Shoptalk Online
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Edition 394
TG

In this issue:

Tip of the Week

Missed TG's *FAFSA Made Easy* program, a special workshop designed to help students complete the form? You can order a DVD copy of the program at http://www.tgslc.org/order/index.cfm. For more information, contact Richard Sapp at (800) 252-9743, ext. 2865, or send an e-mail message to richard.sapp@tgslc.org.

TG updates

Register today for AdvanTG Web™ Enhancements and TG Versatile Routing™ webinars

TG is implementing enhancements to AdvanTG Web™, including adding TG Versatile Routing™. Before the enhancements are released, TG will hold webinars to let AdvanTG Web users know about these changes. These webinars will allow users to view all changes to screens and to ask questions about the enhancements.

Enhancements are being implemented based on feedback from AdvanTG Web users. These changes will make navigation easier and provide more options for obtaining information. With the addition of TG Versatile Routing, lenders will have more flexibility with their servicers. To learn more about specific enhancements, refer to the previous article published in edition 392 of *Shoptalk Online*.

Note that TG has extended the beta test of the enhancement project; implementation is planned for late March. The webinars have been re-scheduled to more closely coincide with the revised release date.

Webinar schedule

For Schools

Tuesday, March 13
3:00 pm – 4:00 pm CT
Tuesday, March 20
9:30 am – 10:30 am CT

For Lenders

Wednesday, March 14
9:30 am – 10:30 am CT
Wednesday, March 21
3:00 pm – 4:00 pm CT

If you would like to participate in one of training sessions, please visit the webinar registration pages on *TG Online* at www.tgslc.org/training/advantgweb.cfm.

For more information

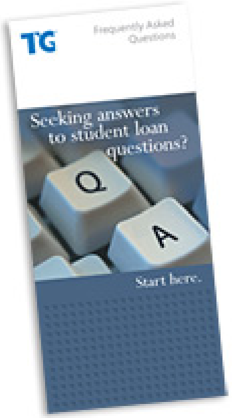
If you have any questions regarding this information, please contact TG's product support group at (800) 332-1455, or send an e-mail message to product.support@tgslc.org.

Product spotlight: TG's *Frequently Asked Questions* brochure

Remember the first time you heard a student ask what a deferment is, or what default means? Probably you've answered these questions too many times to recall your first response. But questions like these get to the very nature of one of the challenges in financial aid — how to ensure that students get comprehensive information each and every time they ask a question.

TG offers one way with its informative brochures on various financial aid topics. We even provide a publication devoted just to the questions that you hear most often.

Our *Frequently Asked Questions* brochure is an easy-to-mail pamphlet that offers detailed answers to perennial questions like — "Is consolidation right for me?" or "What is forbearance?" The brochure also provides instructions on what students should do if they begin receiving bills while still in school, or if they can no longer make payments on a student loan.



If you're looking to supplement any materials you provide students on educational loans, consider TG's specially-designed brochure. You can offer the publication to graduating students, or stock it in your office lobby.

Inside in the brochure

The *Frequently Asked Questions* contains a great deal of information in a compact, tri-fold form. Here's a summary look inside:

- **Looking for help?** This section introduces student borrowers to TG's role, outlining our work in the student loan industry and describing the help we provide to schools, lenders, and students.
- **Various questions:** What does default mean? What should I do if my lender or servicer did not receive a payment? What is interest capitalization? Who handles credit bureau reporting? What is claim pending? Answers to all these questions go a long way toward demystifying what can seem complex. Information provided also helps to clearly spell out borrower obligations and offer the "next step" for borrowers in case they default.
- **Preventing default:** Sometimes students need to speak directly with someone who understands their situation and can help. TG provides its contact information in this case and offers a link to its *Ask TG*™ online database of frequently asked questions.

To order the brochure

You can order the *Frequently Asked Questions* brochure by visiting *TG Online* at www.tgslc.org/forms/index.cfm. Note that this brochure replaces any previous *Frequently Asked Questions* brochure. 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.

Meet Freddy Párraga, technical support consultant with TG's Product Support Group

TG offers many layers of support for its software products, including online help, a listserv users group called the TG Users Group (TUG), and a team of professionals in the form of the product support group, or PSG. The PSG team works by phone or e-mail, answering requests from the school, lender, and servicer customers that use TG's products. Requests vary, but, on any given day, PSG team members may be asked to reset passwords, offer impromptu training on a software feature, or ensure a disbursement roster file is routed properly, for example.

Like others on the team, Freddy Párraga has a comprehensive knowledge of TG's suite of products, including AdvanTG Web™ and TG Loans By Web™. He also has a keen appreciation of the business needs of TG's school and lender customers. His ability to wed these two qualities makes him a strong resource to schools and lenders. And it provides rewards to Freddy who, like many in financial aid, feels empowered by the greater social mission of higher education.

"I enjoy the challenge of answering such a variety of customer requests," said Párraga. "But what I find most fulfilling about my work is that, at the end of the day, I know I've helped students get the education they need and deserve."

Párraga and his PSG colleagues form the first point of contact for schools and lenders after the software's "warranty period" is completed. During warranty, the school or lender integrates a TG software or software feature with its own systems. TG's business integration team, or BIT, handles all customer questions at this time. Subsequently, the PSG team takes over, fielding inquiries and ensuring the best fit between TG software and customer needs.

To make that fit, the PSG team members have to be both technically proficient and adroit at troubleshooting. According to Párraga, the team is trained to be both, though their goal is to provide the best customer service they can in whatever form that help is needed.

"We have to be ready to switch between tasks quickly," said Párraga. "We help with file transfers, research why records may have failed to process, offer help with processing change transactions, and generate reports that customers use to track applications or disbursements. Given the variety, we have to be able to change our expectations to match the customers'."

Service in two languages

The PSG team does a number of things to stress a personal connection to the customer. They work to respond promptly and to ensure that issues are resolved conclusively. They also offer their services in Spanish.

Párraga, who was born and raised in Caracas, Venezuela, is a professional freelance translator and a member of the American Translators Association. He has broad experience translating a variety of texts for business, medical, legal, educational, life insurance and immigration purposes.

"I enjoy the work and it provides another level of support for customers," said Párraga.

Párraga brings other qualifications to his job. He's had over 20 years of customer service experience and 13 years of managerial and supervisory experience in the financial services industry. Given his background, no wonder Párraga finds serving on the PSG team to be satisfying both personally and professionally.

Want to learn more about TG's products?

Have questions about TG's product support group? Would you like to learn more about the suite of products and services TG offers? Contact the Product Support Group at (800) 332-1455, or send an e-mail message to businesspartner.services@tgslc.org.

Trends and issues

Sticky situations: awarding additional unsubsidized Stafford

In this edition of *Shoptalk Online*, we continue our series on difficult policy issues that come up occasionally in the Title IV programs (see previous articles in editions 390 and 384). This installment will discuss exceptional circumstances under which a school is permitted to award additional unsubsidized Stafford loan funds – beyond the base annual loan limits — to a dependent undergraduate student.

Credit denial: the most common reason to certify an additional unsubsidized Stafford loan

When a parent applies for and is denied a parent PLUS loan due to adverse credit, the school is allowed to certify an additional unsubsidized Stafford loan for a dependent undergraduate student at the same level allowed for an independent undergraduate student, i.e., $4,000 for first- and second-year students and $5,000 for third-, fourth-, and fifth-year students, within the cost of attendance minus other estimated financial assistance. A student who borrows additional unsubsidized Stafford funds in this situation is also allowed to borrow up to the aggregate Stafford loan limits for independent students — $46,000 total, no more than $23,000 of which may be subsidized Stafford.

Other reasons the school may certify an additional unsubsidized Stafford loan

Remember, a parent's refusal to borrow never constitutes an exceptional circumstance, nor does the school's decision not to participate in the PLUS Loan Program, nor does the aid administrator's belief that a parent should not borrow a parent PLUS loan.

However, ED recognizes that, besides adverse credit, other circumstances may exist that would prevent a parent from borrowing a parent PLUS loan. In lieu of a PLUS credit denial, a school is also permitted to certify additional unsubsidized Stafford loan funds in these situations:

- The student’s parent is incarcerated.
- The student’s parent’s whereabouts are unknown.
- The student’s parent is precluded by a bankruptcy court from future borrowing.
- The parent of a dependent student is not a U.S. citizen or permanent resident, or is not able to provide evidence from the U.S. Bureau of Citizenship and Immigration Services that he or she is in the U.S. for other than a temporary purpose with the intention of becoming a citizen or permanent resident.
- The student’s family income is limited to public assistance or disability benefits and the school has documented that the parent would not be able to repay the PLUS loan.
- The school has evidence that a lender has a lending policy that would result in a parent PLUS loan denial due to the parent’s existing debt burden, income-to-debt ratio, likely inability to repay, or other credit standards or factors.

The school must document the student’s file when it certifies an additional unsubsidized Stafford loan under one of these circumstances. Just as with a parent PLUS loan credit denial, these circumstances may not occur every academic year, so the school must re-examine and document that the circumstances continue to apply before certifying an additional unsubsidized Stafford loan in a subsequent year.

Aggregate issues

When a dependent undergraduate student receives additional unsubsidized Stafford loan funds in multiple years, the student may appear to have borrowed close to, or in excess of, the dependent Stafford aggregate limit of $23,000. In this case, the school should count only the loan amounts that the student would have received under his or her current eligibility as a dependent student against the dependent undergraduate aggregate loan limit.

Here’s an example: a student’s parent is prohibited from applying for a Parent PLUS loan by a bankruptcy court, so during the first three years of enrollment, the student borrows a total of $24,625 in Stafford loans: $11,625 in base Stafford loan amounts ($2,625, $3,500, and $5,500) plus $13,000 in additional unsubsidized Stafford loans ($4,000 each in years one and two, then $5,000 in year three). Although the student appears to have exceeded his or her dependent aggregate limit of $23,000, the school excludes the $13,000 in additional unsubsidized Stafford from the total borrowing of $24,625; thus, the student still has $11,375 in base Stafford loan eligibility.

More information

To read more about the circumstances under which a school may certify an additional unsubsidized Stafford loan for a dependent undergraduate student, please see page 3-73 of the 2006-07 *Federal Student Aid Handbook* and Dear Colleague Letter GEN 05-16, topics 3 and 4.

For questions about handling parent PLUS loan denials and student eligibility for additional unsubsidized Stafford loan funds, call TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Loan data reporting: Ensure accurate anticipated graduation/completion date is provided

When a school certifies a Stafford or PLUS loan, or completes an In-School Deferment Request, one of the pieces of information the school provides is the student's anticipated graduation/completion date. It is important that the school provide an accurate anticipated graduation/completion date, because this enables the lender and guarantor to report the loan's status correctly to the National Student Loan Data System (NSLDS). If the school does not provide an accurate date, there are repercussions to the student, as this article illustrates.

The issue

A majority of the time, when a school's financial aid office certifies a Stafford or PLUS loan, or a school's financial aid office, registrar, or some other office completes an In-School Deferment Request, it provides an anticipated graduation/completion date that meets the definition provided on both the Stafford and PLUS Master Promissory Notes: "[T]he date the student is expected to complete the program at your institution." However, sometimes a school provides an anticipated graduation/completion date that represents the last day of the loan period.

The repercussions

When the school provides the last day of the loan period as the anticipated graduation/completion date for a Stafford loan, the lender must then report the loan to the NSLDS as being in a grace status on the day following the end of the loan period, as the lender must assume that the student is out of school as of that date.

In reality, the student may actually be expected to return to school for the following period of enrollment or may be expected to return in the fall — after a summer bridge extension — if the last day of the loan period is the end of the spring semester. If the lender reports the loan to the NSLDS as being in a grace status at the end of the loan period, the student may receive information from the lender or guarantor that states that the student will soon enter repayment on the loan; this will certainly cause confusion for the student, who believes he or she is still enrolled and should not enter his or her grace period and subsequently start repayment until after the student's true anticipated graduation/completion date.

When the school provides the last day of the loan period as the anticipated graduation/completion date for a Grad PLUS loan, the lender must then report the loan to the NSLDS as being in a non-deferred repayment status on the day following the end of the loan period, as the lender must assume that the student is out of school as of that date.

As with the Stafford loan borrower mentioned above, the Grad PLUS borrower may actually be expected to return to school for the following period of enrollment or may be expected to return in the fall — after a summer bridge extension of the student's in-school deferment — if the last day of the loan period is the end of the spring semester.

If the lender reports the loan to NSLDS as being in a non-deferred repayment status at the end of the loan period, the student may receive information from the lender or guarantor that states that the student is required to make payments on the loan; this will cause confusion for the student, who believes he or she is still enrolled and not yet responsible for repayment of principal.

In both of the cases mentioned above, the student will likely call the registrar, financial aid office, lender, or guarantor for assistance. Since it is the school's responsibility to report enrollment on the NSLDS, if the lender or guarantor hears from the student, it will have to direct the student to the school to correct the situation. The lender cannot put the student's loan into the appropriate status on the NSLDS until the student's enrollment status is corrected.

The solution

Cases like the ones mentioned above can be prevented if the school is careful to provide — for each student — an anticipated graduation/completion date that reflects the date that the student is expected to complete his or her program of study instead of the loan period end date. The financial aid office is encouraged to pass this information on to the registrar or any other office on campus that has the responsibility to report enrollment or complete in-school deferment requests. If all of the applicable offices provide consistent anticipated graduation/completion dates, there will be less misinformation on the NSLDS and fewer circumstances of confused students.

More information

For more information on enrollment reporting, deferment, or other topics touched upon in this article, call TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Skill-builders: organize your financial aid office practice to get more done faster

Does this sound familiar? You've got a line of students snaking out the office door, the phones are ringing off the hook, and the stack of verification files waiting on your desk for review are piling up with each passing day. If this is anything like what you've experienced in your financial aid office (FAO), you're not alone.

Even outside peak season, FAOs can find themselves besieged by phone and e-mail, working hard to keep up with the latest changes in federal regulations or the newest department project. To manage the demands on your office, consider changes that build efficiency into processes and give you more control over your schedule. By introducing just a few modifications, you may be surprised at the extra time you have to devote to other priorities like campus enrollment or student outreach.

A streamlining formula

Even the best-run businesses can be improved. Good office managers consider every aspect of operations as an opportunity for making the business stronger. If you're looking for areas to strengthen in your office, think about some of the following suggestions.

- **Design your work space to be efficient for you and your customers:** Plan a space that moves foot traffic logically and efficiently to any available window or front-counter staff. If you have the budget, consider an information kiosk staffed by someone who can answer questions or direct students. In front of the lobby counter, set up a self-help area that your students can access easily. This eliminates the need for them to stand in line to pick up forms and publications. Behind the lobby counter, create an area for your staff that gives them easy access to what they use most, e.g., applications and procedures. Set up an archive room or section for outdated files and books; this helps minimize clutter.

- **Automate your processes with technology as much as you can:** Student applications, loan management, student job placement — these are all areas that can be automated to some degree with the help of software. Even setting up mail merges in your favorite word processor can cut down on the huge volume of correspondence schools handle. Consider buying off-the-shelf software if you have the budget, or look more closely at the capabilities of the software your office currently uses.

- **Manage interruptions:** Sometimes the key to getting things done is to safeguard your time as much as you can. For phone calls, voice mail may be the best answer your customers can expect, at least for a couple of hours. For e-mail, check your messages at designated times and consider turning off any automatic notifications. "E-mail addiction," the compulsion to check e-mail on a constant basis, is running rampant in many offices, according to publications like the *Chronicle of Higher Education*. And if you have too many walk-ins to your office behind-the-counter, offer to meet at another time.

- **Learn to say "no" diplomatically:** If you're overwhelmed with work, you may need to occasionally resort to politely refusing a request. You can offer to help at another time. Or you may be able to bargain for additional time also.

- **Review your processes:** Have a committee from your office team evaluate procedures on an annual basis. You'll be able to tap into your staff's insight about the best ways to get things done. Ask for a report at the end of their evaluation that offers recommendations and provides a blueprint for making more improvements.

To learn more

Industrial engineers analyze the work of plant assembly lines and industrial complexes. Various organizational consultants have been doing something similar for business offices for years. If you're looking for books on improving office practice, read through some of the following suggested titles.

- *First Things First* by Steven Covey
- *Getting Things Done* by David Allen
- *Organizing from the Inside Out* by Julie Morgenstern

TG also offers training that addresses issues of office efficiency, including *Ducks In a Row* and *Crafting the Keys to Customer Service*. 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.

Question of the week

Q.: Is a student who is enrolled in an undergraduate program and is taking graduate level courses eligible for a Stafford loan at the graduate level annual loan limits?

A.: No. According to the 2006-07 *Federal Student Aid Handbook* (FSA Handbook), page 3-78, "There are several rules to consider if a student is simultaneously taking undergraduate and graduate courses. A student in an undergraduate program can't get the graduate loan limits based on taking graduate coursework as a part of the undergraduate program."

However, the FSA Handbook continues, "In contrast, a graduate student who is taking some undergraduate coursework is eligible for the graduate loan limits if the student is enrolled at least 1/2-time in courses (either graduate or undergraduate) that can be applied to the graduate program requirements. However, the student must already be admitted into the graduate program — a student with a bachelor's degree who is taking preparatory work for graduate school (or whose full admission to the graduate program is contingent upon completion of certain undergraduate courses) is not eligible for graduate loan limits."

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

Both Houses of Congress have been busy introducing a variety of Higher Education Reauthorization bills. Along with other legislation, the Senate is considering the Student Debt Relief Act (S 359) and the Student Aid Reward Act (S 572/HR 1010). The House is looking closer at the College Student Relief Act (HR 5/S 282) and the Student Loan Sunshine Act (S 486/HR 890). The consensus is that the Senate Committee on Health, Education, Labor, & Pensions (HELP) will have before it a comprehensive Higher Education Reauthorization bill, which includes the bills listed above, by mid to late March. That bill will then be reported to the full Senate by early summer. The House may not have a comprehensive bill out of its Education and Labor Committee until late this year. Complete details are located in the latest issue of TG's *Legislative Report*. Read more on *TG Online* at www.tgslc.org/lege_report/index.cfm.

This, that, and the other

TG packs a full agenda for this year's TG Conference to be held April 3 - 5 at the Hilton Austin Hotel in downtown Austin, Texas. Every year, the conference offers participants a rounded menu of workshops, training sessions, and open forums, which serve the interests of all those who work in financial aid. Training is divided into educational tracks, each track providing a series of sessions on particular topics. This year's conference focuses on FAM systems, debt management and default aversion, school interests, lender interests, electronic processing and training, professional development, program integrity, and college access and success.

You can learn more about this year's agenda and register for the TG Conference by visiting www.tgslc.org/tgconference/index.cfm.

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