Of that amount, nearly \$2 million will be awarded to HSIs and other organizations that intend to provide outreach, student retention, and grant aid to Hispanics. In soliciting grant proposals for the 2006-07 year, TG asked prospective grant applicants to indicate if they intended to provide services to Hispanic students and their families.

"We were delighted to learn that many of the grant applicants proposed to serve these communities," said Fraire.

In addition, TG will award approximately \$210,000 in Charley Wootan Grants to an estimated 21 HSIs for the current academic year. Established by the TG Board of Directors in 2000, the Charley Wootan Grant Program provides funding that colleges can use for need-based aid awards to students.

To learn more

For more information about TG's Hispanic Higher Education Initiative or the Public Benefit Grant Program, visit www.tgslc.org/public_benefit/index.cfm.

Texas consortium offers helping hand to undocumented students through student aid application



A growing number of "undocumented students" are graduating from high schools across the country. Undocumented students are those who were born in other countries but live in the U.S. without a valid visa. Many of these students have lived most of their lives in the U.S., they're fluent in English and Spanish, and they're eager to get a college degree at American universities. However, when they begin applying to U.S. colleges, they run into a huge roadblock: funding.

To qualify for federal funds, a student must be a U.S. citizen, a national, or an eligible non-citizen. Undocumented students don't have Social Security numbers and they're not legal residents, which eliminates the possibility of federal aid. They don't qualify for in-state tuition or state aid either. States are taking notice: More of them have put laws in place, or have begun the process of legislation, that will make undocumented students eligible to qualify as residents and thus potentially to receive state aid.

Texas is one such state. In 2001, Texas passed HB 1403 (now SB 1528), a law which allows undocumented students to claim residence status under certain conditions. What's the benefit of this? If a student can claim residency status, he or she can qualify for in-state tuition rates and for state aid, which makes a postsecondary education more accessible for a large and growing segment of the student population in Texas.

Putting the new application together

Since SB 1528 was passed, more undocumented students have been applying to Texas schools and colleges. However, Texas schools have found that gathering information from these students to make decisions about admissions and financial aid has proved challenging. The traditional tool for assessing a student's financial need — the Free Application for Federal Student Aid, or FAFSA — presents several issues. It requires information students don't have, such as SSNs, and it asks a large number of questions that don't pertain to undocumented students.

In June 2005, Texas schools began to look more closely at the application, forming a special committee to address the situation — the SB 1528 Taskforce. From the beginning, TG has played a significant role on the taskforce, working closely with members as they drafted a solution.

TG's Maria Luna-Torres, director of educational finance initiatives, heads up the taskforce. After considerable discussion, research, and analysis, she and the other members of the consortium of Texas schools produced a new application that could better meet the needs of undocumented students — the Texas Application for State Financial Aid, or TASFA.

Model to other institutions

The TASFA became available to all Texas colleges and universities in March 2006. The application addresses the concerns of both financial aid offices and students. For example, the TASFA eliminates many of the questions that were not applicable to undocumented students; at the same time, it has put in place guidelines and procedures for administrators to use when processing aid for these students.

Approximately 44 institutions across the state use the TASFA, and most of these schools report success with the new application. Students and their parents are less intimidated by the financial aid process; they're also more likely to attend an institution of higher education, which, in the long run, increases enrollment in the state.

Jacob Fraire, assistant vice president for TG's educational alliances, said the TASFA could serve as a model to other states with similar laws regarding undocumented students.

"The Texas consortium has produced a great tool for schools," Fraire said. "The application should prove to be a valuable product not only in Texas, but in a dozen other states with similar laws."

To learn more

If you'd like to learn more about the work of the taskforce, contact Maria Luna-Torres at (800) 252-9743, ext. 4632, or send an e-mail message to maria.luna-torres@tgsic.org.

TG auditing expert co-authors international guide on managing and auditing privacy risks



The issue of privacy of personal information is one that has received considerable attention not only in the student financial aid arena, but across several industries. As technology evolves and the demands for speed and efficiency of the flow of information increase, so do the challenges for organizations to minimize privacy risks. As a result, resources used by business professionals to address this issue are evolving in depth and applicability to current business environments.

For Bob Stiles, TG senior auditor for information technology and technology consultant, understanding privacy and its risks to an organization from a global perspective resulted in contributing to a body of work that is now used nationally and internationally by auditors in many industries.

Stiles was one of three authors of *Global Technology Audit Guide 5: Managing and Auditing Privacy Risks*, a global technology audit guide for the Institute of Internal Auditors (IIA). Established in 1941, The IIA is an international professional association of more than 122,000 members and is recognized as the internal audit profession's leader in certification, education, research, and technological guidance.

According to the association's Web site, the guide "is intended to provide insight into privacy risks that the organization should address when it collects, uses, retains, or discloses personal information."

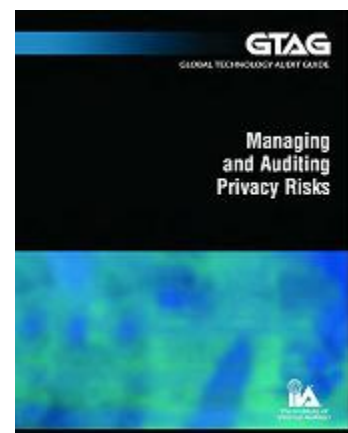
Shoptalk Online took a few minutes to visit with Stiles to find out more about his contribution to the existing body of knowledge on privacy and to gather his perspectives on the project.

Shoptalk Online: Tell us about your background.

Bob: I began at TG in 1989, and I've worked in such areas as loan servicing, compliance, and investigations. I've worked in information technology auditing for approximately 12 years and currently serve as a senior technology auditor at TG. I enjoy the work that I do, particularly since the arena of privacy and information security has changed drastically in the past several years.

Shoptalk Online: What was it like to participate in this effort?

Bob: The IIA was seeking someone to contribute to the development of a guide that focused on technology and privacy. Phil Flora, TG's chief audit executive,



shared my experiences with them, and after some discussions I was one of three individuals who began the project.

It was a very good experience for several reasons. First, the team had varied perspectives. We had an academic based in Europe and a management-level expert operating in a large U.S. public corporation. I contributed from a practical application perspective.

We managed to complete the guide in about a year, and it was reviewed thoroughly and extensively from audit experts from around the world. The perspectives we received from other countries were particularly interesting, but the overarching principles were the common link. And then of course peer reviewers represented a cross section of many different industries as well.

Finally, perhaps most interesting from a personal perspective is that I have yet to meet my co-authors. We collaborated through e-mails and phone calls to complete the guide.

Shoptalk Online: How is this guide and similar resources used in the auditing industry?

Bob: The audit guides offer a very good, thorough introduction to the topics they represent. They offer readers an understanding of the many approaches available to the topic, as well as many references for further investigation and reading. Audit guides offer common steps and good best practices when investigating these issues.

Shoptalk Online: What feedback have you received regarding this work?

Bob: I've received really good feedback on the guide. It's currently the most popular guide posted on the IIA site, based on total downloads. The guide is the fifth in a series, so it's flattering to know that it's become the most popular guide in such a short time. We continue to receive feedback on it regularly.

Shoptalk Online: What do you think the financial aid professional could take away from reading this work?

Bob: The guide offers the reader a thorough explanation of the "why," the reasons that privacy laws, practices, and approaches exist. Because the issue of privacy is such a critical component of our industry, it's beneficial to understand as much as we can about the topic.

Shoptalk Online: What's next for you and this effort?

Bob: I've been asked to present the guide's contents with my co-authors at the IIA Information Technology Conference next year, so I'm really looking forward to that. It will be a forum/panel discussion, so we'll have an opportunity to interact with participants who will be able to share their perspectives. As an added bonus, it will be the first time I'll meet my co-authors face-to-face, so I'm looking forward to that!

Download your free copy

To download a free copy of the audit guide in PDF format, visit the IIA's Web site at www.theiia.org, and select the *Technology* link. The guide is listed as the second publication of "IIA Technology." You can also reach the publication and related Microsoft® PowerPoint® slides directly by visiting www.theiia.org/index.cfm?doc_id=5535.

Learn more about first-generation students through new issue of *TG Connection*

If you've traveled to a foreign country where English is not the native language, you may know what it's like to feel out of place. Getting around, communicating with others, and understanding the customs can be challenging, even difficult. Many first-generation students — those first in their family to go to college — face exactly this kind of experience during their freshman year on campus.

Universities and colleges are giving more attention to this segment of their students, especially given enrollment increases. For states with large and growing minority populations, like Texas and California, the percentage of first-generation students are on the rise. According to ED, "first-gens" represented 36 percent — or more than a third — of the national enrollment on college campuses for Award Year 2003-04.

Inside the magazine

TG has taken a closer look at the college experience of first-generation students, devoting an entire issue of its magazine, *TG Connection*, to the topic. This edition, titled *Cultivating success for first-generation students*, offers perspectives, case studies, and resources for financial aid and higher education professionals serving first-generation student populations. Financial aid offices can use the issue's articles to plan first-generation initiatives or to look more closely at processes already in place.

Here's a short list of what you'll find in the magazine:

- **Expanding horizons:** An in-depth look at a program for migrant worker families that serves to smooth the transition for first-gens between high school and college
- **Stepping up:** A strategic model for planning the road to student success for first-gens
- **Seeking solutions:** Financial aid professionals share their secrets for helping first-gens work through college
- **TG resources:** A catalog of the many services and publications that TG offers and that schools can use in their work with first-gens

- **Educational guideposts:** Suggested Web sites, published materials, and scholarship opportunities from across the industry, which can help both you and your first-gens

To order your copy

If you would like to request one or more copies of this issue of *TG Connection*, please send an e-mail message to Connie Smith in TG communications at connie.smith@tgsllc.org. Please allow one to two weeks for shipment and delivery.

Trends and issues

Question of the week

Q: How should a school treat a tuition waiver in determining a student's cost of attendance?

A: A school has two options in the treatment of waivers. A school may include the tuition and fees in the cost of attendance (COA) and then treat the waiver as estimated financial assistance (EFA). Or a school may exclude the amount of the waiver from both the COA and EFA. Whichever method a school chooses should be applied consistently. For more information about costs waived or paid by other resources, see the 2006-07 *Federal Student Aid Handbook*, page 3-20.

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 tgsllc.custhelp.com.

Common Manual

Common Manual site debuts

The *Common Manual* Governing Board has announced the launch of the new *Common Manual* Web site. The Governing Board invites all FFELP participants to use the site, available at www.commonmanual.org.

What is on the *Common Manual* Web site?

The Web site houses both the current electronic and integrated versions of the *Common Manual*, so users can quickly access federal regulatory guidance and common guarantor policies. It also allows users to access archived versions of the manual that can help to address issues users may have from auditors, as well as to address inquiries on past federal and guarantor policies.

For TG customers who need only the *Integrated Common Manual*, it is still available for download from TG's Web site at www.tgsllc.org/resources/integrated_online_manual.cfm.

What other features does the *Common Manual* Web site contain?

Users are able to access current policy proposals out for comment, obtain templates for submitting comments and technical corrections, review newsletters and press releases, and download training materials. Also available are a list of contacts for the *Common Manual's* Governing Board, Executive Management Team, and Policy Committee.

What enhancements are planned for the future?

Going forward, the Web site will contain approved policy changes to the current annual update of the manual, including the comment and discussion detail. In addition, historical archives are being built that soon will allow program participants to view policy changes incorporated into prior versions of the manual. In addition to the archive of past policy changes, a complete listing of all past annual updates of the manual and final *Integrated Common Manual* for each production year will be added.

The Web site is a work in progress. The *Common Manual* guarantors appreciate the continued participation of FFELP customers and look forward to continuing to serve participants' needs and the needs of our customers — higher education students, their families, and ED.

The role of guarantors and TG in the *Common Manual* effort

First published in December 1995, the *Common Manual* is a cooperative effort of all of the nation's guarantors that participate in the FFELP. The manual, one of a number of efforts by guarantors to simplify and streamline the FFELP for schools and lenders, provides a single, standardized set of current student loan rules and FFELP policy guidance for schools and lenders. Guarantors provide the *Common Manual* in a user-friendly, searchable electronic format to thousands of colleges, universities, and financial institutions nationwide via Web-based and compact disk formats. Some also provide the manual in print.

TG is well-represented in the *Common Manual* leadership. Nina Hold, TG's assistant vice president of policy and regulatory affairs, is the *Common Manual* Governing Board representative for TG and is also serving as the manual's Production Director. Michelle Anderson, a senior policy advisor at TG, is a member of the *Common Manual* Policy Committee. Kelly Kaelin, also a senior policy advisor, is the Editing Chair of the *Common Manual*.

More information

For questions about the *Common Manual* and the new Web site, contact Nina Hold at (800) 252-9743, ext. 4548, or send an e-mail message to nina.hold@tgslc.org.

This, that, and the other

ED has released the latest version of FSA COACH, its free comprehensive introductory course on school requirements for administering the Federal Student Aid (FSA) programs.

FSA COACH, available at www.ed.gov/fsacoach, is a series of self-paced online lessons that provides learners with interactive content on program requirements and that looks closely at the roles and responsibilities of the various players in student financial aid. The new 2006-07 version of the tool includes information derived from the passage of the Higher Education Reconciliation Act of 2005 (HERA).

To learn more about the features of FSA COACH, view the ED announcement about the release of the 2006-07 version at www.ifap.ed.gov/dpcletters/ANN0611.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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