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Tip^{of} the Week

Join TG at a conference or training event near you. To find out where TG will be presenting or attending an event, refer to the Events Calendar on *TG Online* at www.tgslc.org/abouttg/calendar.cfm.

Federal updates

Neg Reg on General Provisions continues

In last week's *Shoptalk Online* (Edition [397](#)), we reported on the progress of Negotiated Rulemaking (Neg Reg) in the Student Loan, Accreditation, and Academic Competitiveness Grant (ACG) and National Science and Mathematics to Retain Talent (SMART) Grant teams. This week, we will provide an update on the General Provisions team, which concluded its second meeting on March 16. Please note that the agenda items for this team have been revised from the original agenda proposed by ED.

Tentative agreement on five issues

The General Provisions team and ED participants reached tentative agreement on these five topics:

- Consistent definitions of undergraduate and graduate and professional student for all Title IV programs: Currently, definitions of undergraduate and graduate

student differ slightly across program regulations. Negotiators have agreed to a consistent definition of the two terms, as well as specific definitions of a first professional degree and an undergraduate student in a dual-degree program (bachelor's and higher).

- Nonstandard term and nonterm programs: students enrolled in nonstandard term credit hour programs with substantially equal terms of at least nine instructional weeks will be allowed to borrow a new annual loan limit at the conclusion of the academic year — just as with students enrolled in standard term credit-hour programs. Currently these students must complete both the number of credit hours and weeks of instruction in an academic year before borrowing a new annual loan limit.
- Eliminate the single disbursement requirement for Perkins and FSEOG: remove the provisions that state only one award or payment is necessary for amounts less than \$501.
- Eliminate the requirement that schools provide written notification and obtain student confirmation for the post-withdrawal disbursement of a grant: schools will no longer be required to notify and obtain the student's permission prior to making a direct post-withdrawal disbursement of any grant funds that the student earned for the period in which he or she withdrew.
- Calculation of Pell Grants for programs offered in semesters, trimesters, or quarters, but with multiple start dates (e.g., monthly): for a student in a program with standard terms, but monthly starts, the school will be permitted to calculate Pell Grants using the same formula as programs with standard terms using a traditional calendar (i.e., Pell Grant formula #1), as long as the student remains with the same cohort of students with which he or she begins the program.

Still on the table

Negotiators have discussed the following topics but have not yet reached tentative agreement on proposed regulatory language. During the third and final negotiation session, scheduled for April 18-20, participants will resume discussion on these topics:

- Consistent enrollment status definitions for all Title IV programs (full-time, half-time, etc.)
- Definition of independent study
- Cash management
 - Recovery of funds not claimed by student or parent
 - Student/parent permission for electronic disbursements
 - Requirements for "issuing a check" by making it available for pickup

- Late disbursements (beyond 120 days)
- Active confirmation of a loan
- Simplifying excess cash allowances
- Treatment of FFEL and Direct Loan funds when a student withdraws before beginning class (making consistent with other programs)
- Eliminating the double pro ration for Pell Grant payments for clock hour and credit hour without term programs (in Pell Grant formula #4)
- Proration of loan amounts for a remaining portion of a program (when the remaining portion is less than an academic year) by a standard 50 percent instead of by the exact ratio of the remaining portion of the program over the length of the academic year (in credit or clock hours)
- Loan certification for a transfer student who transfers in the middle of the academic year
- Allowing a school to credit a student's account for minor prior year expenses of tuition and fees and room and board (if the student contracts with the school for room and board) without the student's permission
- Nonstandard term and nonterm programs, including
 - Use of completion of half the weeks of instructional time for timing of loan disbursements
 - Requiring institutions to use consistent disbursement periods, where allowed under the law
- Technical corrections

More information

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 papers and ED's proposed language for various issues. TG will continue to keep its customers informed about the Neg Reg sessions via *Shoptalk Online*.

TG updates

Training spotlight: The 2007 TG Annual Conference

If you're looking to get the most for your training dollar this conference season, consider the TG Annual Conference. This year's conference promises training on some of the most talked-about issues in student aid today: the barriers to higher education, latest developments in the reauthorization process, the potential threat

of identity theft, and the role of ethics in financial aid are just a few of the topics. Many of these sessions are delivered by speakers recognized throughout the industry, including Education Finance Council (EFC) president Kathleen Smith and Judith Flink, a member of ED's Advisory Committee on Student Financial Assistance.



So far, about 700 student aid professionals have registered to attend the TG Annual Conference, which will be held at the Hilton Austin from April 3 – 5. Participants will have their choice of over 40 different seminars and workshops organized by seven educational "tracks." Tracks offer a series of sessions on one theme. This year's conference provides tracks on debt management and default aversion, professional development, program integrity, and college access and success, among other things.

To give you a better sense of the variety of topics and their relevance to the changing regulatory and industry landscape, here's a capsule look at particular conference sessions. You'll find a complete summary agenda online at www.tgslc.org/pdf/2007pocketagenda.pdf.

Identify Theft: Steven Anderson, special agent for the ED's Office of the Inspector General, will describe ED's efforts to combat identity theft in the student loan industry. Anderson will also consider some best practices, which schools and lenders can follow to ensure the integrity of their student loan data. (Tuesday, April 3.)

Mortgaging the Future: National and Texas Perspectives on Financial Barriers to Higher Education: Last year, ED's Advisory Committee on Student Financial Assistance released a new study on the barriers to higher education, titled "Mortgaging Our Future." Earlier this year, TG published research of its own — "Ready, Willing, and Unable" — which considered the financial barriers to higher education in Texas. Committee chair Judith Flink and TG president and CEO Sue McMillin along with assistant vice president of research and analytical services Jeff Webster will describe the contents of these reports and discuss their significance to the financial aid community. All three speakers will talk about what financial aid professionals can do to address issues of educational access and success. (Tuesday, April 3.)

Student Service Success Stories from TG's Public Benefit Grant Program: For the second year in a row, TG has sponsored research and programs that help to enhance college access and success for thousands of students. This session will take a closer look at three projects in particular, including a Kalamazoo College program that offers math and science enrichment services to middle and high school students; an outreach program for first-generation, rural, traditionally underrepresented populations offered by the McLennan Community College Foundation; and mentoring services provided by the University of Texas – Brownsville in the Rio Grande Valley. (Tuesday, April 3)

The Effects of Forbearance on Student Loan Repayment: If you're curious about what some of the latest research shows on the effects of forbearance on loan repayment, you'll find out in this session. You'll also find out what schools and students should know about this repayment tool. (Wednesday, April 4)

Ethics Issues Facing the Financial Aid Industry: Ethical issues have drawn a great deal of publicity to the financial aid industry in recent years. This session considers the value and importance of ethical practice in administering financial aid. Panelists will talk briefly about industry groups and their role in raising awareness on ethics. Discussion will also touch on the current negotiated rulemaking process and consider issues emerging from that process that have ethical implications. (Thursday, April 5)

Federal update: Industry veteran Kathleen Smith will provide a summary look at some of the latest developments in the higher education reauthorization process. Smith will give an overview of education legislation currently before Congress. She'll also look at the implications of these bills as well as the current round of Neg Reg — or negotiated rulemaking. Smith has worked in many areas of financial aid, previously serving as an assistant financial aid director for a college in New York; as a director of communications for the Connecticut Student Loan Foundation; as the federal relations director for the Pennsylvania Higher Education Assistance Agency (PHEAA); and in the lead staff position on higher education issues for the U.S. House of Representatives Committee on Education and the Workforce. She joined EFC as its president in January 2005. (Thursday, April 5)

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. The registration fee 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 sponsors chat event on managing college and career

TG will sponsor a chat event through *Mapping Your Future™* (MYF) on college and career management. MYF will offer the live chat event on April 10, 2007 at 7 p.m., Eastern; 6 p.m., Central; 5 p.m., Mountain; and 4 p.m., Pacific. The event is interactive, allowing students and families to ask questions about careers, college, financial aid, and money management — all from the privacy and convenience of a computer.

MYF will host an additional chat event on the same subject on July 17, 2007.

How to participate

Anyone with Internet access can join in the chat event by visiting www.mapping-your-future.org. At the time of the chat, follow the link to the chat at top of the page.

About the event

MYF chat events are made possible because of the support of MYF's sponsors and friends, including TG.

TG announces a call for papers for a new publication on enrollment management

TG, in partnership with the Department of Educational Administration at the University of Nebraska–Lincoln, will publish a refereed journal on enrollment management, titled *Enrollment Management Journal: Student Access, Finance, and Success in Higher Education*. The first issue will be published in December 2007.

The journal aims to disseminate the work of researchers and practitioners in order to inform and improve efforts to help campuses enroll, retain, and graduate more students. The journal will focus especially on:

- issues of student access and success, and
- the role financial aid plays in whether students achieve their educational goals.

In addition to its regular blind refereed empirical or conceptual manuscripts, *Enrollment Management Journal: Student Access, Finance, and Success in Higher Education* will accept other work. This material may include:

- highlights of award-winning dissertations or programs,
- book reviews,
- commentaries, and
- other short pieces that highlight timely issues in the field of enrollment management.

Co-editors have been named for the journals. They are Barbara A. Lacost, Ph.D., and Brent D. Cejda, Ph.D., professors in the University of Nebraska–Lincoln's Department of Educational Administration.

How to contribute

Authors should submit manuscripts for the journal via e-mail. Manuscripts should come in Microsoft Word© format and be sent to EMJ@unl.edu. For the inaugural issue, preference will be given to articles received by June 15, 2007.

Ordinarily, manuscripts should be no more than 30 pages in length, and each article should be summarized in an abstract of not more than 150 words. Manuscripts should follow the style of the fifth edition of the Publication Manual of the American Psychological Association. Manuscripts are accepted for consideration with the understanding that they are original material and are not under consideration for publication elsewhere. Three referees will evaluate submitted manuscripts anonymously. Their goal is to complete the review process within 90 days of receipt of manuscripts.

To find out more

If you have questions, please visit the journal's Web site on *TG Online* at www.tgslc.org/emj. You may also gather information from the journal's editors. Contact Barbara Lacost at (402) 472-0988, or send an e-mail message to Blacost1@unl.edu. Contact Brent D. Cejda at (402) 472-0989, or send an e-mail message to bcejda2@unl.edu.

TG Annual Report for FY 2006 now available



TG has released its annual report for fiscal year 2006. Typically, annual reports offer a window onto a corporation's business and culture. The 2006 TG Annual Report presents a picture of a thriving organization working diligently to promote higher education. It also describes a TG milestone: in FY 2006, TG marked 25 years guaranteeing student loans.

Since opening its doors in January 1981, TG has guaranteed over \$46 billion in student loans and helped more than 3 million students pay for a college education. In the process, TG has become one of the most highly-regarded administrators of the FFELP. TG's success has been fueled by a number of things, including a commitment to education awareness and access; strong partnerships with schools and lenders; and a proactive approach to helping borrowers go to school, graduate, and embark on a career.

The 2006 TG Annual Report describes all these initiatives. Here's a look inside.

25 years of service and care

In January 2006, TG marked the silver anniversary of its first loan guarantee. The 66th Texas Legislature passed HB 38 in 1979, creating a nonprofit entity subject to Sunset Review but working autonomously to administer the Guaranteed Student Loan (GSL) program in Texas. (The GSL was the precursor to the FFELP.) Gov. Bill Clements subsequently signed HB 38 into law.

By January 1981, TG had begun processing loan guarantees. The first guarantee helped put a Baylor University student through college for the spring semester. By the end of FY 1981, TG had guaranteed more than \$138 million in student loans — a substantial amount but only a fraction of what it does on an annual basis today.

Stronger outreach to students and families

TG's business has grown since making that first guarantee. However, its overarching mission remains the same: promote access to college so that more students can go to school, especially those from underserved populations. To do that, TG reaches out to students and families in many ways: through college and career-planning Web sites like *Adventures In Education* (AIE™) and call centers like the Texas Financial Aid Information Center (TFAIC), for example. TG also offers a Public Benefit Program, which includes a philanthropic component. TG's Public Benefit Grant Program marked its second year in FY 2006, providing over \$3.3 million in grants to institutions that offer services or do research into promoting higher education access.

A tradition of customer service

In FY 2006, TG continued to build strong partnerships with the school and lending community. Last year, TG scored its highest overall customer satisfaction score — a 4.49 on a scale of 1 to 5. Such a high rating is a sign that TG's emphasis on customer care, its work to simplify the student aid processes for schools and lenders, and its industry expertise are all highly-valued by customers.

Working with borrowers before, during, and after college

TG's customer assistance team helps borrowers and their families with the financial aid application and student loan process via telephone, e-mail, and fax. Calls to TG's customer assistance increased by 24 percent compared with last year, and e-mail correspondence increased by 71 percent. The team helped more than 345,000 customers.

Default prevention is a corporate priority at TG. In FY 2006, TG helped prevent over \$3 billion in potential loan default by working closely with delinquent borrowers. TG's default prevention effort works on multiple fronts, offering training to students on financial literacy and workshops for financial aid professionals on default management.

How to receive a copy

More than 1,500 copies of the 2006 Annual Report already have been mailed to TG's customers and business partners across the country. If you'd like a copy of the report, contact TG's communications team at (800) 252-9743, ext. 4732, or send an e-mail message to communications@tgsic.org. You can also download a PDF version of the report from *TG Online* at www.tgsic.org/abouttg/finances/index.cfm.

Trends and issues

Question of the week

Q.: I've had a student withdraw; however, the registrar's office gave the student a partial tuition refund. What amount do I use in the "institutional charges" portion of the calculation?

A.: According to ED, you are supposed to use the original tuition and fees initially assessed to the student before he or she withdrew in the "institutional charges" portion of the calculation. You can use adjusted charges only if there was a change to the student's charges before the student withdrew — for example, due to a change in the student's enrollment status.

So, for example: a student is registered for 12 hours and has a tuition bill of \$2,000; the student drops to 9 hours and gets a \$500 tuition refund, making institutional charges \$1,500. The student withdraws, and since the student's tuition was adjusted before he or she withdrew, the school uses the adjusted charges of \$1,500 in the institutional charges portion of the calculation. The student may receive an additional tuition refund due to withdrawal, but that does not affect the institutional charges figure used in the calculation.

For another example: a student is registered for 12 hours and has a tuition bill of \$2,000. The student withdraws, so the school uses the initial charges of \$2,000 in the "institutional charges" portion of the calculation. The student may receive a tuition refund due to withdrawal, but that does not affect the institutional charges figure used in the calculation.

This is based on page 5-24 of the 2006-07 *Federal Student Aid Handbook*.

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

U.S. Secretary of Education Margaret Spellings today unveiled a new online tool to help students and families financially prepare and plan for college before a student's senior year of high school. Called the FAFSA4caster, it provides students with an early estimate of their eligibility for federal financial aid.

According to ED, the FAFSA4caster will instantly calculate a student's eligibility for federal student aid, including grants; reduce the time it will take to complete the Free Application for Federal Student Aid (FAFSA); and simplify the financial aid process for students and families.

In addition to helping families make informed decisions as they plan for college, the FAFSA4caster will also reduce the application time when students file their FAFSA in their senior year in high school. The FAFSA4caster pre-populates 51 of the 102 questions on the FAFSA, significantly reducing the time it takes for the student to complete the FAFSA.

If you'd like to learn more about this new ED tool, read the complete press release on the topic at www.ed.gov/news/pressreleases/2007/03/03212007.html.



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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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