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Tip of the Week

Need a refresher course in various office management practices? Would you like your staff to polish some of their customer service skills while they have time after peak season? Look over the TG Speakers Bureau trainings in professional development. Visit *TG Online* at www.tgslc.org/speakers/profesional.cfm.

Federal updates

ED provides guidance on academic year for Academic Competitiveness Grant and National SMART Grant

On Friday, October 20, ED released Dear Colleague Letter (DCL) GEN-06-18. GEN-06-18 provides guidance to schools on how to define an academic year when awarding the Academic Competitiveness Grant and National SMART Grant. The DCL describes how schools should evaluate both the credit hour and weeks of instruction components of the academic year in awarding the grants, and also provides clarification on awarding the National SMART Grant to fourth-year students.

For additional information

To access GEN-06-18, visit <http://ifap.ed.gov/dpcletters/GEN0618.html>. For questions on guidance provided in the DCL, contact TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgsic.org.

ED releases DCL on special allowance payments on loans made or acquired with funds from a tax-exempt obligation

This month, ED published Dear Colleague Letter (DCL) FP-06-15, which clarifies the applicability of the interim final regulations published by ED on August 9, 2006, as they relate to the payment of special allowance at the 9.5 percent minimum return rate for certain loans made or acquired by a lender using funds from a tax-exempt obligation.

For additional information

To access DCL FP-06-15, visit <http://ifap.ed.gov/dpcletters/FP0615.html>. For questions on guidance provided in the DCL, contact TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgsic.org.

Current consolidation forms still OK until revised forms approved

The current FFELP consolidation loan forms are set to expire today, October 31, 2006. However, ED has stated that the FFELP industry can continue to use the current forms until such time as the revised forms are approved (the forms are currently in their final 30-day community comment period). *Shoptalk Online* will keep you informed when the revised consolidation loan forms are available.

More information

For more information or questions concerning these forms, contact TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgsic.org.

TG updates

Apply to TG's Financial Aid Leadership Symposium today

Finding a leadership development program that serves the specific needs of financial aid professionals isn't an easy thing. However, TG addresses this important need by offering its own program, a week-long workshop specifically designed to enhance the leadership skills of mid-level managers in college and university financial aid offices.

TG will host its 2007 Financial Aid Leadership Symposium from February 5 - 9 at the TG Campus in Round Rock, Texas. The Symposium looks closer at particular qualities of leadership — vision, trust, motivation, teamwork, and change — within

the context of the student financial aid community. Participants will interact in small-group projects and exercises, make individual presentations, and discuss real-world financial aid issues in an open forum. Throughout the workshop, attendees will hear from experts in financial aid and get the feedback of colleagues and peers in the industry.

What graduates said of the 2006 Symposium

Graduates of TG's first Financial Aid Leadership Symposium, held in February 2006, pronounced the workshop a great success. Said Sherri Ornelas, director of financial aid at Texas State Technical College, West Texas, "The Symposium helped me grow and gave me the tools and confidence I needed to transition into my new role as financial aid director just two months after my return. I attribute much of the success of my financial aid team to the training I received at the symposium."

Ornelas discovered that the workshop offered a number of other benefits. "Not only did we receive training, our team formed bonds and shared practices with our peers. We've become a lifelong 'family' of financial aid administrators."

Others echoed Ornelas' sentiments. According to Esmeralda Flores, financial aid director for Our Lady of the Lake University, the Symposium was "the best training that I have had in 20 years."

"The experience was exhilarating, and it came at a time when I felt like giving up," said Flores. "It reaffirmed that I had some good ideas and that I just had to stick to my guns and be heard. You could say that the Symposium helped me make better-informed decisions, and also earned me the director's position. I left the Symposium as assistant director; within three weeks, I became interim director; and within six months, the new director of financial aid."

How can I attend the 2007 Symposium?

Enrollment in the Symposium is limited. Typically, each class consists of 12 to 16 applicants. To apply, download the application forms from *TG Online* at www.tgslc.org/training/leaders.

The application deadline is December 1, 2006. The fee for the Symposium, which includes the full week of classes, materials, hotel accommodations, and selected meals, is \$1,000 per participant.

More information

To learn more about TG's Financial Aid Leadership Symposium, visit *TG Online* at www.tgslc.org/training/leaders. You can also contact Tom Rebstock at (800) 252-9743, ext. 2835, or send an e-mail message to tom.rebstock@tgslc.org.

Meet Jeff Webster, assistant vice president of research and analytical services

Statistical research provides schools a great foundation for strategy-building and planning. Research offers insight into why some students graduate and others don't; what variables contribute to loan default; and how schools can help ensure their students get degrees and begin paying loans back successfully.



TG's research and analytical services team provides help in all these areas. The team creates customized reports for hundreds of inquiries per year. They also produce fact sheets on schools; write public policy reports; and provide statistical predictive modeling and forecasting services.

Jeff Webster, assistant vice president for the research team, began his career with TG, and he's guided the team since its inception. He's also helped shape its products to the needs of customers.

"We provide the research that allows schools and lenders to compare themselves to their peers and to track the performance of their industry colleagues," said Jeff. "A typical request might be: Provide me a report that summarizes pending disbursements by week for first-time borrowers at a particular institution — for schools or lenders."

On an annual basis, the research team can tackle about 45 research projects in addition to over 70 monthly reports and 330 ad hoc reports. The variety of requests keeps the team working hard.

Recently, *Shoptalk Online* asked Jeff a few questions to learn more about the research field and its relevance to the student aid industry.

Shoptalk Online: Why are research and analytical services more important to schools these days?

Jeff: The student aid programs will come under increasing public scrutiny as Congress looks for cuts to fund other priorities. The student aid community must be able to articulate its arguments — and back them up with facts — if these programs are to fulfill the promise made when Lyndon B. Johnson signed the Higher Education Act 40 years ago. Within the FFELP in particular, the student aid community must be able to communicate effectively if we are to operate efficiently — and research plays a key role in this transfer of knowledge.

Shoptalk Online: What are the most important products and services that the research team provides to customers?

Jeff: If you visit *TG Online*, you'll find many of them on one page — www.tgslc.org/research/index.cfm. The research team has been an industry leader in developing statistical models that predict borrower behavior. We've done models

internally that help us better target our resources. We've done models for three colleges — Texas A&M College Station, University of South Florida, and Texas A&M Kingsville — with two more on the way. I also served on a National Council of Higher Education Loan Program (NCHELP) committees that built three industry-wide models.

TG's annual report, the *State of Student Aid (SOSA) in Texas*, helps institutions communicate with policymakers. Since we all operate public student aid programs, it is essential to communicate effectively with policymakers, letting them know what these programs mean to students. Most legislators are generalists and are responsible for hundreds of programs; they don't have time to devote dozens of hours to becoming an expert on student aid. The SOSA allows them to get quickly up to speed on how the student aid programs impact their constituents.

Also, the *School Fact Sheets* and TG default reports, which can be accessed through the Integrated Default Assistant™, help the various student aid participants — schools, lenders, secondary markets, and servicers — talk to each other in a more informed, fact-based manner.

Shoptalk Online: What is it about the area of research in financial aid that you find interesting?

Jeff: I grew up in a small town where one could live comfortably by working in factories. But those types of jobs have become rare. With the rise in the information society, the key element to social and financial mobility has become a college education. Equal access to higher education is essential to the fabric of our country and central to our core values as a nation. Working at TG puts me on the front lines in the effort to remove financial barriers to college.

Shoptalk Online: How were you involved in helping a legislative workgroup simplify the federal student aid application process?

Jeff: TG's first CEO, Dr. Joe McCormick, was an original member of the federal Advisory Committee on Student Financial Assistance. This committee was established in large part to sift through the complex process of simplifying the application for student aid. I served as Joe's staff person on these issues and helped him — through the Advisory Committee — analyze competing proposals for simplification. With Joe leading the way on many of these issues, the Advisory Committee pushed to:

- Transform the Pell processing contracts into Title IV contracts that implemented a free and common form for all programs — as opposed to one where students had to pay to prove they were poor and where forms would be different from state to state and program to program;
- Have a simple needs test for low-income students, as we have now;
- Ease reapplication for programs, similar to what became the Master Promissory Note;

- Speed and improve the reporting of the need analysis information to students and schools; and
- Eliminate error-prone data fields like home equity.

Shoptalk Online: What has been of most help to you in doing your job?

Jeff: If our services have been helpful to customers, it's been because of our talented research team. Obviously, I can't do this stuff on my own; we have a great crew of dedicated researchers who really care about sharing information to help improve the program. I should also like to thank the many schools, lenders, and servicers who complete our customer satisfaction surveys, since their feedback is so important to our ability to respond to their needs. Taking that time to respond to our questions has been a big help to us.

To learn more about TG's research offerings

Visit *TG Online* at www.tgslc.org/research/index.cfm to find out more about TG's many research products, including *School Facts Sheets*, Legislative Fact Sheets, and various default aversion reporting tools. You can also contact your account executive to find out about TG's research services.

Help your students understand the FFELP with TG's enhanced brochure

The FFEL program is one of the most highly-regulated areas of the federal government. Ask any financial aid administrator how long it takes to explain the FFELP to a freshman college student and they'll tell you straight: How much time do you have? To tutor students on the ins and outs of the FFELP, administrators oftentimes rely on publications like TG's brochure for students: the *Federal Family Education Loan Program: Your guide to borrowing for education*.



In concise, simple language, the brochure spells out the advantages of the FFELP, provides a synopsis of how the program works, and then details the various loan offerings including the subsidized Federal Stafford loan, unsubsidized Federal Stafford loan, and the Federal PLUS loan for parents of dependent students and for graduate/professional students. Of course, one of the best things about the brochure is that students can take it with them and have it as long as they have student loans.

What's new

Information in the brochure has been updated to reflect the latest regulatory changes required by the Higher Education Reconciliation Act of 2005 (HERA). The publication has also been redesigned and its size increased to a standard 8 ½ by 11 inches. The larger size allows for more room to spell out the many details of the FFELP. The brochure is also now available in English and Spanish, increasing the possible audience for its information by a large factor.

A look inside

The publication guides borrowers through many of the financial and procedural questions that make the Stafford and PLUS loan programs so complicated. Here are some highlights from both the Stafford and PLUS sections.

- **Interest rates:** Provides new interest rates effective July 1, 2006 for Stafford and for PLUS loans; defines particular fees that apply.
- **How to pay:** Describes the first step for all federal financial aid purposes: the Free Application for Federal Student Aid, or FAFSA; lists Web address information and phone contacts to begin application process.
- **Loan amounts:** Defines the federally-mandated borrowing limits for both types of loans.
- **Who qualifies:** Specifies who is eligible to borrow Stafford and PLUS loans and under what conditions; includes eligibility requirements for graduate and professional students for PLUS loans.
- **Paying back the loan:** Describes the general terms by which many borrowers pay back Stafford and PLUS loans, including the minimum payment amount, term limits, time by which to begin repayment, and other details.
- **Stafford Loan Maximums chart:** Lists maximum amounts for Stafford loans by year and for aggregate amounts; updated to reflect changes made by the HERA.
- **Remember details:** Provides handy reminder checklist to help students and parents with the financial aid process.
- **Contact info:** Offers a listing of Web addresses, phone numbers, and a short description of the service provided.

To order

To order the brochure — English or Spanish versions — visit the *Online Forms/Publications* ordering page on *TG Online* at www.tgslc.org/forms/index.cfm.

To learn more

You can always direct your student and parent borrowers to other sources of help as well as give them this handy brochure. For questions about the FFELP, you can

rely on TG's customer assistance team at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

Share your opinion about *Shoptalk Online*: Watch for the survey in next week's issue

Over the next several weeks, we'll provide a link to a survey on *Shoptalk Online* so we can get your feedback on the newsletter's content and format. Your responses will be used to make *Shoptalk Online* an even stronger information resource on policy and regulatory matters.

Trends and issues

Question of the week

Q: What items must a school verify if ED selects a student's FAFSA for verification?

A: If ED selects a FAFSA for verification, a school must verify the following items:

- Household size,
- Number enrolled in college,
- Adjusted gross income (AGI),
- U.S. income tax paid, and
- Certain untaxed income and benefits.

A school may choose to verify additional items as long as this process is applied consistently and outlined in institutional policy. More information about required verification items can be found in the 2006 - 07 *Federal Student Aid Handbook*, specifically the *Application and Verification Guide*, page 76.

In addition, if a school has reason to believe any of the above items on a FAFSA are incorrect or represent conflicting information, the school must verify those items even if ED did not select the FAFSA for verification.

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.

This, that, and the other

More and more in the coming decade, the “new” student on community college campuses will have an average age of 55 or older. As baby-boomers near retirement, a significant percentage of them are seeking second careers and going back to school — generally to community colleges — to get training in their new professions. The nation’s 1,200 or so community colleges are taking notice, adding classes to prepare these retirees or tailoring current coursework to the needs of such students. However, many community colleges are just now recognizing the change in their student populations, which means they have some catching up to do.

To learn more about the “second act” of baby-boomers, read this *New York Times* article at

www.nytimes.com/2006/10/24/business/retirement/24educ.html?_r=1&ref=education&oref=slogin.



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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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