

In this issue:

Federal updates	1
NSLDS Newsletter #14 announces changes due to HERA and new enhancements.....	1
Economic hardship deferment form updated with latest poverty guidelines	2
ED announces the release date for FY 2005 draft cohort default rates	3
Closed school corner	4
TG updates.....	5
TG kicks off Financial Aid Awareness Month with workshops and trainings	5
AIE™ makes sharing awareness information easier with new features	6
Daylight Saving Time change coming.....	7
Trends and issues	8
Question of the week	8
<i>Common Manual</i>	8
<i>Common Manual</i> updates.....	8
This, that, and the other	11

Tip^{of} the Week

If you're looking to promote financial aid awareness, there's no better tool than the campus student newspaper. Consider compiling a listing of relevant dates in the financial aid process and publishing it in a special notice in the paper. You could also advertise financial aid events your office is planning.

Federal updates

NSLDS Newsletter #14 announces changes due to HERA and new enhancements

Last week, ED released NSLDS Newsletter #14, which provides guidance on changes to the National Student Loan Data System (NSLDS) due to provisions enacted by the Higher Education Reconciliation Act of 2005 (HERA). Highlights of the changes include:

- The creation of a new Loan Status Code (FR) for loans obtained by borrowers convicted of fraudulently obtaining a Title IV loan. A new overpayment indicator to report a grant overpayment due to fraud has also been added. Changes to the fraud status of a loan or grant will automatically generate a new ISIR.
- Separate Aggregate Loan Information listings for Grad PLUS and parent PLUS loans. Previously, all PLUS loan types were displayed together under the category of "PLUS/PLUS Graduate Loans."
- Information about the Academic Competitiveness Grant (ACG) and National Science and Mathematics to Retain Talent (SMART) Grant is now reported to NSLDS by the Common Origination and Disbursement (COD) system. Although data on 2006-07 grants now appears on 2007-08 ISIRs, 2006-07 ISIRs will not include any ACG or SMART Grant information.

Newsletter #14 also announces additional changes to Grad PLUS loan, ACG, and SMART grant reporting, updates to the Transfer Student Monitoring and Financial Aid History format and data, as well as increased flexibility in guarantor reporting schedules.

More information

To access NSLDS Newsletter #14, visit the Information for Financial Aid Professionals (IFAP) Web site at <http://ifap.ed.gov/nsldsmaterials/Newsletter14.html>.

Economic hardship deferment form updated with latest poverty guidelines

The Department of Health and Human Services (HHS) has updated the U.S. federal poverty guidelines in the *Federal Register* dated January 24, 2007. The 2007 poverty guidelines figure for a family of two is \$13,690 for the 48 contiguous states and the District of Columbia. In Alaska, the figure is \$17,120, and in Hawaii, the figure is \$15,750.

Economic hardship deferments

The poverty guideline is one qualifier that may be used in determining a borrower's eligibility for an economic hardship deferment. The Economic Hardship Deferment Request form (HRD) and the accompanying worksheets have been revised to reflect the 2007 figures. Schools and lenders should immediately discard all previous versions of the HRD form and disseminate only the updated version. If a lender receives an earlier version of the HRD form, the form may still be processed. However, the lender must use the new poverty guideline figures when determining eligibility on or after January 24, 2007.

The updated English and Spanish versions of the HRD form are available on *TG Online* at: http://www.tgslc.org/forms/frms_def.cfm.

More information and questions

For more information about the updated poverty guidelines, visit the HHS Web site at <http://aspe.hhs.gov/poverty/07poverty.shtml>.

ED announces the release date for FY 2005 draft cohort default rates

FY 2005 draft electronic cohort default rate (eCDR) notification packages will be transmitted to Title IV-eligible schools within the U.S. on February 12, 2007. Delivery, which will take place via the Student Aid Internet Gateway (SAIG), will be received by schools instantly and electronically rather than through courier service hard copy. Foreign schools are not required to participate in the electronic process. Foreign school cohort default rate (CDR) notification packages will be mailed on February 12.

Challenges

If a school identifies any data it believes to be inaccurate, it may challenge its draft CDR and request a verification and correction of errors. Challenges of FFELP data must be submitted to the guarantor responsible for managing that data within a 45-day timeline. The timeline is scheduled to begin on February 21, 2007 and end on April 6, 2007.

ED also provides every school with 30 calendar days to submit a participation rate index change to ED's Default Prevention and Management (DPM) division. Participation rate index challenges are intended to prevent potential adverse consequences anticipated by schools based on high official cohort rates; but these challenges are based on low numbers of student loan borrowers rather than on allegation of inaccurate data.

Foreign schools will be provided with a password notification letter, which will be sent in a separate mailing on February 12, 2007. The timeframe for challenge submissions will commence upon the receipt of the password notification letter; challenge start dates will be provided to foreign schools by DPM.

New initiative—*e-Appeals*

e-Appeals is a project that DPM, in conjunction with various affiliations, is currently working on to automate the processes for incorrect data challenges, uncorrected data, and new data adjustments. The project is currently in the requirement-gathering stage and will eventually begin development and testing. More details will be provided as they become available.

The August 2006 version of the Cohort Default Rate Guide

ED has recently updated its Cohort Default Rate Guide (Guide) with information derived from the HERA. The Guide is Web-based and can only be accessed via the DPM Web site. Additionally, the Cohort Default Rate Guide Quick Reference (Quick Reference) is available as an easy-to-understand resource that provides a high-

level overview of the CDR process. You can access both the August 2006 Guide and Quick Reference at <http://ifap.ed.gov/DefaultManagement/finalcdrg.html>.

Submitting incorrect data challenges to TG

For a school that uses TG as its guarantor, the school may mail a challenge of its draft CDR to one of the following addresses:

For regular mail:

TG
Attn: Compliance Analyst
P.O. Box 83100
Round Rock, TX 78683-3100

For overnight delivery services:

TG Distribution Center
Attn: Compliance Analyst
3500 Wadley Place, #303
Austin, TX 78728-1244

Questions

For questions about the FY 2005 draft CDR challenge procedures, contact Ken Johnson at (800) 252-9743, ext. 4701, or send an e-mail message to ken.johnson@tgslc.org.

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 February 2007 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
03330300	Newbridge College – Burbank 229 East Palm Ave. Burbank, CA 91502-1206	N/A	4/21/2006
03128000	Santa Barbara College of Oriental Medicine 1919 State St., #207 Santa Barbara, CA 93101-2430	N/A	12/11/2006
00482500	Taylor Business Institute 23 West 17th St., 7th Floor New York, NY 10011-5501	N/A	9/29/2006

TG updates

TG kicks off Financial Aid Awareness Month with workshops and trainings

Personal interaction can be the key to helping students and families understand financial aid. Offering that guidance in a variety of forums is one of TG's priorities for Financial Aid Awareness Month. TG's team members will be fanning out across Texas in February, meeting with students and families at high school campuses, community fairs, and workshops. Their goal is to answer questions about financial aid and help students complete one of the most important documents needed to receive aid — the Free Application for Federal Student Aid, or FAFSA.

Financial Aid Saturdays

In Central Texas, TG team members will be connecting with students and families at special events hosted by various area Independent School Districts (ISDs), including Austin, Georgetown, Pflugerville, and Round Rock. Held every Saturday through the end of the month, these events provide an opportunity for one-on-one tutoring on the FAFSA and financial aid. TG trained counselors and volunteers from the business community for these Financial Aid Saturdays. If you'd like to learn more about TG's involvement or the activities planned, contact Nakeenya Haynes at (800) 252-9743, ext. 4784, or send an e-mail message to nakeenya.haynes@tgslc.org

Forums and fairs

TG will manage the financial aid plaza for the Houston Hispanic Forum on February 10 at the George R. Brown Convention Center. Financial aid experts from various universities will help families completing the FAFSA. Students and families will also be able to learn more about and complete the Texas Application for State Financial Aid, or TASFA.

On February 17, TG will be attending the Hispanic Education Fair at the Burger Center in Austin. Team members will provide computers and send volunteers to this event. To learn more, contact Richard Sapp at (800) 252-9743, ext. 2865, or send an e-mail message to richard.sapp@tgslc.org.

Workshops for first-generation students

TG is helping to produce a special set of financial aid workshops focusing on the needs of first-generation students interested in college. Provided in San Antonio, Texas on February 8, and in Alice on February 9, the workshops educate first-generation students on various ways to prepare for and pay for college. For more information, contact Richard Sapp at (800) 252-9743, ext. 2865, or send an e-mail message to richard.sapp@tgslc.org.

And more to come

Throughout February, TG will be supporting or helping to manage numerous other financial aid fairs and workshops geared for prospective college-goers. For details, please contact Richard Sapp at (800) 252-9743, ext. 2865, or send an e-mail message to richard.sapp@tgslc.org.

To order publications and other resources

If you'd like to promote financial aid awareness on your college campus, or provide materials in outreach efforts of your own, consider the variety of collateral TG offers for free, including posters, publications, and even a complete program on DVD — the *FAFSA Made Easy*. To order any of these published materials, visit the *Online Forms/Publications* ordering page on *TG Online* at www.tgslc.org/forms/index.cfm. To order the *FAFSA Made Easy* program, see this week's "This, that, and the other" for details.

AIE™ makes sharing awareness information easier with new features



TG added a versatile set of page controls to *Adventures In Education* (AIE) to make sharing and using its content even easier. AIE is TG's education-awareness Web site, offering information to help students and families prepare and pay for college. The site also serves as a resource for exploring career options.

The new page controls, which are located on the bottom left-hand side of each AIE Web page, enable users to:

- Print a copy or view a text-only version of a page being viewed;
- E-mail, blog, instant message, and bookmark a page; and
- Translate AIE Web pages into Spanish.

How the controls work

Here's a look at some of AIE's new page controls.

- **E-mail a page:** When selected, this option provides a pop-up window in which users can enter a name and Web address, and the Web address of the person to whom the message is being sent. The e-mail will automatically include a link to the AIE page currently open.
- **Blog a page:** A blog (short for "Web log") is a user-generated Web site with journal-style articles presented in reverse chronological order. Blogs are extremely popular with students. When selected, the new AIE blog feature pops open a second window listing the Web address for the currently-open page in AIE. The window also offers a short description for that page. Bloggers (blog

writers) can easily paste the address or URL into their blog and add text from the description provided.

- **IM a page:** Instant messaging — or “IM” — is a way for users to communicate across the Internet via text-only messages. When selected, the IM control provides a listing of four popular IM tools: AIM, or AOL® Instant Messenger; YIM, or Yahoo!® Instant Messenger; WLM, or Windows Live™ Messenger; and the ICQ messenger. Once a user selects one of these options, the chosen IM tool appears, displaying text from the current AIE page in the body of the message.

See for yourself

To use the new page controls, visit AIE at www.AIE.org. If you have questions or need more information about the site, contact JD Hancock, AIE Web site content director, at (800) 252-9743, ext. 4588, or send an e-mail message to jd.hancock@tgsic.org.

About AIE

AIE is a non-profit, public-benefit program developed by TG that helps students plan and complete their journey through higher education. By providing a Web site and other free resources to students, parents, and counselors and educators, AIE encourages individuals to discover and pursue educational opportunities. AIE promotes a better tomorrow by preparing students and families for the adventure today.

Daylight Saving Time change coming

A new law sets a new time period for observing Daylight Saving Time (DST). The Energy Policy Act of 2005 mandates that DST will start on the second Sunday in March and end on the first Sunday in November. In 2007, the start and stop dates will be March 11 and November 4, respectively. These dates are different from previous DST start and stop dates. In 2006, the dates were the first Sunday in April — April 2 — and the last Sunday in October — October 29.

TG wanted to let you know that we have updated all of TG’s operating systems, servers, and Web applications to comply with the new dates. TG also wanted to inform you of this change in case your institution’s operating systems and Web applications needed to be updated.

For more technical information

If you’d like more information to help you with implementing these changes, please visit www.javaworld.com/javaworld/jw-12-2006/jw-1201-dst.html.

Trends and issues

Question of the week

Q.: When a parent completes the PLUS Master Promissory Note (PLUS MPN), one of the authorizations on the form states, "I authorize the school to transfer loan proceeds received by electronic funds transfer (EFT) or master check to my dependent student's account at the school." Does this authorization signify that the school may directly deposit the parent's PLUS loan funds into the dependent student's bank account?

A.: No, this authorization signifies that the parent authorizes the application of any PLUS loan funds the school receives via EFT or master check toward the student's institutional charges, i.e., "the student's account at the school." It does not authorize the release of a credit balance directly to the student's bank account. That authorization has to be obtained separately, per the 2006-07 *Federal Student Aid Handbook*, page 4-24:

"The law requires that any excess PLUS Loan funds be returned to the parent. Therefore, if PLUS Loan funds create a credit balance, the credit balance would have to be given to the parent. However, the parent may authorize your school (in writing) to transfer the proceeds of a PLUS Loan to a student directly or to a bank account in the student's name."

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 January 18, 2007, 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.

FSA Administration Training Requirement

The *Common Manual* has been revised to include information on the Fundamentals of Title IV Administration Training Workshop offered by the Department. A school must send at least two representatives, including both its president or chief executive officer (CEO) and the financial aid administrator (FAA). Also, if a school

changes ownership, structure, or governance, its representatives must attend the training. The training must be completed up to 12 months prior to but no later than 12 months after the school executes its Program Participation Agreement (PPA) or experiences a change in ownership, structure, or governance.

The CEO may designate another school executive-level officer to attend the training in lieu of the CEO. However, the attending FAA must be the person designated by the school to be responsible for administering the Title IV programs at the school. If the school uses a consultant to administer the Title IV programs, the consultant must attend the training as the school's FAA. However, the Department strongly recommends that a financial aid employee from the school attend the training along with the consultant.

The school may request from the Department a waiver of the training requirement for the FAA and/or the CEO. The Department may grant or deny the waiver for the required individual, require another official to take the training, or require alternative training.

Affected Sections:	4.2.B Financial Aid Administrator
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	34 CFR 668.13(a)(2) and (3); 1995-96 <i>Federal Student Financial Aid Handbook</i> , Chapter 3, page 3-168.
Policy Information:	919/Batch 137
Guarantor Comments:	None.

eZ-Audit Requirement

The *Common Manual* has been revised to include the requirement for schools participating in a Title IV program to submit audited financial statements and compliance audits to the Department electronically through eZ-Audit located at <http://ezaudit.ed.gov>. Non-profit and public schools must submit a copy of the A-133 report in writing to the Federal Audit Clearinghouse, in addition to submitting the A-133 to the Department through eZ-Audit.

Affected Section:	4.3. A General School Financial Responsibility Requirements
Effective Date:	Audited financial statements and compliance audits submitted by a school on or after June 16, 2003.
Basis:	2003-04 <i>Federal Student Aid Handbook</i> , Volume 2, Chapter 11, page 2-334; 2006-07 <i>Federal Student Aid Handbook</i> , Volume 2, chapter 12, p. 2-214.

Policy Information: 920/Batch 137

Guarantor Comments: None.

Closed School and the Transfer of Academic Credits or Clock Hours

The *Common Manual* has been revised to include the statement that a borrower who transfers to another school all or a portion of the academic credits or clock hours earned at the closed school is not eligible for closed school loan discharge. Previous policy did not specifically state that the borrower is ineligible for discharge if he or she transfers only a portion of the previously earned academic credits or clock hours.

Affected Section: 13.8.B Closed School

Effective Date: Retroactive to the implementation of the *Common Manual*.

Basis: Preamble to final rules, *Federal Register* dated April 29, 1994, page 22466, discussion point number 20.

Policy Information: 921/Batch 137

Guarantor Comments: None.

Waiver for Rehabilitation of Defaulted Loans

Policy in section H.4, Statutory and Regulatory Waivers, item #20, is revised by updating the rehabilitation agreement requirements to reflect that a borrower must make nine payments received by the holder within 20 days of the due date during 10 consecutive months.

Affected Section: Appendix H.4

Effective Date: Loan rehabilitation waivers granted on or after July 1, 2006. A guarantor has the option of considering a borrower to have met the new rehabilitation standard if at least one of the borrower's payments under the rehabilitation agreement is made on or after July 1, 2006.

Basis: Higher Education Act of 1965, Section 28F(a)(1)(A), as amended by the Higher Education Reconciliation Act (HERA) of 2005; 34 CFR 682.405; Dear Colleague Letter GEN-06-02.

Policy Information: 922/Batch 137

Guarantor Comments: None.

Variable Interest Rate Consolidation Loans

The *Common Manual* has been updated by removing text in section 15.2 pertaining to Consolidation loan interest rates for applications received by the lender between November 13, 1997, and September 30, 1998, inclusive. This information appears in appendix H of the manual for historical purposes.

Affected Section:	15.2 Borrower Eligibility and Underlying Loan Holder Requirements
Effective Date:	Upon approval by the Governing Board
Basis:	None.
Policy Information:	923/Batch 137
Guarantor Comments:	None.

This, that, and the other

Looking for a readymade way to raise financial aid awareness? Try TG's *FAFSA Made Easy* program. The program, which is available in Spanish and English, is a guide to completing both the paper and online FAFSA. Schools can order a DVD of the program to show as part of any event promoting financial aid awareness and FAFSA completion. To help you advertise the *FAFSA Made Easy*, TG will supply an assortment of collateral, including posters, flyers, fact sheets, and student evaluation forms. As a bonus, returned student evaluations received by March 12 will be entered into a random drawing for scholarships and a grand prize. Complete the registration form at www.aie.org/FAFSAMadeEasy/index.cfm to receive these materials along with the DVD. For more information about the *FAFSA Made Easy* program, or other TG outreach services, please contact Richard Sapp at (800) 252-9743, ext. 2865, or send an e-mail message to richard.sapp@tgslc.org.



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Shoptalk Online is published by TG. Unless specifically noted, the policies and procedures outlined in *Shoptalk Online* apply only to loans made under the TG guarantee and not to loans underwritten by other guarantors.

To ask questions about *Shoptalk Online*, please contact Communications at (800) 252-9743, ext. 4732 or communications@tgslc.org.

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