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Tip^{of} the Week

To assist our Spanish-speaking students and families, many of TG's brochures and other publications are available in Spanish. For more information, visit www.tgslc.org/spanish/index.cfm.

Federal updates

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
00163500	Barat College 700 East Westleigh Rd. Lake Forest, IL 60045-3297	N/A	12/31/2005

01004004 **Ivy Tech Community College of Indiana** N/A 8/1/2006
Region 1 – Valpo Grand Trunk
2912 Grand Trunk Dr.
Valparaiso, IN 46383-9104

03098003 **Saint John's Hospital School of Dietetics** N/A 7/14/2006
800 East Carpenter
Springfield, IL 62702-5317

ED releases revised consolidation forms

Last Monday, ED released Dear Colleague Letter (DCL) FP-07-05, which announces the availability of corrected consolidation forms. The original consolidation forms were published in DCL FP-07-03. None of the revisions is major; they include minor corrections to the typographical errors.

More information

To access DCL FP-07-05, go to the Information for Financial Aid Professionals Web site at www.ifap.ed.gov/dpclletters/FP0705.html. To download the revised versions of the consolidation loan forms, go to www.tgslc.org/forms/frms_con.cfm.

Current special allowance rates: quarter ending March 31, 2007

The following rates apply for the quarter ending March 31, 2007:

- The average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending March 31, 2007 is 5.12 percent.
- The average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter ending March 31, 2007 is 5.37 percent.

The FFELP special allowance rates for the most recent quarter are available on *TG Online* at www.tgslc.org/pdf/SA033107.pdf.

Questions

For questions about special allowance rates, contact TG customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

TG updates

2007 TG Annual Conference draws heavy turnout with varied menu of industry workshops and seminars

More than 650 financial aid professionals attended TG's 15th annual conference, which was held at the Hilton Austin in Austin, Texas from April 3 – 5. Typically, TG sets a comprehensive agenda for its conferences, offering a balanced set of workshops on industry news, regulatory issues, and topics of professional development. This year, TG featured sessions on some of the most talked-about subjects in student aid today, including the barriers to higher education, developments in reauthorization, identity theft, and the role of ethics in financial aid. All together, attendees participated in over 50 sessions, presented by dynamic and polished speakers like Education Finance Council (EFC) president Kathleen Smith and motivational consultant Matt Weinstein.

Putting the fun back into work



Keynote speaker Matt Weinstein reads from his bestseller *Managing To Have Fun* during his address on the opening day of the TG Annual Conference.

This year's conference, which was themed "Heart and Soul," recognizes the spirit of care that many financial aid professionals live by as they work to make college a reality for students. Financial aid can be a challenging field, even stressful, but those dedicated to its mission find ways to cope that inspire others and serve as an example of personal strength.

To expand on that theme, TG invited a nationally-recognized authority on the use of fun and humor in team building — Matt Weinstein. Weinstein, who is a founder of the Playfair organization, delivered a spirited keynote address about "Putting Fun to Work: The Power of Humor in Business." Weinstein said that a team that has fun together bonds together, which improves morale, productivity, and, ultimately, customer satisfaction.

In his address, Weinstein read from his bestselling book *Managing To Have Fun* and explained how humor offers one more tool for building a community at work based on trust and support.

Getting the federal picture

On Thursday morning, industry veteran Kathleen Smith provided a summary look at some of the latest developments in the higher education reauthorization process. Smith has worked both in the House as a lead staffer serving on the U.S. House of Representatives Committee on Education and the Workforce, and in a variety of roles for schools, guarantors, and other higher education institutions.

Multiple bills are in process in both Houses of Congress, including H.R. 5 — the Student Debt Relief Act — which phases in an interest rate reduction on Stafford loans over a period of five years. H.R. 5 has passed the House but its corollary Senate version, S. 282, awaits further review. These bills would allow in-school consolidation and re-consolidation. They would also make permanent cuts in spending on the FFELP.



On the closing day of the conference, EFC president Kathleen Smith offered an insightful overview of the latest legislative developments affecting higher education.

Smith considered a variety of other legislation, paying particular attention to the implications each bill could have for the financial aid community. She reviewed the Student Loan Sunshine Act (S 486/HR 890), the Borrower Bill of Rights (S. 511), and the Student Aid Reward — or STAR — Act (S 572/HR 1010). The last bill proposes a program by which schools will be encouraged to participate in the federal student loan program (FFELP or Federal Direct Loan Program) that is most cost-effective for taxpayers.

Smith also looked at the potential effect of the President's proposed budget, which cuts \$18.8 billion out of the FFELP over five years in order to pay for increases in Pell Grants and Academic Competitiveness Grants. This follows \$12 billion in cuts made last year under the Higher Education Reconciliation Act (HERA). Given the many challenges facing the financial aid community, Smith exhorted her audience to make themselves heard. Most of all, Smith told her listeners to remain proud of what they do for students.

Financial Aid 4K Fun Run/Walk benefits music charity



Winners of the Financial Aid 4K Fun Run/Walk gather after the race. They are (l – r) Angelica Flores, Sherry Hildebrand, Darron Grussendorf, Monica Comeaux, and Vincent Carales.

On the morning of April 4, over 60 conference-goers got an early start on their day with TG's Financial Aid 4K Fun Run/Walk. Runners and walkers met in the lobby of the Hilton Austin by 6:30 a.m. and walked to the Town Lake Hike 'n' Bike Trail, where they ran or walked a 2.5 mile loop. The trail, which circles the heart of Austin, features some of the signature elements of the downtown cityscape, including the Congress Street Bridge and City Hall.

Registration fees for the event went to support the Austin Jazz Workshop, a local nonprofit organization that brings professional jazz musicians directly into the public school classroom. The Austin Jazz Workshop advocates involving children in school musical organizations, which helps to raise the self-esteem of students and

motivate them to stay in school through graduation. The 4K event gathered over \$1,000 for the Austin Jazz Workshop.

Here's a list of early finishers for the run/walk.

Men: Vincent Carales, TG; Darron Grussendorf, TG; Bennie Hayden, TG; Willie Randle, Plains Capital Bank; and Tyler Pruett, New Mexico State University

Women: Monica Comeaux, University of Houston; Sherry Hildebrand, *Mapping Your Future™* (MYF); Angelica Flores, TG; Dolly Pearson, Texas Christian University; Cathy Mueller, MYF

Have questions about this year's conference?

Visit *TG Online* at www.tgslc.org/tgconference/index.cfm if you'd like to view details about this year's conference. 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.

Spotlight on TG's Public Benefit Grant Program: College Forward



Twenty years ago, the process for going to college was reasonably straightforward: take the SAT, fill out an application for school and for aid, mail both, and wait for acceptance, which was generally assured. Today, that's no longer the case. Students now have to write extensive essays, create resumes, gather teacher and counselor recommendations, not to mention compile materials for scholarships and financial aid. Since computers are often the best way to do all these things, students also have to set up e-mail accounts and create log-ins. Add to these tasks, hefty application and test fees, transcript requests, multiple deadlines, and a myriad of communications via e-mail or over the phone. And don't forget the growing competitiveness of the process, with more students battling for a set number of slots at the best schools. Suddenly, the admissions picture becomes stunningly complex and very daunting.

For no student population is this more true than low-income and first-generation students. Research shows that students in this grouping face obstacles on top of the common ones that every student faces. What kinds of obstacles? First-generation and low-income students generally don't get much psychological or financial support because their families don't have knowledge of, or experience with, the college admissions process. They tend to receive negative messages about higher education from their peer groups. And they usually have fewer resources available to them at high schools in low-income neighborhoods.

College Forward, an Austin-based nonprofit organization, offers some unique solutions to these problems. The organization prepares economically-disadvantaged students before they go to college with weekly classes on the admissions process, close mentoring, special workshops devoted to financial aid issues, and even a summer tour of colleges. They follow up once a student is accepted to college with a retention program that helps ensure students stay in school through to graduation.

Growing success

Funded partly by a grant from TG's Public Benefit Grant Program, the College Forward program has experienced some high success rates — 100 percent of participants enroll and get accepted to college, many to four-year institutions; SAT scores improve by a margin of over 100 points; and the majority of College Forward students receive grants and scholarships. The program is growing also — College Forward is now reaching out to four school districts in Central Texas, and, this year, will serve some 250 students.

Why is the program so successful? According to Emily Steinberg, development officer at College Forward, commitment on all sides is one answer. “We have some very motivated students, many of whom come to College Forward after sports practice, band, or other extracurricular activities,” said Steinberg. “We offer both early and late classes to accommodate different students' schedules. Our volunteers meet with students at least twice a week. They also hold ‘office hours’ and additional labs to get extra time in with their students.”

College Forward also uses a surprising tool for ensuring students stay interested in their college-prep work — fun. “Students love to compete with each other, so we play learning games using Jeopardy™ or 20 questions,” said Steinberg. “We also give prizes when students do well on assignments. On college visits and before ACT diagnostics, we have them participate in a campus-wide Scavenger Hunt to get them acclimated to college campuses. We continually emphasize the importance of having a sense of humor during the entire college admissions process.”

The College Forward program has helped over 400 students since its inception. Plans are in the works to expand its offerings to more than 900 more students in the next few academic years.

TG's Public Benefit Award Program

TG established its Public Benefit Award 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 under-represented on college campuses.

To receive funds, organizations were required to submit proposals that addressed the issue of access to postsecondary education and that focused on the needs of

first-generation college students, students from high schools with low college-going rates, and/or students who are underrepresented in higher education.

To learn more

If you'd like to learn more about TG's Public Benefit Grant Program, you'll find a description of its purpose and process on *TG Online* at www.tgslc.org/public_benefit/index.cfm.

Trends and issues

Question of the week

Q. May a school credit a post-withdrawal disbursement of loan funds to a student's school account to pay institutional charges without the borrower's permission?

A. No; per the Higher Education Reconciliation Act of 2005 (HERA), the school must obtain the borrower's confirmation/permission before crediting the account with a post-withdrawal disbursement that includes loan funds.

Per the *Common Manual* subsection 9.5.A [based on the regulations in 34 CFR 668.22(a)(5)(iii)], if the post-withdrawal disbursement is composed of loan funds, prior to delivering the disbursement, the school must contact the borrower and obtain confirmation that the borrower still requires the loan funds. In making this contact, the school must explain the borrower's obligation to repay any loan funds that the school delivers. The school must document in the student's file the result of the contact and the final determination made concerning the post-withdrawal disbursement.

The *Federal Register* published August 9, 2006, page 45670 includes preamble discussion on this topic. You can access the *Federal Register* on The National Council of Higher Education Loan Programs (NCHELP) e-Library at www.nchelp.org/elibrary/index.cfm?parent=1822.

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.

Legislative Report

The First Session of the 110th Congress continues until its two-week Easter recess. Both chambers are currently focused on the FY 2008 budget and appropriations

process, which may take in other legislative topics like the HEA reauthorization. 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

The Pell Institute for the Study of Opportunity in Higher Education recently released a report that focuses on the obstacles that first-generation students face as they pursue a postsecondary education. Titled *Straight from the Source: What Works for First-Generation College Students*, the study uses the first-hand accounts of first-generation or low-income students who took pre-college training through TRIO's Talent Search and Upward Bound and then went on to college. These students were asked a series of questions to determine what was most effective in getting them to enroll.

According to the report, financial aid education is very useful in raising college aspirations for first-generation students. It also helps prepare students for applying for aid and navigating the awarding and financial aid process. Other findings: tuition increases, stagnant grant aid, and the high costs of textbooks and transportation left many students struggling to pay for college. Also, most first-generation students opt to work rather than to take out loans, making it difficult for them to focus on coursework.

Nationally, about 35 percent of all college undergraduates (6.5 million current students) are first-generation. While approximately 61 percent of all high school graduates have parents who lack college degrees, only slightly more than half of those high school grads actually move on to college.

The complete article on the study can be found at www.nasfaa.org/publications/2007/rnpellreport040407.html.

You can also review a TG-produced literature review on first-generation students. Titled *First-Generation College Students: A Literature Review*, this publication summarizes various research studies related to first-generation college students and categorizes them according to issues of access, student characteristics, retention, pre-college intervention efforts, and college intervention efforts. The review can be found at www.tgslc.org/pdf/first_generation.pdf.



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