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Tip^{of} the Week

Dear Colleague Letters, the *Federal Student Aid Handbook*, the *Integrated Common Manual*, and the Higher Education Act — they're all collected in one page on *TG Online*:
www.tgslc.org/policy/index.cfm.

TG updates

Redesigned *TG Online* provides updated site navigation

Last week, TG launched a redesign of its corporate Web site, *TG Online*. The redesign updated the site's look and incorporated customer feedback on issues of usability. The revised *TG Online* contains all of the great features of the previous version of the Web site but adds more tools, expands content, and makes navigation even more intuitive.

TG redesigned the site with a focus on customer service — improvements to the site allow visitors to find what they need in a faster, more intuitive manner. Some of the improvements include:

- A new menu system
- “Quick links”

- Reorganized audience-specific landing pages

New menu system

The new *TG Online* menu system allows visitors to browse the site more quickly and more efficiently. As before, the main navigation bar is comprised of links to audience-specific landing pages — for Schools, Lenders, Borrowers, Families and Students, and the TG Community. Now, the main navigation bar dynamically displays drop-down subsections as a mouse rolls over the navigation bar. These subsections are clickable links to various audience-specific resources on the site, and provide visitors with an easier way to get what they need.

Quick links

The redesigned home page of *TG Online* now supports a handy list of helpful “quick links.” This list of hyperlinks is clearly and logically labeled and allows for speedier access to some of the most popular and timely areas on the site.

Reorganized landing pages

The new site now has reorganized landing pages to help financial aid partners, borrowers, and students and families find online resources specific to their needs. From these landing pages, visitors can link to relevant student financial aid information, get answers to their questions, and learn more from the online resources available on *TG Online*.

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 content director at webmaster@tgslc.org. Your comments are greatly appreciated.

More information

To experience the redesigned *TG Online* site for yourself, visit www.tgslc.org. If you have questions about *TG Online*, send an e-mail message to Art Martinez, *TG Online* Website content director, at art.martinez@tgslc.org.

Customer care profile: Tallahassee Community College

Default prevention is one of the more difficult issues for schools to tackle: multiple institutions — including lenders, guarantors, servicers, and students — can affect the outcome; monitoring and reporting default data can be complicated; and making the topic a more prominent issue with students, who are often taking on debt for the first time, takes careful planning.

TG understands the complexity of any default prevention effort. We provide a comprehensive set of default prevention services that give control to schools. We offer training for financial aid staff; a call center dedicated to answering questions and contacting borrowers; automated reports on cohort default rates; and an educational initiative that stresses the awareness and responsibility of students.

Schools find the package, and the expertise that comes attached, an excellent deal, especially given the cost — it's free.

Tallahassee Community College of Tallahassee, Florida is one of the latest schools to partner with TG in default prevention. The school's success with the program serves as an example of how other colleges might use TG's resources to manage their own cohort default rates.

Partnering for success

Since 1966, Tallahassee Community College (TCC) has offered high-quality, postsecondary education for Floridians of Leon, Gadsden, and Wakulla counties, along with students from throughout the U.S. and abroad. TCC relies on a variety of instructional methods to ensure student success, including Web-based classes.

In March 2005, Tallahassee brought TG in to help with default prevention. According to Bill Spiers, the college's director of financial aid, "Prior to our relationship with TG, our rising cohort default rate was one of our key challenges. We were looking for a guarantor partner that had a comprehensive focus on default aversion. We were impressed with TG's successes in the arena — and I'm happy to say we've made an excellent choice in a key partner."

Among other things, TG brought together TCC's lenders, servicers, and other industry partners work to more as a cohesive team in managing the school's default rate.

"TG has a global perspective on the issue," said Bill. "They brought everybody to the table and helped coordinate the efforts of all involved. We're starting to make excellent strides in reducing our default rate as a result."

The school has taken advantage of TG's readymade training on financial literacy and printed collateral educating students on default issues. Combined, these services have helped as TCC reverses its default trend; these tools have also so impressed the college that the school is contemplating other TG offerings.

"We've only fairly recently started our partnership," said Bill, "but we're already looking forward to exploring other services TG provides for our team as well as our students and their families."

To learn more

To learn more about TG's default prevention tools and services, contact your school account executive at (800) 252-9743, or send an e-mail message to relationship.management@tgslc.org. You can also contact TG's default prevention team directly at (800) 338-4752, or send e-mail message to prevent.default@tgslc.org.

Skillbuilders: Shaping your staff into a strong team

Strong teamwork is a necessity in financial aid. Deadlines can be short, demand in the form of student questions high, and staff to handle work at a premium. To make the most of their resources, financial aid offices need to train their teams to work as a unit.

Ideally, a strong financial aid office creates its own energy — a spirit of mutual support based on respect and a desire to help. To foster that energy and to set a high standard of performance for your financial aid team, you'll need to set a clear path for each member of your staff and for the group as a whole.

Path to an even better team

Shaping your team to work as a unit takes time, not to mention a careful plan. Given the varied skillsets of your staff, you may need more or less time to reach a level of highly effective teamwork. Keep this in mind as you and your staff work through each of the areas listed below.

- **Evaluate and train:** If you have a formal evaluation tool for testing the regulatory knowledge of your staff, compare scores across the team and consider training to address weaknesses. Mentoring by team members who have a high degree of regulatory knowledge may be a good idea. Also, you may want to look closer at personality tests that help you gauge the personal style of each team member.
- **Assign roles and responsibilities:** Though financial aid offices often stress cross-training, it's good to consider assigning oversight roles to more experienced staff members and apprentice roles to those new to the profession. You may want to rotate jobs — intake versus paperwork.
- **Create an environment of trust and eliminate fear:** Good performance often comes as a matter of wanting to give your best. You can create a workplace that gets the most out of your team by opening up lines of communication and making it a habit to gather feedback on office practice. Make it clear that no negative fall-out will occur because of honest feedback.
- **Handle conflict quickly:** Don't let things simmer between staff members; deal with issues head-on so that conflict does not breed longer-term tensions and potential future aggression. You'll want to ensure an atmosphere of mutual care as much as possible, which means ironing out conflict immediately.
- **Set a common vision:** Make clear what you expect from the team in the short- and long-term, and define a way to achieve those goals whether through training or by working one-on-one with team members. Whether your team buys into your vision is important to achieving your goals.
- **Reward the team:** When you start seeing results in terms of better teamwork — they just completed their first peak season together, for example — it's time to show you value that effort with a reward. This could come in many forms: a

formal in-office celebration, small bonuses, or even certificates — whatever conveys that sense of making goal.

To learn more

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

- *The Team Building Tool Kit: Tips, Tactics, and Rules for Effective Workplace Teams* by Deborah Harrington-Mackin
- *Succeeding As A Self-Managed Team* by Richard Y. Chang and Mark J. Curtin

TG also offers training that addresses issues related to mentoring, including *Teamwork: What's Your Style?*, *Today's Multi-Generational Workforce*, 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.

Trends and issues

Sticky situations: Determining Stafford loan eligibility for transfer students

As a highly-skilled financial aid professional, you know that you've got a handle on almost all of the Title IV rules that you have to put into practice on a day-to-day basis. But you also know that just about every week brings one of those head-scratching, brain-tickling, sticky situations that requires you to sit back and say, "Now, how do I handle this one?" This new series in *Shoptalk Online* will shed some light on some of these conundrums and give you a handy reference the next time these same situations arise.

To begin the series, let's examine the sticky situation of having to determine Stafford loan eligibility for a student who transfers from one school (School A) to another (School B). To determine the student's eligible loan amount, School B needs to know what amount of funds the student received at School A and how that amount affects the student's Stafford loan eligibility at his or her new school.

School B may think that in certifying a new loan for the student, its loan period cannot overlap the loan period that School A certified. This is not the case. Loan periods can overlap — and often do. This can occur at the same school — when more than one Stafford loan is certified for the same loan period — and at different schools — when a student is receiving more than one Stafford loan to attend more than one school concurrently on at least a half-time basis. There is no need for School B to request that School A amend its loan period to eliminate the overlap. The main thing that School B must keep in mind, according to the *Federal Student Aid Handbook (FSA Handbook)*, is whether its and School A's academic years overlap —and, if they do, how to deal with it.

FSA Handbook guidance

The 2006-07 *FSA Handbook* states on page 3-75: “The annual loan limits are based on an academic year. If a student transfers from one school to another school or changes to a different program at the same school, and there is an overlap of academic years, this overlap may affect the amount that the student is eligible to borrow at the new school or for the new program.”

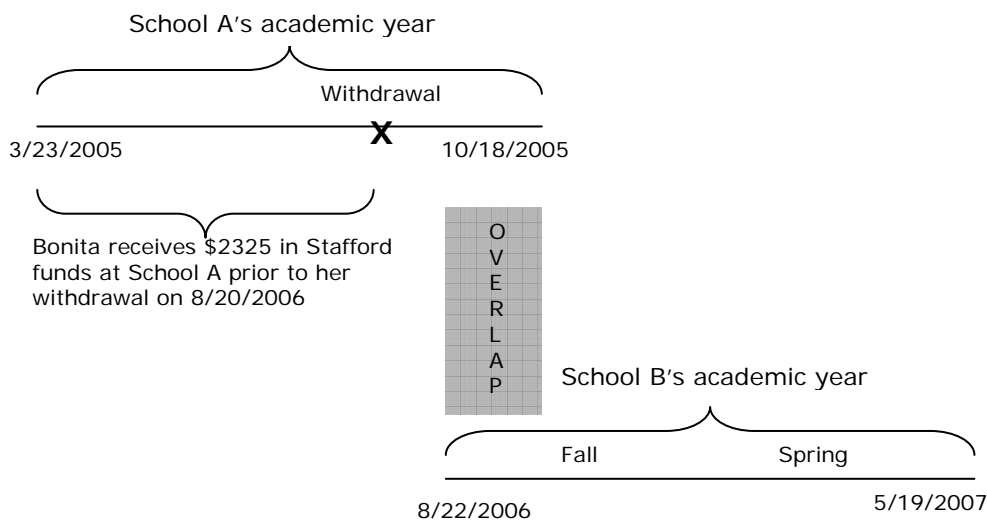
In other words, since a student can receive only one Stafford loan limit per academic year, if the academic year at School A overlaps the academic year at School B, School B has to make sure that the student is not awarded over his or her annual loan limit for either the academic year at School A or the academic year at School B.

The following, derived from an example provided on page 21 of ED’s publication “Annual Loan Limits: Minimum Standards for Federal Family Education Loans in Guaranty Agency Policies, and for Federal Direct Student Loans” — which was issued as an attachment to a March 16, 1994, Dear Guaranty Agency Director letter available at

www.nchelp.org/elibrary/DearPartnerLetters/GADirector/1994/DCL_031694.pdf — illustrates this scenario:

Example

Bonita, a second-year dependent student, attends School A, which certifies a Stafford loan for \$3,500 for the loan period 3/23/2006 to 10/18/2006. Bonita withdraws from School A on 8/20/2006 and transfers to School B; but before she transfers, Bonita receives \$2,325 in Stafford loan funds from School A. Bonita applies for a \$3,500 Stafford loan at School B, for the fall/spring loan period.



School B determines that its academic year begins before School A’s academic year ends (there is an overlap). School B determines that it cannot simply certify a \$3,500 loan for the fall/spring loan period with two disbursements, one scheduled

at the beginning of each term. This is because per federal regulations, a loan's disbursement amounts must be substantially equal (thus, the fall/spring disbursements on a \$3,500 loan would be \$1,750 each). Since Bonita received \$2,325 in Stafford funds before withdrawing from School A, if Bonita receives \$1,750 from School B at the beginning of the fall, she will receive \$4,075 in Stafford loan funds before the end of School A's academic year, which exceeds Bonita's \$3,500 Stafford annual loan limit by \$575.

School B determines that it has a few options:

- 1) It can certify a \$3,500 loan for fall/spring but delay the fall disbursement of \$1,750 until after the end of School A's academic year.
- 2) It can certify two separate loan periods: one for fall only and one for spring only (keeping in mind that for a standard term-based program, the minimum loan period is a term). If School B chooses this option and is eligible to schedule a single disbursement for a single-term loan period, School B can certify only \$1,175 ($\$3,500 - \$2,325$) in Stafford loan funds for Bonita for the fall loan period. For the spring loan period, School B must take into account Bonita's Stafford annual loan limit for its own academic year, and can certify only \$2,325 ($\$3,500 - \$1,175$) for spring. If School B chooses this option and is not exempt from the multiple disbursement requirement, it could certify two separate loan periods of \$1,750 each, with two disbursements per loan period, making sure that the second fall disbursement occurs after the end of school A's academic year.
- 3) It can certify a \$3,500 loan for fall/spring but schedule four disbursements of \$875 (two in the fall, making sure that the second fall disbursement occurs after the end of School A's academic year, and two in the spring).

Under each of these options, Bonita is awarded no more than \$3,500 in Stafford loan funds for either the academic year at School A or the academic year at School B.

The preceding example should clarify what to do in this sticky situation, and in the future, you'll feel confident about how to determine Stafford loan eligibility for a transfer student whose previous school's academic year overlaps with yours.

More information

For more information on academic years and the frequency of Stafford annual loan limits, contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgsdc.org.

Question of the week

Q: Is a student who has a defaulted student loan(s) that was filed within a prior bankruptcy but not discharged, eligible to receive additional federal student aid?

A. No, as with any student with a defaulted student loan, the student is required to resolve the default in order to reestablish Title IV aid eligibility. Note: the student's ineligibility for federal student aid includes ineligibility for a PLUS loan(s) sought by a parent borrower.

The *Common Manual* subsection 5.2.E describes the various means by which a defaulted borrower may resolve a defaulted loan, including making satisfactory repayment arrangements with the lender for the purposes of reestablishing Title IV aid 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.

Common Manual

Common Manual updates

On November 16, 2006, guarantor representatives who serve on the *Common Manual* Governing Board approved several changes to the *Common Manual*. Details on these changes and a newly updated *Integrated Common Manual* incorporating the changes are available online at www.tgslc.org/resources/integrated_online_manual.cfm.

Special Common Bulletin Distribution – Approved Policies #850 and 851, Batch 127

Figure 13-1, the chart entitled "Information to Be Provided on the Claim Form," in the October 2006 *Common Manual* has been corrected to incorporate changes previously approved in policies 850 and 851 of Batch 127.

Policy 851 clarified the description of several required data elements on the Claim Form: endorser's or comaker's SSN; endorser's or comaker's last-known complete address; and endorser's or comaker's home telephone number. Policy 851 also clarified the footnote "3" that is associated with all three of these required data elements, as follows: "Refers to information that the lender must provide on the Claim Form for loans first disbursed on or after September 1, 1998." Due to an error in the October 2006 *Common Manual* publication, this footnote was incorrectly numbered, and was not associated with the correct data elements to which it pertains.

Policy 850 updated Figure 13-1 to align with the revised common Claim Form. A new field was added to the Claim Form to capture the amount of unpaid origination fee and unpaid capitalized interest that are included in the principal balance on the date the claim is filed. Policy 850 added a new footnote "4" to Figure 13-1, denoting that lenders are required to provide unpaid origination fee and unpaid capitalized interest information on the Claim Form for claims filed for loans first disbursed on or after September 1, 2004. Due to an error in the October 2006 *Common Manual* publication, this new footnote was incorrectly labeled "3," and was not associated with the data element to which it pertains.

Each of the errors has been corrected in the *Integrated Common Manual* update to the October 2006 electronic manual. In addition, this special common bulletin is accompanied by an attachment that contains a corrected copy of Figure 13-1. Please distribute the attachment along with this special common bulletin to your participants and manual users within your organizations. Users of a paper manual are strongly encouraged to print the attachment, remove the current Figure 13-1 from their paper version of the October 2006 manual, and replace it with the corrected Figure 13-1 provided in the attachment available at www.tgslc.org/policy/integrated_online_manual.cfm.

Effects of Consolidation Loan on New Stafford Loan Eligibility

The *Common Manual* has been revised to reflect a change in the treatment of the unallocated amount of a Consolidation loan by the National Student Loan Data System (NSLDS). The unallocated amount of a Consolidation loan is no longer included in the aggregate subsidized, unsubsidized, and outstanding principal balances on NSLDS. In addition, the financial aid administrator is no longer required to investigate whether an unallocated amount might impact a student's eligibility for additional Stafford loans, unless the school has information that conflicts with NSLDS data. If the school has conflicting information at the point at which it is certifying the loan, the school must resolve the conflict and must include the result of that resolution in the school's calculations regarding the student's eligible loan amount. The school is not required, at the point of loan delivery, to double-check NSLDS to determine if the financial aid history has changed. If, however, the school obtains conflicting information that may affect the student's eligibility in the interim between the loan certification and the delivery of funds, the school is required to resolve the conflicting information and adjust the loan amount, if necessary.

Affected Sections:	6.11.G Effects of Consolidation Loan on New Stafford Loan Eligibility
Effective Date:	January, 2006.
Basis:	DCL GEN-96-13, Q&A #13 and #14; NSLDS Newsletter Number 11, February 2006.
Policy Information:	908/Batch 135
Guarantor Comments:	None.

Unpaid Refund

The *Common Manual* has been revised to reflect that a borrower is no longer required to submit a separate sworn statement of declarations along with the Loan Discharge Application: Unpaid Refund form because the application includes that sworn statement of declarations.

Affected Section:	13.8.F Unpaid Refund
Effective Date:	Retroactive to the approval of the common Loan Discharge Application: Unpaid Refund.
Basis:	Loan Discharge Application: Unpaid Refund.
Policy Information:	910/Batch 135
Guarantor Comments:	None.

Legislative update

The December 1 issue of TG's *Legislative Report* considers another report issued by the Secretary of Education's Commission on the Future of Higher Education and the Federal Advisory Committee on Student Financial Assistance (ACSFA). This one, titled *Transforming Higher Education — National Imperative — State Responsibility*, concludes that, while the U.S. higher education system is no longer the best in the world, tuition and fees are increasing while federal student financial aid remains stagnant. As a result, more students increasingly rely on student loans, driving up their indebtedness. The report also finds that a lack of student financial aid is a primary barrier to low-income students and families interested in a postsecondary education. Learn more by reading the full report on *TG Online* at www.tgslc.org/lege_report/index.cfm.

This, that, and the other

When Congress created an identity theft loan discharge in the Higher Education Reconciliation Act (HERA) of 2005, it gave a borrower an avenue by which to pursue a discharge of a federal education loan if the borrower is a victim of a crime of identity theft. But what does someone do immediately upon discovering that his or her identity may have been stolen?

The Federal Trade Commission (FTC) has a Web site that provides consumers with advice on what actions to take if they become an identity (ID) theft victim. Located at www.ftc.gov/idtheft, the site also features a "Deter, Detect, Defend" campaign, which provides information on how to prevent ID theft.

Of particular interest is an interactive identity theft "Online Quiz." The quiz lets you pick a fictional character whose identity — in the form of facial features — is stolen. Correct answers to the quiz allow you to "rebuild" the character's identity — one facial feature at a time! To take the quiz, click "Test Your Knowledge about Identity Theft—New OnGuard Online Quiz" in the right-hand column of the page.



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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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