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Tip^{of} the Week

TG Online offers an abundance of resources for financial aid professionals. The "Quick Links" section on the home page provides a fast and easy way to access many of these resources. Look for it on the left-hand side of the home page for *TG Online* at www.tgslc.org/.

Federal updates

Neg Reg update

Since our last update in Edition [392](#) of *Shoptalk Online*, representatives from the financial aid and higher education communities have continued to participate in negotiated rulemaking (Neg Reg) sessions. Neg Reg began in December with the first gathering of a Student Loan Issues team and was subsequently expanded to include General Provisions, Academic Competitiveness Grant (ACG) and National Science and Mathematics to Retain Talent (SMART) grants, and Accreditation teams.

Loan session III

During the third loan issues session (held March 12 - 14), the Student Loan Issues team and ED representatives continued to review and revise regulatory language

proposed by ED as well as counter-proposal language developed by the non-federal negotiators. All negotiators reached tentative agreement on 5 of the 22 agenda items:

- Grad PLUS loan borrowers will be required to complete entrance counseling, and schools will be required to provide additional disclosures to ensure that borrowers are aware of the more favorable loan terms of the Stafford loan program over the PLUS program.
- Schools will be allowed to certify loans for periods exceeding 12 months.
- Capitalization of interest for Consolidation loan borrowers currently in an in-school deferment will be permitted only at the end of the deferment rather than periodically throughout the in-school deferment period.
- When processing a death discharge, the loan holder may accept an "accurate and complete photocopy" of the original or certified copy of the death certificate.
- Eligibility for Perkins loan child and family service cancellation will be restricted to a borrower who is a full-time employee of a child or family service agency providing services "directly and exclusively" to high-risk children from low-income communities.

After the completion of the third session, tentative agreement has not been reached on the following agenda items. As a result, ED has indicated a fourth negotiation session will likely be called in April to attempt to agree upon proposed language on the following agenda items:

- Simplification of determination of deferment eligibility for multiple loan holders
- Eligible lender trustee relationships
- Use of preferred lenders
- Prohibited inducements
- Retroactive discharge for totally and permanently disabled borrowers
- Lender NSLDS reporting timeframes
- Retention of disbursement records supporting master promissory notes (MPNs)
- Certification of e-signatures on MPNs assigned to ED
- Perkins loan issues, including:
 - Assignment of defaulted loans
 - Definition of "reasonable and affordable" collection costs

ED has not yet made a final decision on whether to continue developing proposed regulatory language related to the topic of loan discharge for the crime of identity

theft, or to allow the final rules as published in the November 1, 2006 *Federal Register* to stand without revision.

ACG and SMART grants session II

The ACG and SMART grants team met from March 5 – 7 with discussions focusing on the issues of determination of rigorous high school curriculum and academic year progression. Tentative agreement has not been reached on those topics, along with the following agenda items:

- The eligibility of certificate programs for ACG
- Grade point average, including topics closely tied to the issues of rigorous high school curriculum and academic year progression:
 - Transfer students
 - Coursework
 - Timing of calculation
 - Eligibility for disbursement

Negotiators have reached tentative agreement on the following agenda items:

- Mandatory participation in ACG and National SMART Grants will continue. If a school participates in the Pell Grant program, it must also participate in the ACG and/or National SMART Grant programs.
- The requirement that Pell Grants and ACG or National SMART Grants be disbursed at the same school as Pell when awarded within the same term will also remain unchanged.
- Procedures will be developed by which an institution will be able to request additional majors to be added to the list of eligible majors for an award year.
- A means of validating a student's intent to declare an eligible major will be provided, including student's written declaration of intent and the school's monitoring of the student's coursework.
- ED will monitor ACG and National SMART Grant disbursements in the same way as it monitors Pell Grants disbursements (through NSLDS and Multiple Reporting Record (MRR) reports).

The third ACG and SMART grant session is scheduled for April 16-18.

Accreditation sessions

The accreditation team's first meeting occurred on February 21 – 23. The agenda topics for this committee have been revised since the [last Neg Reg update](#) in *Shoptalk Online*; the negotiators are now planning to consider the following topics:

- Due process
- Substantive change
- Monitoring of institutions
- Relationship of input and resource standards to student achievement
- Measures of student achievement
 - Standard definitions of terms related to student achievement
 - Quantitative standards for programs leading to gainful employment
 - Institutional success with respect to student achievement
- Consideration of mission in application of standards
- Transfer of credit and acceptance of credentials
- Definition of terms
 - Direct assessment programs
 - Scope of recognition
- Technical and process improvements
 - Recognition procedures
 - Decision-making authority
 - Record keeping and confidentiality of agency materials
- Providing information to the public

In the first session, debate centered heavily on two topics: transfer of credit and acceptance of credentials, and measures of student achievement. The committee's second and third meetings are scheduled to occur on March 26 - 28 and April 24 - 26.

More information

Shoptalk Online will provide updated information soon on the General Provisions team, which concluded its second session on March 16. Please visit ED's "2006-07 Negotiated Rulemaking for Higher Education" Web page at www.ed.gov/policy/highered/reg/hearulemaking/2007/nr.html for more information, including issue and meeting summaries, discussion papers, and ED's proposed language for various issues.

When the Neg Reg sessions conclude, ED will publish proposed regulatory language in the *Federal Register* for public comment. This will be in the form of a Notice of

Proposed Rulemaking (NPRM). TG will continue to keep its customers informed about the Neg Reg sessions via *Shoptalk Online*.

TG updates

Tune in! TG to hold teleconference on barriers to financial aid study

The Higher Education Act (HEA) reauthorization process has thrown a spotlight on how successful federal student aid programs are. Do these programs provide college access to those that need it most? Do these programs help those who need federal aid stay in school till they graduate?

A Texas A&M University study, sponsored through a TG grant, looks closer at particular barriers to higher education. In a nutshell, the study shows that high school students need more information about applying to and paying for college. This lack of information is in fact one of the prime barriers that keeps many students from college enrollment.

TG is hosting a teleconference on March 21 about the study. Geared to student financial aid professionals, the teleconference will present specific findings of the study and then provide time for listeners to pose questions. The teleconference, which is free, will be held from 1:30 - 3 p.m. (CDT). Participants may dial in at (888) 428-4473.

The study, which was conducted by the Department of Financial Aid at Texas A&M through a grant from TG's Public Benefit Grant Program, determined that what students know about financial aid and how early they know it are strong predictors for college enrollment.

Students who lack information about going to college are at an immediate disadvantage. The research also found that financial barriers include the perception that college is not affordable or that funding is not available.

The researchers gathered data from 1,800 adults in Texas, ages 25 and older, and specifically studied the academic, attitudinal, financial, social, and familial barriers that kept many of them from enrolling in college.

Outreach benefits

The study makes an even stronger case for early and effective educational outreach on the part of colleges and others in higher education. To ensure the long-term success of students, all efforts must be made to provide high school students with a good understanding of how to apply to and pay for college.

Jacob Fraire, TG's assistant vice president of educational alliances, said the study's results provide useful information that schools and local communities can use in creating specific educational awareness campaigns.

"The sample used in this study is representative of Texas, which is largely diverse and reflects rural and urban communities. We believe that most states and regions should be able to relate the study to their own state population," Fraire said.

To register

A brief question-and-answer session will follow the telephone conference. Pre-registration is not required. For more information about the event, visit www.tgslc.org/training/teleconference/teleconf070321.cfm, or call (800) 252-9743, ext. 4576.

TG Annual Conference update: keynote speaker to tie workplace success to humor and well-being



job satisfaction.

Every year, the TG Annual Conference offers a varied menu of trainings and workshops to the hundreds of financial aid professionals who attend. The agenda varies but generally gives participants a strong grounding in the latest changes to student aid and some great training in professional development. This year's keynote address focuses on some key skills necessary to many in financial aid: using fun to enhance motivation and build

Matt Weinstein, a founding member of international consulting firm Playfair, Inc., will present a keynote address on the role of fun in the workplace, titled "Gently Down the Stream: Four Unforgettable Keys to Success in Life and Work." Weinstein will speak on the opening day of the TG Annual Conference, which will be held at the Hilton Austin in downtown Austin from April 3 – 5.

According to Weinstein, the simplest solutions are sometimes the most profound ones. Weinstein plans to show how using a universally familiar verse as a metaphor for success can increase happiness, reduce stress, and help participants find more fun at work. Why is more fun necessary? Fun helps to open up communication and strengthen bonds of trust and teamwork. In particular, participants will learn four principles for success that can make life "a waking dream."

Weinstein's message is especially appropriate given this year's conference theme, which is "Heart and Soul." The 2007 TG Annual Conference theme recognizes the spirit of care that so many financial aid professionals live by. Financial aid can be a challenging field, even stressful, but those dedicated to its mission find ways to cope using humor that inspires others.

About Weinstein

Weinstein is an international consultant who has worked with numerous companies, including AT&T, IBM, and Price Waterhouse Coopers. He's made it his special focus to look at the role of fun and humor in team building. Called "The Master of Playfulness" by



People Magazine and "America's Pied Piper of Play" by the *Houston Post*, Weinstein's play-based vision has been the subject of newspaper articles, magazine features, and television appearances.

Weinstein was elected to the Professional Speaker's Hall of Fame by the National Speaker's Association and honored by *Successful Meetings Magazine* as one of the "21 Top Speakers for the 21st Century." His television special "Fun Works!: The Power of Humor in the Workplace" was broadcast nationally on PBS. His latest book, "Gently Down The Stream," was released in September 2006.

Special workshop

Conference attendees will get to see more of Weinstein in a special workshop he's presenting on "Laughter, Stress and Self-Esteem." In this session, Weinstein offers a formula for surviving in a stress-filled work environment: take your work and yourself lightly. He talks at length about how doing this helps each of us handle pressures in an effective, productive, and upbeat manner.

To find more a more detailed overview of conference offerings, go online to view the conference agenda at www.tgslc.org/tgconference/agenda.cfm.

To learn more about the TG Annual Conference

Visit *TG Online* at www.tgslc.org/tgconference/index.cfm to find out the latest conference news. Note that advance registration has been closed; however you can still register at the event itself. 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.

TG to hold information forums on Public Benefit Grant Program



Starting in early April, TG will begin accepting proposals for grant funding through its Public Benefit Grant Program. To help interested institutions understand TG's guidelines and prepare a proposal, TG is holding workshops throughout the U.S.

These information forums will provide an overview of the grant guidelines, project highlights from the past two years, and a brief training session on grant-writing basics. Lunch will also be offered during the training.

The program agenda is still being finalized, but this year, TG will sponsor forums in five locations:

- Houston, TX – April 10
- Columbus, OH – April 12

- Dallas, TX – April 17
- Orlando, FL – April 24
- Albuquerque, NM – May 4

Public Benefit Grant Program defined

One way TG reinvests in the higher education community is through its Public Benefit Grant Program. TG established the program to promote college access and student retention in higher education. The program provides grants to institutions that have projects and services created to enhance academic access and success, especially for student populations that have been traditionally underserved on college campuses. TG intends that the primary beneficiaries of services or research, either directly or indirectly, be students who are from low- to moderate-income families.

Proposals to TG's program must be for projects that will take place in FY 2008. TG's Public Benefit funds are not limited to institutions of higher education. TG also encourages partnerships with community-based organizations. If you have partnerships with nonprofit organizations or know of others who may benefit from attending TG's information forum, please let them know about this opportunity.

To learn more and apply

Visit www.tgslc.org/publicbenefit/ for more information about these events and to learn more about the Public Benefit Grant Program. If you have any questions, please feel free to contact TG's director of public benefit operations Kristin Boyer at (800) 252-9743, ext. 4518, or send an e-mail message to kristin.boyer@tgslc.org.

Meet Cecilia Ortiz, policy specialist on TG's policy and regulatory affairs team



Ever been stumped by an especially dense section of federal regulations? You wouldn't be the first. Financial aid regulations are written in legalistic-sounding language that can be hard to parse let alone understand. To ensure they're applying a rule correctly, financial aid professionals sometimes look for clarification from other sources — colleagues, written interpretation, or policy specialists like those at TG.

Policy specialists on TG's policy and regulatory affairs (PRAF) team interpret and provide guidance on statutory and regulatory issues. They also offer information and opinion on directives of the Department of Education and the *Common Manual*. The team provides its support in a variety of forms. Team members deliver trainings and presentations, research and answer customer questions, and write material on the FFELP for TG publications, including *Shoptalk Online*.

The work can be demanding as anyone knows who has spent an extended period reading through federal publications like the *Federal Student Aid Handbook*. But TG policy specialists find a number of rewards in it. According to Cecilia Ortiz, a thorough understanding of federal rules gives her the ability to connect customers with the answers they need quickly and effectively.

“Having worked in a financial aid office, I know how frustrating it can be not to know the answer when a policy situation comes up,” said Ortiz. “Now that I’ve gained a high level of policy knowledge through work, I really enjoy helping customers tackle these difficult situations. Hearing the sigh of relief in their voice when it all comes together is priceless.”

Ortiz brings some unique qualifications to her role on the PRAF team. Before coming to TG, she worked in a financial aid office of a satellite campus of the University of Phoenix (UOP), serving non-traditional students — especially working adults. Her experience gave her insight into the particular challenges that non-traditional students face as they earn a living and work through a degree. She herself got a master’s of business administration from UOP while serving in its financial aid office.

At TG, Ortiz has gotten a deeper understanding of the financial aid industry. When laws are reauthorized or regulations modified, she and her PRAF colleagues help to “introduce” those federal changes to schools and lenders, whether through training or written communication. But she’s also become versed in how these very changes to the rules are made.

“One process that has really made an impact on me is Negotiated Rulemaking or Neg Reg,” said Ortiz. “The information I’ve received concerning the current Neg Reg sessions has taught me how the regulations that affect the FFELP are established and implemented. I really admire how hard everyone works at TG and at other institutions to make sure that the regulations that are implemented are in the best interest of students.”

Outside Neg Reg and her other responsibilities, Ortiz helps deliver workshops on a variety of topics, including the new Grad PLUS loan, entrance and exit counseling, and the intricacies of a master promissory note (MPN). Other PRAF training classes include such topics as the return of Title IV funds, federal verification, and cash management. These workshops can be tailored to the needs of a particular financial aid office; in tailoring them, Ortiz and the PRAF team take care to answer questions and to anticipate customer need. PRAF’s objective is to help financial aid offices comply with program requirements and to give customers information that ensures a smooth operation for students and staff.

To earn more about TG's policy services and products

Would you like to learn more about the policy offerings that TG provides schools, lenders, and others in financial aid? Contact the customer assistance team at (800) 845-6267, or send an e-mail message to customer.assistance@tgsic.org.

Trends and issues

Question of the week

Q.: If a student receives a bankruptcy C-Flag on his or her Student Aid Report (SAR), does the school need to obtain any paperwork to clear the flag, or is it the lender's responsibility to do this?

A.: C-Flags, for the most part, are generated because of data match issues that require resolution. The school is always responsible for making a determination of the student's/borrower's eligibility before certifying a loan.

Regarding resolution of bankruptcy status as reported on the Institutional Student Information Record (ISIR), the following information, which can be found in the 2006-07 *Federal Student Aid Handbook*, pages 1-46 and 1-47, states that:

"A student who has filed bankruptcy or had a loan discharged for disability might need to provide additional documentation before receiving aid.

A student with a Federal Student Aid (FSA) loan or grant overpayment that has been discharged in bankruptcy remains eligible for FSA loans, grants, and work-study (NSLDS loan status code BC for loans that did not default and status code DK or OD for loans that defaulted prior to the bankruptcy discharge). A borrower doesn't have to reaffirm a loan discharged in bankruptcy in order to be eligible. The Bankruptcy Reform Act of 1994 prohibits denial of aid based solely on filing for bankruptcy or having a debt discharged in a bankruptcy.

A borrower who lists a defaulted FSA loan or grant overpayment in an active bankruptcy claim is eligible for further FSA funds if the borrower provides you with documentation from the holder of the debt stating it is dischargeable (NSLDS loan status code DO).

A borrower who includes a non-defaulted FSA loan in an active bankruptcy claim, so that collection on the loan is stayed, is eligible for aid as long as he or she has no loans in default (including the stayed loan)."

You can also refer to Dear Colleague Letter (DCL) GEN-95-40 for more information regarding bankruptcy. To access the DCL, visit the Information for Financial Aid Professionals Web site at:

http://ifap.ed.gov/dpclletters/doc0339_enclosure.htm.

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

A slate of Higher Education Act reauthorization bills have been introduced into both Houses of Congress, including HR 5/S 282 – College Student Relief Act, HR 990/S 707 – Pell Grant Equity Act of 2007, and S 359 – Student Debt Relief Act. These pieces of legislation make some important changes to the Pell program, federal interest rates on subsidized student loans, and other higher education initiatives. The House and Senate may take up their respective bills as they work through the FY 2008 budget and appropriations process. To learn more about the various education bills under consideration, read the full *Legislative Report* on *TG Online* at www.tgslc.org/lege_report/index.cfm.

This, that, and the other

Looking for a statistical profile of the average freshman enrolled at four-year colleges? Recently, the *Chronicle of Higher Education* published findings from a survey conducted by the University of California at Los Angeles Higher Education Research Institute. The survey, titled "The American Freshman: National Norms for Fall 2006," reflects student data for AY 2006-07. Among other things, the survey shows that the average first-year student at a four-year college lives within five-hundred miles of his or her permanent home, applied to two to four colleges in order to attend school, and chose a college based on academic reputation rather than the prospects of a good job or other factors. Not surprisingly, a majority of freshmen are 18 to 19 and were accepted at the college of their first choice. Whites from middle- to upper-class families continue to make up the largest portion of first-year students.

The survey used the responses of over 271,000 first-time, full-time students attending 393 of the nation's baccalaureate colleges and universities. This is the 41st year for the study.

The source for this week's "This, that, and the other" is located at <http://chronicle.com/stats/freshmen.htm>.

Note that the *Chronicle of Higher Education* requires a paid subscription to review some content.



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Contributors to this edition: Rob Davenport, Kelly Kaelin, Cindy Marrs, Art Martinez, Cecilia Ortiz, and George Torres. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

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