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Tip^{of} the Week

Looking for a quick review of the latest developments in the Higher Education Act Reauthorization process? Visit *TG Online* at www.tgslc.org/reauth/index.cfm. There, you'll find a listing of relevant bills and a short synopsis of some of the latest legislation.

Federal updates

ED issues DCL providing revised addendum and Plain Language Disclosure for Stafford MPN

Last week, ED issued Dear Colleague Letter (DCL) FP-07-02, providing a revised addendum and Plain Language Disclosure (PLD) for the Federal Stafford Loan Master Promissory Note (Stafford MPN). These documents explain changes made to Stafford loan annual loan limits by the Higher Education Reconciliation Act of

2005 (HERA). The addendum and PLD must be provided to borrowers to inform them of the changes made to the terms of their loans by the HERA.

Changes

The Stafford MPN addendum and PLD have been updated with the new annual loan limit changes effective for loans first disbursed on or after July 1, 2007.

Additionally, item 9 (Interest) in the PLD has been revised by adding a sentence to clarify that some loans with a variable interest rate have a rate that is lower during in-school, grace, and deferment periods, and higher during repayment and forbearance periods.

Addendum and PLD distribution

FP-07-02 states that until a revised Stafford MPN is developed and approved for use, the revised addendum must be used with the current Stafford MPN. The revised Stafford PLD includes information on the statutory changes for borrowers who are receiving second or subsequent Federal Stafford Loans under a previously signed Stafford MPN, or who may have signed an MPN for the first time before the addendum was available.

ED also noted that there were no changes made to the addendum to the Federal PLUS Loan Application and Master Promissory Note and Endorser Addendum, the Federal PLUS Loan Plain Language Disclosure, or the Addendum to the Federal Consolidation Loan Application and Promissory Note.

Implementation

Program participants are advised to discontinue use of the current addendum and PLD and to begin using the revised addendum and PLD as soon as possible. ED does not permit any changes, deletions, or additions to the language of the revised Stafford MPN addendum and PLD. The DCL outlines the acceptable format in which the forms should be printed.

More information and questions

To access DCL FP-07-02, visit the Information for Financial Aid Professionals Web site at <http://ifap.ed.gov/dpcletters/FP0702.html>. To download the new addendum and PLD, visit *TG Online* at http://www.tgslc.org/forms/frms_addenda.cfm.

To order the new addendum and PLD in bulk quantities, contact Joyce Henderson at (800) 252-9743, ext. 4546, or at joyce.henderson@tgslc.org.

For more information about the addendum and PLD or the provisions of the HERA that affect student loan borrowers, contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

An overview of the recent changes to the school as lender program and the use of eligible lender trustees

To say that there have been a lot of changes to the Title IV programs over the last twelve months would certainly be an understatement — and it looks like the season of change will continue for quite some time. One area of Title IV administration that has, in particular, undergone quite an evolution since last February is the school as lender program. This article provides an overview of recent changes to the school as lender (SAL) program and the use of eligible lender trustees (ELTs).

The signing of the Higher Education Reconciliation Act of 2005 (HERA) and the Third Higher Education Extension Act of 2006 (THEEA) have introduced the following timeline of effective dates and triggering events pertaining to SAL and ELTs:

- The HERA is signed into law on February 8, 2006.
 - Per the HERA, in order for a school to participate as a SAL on July 1, 2006, the school must have met the SAL requirements applicable on the day before the date of the enactment of the HERA, i.e., February 7, 2006.
 - Also per the HERA, in order for a school to participate as a SAL on July 1, 2006, the school must have made its first FFELP loan under those requirements on or before April 1, 2006.
 - Effective July 1, 2006, the HERA states that in order to participate as an eligible SAL, the school must meet all of the following requirements, per the *Common Manual* section 3.2:

- The school makes only subsidized and unsubsidized Stafford loans.

Note that a SAL may not make PLUS loans to either parent or graduate/professional borrowers.

- The school makes loans, only to graduate and professional students.

Note that grade levels for undergraduate students are 1, 2, 3, 4, and 5; grade levels for graduate and professional students are A, B, C, and D. A SAL may certify Stafford loans only under grade levels A, B, C, and D. For a student in a mixed-degree program — in which, for example, the student earns both a bachelor's and a master's degree in five years of coursework — the school determines at what point after three years' worth of full-time study the student ceases to be an undergraduate and becomes a graduate student. See the *Federal Student Aid Handbook*, page AVG-11, for more information. At the point that the student is designated by the school as a graduate student, that student may borrow from the SAL, if the student chooses to do so.

- The school employs at least one person whose full-time responsibilities are limited to the administration of the school's financial aid programs for students attending that school.
 - The school offers origination fees or interest rates, or both, that are less than the statutory maximums for those fees or rates.
 - The school uses the proceeds from its interest benefits and special allowance payments from the Department and from interest payments from its borrowers, as well as the proceeds from the sale or other disposition of its loans, for need-based grant programs, except for reimbursement of reasonable direct administrative expenses. The school must ensure that funds for need-based grant programs are used to supplement the non-federal funds the school would otherwise use for need-based grants.
 - The school is not a home-study school.
 - The school does not have a cohort default rate that exceeds 10 percent.
 - The school awards any contract for financing, servicing, or administration of its FFELP loans on a competitive basis.
 - The school submits to the Department an annual lender compliance audit for any year in which the school engages in activities as an eligible lender. This requirement applies regardless of the size of the school's loan portfolio or annual loan volume.
- The THEEA is signed into law on September 30, 2006. In addition, ED releases Dear Colleague Letter (DCL) GEN-06-21 on December 1, 2006, providing guidance on the changes to the Higher Education Act (HEA) enacted under the THEEA.
 - According to the THEEA, ELTs are only allowed to make or hold FFELP loans under a trustee relationship with a school, or an organization affiliated with a school, if the contract being operated under was originally entered into before September 30, 2006, and is in effect or renewed after that date.

Note that GEN-06-21 states that an organization affiliated with a school "is any organization that is directly or indirectly related or connected to the institution of higher education, and includes, but is not limited to, alumni organizations, athletic organizations, and social, academic, and professional organizations."

- For ELT contracts meeting the September 30, 2006 date, effective for loans disbursed on or after January 1, 2007, DCL GEN-06-21 specifies which SAL requirements must be performed by the school or, if applicable, an organization affiliated with a school, and which SAL requirements must be completed by the ELT.

More information

To access the text of the HERA or the THEEA, go to the Thomas Library of Congress Web site at <http://thomas.loc.gov>. Under "Find More Legislation," click on "Search Multiple, Previous Congresses." On the next screen, in the box "Enter Word/Phrase to Search Bill Text," enter the following:

- To access the HERA, enter "Deficit Reduction Act" — the name of the larger bill in which the HERA was included — and click "Search." Click on the third bill option presented.
- To access the THEEA, enter "Third Higher Education Extension Act" and click "Search." Only one option is provided; click on it.

To access DCL GEN-06-21, go to the Information for Financial Aid Professionals (IFAP) Web site at www.ifap.ed.gov/dpccletters/GEN0621.html.

For more information on SALs and ELTs, call TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgsic.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 March 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
02179917	Argosy University – Clearwater 4500 N. 140th Ave., #110 Clearwater, FL 33762-3848	N/A	8/31/2006
01003702	Ivy Tech Community College of Indiana, Region 9 – Richmond Mosey Hall 710 Northwest 5th St. Richmond, IN 47374-2241	N/A	12/21/2006
01003703	Ivy Tech Community College of Indiana, Region 9 – Richmond Career Center 380 Hub Etchison Pkwy. Richmond, IN 47374-5339	N/A	5/6/2006
00854707	Ivy Tech Community College of Indiana, Region 7 – The Meadows Center 25th & Poplar	N/A	1/1/2006

00337110

**Temple University – School of
RAD TECH**
Broad & Ontario St.
Temple University Hospital
Philadelphia, PA 19140-5189

N/A

8/7/2000

TG updates

TG and AAHHE to co-sponsor first institute to explore keys to Latino success in college

TG and The American Association of Hispanics in Higher Education (AAHHE) are jointly sponsoring a Latino Student Success Institute on March 9, 2007 in Costa Mesa, CA, to address the lagging pace of Hispanics' participation in college programs.

The Institute's first forum will be part of a pre-conference symposium at AAHHE's annual conference, which will be held at the Hilton Costa Mesa Hotel.

"While the U.S. Hispanic population is growing by more than three times the entire U.S. population, Hispanic college participation and completion rates have not kept pace," said Dr. Loui Olivas, AAHHE president and an assistant vice president for academic affairs and associate professor at Arizona State University.

Jacob Fraire, TG assistant vice president for educational alliances, said that the success of Hispanic students is important for economic growth and development across the nation.

"We are proud to join with AAHHE to begin this dialogue and encourage strategy development within the higher education community to help ensure that students not only have access to a college education, but that they also achieve their ultimate educational goals," Fraire said.

Participation in the Institute's forum will include some of the nation's leading Hispanic professors and college administrators. The event is open to the news media and AAHHE institutional members, college professors and administrators.

To learn more

For more details on the Latino Student Success Institute, including the national conference workshops, speakers, and registration, please visit www.aahhe.org.

2007 TG Annual Conference offers a sure bet for the spring conference season



If you're looking for one industry event that gives you a well-rounded menu of training on financial aid, look no further than the TG Annual Conference. Each year, participants give the conference consistently high marks for its comprehensive workshops on regulatory and industry topics and for its dynamic presenters, many of whom are career professionals in the field.

This year's conference, which will be held April 3 – 5 at the Hilton Austin in Austin, Texas, promises to deliver more of the same variety. Over 45 workshops and training sessions have been planned with particular focus on areas like FAM systems, debt management and default aversion, electronic processing and training, professional development, program integrity, and college access and success. To present on these topics, TG has lined up more than 100 speakers, including keynote presenter Matt Weinstein.

A spotlight on coping through fun

This year's TG Conference, which is themed "Heart and Soul," celebrates the mix of care and fun that many financial aid professionals bring to their work. Financial aid can be a challenging field, but those dedicated to it find ways to manage through humor and light-heartedness that serve as an example to others.

To amplify on that theme, TG has invited Matt Weinstein, a trainer on the role of fun in the workplace. Matt is a founder of Playfair, a training organization that looks closely at the motivational and creative part that fun plays in business. Matt and his colleagues are proponents of "playing with a purpose," offering the tools to build a community at work based on trust, support, and cooperation. Matt's keynote address and a subsequent breakout session will focus on "Putting Fun to Work — the Power of Humor in Business."

Other highlights of the 2007 TG Conference Agenda

Presentations like Matt's will leave participants energized to deal with the daily challenges of financial aid. To emphasize the need for balance at work, TG has crafted a series of conference events that focus on business and that offer opportunities to relax. Here are just a few examples:

- A new element for this year's conference is an exhibit-hall style session called "TG's Heart & Soul." During this event, participants will be able to mingle with many of TG's customer-facing staff members and learn first-hand about their work.
- The **TG Users Group** will meet at 8 a.m. on Tuesday, April 3.
- The annual **Financial Aid 4K Fun Run** is scheduled for Wednesday, April 4 at 7 a.m. at the Town Lake Hike and Bike trail — registration opens at 6 a.m.

- A murder mystery-themed dinner is scheduled for the first night of the conference.

To register or to learn more

Visit *TG Online* at www.tgslc.org/tgconference/index.cfm to register or to find out more about the 2007 TG Annual Conference. Registration is waived for school attendees.

If you prefer to speak with someone directly, contact Judith Cunningham at (800) 252-9743, ext. 2905, or send an e-mail message to judith.cunningham@tgslc.org.

AIE™ launches enhanced Scholarship Search



Over the past year, TG's education awareness Web site, *Adventures In Education* (AIE), has undergone a series of changes to make it an even more effective resource to students planning for college and a career. A redesign has improved navigation and added a dynamic, new look; more features have been added; and the State Education Resource area has been expanded to direct students and families to free Web sites on education issues for each state.

This past month, TG upgraded AIE's Scholarship Search feature to make finding scholarships even easier. The new Scholarship Search contains information on more than 10,000 scholarships with a combined value of more than \$7 billion. The Scholarship Search offers a variety of key information about each scholarship, including award amounts, deadlines, sponsor and/or contact information, the number of awards offered, and the type of award.

Site visitors will find all of this information available through various easy-to-use Search options. A Quick Search casts a wide net and gathers a large amount of scholarship information. The Advanced Search tool serves to narrow searches, which is useful for finding scholarships that fit specific needs.

Quick Search

The Quick Search works like a normal Internet search engine. AIE visitors simply enter in relevant keywords — such as "minority" or "art" — and a list of scholarships that fit these descriptors appears. For visitors who may not know where to start, a list of popular keywords is provided at the bottom of the page. Simply click a word and a listing appears.

Advanced Search

When a visitor clicks on the Advanced Search button, a page appears with a series of tabs across the top, including Me, My Place, My School, My Interests, and My Jobs. These tabs provide a listing of more specific criteria based on characteristics of the person making the search, such as age; geographic location; details of a desired school; personal interests; and affiliations through jobs and organizations. Search results appear in the My Results area.

To learn more

To try out AIE's Scholarship Search for yourself, visit www.AIE.org/scholarships. To explore the entire site, visit AIE at www.AIE.org.

Daylight Saving Time change coming March 11 weekend

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 those systems that directly affect school and lender customers. Final updates to our systems will occur on the weekend of March 11. TG also wanted to ensure that you were aware of this change so that you can make sure your operating systems and Web applications have been updated.

For more technical information

If you'd like more information to help you with implementing these changes, please visit http://support.microsoft.com/gp/cp_dst.

Reminder: Using TG claims Indemnification Agreement in lieu of original prom note

As allowed in subsection 13.1.D of the *Common Manual*, TG claims will accept a signed, notarized indemnification agreement for the purpose of claim filing on a loan for which the original promissory note is lost, missing, or damaged.

Please note, in order to be accepted, the indemnification agreement must have all sections completed; it must also be accompanied by supporting documentation to validate the debt.

Examples of such supporting documentation include documents bearing the borrower's signature or documentation of borrower payment(s). A copy of the promissory note itself will not be considered appropriate supporting documentation as it calls into question the actual need for an indemnification agreement.

TG claims would like to stress that the indemnification agreement is intended for use in exceptional circumstances only; it is not to be used in lieu of searching for a note. The indemnification agreement does not replace illegible copies or prom notes with uninitialed alterations made to the terms of the note.

TG reserves the right to request at any time the damaged promissory note itself, or other documentation to substantiate the debt. Also, should TG or the Department of Education subsequently determine that the note is uninsurable, unenforceable, or

otherwise uncollectible, the lender may be required to repurchase the note at par, plus accrued interest thereon.

Have questions?

For questions concerning the indemnification agreement, or to request a copy of the form itself, please contact Ron Stroud in TG claims at (800) 252-9743, or send an e-mail to ron.stroud@tgslc.org.

Trends and issues

Question of the week

Q.: Does the increase to the regular additional unsubsidized Stafford annual loan limit for graduate and professional students — from \$10,000 to \$12,000 for loans first disbursed on or after July 1, 2007 — also apply to the additional unsubsidized Stafford annual loan limits available to health profession students?

A.: No, the loan limit increases that came about from the Higher Education Reconciliation Act of 2005 (HERA) apply only to regular Stafford annual loan limits. The HERA did not increase the additional loan limits available to health profession students. For more information about these additional loan limits for certain students in certain programs of study, refer to subsection 6.11.D of the *Common Manual*. To access the latest version of the *Integrated Common Manual*, go to www.tgslc.org/policy/integrated_online_manual.cfm.

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

ED offers a crystal ball of sorts in the form of its report, *Projection of Education Statistics to 2015*. Available online, the report offers projections on some key education statistics, including enrollment, graduates, and degree-granting institutions. The latest edition includes projections of enrollments for degree-granting institutions by race/ethnicity.

What are some of the things you might find in the report? If you've wondered whether your state will see more high school graduates over the next 10 years, the report offers some estimates. The number of graduates is projected to increase in many states, but it's expected to decline in others.

These detailed projections are provided courtesy of ED's National Center for Education Statistics.

You can access the guide to all the other projections available online at <http://nces.ed.gov/programs/projections/>.



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