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Tip^{of}the Week

Need to stock up on MPN application forms for Stafford and PLUS loans? Looking for the federal addenda that describes changes made to Federal Stafford, PLUS, and Consolidation loans by the Higher Education Reconciliation Act of 2005 (HERA)? You can find what you need on *TG Online* at www.tgslc.org/forms/index.cfm.

Federal updates

Details about Neg Reg released

In *Shoptalk Online* Edition 369, TG announced that ED had recently published a Federal Register notice stating that it would be conducting negotiated rulemaking (a.k.a. Neg Reg) beginning this December. ED subsequently held four regional hearings — at one of which TG provided testimony — to gather public input regarding federal regulatory issues, which would be considered for inclusion in negotiated rulemaking.

ED has now chosen the members of the community who will participate on the Student Loan Issues team of Neg Reg and has set the actual date for the first Neg Reg session.

Teams

Neg Reg agenda topics are assigned to various "teams." For this particular Neg Reg, the Federal Register described four possible teams:

- The first team will focus on issues related to the ACG and National SMART Grant programs.
- The second team will address issues related to the federal student loan programs.
- The third team will address other programmatic, institutional eligibility and general provisions issues.
- The fourth team will address accreditation issues.

The Student Loan Issues team will include a federal negotiator (ED's Dan Madzellan) and 14 non-federal negotiators representing various constituencies. The constituencies include:

- Students
- Legal assistance organizations
- Institutions of higher education (including public two-year, public four-year, private four-year, proprietary, and HBCU schools) representing FFELP, Direct, and Perkins loan schools
- Guaranty agencies
- Lenders
- Secondary markets
- Loan servicers
- Guaranty agency servicers

For a complete list of the negotiators, visit the ED link provided under **More information** below.

Although TG will not be serving as a negotiator in this Neg Reg, TG will attend the sessions and provide active support to the negotiators representing the FFELP.

Agenda

The proposed issues on the 2006-07 Neg Reg agenda for the Student Loan Issues team are as follows:

- School Issues:
 - Entrance Counseling for Grad/Prof PLUS Loan Borrowers

- Lender and Guaranty Agency Issues:
 - Identity Theft
 - Use of Preferred Lenders
 - Prohibited Inducements
- Title IV Loan Issues:
 - Economic Hardship, including the Income-Contingent Repayment Formula and Family Size, and Other Actions Appropriate under the Higher Education Act
 - Retention of Disbursement Records Supporting Master Promissory Notes (MPNs)
 - Certification of E-Signatures on MPNs Assigned to ED
 - Use of True and Exact Copy of Death Certificates for Death Discharge
 - Retroactive Discharge for Permanently and Totally Disabled Borrowers
 - Lender NSLDS Reporting Timeframes
- Perkins Loan Issues:
 - Assignment of Defaulted Loans
 - Eligibility Requirements for Child and Family Service Cancellation
 - Definition of "Reasonable and Affordable" Collection Costs
- Technical Corrections

TG is pleased that several of the issues selected for Neg Reg are those that TG featured in its testimony provided at the October 5, 2006 ED regional hearing conducted in Chicago at Loyola University.

First session

ED has set December 12 as the date that the first Neg Reg session will begin — there will likely be three sessions total. *Shoptalk Online* will provide updates after each session to keep you informed about the progress of Neg Reg.

More information

ED has established a 2006-07 Negotiated Rulemaking for Higher Education Web site at www.ed.gov/policy/highered/reg/hearulemaking/2007/nr.html. The site contains the agenda and the list of negotiators.

If you have questions about the Neg Reg process, the issues to be negotiated, or TG's involvement in Neg Reg, contact Nina Hold, assistance vice president of TG's

policy and regulatory affairs at (800) 252-9743, ext. 4548, or send an e-mail message to nina.hold@tgslc.org.

TG updates

TG redesigns its comprehensive Web site on college finance — *TG Online*

Innovation and a need to provide the best experience for users have been the guiding principles behind *TG Online* since its inception in 1995. TG Web site designers review the site on a regular basis to ensure its effectiveness and to plan enhancements that make it an even better resource for schools, lenders, borrowers, and students and their families.

The latest example of their efforts is now on view: TG has launched a redesign of *TG Online* (www.tgslc.org), which updates the site's look and incorporates customer feedback on issues of usability. The revised *TG Online* contains all of the great features of the present Web site but adds more — more tools, more content, and even better navigation.

TG Online serves as an all-purpose Web site for its many users. The site answers college finance questions for students, provides timely regulatory information for schools and lenders, and guides all of its users through the complex arena of the FFELP.

"With more school and lender partners, borrowers, families, and students relying on our site for information, we want to make it as easy as possible for them to find what they need," said Art Martinez, Web content director for TG's site. "By providing better navigational tools and re-organizing key areas of the site, our audience can find information more intuitively than ever."

Focus on enhancement

TG has been a pioneer in serving an online audience since it launched its first Web site in 1995. The latest incarnation of *TG Online* continues and adds to that tradition of customer service. Among other changes, you'll find innovations in these areas:

- **Site reorganization** – popular features such as TG products and training are expanded and quicker to find
- **Timely communication** – up-to-date news and messages are prominently featured
- **Audience collaboration** – an "e-mail this page" feature, print-from-page capability, and a text-only version make the site easier to share with others

- **Intuitive navigation** – a dynamic menu system and “quick links” streamline page navigation

"Our goal is to make a positive difference in the work lives of financial aid professionals and for students going to school," said Michael Gee, TG's assistant vice president of communications. "With the redesign, TG provides an even stronger informational resource to its many customers, one that helps to clarify financial aid processes and connect users to financial aid information in fast, intuitive ways."

Tell us what you think

Provide TG your thoughts and reactions to the redesigned site. Send an e-mail message to TG's Web site directors at webmaster@tgslc.org. Your comments and thoughts are greatly appreciated.

TG and Council produce *A School's Guide to Servicers and other resources for schools and students*

TG and the Council for the Management of Educational Finance have recently completed work on several resources that help schools and students in the area of student loan default prevention and debt management.

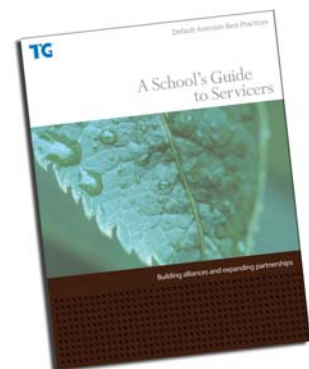
The newly revised edition of *A School's Guide to Servicers* provides schools an overview of the work and responsibilities of servicers. A flyer titled *Get the Facts on Forbearance* offers students highly useful information on forbearance. And the final modules in the Council's training guide series provide help to financial aid professionals on how and what to communicate with borrowers.

"With these new resources we hope to give our schools, lenders, and servicers additional tools they need in order to best help the student," said Terry Bazán, co-chair of the Council and director of student financial assistance at Austin Community College. "Ultimately it is the intent of the Council to educate our student borrowers and help them make informed decisions so that they successfully repay their student loans."

Two publications

The revised *A School's Guide to Servicers* booklet looks closely at the role that servicers play in default aversion activities; it also describes how schools and servicers can build alliances with lenders and guarantors to more effectively assist borrowers with successful loan repayment.

TG and the Council have provided a useful flyer for borrowers as well. The *Get the Facts on Forbearance* leaflet helps students understand repayment and encourages them to learn more. The flyer, which is



designed to fit in a standard business envelope, cautions students about the effects of forbearance. It also helps students distinguish between deferment and forbearance and suggests students research all their repayment options.

TG has added important information about forbearance to its site at www.tgslc.org/borrowers/forbearance/index.cfm. This section includes an online calculator designed to estimate the costs of forbearance. Students can use this tool to calculate accumulated interest, new loan balance, and new payment amount resulting from forbearance. The calculator can prove useful to call center customer service representatives and also financial aid administrators advising students.

Creating Consistency in Educational Finance: A training curriculum

This fall, the Council completed the final modules in its training curriculum, "Creating Consistency in Educational Finance." These guides are designed to train call center staff, including customer service representatives, supervisors, and managers; campus administrators; and lender representatives in the financial aid community.

With these modules, the Council intends to build consistency among the messages that borrowers receive when communicating with schools, lenders/servicers, and guarantors. The material presented in each module will complement other existing training materials. Training modules are also offered in the categories of Customer Service Representatives, Call Center Management, Campus Administrators, and Entrance and Exit Counseling.

"TG shares the concern that students are increasingly borrowing to pay for their postsecondary education, and commends the Council for its efforts to help students navigate the loan repayment process," said Sue McMillin, TG president and CEO. She added, "These resources add to an already impressive array of debt management tools developed by the Council and TG over the past 10 years."

To order

Publications are available to order through *TG Online* at www.tgslc.org/order/index.cfm.

To find out more about the Council

More information about the Council is available at www.tgslc.org/council/index.cfm. For particular questions, contact Maria Luna-Torres, TG's director of educational finance initiatives, at (800) 252-9743, ext. 4632, or send an e-mail message to maria.luna-torres@tgslc.org.

Spotlight on TG's Public Benefit Grant Program: Austin Community College

For FY 2007, TG awarded more than \$3.5 million in competitive grants to 28 institutions and nonprofit organizations. Grant recipients will use this money to help

ensure the academic access and success of college students, especially student populations that have been traditionally underrepresented on college campuses.



In this second in a series of grant profiles, *Shoptalk Online* looks closer at one of the recipients of TG's program: Austin Community College (ACC). As the eighth largest community college in the U.S., ACC boasts an enrollment of over 30,000 students, of which some 7,500 are full-time. ACC serves one of 50 community college districts in Texas, an area encompassing eight counties in Central Texas: Blanco, Bastrop, Caldwell, Hays, Gillespie, Gonzales, Travis, and Williamson.

TG's grant to ACC, which came to over \$155,000, will be used to support ACC's "College Connection" outreach program and various need-based grants offered through the program.

The enrollment connection

ACC has crafted a unique and effective outreach service in its "College Connection" program. Provided at particular high school campuses throughout Central Texas, the program offers students direct access to ACC's admissions application, assessment, academic advising, career planning, student life information, and even campus tours. ACC targets schools with large minority populations and low college-going rates. The goal is to ensure students attend college and then steer a successful academic course through school.

Since its inception, "College Connection" has made college a reality for a growing number of high school students, many of whom may not have considered postsecondary education a viable option. In 2005, college enrollment at participating high schools increased more than 36 percent over the previous year; participants of the program are automatically offered admission to ACC once they graduate.

ACC wants to expand the program to every high school within its service area, including some eight rural independent school districts. TG's grant will help with this development, providing a significant boost to a program that will potentially benefit more than 60,000 students in 2007.

"ACC's 'College Connection' provides a model that other colleges and universities can use in their outreach efforts," said Jacob Fraire, TG's assistant vice president of educational alliances. "By bringing their enrollment services directly to high school campuses, ACC bypasses many of the barriers that have prevented some students from going to college. This direct approach will ensure more college access for minority students and students from poorer areas."

TG's funding will also help provide need-based grants in conjunction with other "College Connection" services. Qualified students who enroll at ACC will receive these need-based grants for their first and second semesters.

TG's award process

To receive funds, all 28 awarded institutions, including Austin Community College, had to submit proposals that addressed the issue of access to postsecondary education. More specifically, awards went to institutions with programs and services that focused on the needs of first-generation college students, students from high schools with low college-going rates, and/or students who are underrepresented in higher education.

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/publicbenefit.

Looking to hone your leadership skills? Apply to TG's Financial Aid Leadership Symposium

TG offers a unique leadership development opportunity for professionals in financial aid. TG hosts its 2007 Financial Aid Leadership Symposium from February 5 - 9 at the TG Campus in Round Rock, Texas. The Symposium looks closely 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 their colleagues and peers in the industry.

How can I attend the 2007 Symposium?

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 is \$1,000 per participant, which includes the full week of classes and materials, as well as hotel accommodations and selected meals.

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.

Reporting Back: 2000

Since January, *Shoptalk Online* has marked TG's 25th year as a guarantor in the FFELP industry by looking back at the company's quarter century of work. No better time capsule of each year's projects and initiatives can be found than in TG's annual reports, a digest of the events and priorities which engaged TG resources during the year. The annual report for 2000 makes note of a number of milestones in various areas, including outreach, industry training, and technology products. All of

these “millennial” efforts highlight ways in which TG continued to grow in terms of excellence of service and innovation of product. To illustrate, here are a few excerpts from that year’s report:



“The theme of this year’s annual report accurately demonstrates what we have become over the past twenty-one years. Like the brightest star in the night sky, our commitment and dedication to Federal Family Education Loan Program (FFELP) participants guides others to Texas Guaranteed (TG), a source for access and opportunity.

“Fiscal year (FY) 2000 was an exceptional year by many measures. We provided 260,603 borrowers with more than 477,464 student loan guarantees totaling \$2.0 billion. Out-of-state volume for FY 2000 totaled \$64.5 million, surpassing FY 1999 volume of \$34.7 million by nearly \$30 million. The most recent report issued by the U.S. Department of Education indicated our default rate has declined from 11.7 percent in 1997 to 9.4 percent in 1998.

“To further fulfill our vision as the premier source of information, financing, and assistance for students and their families, we aggressively undertook several new initiatives during FY 2000. Among them are the following:

- Playing a major role in establishing the Texas Financial Aid Information Center (TFAIC), a one-stop source of financial aid information for all Texans, accessible toll-free;
- Awarding 33 Texas Guaranteed Grants to Texas colleges totaling \$250,000;
- Partnering to create Learnstudentaid.org, a new learning community for financial aid administrators on the World Wide Web;
- Launching *Know Before You Go*, a statewide public library outreach campaign; and
- Working with our business partners to gain approval for our Voluntary Flexible Agreement (VFA) proposal.



“As in years past, TG has continued its work to keep the FFELP community informed through a wealth of informational services. We have consistently produced a variety of publications – *Shoptalk*, *TG Connection*, and *TG NetWorks* – that provide the FFELP community with up-to-date information about TG and the student financial aid industry. Our outreach campaigns, on-site presentations, and media relations efforts have continually informed the public about higher education issues, initiatives, and programs. This year alone, our team members conducted over 100 internal and external industry training sessions on a state and national level.

"Technology is an integral part of how we do business. Having qualified staff to support industry demands is paramount to TG. In FY 2000, our technology experts successfully navigated the Y2K challenge. We released AdvanTG™ 2.2, a single integrated product that allows schools and lenders to manage their student loan portfolios from application tracking to loan maintenance. During the year, we also developed an online, integrated version of the *Common Manual*, a standard reference guide to industry policies, definitions, and procedures. This new tool enhances research capabilities, providing the most current information to our business partners.

"So, where do we go from here? Onward and upward, of course!"

Trends and issues

Question of the week

Q: If a dependent student is selected for verification and the student's parent has filed for an extension on his or her annual tax return, and, due to circumstances beyond the parent's control, the parent will be unable to provide the documentation for an unknown period of time, is there any exception that can be made to waive the verification requirement?

A: The verification requirement cannot be waived, but you can perform an initial verification using the IRS extension form 4868 plus the W-2s, thus providing an estimation of the adjusted gross income on the FAFSA. Once the tax return is filed, the student must submit a copy to the school; at that time, re-verification of the data is required. A student who fails to submit a copy of the filed tax return or alternative documents before the documentation deadline is ineligible for Federal Student Aid (FSA) funds and is required to repay any aid disbursed.

Guidance on verification can be found in the 2006-07 *Federal Student Aid Handbook, Application and Verification Guide*, pages 82-83.

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.

Legislative update

The November 15 issue of TG's *Legislative Report* considers the agenda for upcoming sessions of both Houses of Congress. Given the shift in power from Republican to Democrat in the House of Representatives, priorities have changed: representatives will very likely take up and consider funding increases for student

financial aid; increase Pell grant award amounts; and look more closely at last year's reauthorization of the Higher Education Act, which came with the Higher Education Reconciliation Act of 2005. You'll find out more about the possible legislative agendas of both houses by reading the full report at www.tgslc.org/lege_report/index.cfm.

This, that, and the other

Grades are becoming a more problematic criteria for colleges to use in admitting students as more high school students graduate with high GPAs. According to a federal study, the average GPA increased from 2.68 to 2.94 over the last decade. Elite colleges are reporting large numbers of applicants with 4.0 GPAs. The trend is making it difficult for qualified students to distinguish themselves from the growing number of extremely bright students. However, questions about grade standards and the measuring systems high schools use to compute GPAs have led some to call the trend "grade inflation."

To learn more about the growing debate, read the complete *CNN.com* article at www.cnn.com/2006/EDUCATION/11/21/admissions.game.ap/index.html.



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