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

For many students, getting an undergraduate degree is not the end but a mid-point in their education. TG's *Adventures In Education* offers help in preparing for various graduate and professional exams. If your students have questions about the GRE, GMAT, LSAT, or MCAT, direct them online to [www.aie.org/College/Planning/tests.cfm](http://www.aie.org/College/Planning/tests.cfm).

## Take the *Shoptalk Online* survey

TG wants to gather the opinions and feedback of *Shoptalk Online*'s readers. TG produces its newsletter to meet the informational needs of our customers. We work to keep you informed about legislative and regulatory changes, trends in the student aid industry, and developments at TG. To ensure that the newsletter continues to serve its audience, we ask you to take our online survey. Your responses will be used to make *Shoptalk Online* an even stronger resource for all of your industry information needs. Participants will be eligible for a prize drawing; all responses will be kept confidential.

Please complete the survey at [www.tgslc.org/snap/shoptalkonline2006.htm](http://www.tgslc.org/snap/shoptalkonline2006.htm).

## Federal updates

### 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 November 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
00512725	<b>Brown Mackie College – Ft. Worth</b> 301 NE Loop 820, #100 Hurst, TX 76053	N/A	9/29/2006
00270709	<b>Columbia University in the City of New York - Library Science</b> 210 Kent Hall New York, NY 10027	N/A	7/1/2000
03341300	<b>Southwestern Professional Institute</b> 3033 Chimney Rock Road, #200 Houston, TX 77056-6239	N/A	10/5/2006

## TG updates

### Product spotlight: TG's brochure on *Consolidating your student loan debt*

Once they graduate, most students undergo a similar set of experiences: the cap and gown ceremony, celebrations with family, the first job hunt, perhaps even a move to a different town. Add to this list a recent but growing trend: phone calls, flyers, letters, and e-mails from prospective lenders urging the former student to consolidate his or her student loans.

Pitches to consolidate student loans can be confusing, even intimidating, to new graduates, partly because the topic itself is so complicated. In these situations, borrowers need information on how to proceed, and TG's newly updated *Consolidating your student loan debt* brochure provides just



that.

Formatted as a convenient mini-booklet that fits in a standard business-size envelope, the brochure offers a comprehensive overview of federal Consolidation loans, focusing particular attention on factors to consider when deciding between lower payments or faster pay off. The brochure also covers a variety of other issues that affect Consolidation loans including interest rates, timing, and lender choice. Provide the brochure to your borrowers if they need a portable primer on the topic, or include it in collateral you mail to new graduates.

### **What's inside**

The brochure guides borrowers through the issue of consolidation, explaining how it works and outlining various borrower options. Here are some highlights:

- **An overview of the Federal Consolidation Loan Program:** Explains what consolidation is, the types of loans that may be consolidated, and when borrowers can consolidate; this section also provides information on interest rates and lender selection.
- **Lower payments, larger payout — is it worth it?** Describes the benefits and drawbacks of various consolidation repayment plans and includes charts illustrating the extra interest paid for extended repayment periods.
- **FAQs:** Answers questions on timing, deferments, repayment, and potential issues with underlying loans.

### **To order the brochure**

You can order the *Consolidating your student loan debt* brochure by visiting *TG Online* at [www.tgslc.org/forms/index.cfm](http://www.tgslc.org/forms/index.cfm). Note that this brochure replaces any previous TG brochures on Consolidation loans. If you stock a previous brochure, be sure to order its replacement.

### **To find out more**

If you have questions about information available in this brochure, please call TG customer assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## **Skill-builders: Turn your staff into self-taught learners through mentoring**

Mentoring is something many people do without giving it a name. A colleague asks for advice about a project or wants feedback on the way he or she handled a situation with a student-customer. You've been a lead on other projects like this for some time, or you've worked years in financial aid and have a unique understanding of students and their needs. You offer your colleague advice in the spirit it was sought: with candor, respecting the other's vulnerability, and even offering encouragement; after all, you've been in situations like this yourself.

In essence, you've just acted as a mentor — someone who offers his or her knowledge or otherwise acts as a role model in order to help others grow. Many businesses are turning the act of mentoring into a formalized, structured relationship between coworkers, especially when someone is hired or promoted to a new position. The one-on-one interaction of mentoring offers an ideal way to transfer knowledge and to carefully guide someone into independent, self-taught learning on the job.

Mentoring in the financial aid office could be very useful: Financial aid is a complex area demanding careful attention to detail. Financial aid staffs often consist of a mix of workers with varying levels of knowledge — Work-Study positions, part-time students, and seasoned professionals in the field. Pairing up new workers with more knowledgeable staff is a great way to train staff and to ensure the new person has a more personal connection to the life of the office.

### **An instant guide to mentoring**

Mentoring isn't a complex process, however doing it well requires sensitivity to the personal and professional needs of the mentored, a strong desire to help, and the ability to articulate knowledge. It also contains an element of inspiration, a hard-to-define quality which is equal parts optimism and confidence.

To implement a more formal mentoring program in your financial aid office, you'll want to talk with colleagues and your staff. However, the process of mentoring itself follows a set of general steps, outlined below. Remember however that strong mentor relationships take time and care to develop.

- **Create trust:** As much as possible, make the situation safe for the mentored person to open up and share their experiences and feelings. In that way, you'll learn more about their particular goals and be able to fit together the individual's needs and the job requirements. Disclose something of your own feelings about work or a given issue. Don't be patronizing; recognize that we all have strengths and weaknesses and that you were in this person's position at one time.
- **Ask the right questions:** Be aware of the person's skill levels and ask questions that help them articulate what they know. Also, provide them a listening post for their own perspective. The goal is to help them open up and be receptive to feedback.
- **Be candid but respect limits:** We're all apprentices in some sense who could use guidance now and then. When you provide feedback, do it respecting the vulnerability of the other. By the same token, trust them enough to be honest. They'll sense the trust and want to reciprocate with more openness. This will go some way to building a stronger connection.
- **Walk the talk:** The surest way someone will see through your words is if you don't practice what you offer as advice. If you contradict yourself, you'll become

an argument for ignoring what you recommend. You could also sow cynicism in the process. Be sure to practice what you preach.

- **Offer a testing ground:** As much as you can, set tasks so the person can test out their knowledge without fear of punishment or repercussions. Practice makes perfect and the more practice the better the performance.
- **Help staff transition to self-directed learning:** Once the mentored person achieves a level of independence through practice and acquired knowledge, help him or her “graduate.” Acknowledge the achievement and allow the individual to step out from your care. At this stage, it’s important to remind the person you’ve mentored that you too are still learning. To keep improving means staying aware of change, acquiring new information, and adapting it to work.

### To learn more

You can find a wealth of literature on the topic. Here a few suggested titles to consider:

- *Managers as Mentors: Building Partnerships for Learning* by Robert Bacal
- *The Art of Mentoring: Lead, Follow and Get Out of the Way* by Shirley Peddy, Ph.D.

TG also offers training that addresses issues related to mentoring, including *Teamwork: What’s Your Style?* and *Motivation: Is There A Recipe?* Find out more about these opportunities, which are provided through the TG Speakers Bureau, by visiting *TG Online* at [www.tgslc.org/speakers/index.cfm](http://www.tgslc.org/speakers/index.cfm).

## Reporting Back: 1999

Continuing a series of articles on TG’s quarter century in financial aid, *Shoptalk Online* looks back at the year 1999. In that year, TG saw the 20th anniversary of its creation: Texas governor William Clements signed into law the legislation — H.B. 38 — that mandated TG’s existence on June 13, 1979. TG commemorated the occasion with a series of events that culminated in a formal ceremony on the steps of the state capitol in Austin. The *TG Annual Report* for that year chronicled the celebration as well as other events for TG’s 20th anniversary. The report reviewed the company’s accomplishments and restated TG’s commitment to a set of core values, including outstanding customer service. Excerpts from the report provide a sense of the excitement of that year:



“Challenge. Choice. Change. These three words accurately describe the 20-year journey Texas Guaranteed Student Loan Corporation (TG) has experienced since its creation on June 13, 1979.

“Over the past two decades, TG has charted its progress from existing in name only to guaranteeing more than 4.6 million loans to the sum of \$14 billion by the end of Fiscal Year (FY) 1999. These guarantees helped nearly two million students receive the funds needed to pursue their education beyond high school.

“When the Texas Legislature created TG to be the official Federal Family Education Loan Program (FFELP) administrator for the State of Texas in 1979, no one knew for sure how things would turn out. Such a program was unprecedented in Texas’ history.

“As with building any major program from the ground up, it was soon discovered that becoming a leader in the financial aid industry would be determined, in part, by how we handled challenges; and we had our share. After an onslaught of defaulted loans during the recession period in Texas, we fought our way back from a financial crisis to a solid financial status. As the fifth-largest guarantor in the country in a field of 36 guarantors, we, with the help of our school and lender partners, successfully reduced a high default rate of 30.8 percent to the current 1997 published rate of 11.7 percent.

“FY 1999 was definitely a year of change. Actions we took during the year were designed to change and enhance the way we do business. We responded promptly to changes in laws and regulations brought by the 1998 Reauthorization of the Higher Education Act. We developed a program to assist Texas schools in lowering their default rates. We expanded our operation to guarantee loans throughout the country. And as part of our 20th Anniversary celebration, TG team members created the Rising Star Scholarship program. Team members participated in activities to raise money that eventually led to nine Texas schools receiving \$1,000 each to award to students who’s Expected Family Contribution was zero.

“As we embark on a new year, we pledge not only to keep pace with the future, we promise to shape and make the future. We will continue to use the foundation of customer service, the strength of partnerships, and the innovation of technology to improve the financial aid program for families and students.”

## Trends and issues

### Question of the week

**Q.:** Can you provide some reasons that a school might be selected for a program review?

**A.:** There are many factors taken into consideration when selecting a school for a program review. The following list provides some examples:

- A cohort default rate exceeding 20 percent for either of the two most recent years for which rates have been calculated
- Loan volume trends (e.g., substantial increase over the past year)

- Evidence of regulatory violations, such as:
  - Late or unpaid returns of unearned Title IV funds
  - Issues identified by other regulators; improper loan check procedures
  - Improper loan check processing procedures
- Evidence of potential fraud or abuse in FFELP participation
- Title IV funding issues; complaints from students, borrowers, lenders, or servicers
- Evidence that the school has failed to adequately address deficiencies identified in prior program reviews
- Weaknesses identified during the process by which schools first obtain FFELP eligibility

### **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).

### **Search *Shoptalk Online* for previous issues, specific topics**

If you're doing research on topics in financial aid, you'll find a useful research tool in archived issues of *Shoptalk Online*. Week by week, *Shoptalk Online* offers timely information about regulatory changes; it also tracks developments in the student aid industry. You can access articles on these topics from one location or view complete issues of the e-newsletter as you need.

### **In the *Shoptalk Online* vaults**

The electronic vaults for *Shoptalk Online* hold issues going back more than eight years, to July 1998. You can access all editions from this period by going to *Shoptalk Online's* main page at [www.tgslc.org/shoptalk/index.cfm](http://www.tgslc.org/shoptalk/index.cfm). Select the number of an issue and the contents page for that number appears in your browser.

### **Searching the archives**

The *Shoptalk Online* main page also offers a search feature. To use it, simply type a word or phrase in the text box at the top of the page and choose "Search" or press "Enter."

To narrow your search, you can designate the years within which you would like to search. Since most topics covered in *Shoptalk Online* are time-sensitive, the years

2005, 2004, and 2003 are automatically selected. If you prefer an earlier year, simply select its check box and de-select or "turn off" others.

Once you select "Search," you'll see a results page, which lists articles in reverse chronological order; that way, you have the most recent information first. Each item in the list begins with a link to the corresponding *Shoptalk Online* issue. The link is followed by a couple of lines of text from the article to help you gauge whether you've found what you need.

### **Questions and comments**

For questions and comments about the search feature, send an e-mail message to [webmaster@tgsdc.org](mailto:webmaster@tgsdc.org).

## **Legislative update**

The November 8 issue of TG's *Legislative Report* looks at implications of the November 7 elections, which gave Democrats a majority in the House and an effective lead in the Senate. The change may have particular consequences for parts of the Higher Education Act that remain to be reauthorized. The shift in power may also affect changes, which the Higher Education Reconciliation Act made to the federal student loan programs. To find out more, read the full report on *TG Online* at [www.tgsdc.org/lege\\_report/index.cfm](http://www.tgsdc.org/lege_report/index.cfm).

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

The number of students taking coursework online continues to rise, according to the Sloan Consortium, a group of colleges that offer online programs and monitor the trend. A *CNN.com* article on the report notes that one in six students take classes online and that more than 800,000 students took online courses last fall, a rise of 40 percent over the previous year. The increase is partly fueled by the change in traditional coursework, which often includes an online component of homework, testing, or even chat room. But also the chief academic officers at many institutions now look more favorably at online classes, seeing them as a viable alternative to traditional coursework.

To find out more about the trend, read the complete article at [www.cnn.com/2006/EDUCATION/11/09/colleges.online.ap/index.html](http://www.cnn.com/2006/EDUCATION/11/09/colleges.online.ap/index.html).



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