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Tip^{of} the Week

Are you looking for up-to-the-minute information about TG's electronic products and services? Do you have ideas you'd like to share?

Why not become active in the TG Users Group (TUG)?

Learn more and sign up at www.tgslc.org/tug/.

Federal updates

Delayed provisions on the HERAZon

Many changes brought about by the Higher Education Reconciliation Act of 2005 (HERA) are old news by now, but as you review your processes and programming for the upcoming academic year, please be aware of several HERA provisions with delayed implementation dates.

Stafford annual loan limits

Effective July 1, 2007, certain students will benefit from an increase in their annual Stafford loan eligibility:

- For first-year undergraduates, the base limit will increase from \$2,625 to \$3,500.
- For second-year undergraduates, the base limit will increase from \$3,500 to \$4,500.

- For graduate and professional students, the additional unsubsidized limit will increase from \$10,000 to \$12,000.
- For students enrolled in coursework required to enter a graduate or professional program and students enrolled in a post-baccalaureate teacher certification program, the additional unsubsidized limit will increase from \$5,000 to \$7,000.
- The increases apply to a Stafford loan first disbursed on or after July 1, 2007; however, the loan may be certified prior to July 1, 2007, provided the loan period begins on July 1, 2007, or, in the case of a crossover period, includes July 1, 2007. The first disbursement of the loan must occur on or after July 1, 2007.
- The loan period end date can be no earlier than July 1, 2007. No late disbursements can be made using the increased Stafford annual loan limits for a loan period that ends prior to July 1, 2007.
- The HERA did not increase the aggregate loan limits in the Stafford Loan Program.

TG system implementation

Effective February 17, 2007, TG implemented modifications to its mainframe and Real Time Access™ (RTA) systems to accommodate the new Stafford annual loan limits.

Now all TG systems have the capability to handle the transmission and guarantee of loans using the HERA Stafford annual loan limits. Note that unless the school certifies and the borrower requests the new Stafford annual loan limits, TG will not automatically apply these new limits to Stafford loans. As is current practice, TG will guarantee the lowest of the school-certified, borrower-requested, and lender-approved amounts.

During TG implementation of the new Stafford annual loan limits, all loan origination systems were also modified to accept change transactions related to these HERA Stafford annual loan limit provisions, in both CommonLine and Common Account Maintenance (CAM) formats. Therefore, TG customers will be able to transmit electronic change transactions to adjust the loan amounts, disbursement dates, and loan periods for borrowers eligible to receive the new Stafford loan amounts.

On or after February 17, 2007, TG customers may submit loan increases to existing loans guaranteed at the current Stafford annual loan limits. Loan increases are only applicable to loans certified with a scheduled first disbursement date and loan period end date of on or after July 1, 2007. Again, no late disbursements can be made using the new Stafford annual loan limits for a loan period that ends prior to July 1, 2007.

TG encourages schools and lenders to submit loan changes electronically because change transactions transmitted via CommonLine or CAM ensure that the

appropriate electronic responses are provided to all parties. If you need assistance, please contact TG loan guarantee operations at (800) 446-5616, or send an e-mail message to lgo.helps@tgslc.org.

Please note that although the TG Loans By Web™ product is able to facilitate guarantees with the increased Stafford annual loan limits as of February 17, 2007, TG Loans By Web will continue to display current (i.e., pre-HERA) Stafford annual loan limit information until AdvanTG Web™ enhancements being implemented with Versatile Routing are moved to production. The implementation of those enhancements is scheduled before the end of March 2007.

Stafford loan origination fee

For Stafford loans with a first disbursement on or after July 1, 2007, the origination fee will decrease from 2.0% to 1.5%. The PLUS loan origination fee was unchanged by HERA and remains at 3.0%. Loans certified with scheduled first disbursement dates on or after July 1, 2007, are TG guaranteed with a 1.5% origination fee. Schools are reminded to schedule first disbursements carefully to ensure that disbursements are made on or after July 1, 2007, for borrowers to benefit from the reduction to the origination fee and interest rates effective July 1, 2007.

Expected family contribution (EFC)

The following modifications to the EFC calculation will be effective beginning July 1, 2007:

- Income protection allowance
 - For dependent students: increases from \$2,200 to \$3,000.
 - For independent students without dependents other than a spouse (single or spouse also enrolled): increases from \$5,000 to \$6,050.
 - For independent students with spouse not enrolled: increases from \$8,000 to \$9,700.
- Contribution from assets
 - For dependent students: decreases from 35% to 20%.
 - For independent students without dependents other than a spouse: decreases from 35% to 20%.
 - For independent students with dependents other than a spouse: decreases from 12% to 7%.

More information

For more information on these delayed HERA provisions, contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Pell grant maximum increases for first time in four years

On February 15, 2007, President Bush signed House Joint Resolution 20 into law (Public Law 110-5), setting the spending levels for multiple federal programs for FY 2007, a fiscal year that is already more than one-third completed. One of the most notable items included in the spending package is a \$260 increase in the maximum Pell grant, from \$4,050 to \$4,310. This is the first increase in the maximum Pell grant in four years. The last increase was in FY 2003, in which the maximum Pell was raised from \$4,000 to the current \$4,050.

The House had already passed the resolution in January. However, according to the *Chronicle of Higher Education*, "Republican leaders of the Senate failed last year to complete nine of the 11 spending bills to finance the federal government in the 2007 fiscal year, which ends September 30. After Democrats won control of Congress in November, Democratic leaders proposed the single spending bill approved on Wednesday [February 14], which provides flat financing or cuts for many federal programs and increases for a select few, including several benefiting academe."

The president signed the bill the next day.

More information

To access the text of the resolution, go to Thomas, the Library of Congress' online legislative information service, at <http://thomas.loc.gov>, enter "HJRES 20" in the "Search Bill Text" box, select "Bill Number" and click "Search."

TG updates

TG names John Zanot director of product management

TG has named John Zanot, a career high-tech marketing executive, as the company's new director of product management.

In his new position, Zanot will develop and manage TG's product portfolio. He also will assist in the creation of product launch activities and help develop marketing campaigns in support of new product and business initiatives.

Zanot has 16 years experience in product management and product marketing. From 1999 to 2006, he served as director of marketing at Intel, Corp. where he directed marketing for the networking products business unit and managed the marketing team for Intel's global business campaign. He also served as director of product marketing for Tektronix Corp. and previously worked for Gateway, NCR, and Hewlett-Packard.

Zanot earned a bachelor of science degree in electrical engineering from the University of Wisconsin, and a master of business administration degree from the Wharton School at the University of Pennsylvania.

"John brings a wealth of experience and product management insight to our organization," said Sue McMillin, TG's President and CEO. "He will play an integral role in developing leading-edge management of our products and services to better serve our customers."

AdvanTG Web™ enhancements and TG Versatile Routing™ rollout rescheduled

TG is extending our pilot test of the TG Versatile Routing (VR) project after a detailed assessment of the pilot test status and pilot partner feedback. The project was originally planned for implementation on February 24.

TG resources will continue to focus on testing efforts. We currently plan to implement VR and other AdvanTG Web enhancements prior to the end of March 2007.

A revised schedule of webinars will be provided soon.

Thank you for your time, effort, and patience as we work to provide our business partners with products and services to help you in your mission to serve students.

TG's Financial Aid Leadership Symposium scores high with participants



Michelle Bennett, accounts manager at Angelo State University, and Gail Carbajal, compliance coordinator with the University of Texas at San Antonio listen during one of the series of workshops offered at the Symposium.

TG offers a one-of-a-kind opportunity in its Financial Aid Leadership Symposium, a unique professional development event crafted specifically for the needs of professionals in financial aid. This week-long workshop looks closely at the building blocks of leadership and applies them in the context of a financial aid office (FAO). In a series of integrated sessions, participants focus on trust-building, team work, customer service, performance coaching, vision, and synergy in the FAO.

This year's Symposium, held February 5 - 9 in Round Rock, Texas, brought together 15 financial aid professionals from every type of institution — public, private, four-year, and two-year colleges.

The event was a huge success with participants, who scored it a 5.0 on a scale of 1 to 5. In particular, attendees praised the interactive presentation style and the wealth of information.

"This was the best training I have been to," said one participant. "It's given me the tools to deal with problems in my office." Others were re-energized by the insights

the training offered: "The week has been packed with fantastic, thought-provoking discussion."

Long-term benefits

The Symposium is designed to contribute to the career growth and leadership excellence of financial aid professionals. Participants use the event to talk candidly about their own challenges in financial aid. For that reason alone, many find the experience invaluable.

"Authentic feedback, unbiased, unscripted, and sometimes unabashed, is something we do not achieve regularly as adults," said Melet Leafgreen, assistant director of loan programs at Texas Christian University. "The ability of the instructors to draw out the participants and to give each of us individual attention was remarkable. The willingness of the participants to be honest was exciting and helpful to me. The methods of instruction here caused us to each feel very secure to ask any question or provide any response."

Participants interacted in small-group projects and exercises, made individual presentations, and discussed real-world financial aid issues in an open forum. Throughout the Symposium, attendees heard from experts in financial aid and got the feedback of colleagues.

Tom Rebstock, TG's customer training team leader, said that, in this last respect, the Symposium was especially useful to participants.

"The group quickly formed a bond of trust," Tom said. "Once the trust was present, they could open up about issues that mattered most to them and provide honest feedback."

This year's Symposium graduates took home a lasting benefit in the bonds they formed. The group will continue to interact via an informal e-mail network, sharing best practices and providing feedback on given issues.

To learn more about financial aid training

Would you like to learn more about the many training opportunities TG offers through its Speakers Bureau? Visit www.tgslc.org/speakers/index.cfm to read the training catalog. Keep in mind that TG can tailor training to meet the needs of your financial aid office. To find out how, contact the TG Speakers Bureau at (800) 252-9743, ext. 4650, or send an e-mail message to businesspartner.services@tgslc.org.

Texas A&M makes presentation on its TG-supported Aggie Summer Institute program

On February 9, representatives from Texas A&M – College Station (TAMU) presented the results of their 2006 student outreach campaign, Aggie Summer Institute, at the TG Campus in Round Rock, Texas. TG provided a grant in support of the program, which targeted over 800 high school students in seven regional

areas of Texas. Lynn Barnes, director of special programs in student financial aid at TAMU, gave a concise overview of the previous year's summer outreach effort and previewed goals for the upcoming 2007 campaign.

TG's award, offered through its Public Benefit Grant Program, helped fund a series of day-long workshops called "Jumpstart to College" for the Aggie Summer Institute. Workshops were tailored to students in grades 10 through 12. Among other things, participating students learned how to prepare for college and a career. They also got an overview of the financial aid process. Content was tailored according to grade level; for example, juniors looked closer at the various qualifying tests — SATs, PSATs, etc., and seniors focused on the FAFSA application, scholarship possibilities, college admission essays, and more.

The Aggie Summer Institute is geared to student populations that are traditionally underrepresented on college campuses, including first-generation students and those from economically disadvantaged backgrounds. One of the wonderful things about the program is that leaders from the community share their experiences with students throughout the event. In these discussions, students learn more about their community, hear about a chosen profession, and find out why a college education is such a valuable experience.

Expanded program goals for 2007

Students participating in the senior-level workshops were taken on a visit to the closest TAMU campus. They were also entered to win one of ten \$1,000 scholarships, which could be used at any TAMU campus for their freshman year.

The program was a success, according to Barnes, significantly raising student awareness on issues like financial aid availability and the admissions process. Based on results from the 2006 program, Barnes said that TAMU would offer the summer program to students entering grades 7 and up. The idea is to make college a goal from a young age so that students learn more about it early and develop a plan to get a degree.



Christopher Teran, management analyst with TAMU, describes some of the school's recent research into college access.

Over 1,200 students are expected to attend the expanded "Jumpstart to College" programs this coming summer. As before, workshops will be tailored to the needs and educational level of each grade, with seniors focusing more on paying for college and choosing a career.

The TAMU presentation offered an exciting picture of a major university reaching out to many local communities, creating ties that would ensure an education for more students.

"The Aggie Summer Camp program is a great example of a grass-roots outreach effort," said Jacob Fraire, assistant vice

president of educational alliances. "Programs like this plant the seed of possibility in students at a young age so that when they graduate from high school, they're prepared for college and ready to go on to a successful career."

TG's award process

To receive funds, all awarded institutions, including TAMU – College Station, were required 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/.

Trends and issues

Question of the week

Q.: Can a school delay the delivery of federal (Title IV) funds until a student completes an institutional document, such as an institutional aid application or certification statement, even if all other requirements for the delivery of funds have been met?

A.: No. A school may require an additional institutional document for the awarding of state, institutional, or private funds, but as the *2006-07 Federal Student Aid Handbook* states on page 3 of the Application and Verification Guide:

"The FAFSA is the only form all students must fill out to apply for Title IV aid. A school cannot require extra information from students except for verification or resolving conflicting information. But a school may require extra information for other purposes such as packaging private or institutional aid, and if the school does this or is otherwise aware of information that is related to Title IV need and eligibility, it must take the information into account when awarding Title IV aid."

This is based on language in the Higher Education Act of 1965, as amended (HEA), Section 483(a)(2).

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

For several years now, TG has held a Financial Aid 4K Fun Run/Walk as part of the TG Annual Conference. This year's event will be held on Wednesday, April 4. Participants will meet in the lobby of the Hilton Austin from 6 a.m. - 6:30 a.m. and walk short three blocks to Austin's Town Lake Hike 'n' Bike Trail. From there, participants can run or walk a scenic 2.5 mile loop. Registration fees for the event will benefit The Austin Jazz Workshop, which is a unique project that brings professional jazz musicians directly into the public school classroom to work with young people. Join us for this year's run/walk and enrich the school experience of a young child. You can learn more about the TG Conference and register by visiting www.tgslc.org/tgconference/index.cfm.



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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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