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## Tip<sup>of</sup> the Week

*Adventures In Education's* weekly e-newsletter, *AIEmail*, offers everything that a high school student, parent, or a counselor needs to know in planning for college. Consider offering it to high school students in any outreach campaign. You'll find the newsletter at [www.aie.org/AIEmail/index.cfm](http://www.aie.org/AIEmail/index.cfm).

## Federal updates

### Changes to the federal minimum wage impact Federal Work-Study

In just a few weeks, your students with Federal Work-Study (FWS) awards will find a pleasant surprise in their paychecks: a pay raise courtesy of Congress. On May 25, 2007, President Bush signed into law the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, which, among other

changes, mandated incremental increases in the federal minimum wage. As of July 24, 2007, the first of three annual increases in the federal minimum wage will take place as follows:

- July 24, 2007 – July 23, 2008: increase from \$5.15 per hour to \$5.85 per hour
- July 24, 2008 – July 23, 2009: increase from \$5.85 per hour to \$6.55 per hour
- July 24, 2009 and beyond: increase from \$6.55 per hour to \$7.25 per hour

As a reminder, FWS employers may not pay their FWS employees a wage that is less than the federal minimum wage, and in the event an FWS employee is subject to differing state and federal minimum wages, the employee must be paid the higher of the two pay rates. If you haven't already done so, now is the time to contact your human resource and payroll offices, as well as FWS supervisors, to ensure that everyone involved in FWS pay rate determination and payroll processing are aware of this change.

### **For more information**

Last week, ED released Dear Colleague Letter (DCL) CB-07-11 with guidance on this topic, which you may access at <http://ifap.ed.gov/dpcletters/CB0711.html>. The *Federal Student Aid Handbook* (FSA Handbook) provides general information about the FWS Program in volume 6 of the 2006-07 version. To download the FSA Handbook, visit our Web site at [www.tgslc.org/policy/fsa\\_handbook.cfm](http://www.tgslc.org/policy/fsa_handbook.cfm).

## **TG updates**

### **Join TG at the 2007 NASFAA Conference**

This year's NASFAA conference, to be held in Washington, D.C., from July 8 - 11, offers over a hundred sessions on such topics as compliance issues, institutional program management, and leadership development.

TG presents several sessions at the NASFAA conference including a workshop on the regulatory intricacies of managing graduate and professional student aid and a forum on the various ways you can improve your office's customer service.

Here's a closer look at each training.

- ***Regulatory Perils in Graduate/Professional Aid***

Presenters: Kelly Kaelin, TG Senior Policy Advisor

Monday, July 9, 4:15 p.m. - 5:30 p.m.

The regulations that govern the administration of federal financial aid and, in particular, financial aid for graduate and professional programs are complex. This session will explore a variety of regulatory issues that affect these

programs in an interactive, game-like format, providing participants entertainment and learning all in one package.

- ***Customer Service Extravaganza***

Presenter: Tom Rebstock, Senior Corporate Trainer

Tuesday, July 10, 9 a.m. - 10:15 a.m.

This session features simultaneous table-top discussions facilitated by experts on a particular aspect of customer service. A panel of guests from four-year public and private universities, two-year colleges, and for-profit schools will each offer three or four of their best practices for improving customer service in the financial aid office. Topics of discussion include: impressing customers with your physical environment; dealing with difficult customers; serving the first-year student; customer service across multiple campuses; working with customers over the phone; serving students online; and professional development for financial aid staff.

### **More information**

To learn more about the NASFAA annual conference, including a preliminary agenda, visit [NASFAA Annual Conference 2007](#).

## **TG sponsors *Mapping Your Future*<sup>™</sup> chat event on providing advice for students and families**

TG and *Mapping Your Future* (MYF) will offer a live chat event on July 17, 2007 at 7 p.m. (EDT), 6 p.m. (CDT), 5 p.m. (MDT), and 4 p.m. (PDT). 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.

### **How to participate**

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

### **Learn more**

MYF chat events are made possible because of the support of MYF sponsors, including TG. If you have any questions about the chat event, contact CariAnne Behr at (573) 634-8641, or send an e-mail message to [carianne@mapping-your-future.org](mailto:carianne@mapping-your-future.org).

## **Notice: Default Aversion Assistance Request (DAAR) cancellation policy change for lenders**

Current TG policy requires lenders to cancel a previously submitted Default Aversion Assistance Request (DAAR) when a borrower brings an account completely current — zero days past due. Effective August 1, 2007, TG is changing this policy and requiring DAAR cancellation notifications when the account is less than thirty days past due.

### **For help**

The 2007 version of the *Common Manual* has been updated to reflect the change in policy. If you have any further questions, please call Shelia Dunlap at (800) 252-9743, ext. 4642, or Mike Kelly at (800) 252-9743, ext. 4706.

## **Meet Ann Derrick, lender partnership consultant**



Ann Derrick is a tireless communicator. Up to 70 percent of her time, she's on the road, meeting lender customers, presenting at trade associations, or offering training on TG's many products and services. Her schedule can be demanding even for a professional used to the pace, but Derrick brings to it energy that never flags and a degree of enthusiasm that never fails to impress her many lender customers.

As a TG lender partnership consultant, Derrick serves as a liaison for TG's lender clients. For lenders interested in TG, she introduces TG's systems, explains their functions, and describes how they can enhance lender services to schools. Once a customer chooses TG, she ensures a smooth fit between TG systems and those of the lender.

Derrick provides answers or offers any necessary training if questions arise during integration or subsequently. For highly technical issues, she connects the appropriate staff on both sides.

### **A lifetime's worth of dedication**

Derrick brings insight born of personal as well as professional experience to her work in student loans. As a first-generation college student from a family of five girls, she made college her aim at an early age. She was heavily involved in student organizations in middle school and high school, and graduated in the top ten percent of her class. Derrick describes her drive this way.

"I could have easily used my circumstances as a crutch," she said. "Instead, I chose to explore my options and not allow anyone to determine my destiny for me. It's not that my story is unique, it's just that I chose not to limit myself."

In her sophomore year, Derrick took a Work-Study position in the financial aid office of Texas A&M University — Commerce. After working there three years and

graduating, she was hired by the student loan department of a bank, eventually handling refunds and cancelled loans. She also spent nearly five years with Texas A&M University — Commerce as an admissions counselor, financial aid advisor, and as the senior program advisor for student activities and campus life.

“The first six months of the academic year, I spent recruiting high school students and attending college night programs,” said Derrick. “I also conducted campus tours and awarded scholarships. The remaining six months I spent processing Title IV grants and loans and advising students and parents on all financial aid concerns.”

Her well-rounded background gives Derrick a sophisticated knowledge of the student loan process from every perspective — student, school, and lender. It also partly shows her great dedication to the cause of higher education, a quality she shares with others on the lender partnership team. It isn't uncommon for Derrick — or fellow team members — to give up a Saturday or Sunday to a community outreach event on financial aid.

“This past spring, I drove to Abilene at 5:30 a.m. one Saturday morning to be a guest speaker at a financial aid college workshop for students and parents,” she said.

### **A recipe for team success**

The lender partnership consultants take customer requests seriously at all times. To ensure no lag in service to customers even when a consultant is on business travel or assigned to other projects, the team's members cover each other's accounts. Derrick describes the spirit of their work with a plaque that reads: "Teamwork is the fuel that allows common people to attain uncommon results."

She also explains the personal reward she gets from serving her customers. “I truly love helping others,” said Derrick. “It's a good feeling to walk away knowing that you've helped resolve a customer issue or helped them streamline their process by using our products.”

### **Consolidation focus**

For the future, Derrick and her lender partnership colleagues will be focusing more closely on Consolidation loans. TG accepts all eligible Consolidation loans for guarantee, regardless of whether they include at least one underlying loan guaranteed by TG, or one Federal Direct loan. As with Federal Stafford and PLUS loans, TG offers an assortment of services that help borrowers stay out of default and that give lenders and schools more control over all their loans, whether Federal Stafford, PLUS, or Consolidation. These services include policy expertise, online tools, call center staff, and debt management training.

### **To learn more**

Derrick can be reached at (800) 252-9743, ext. 4549, or by e-mail at [lenderrequests@tgsllc.org](mailto:lenderrequests@tgsllc.org). If you'd like to learn more about TG's comprehensive

Consolidation loan services, please call TG customer assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgsllc.org](mailto:cust.assist@tgsllc.org).

## **Reminder from TG and *Mapping Your Future*: New archive policy for Online Student Loan Counseling records**

TG and *Mapping Your Future* (MYF) wish to remind schools that a new archive policy for MYF's Online Student Loan Counseling (OSLC) records will be implemented, effective July 1. The new policy will limit the length of time MYF retains counseling records to better protect borrowers' confidential data. This new policy makes it even more important that schools retain counseling records, either electronically or on paper.

Beginning July 1, the policy will stand as follows:

- The most recent year of counseling records will be available online for schools to retrieve.
- The preceding two years will be available offline, available upon customer service request.

While MYF isn't a record keeper, it currently maintains all counseling records since July 16, 2003, online as a courtesy. MYF's obligation to protect borrowers now must take a higher priority. Some schools retain a copy of the counseling notification e-mail as documentation of the counseling session. The notification e-mails contain only very brief information such as the counseling type, confirmation number, first initial, last name, and last four digits of the student's Social Security number. Also, e-mail service can be interrupted from time to time, causing the e-mails to be delayed or preventing their delivery.

Therefore, MYF recommends that the school instead retain a copy of the full counseling record for documentation. The full record contains all of the information that the student enters on the student form at the end of the counseling session, such as the student's demographic information, employer, references, next of kin, etc.

### **To learn more**

More information on record retrieval is located in the OSLC User's Guide located at [www.mapping-your-future.org/services/oslcpindex.htm](http://www.mapping-your-future.org/services/oslcpindex.htm). If you have questions about retrieving OSLC records, contact Beth Ziehmer at [feedback@mapping-your-future.org](mailto:feedback@mapping-your-future.org) or (573) 796-3730.

### **For more information about MYF**

To learn more about MYF's services for students, families, and schools, visit the Web site at [www.mapping-your-future.org](http://www.mapping-your-future.org).

## Trends and issues

### Question of the week

**Q.:** I am a lender and one of our borrowers has applied for a Consolidation loan through the Direct Consolidation Loan Program. The Direct Consolidation Loan Program has sent us a Loan Verification Certificate (LVC) to complete and return with information on the borrower's loans. However, the LVC is missing the lender ID number. Per Dear Colleague Letter (DCL) FP-07-07, should we return the LVC to the Direct Consolidation Loan Program with a written explanation that we cannot complete the LVC unless this number is provided?

**A.:** No, you must complete the LVC in a timely manner — within 10 business days of receipt — and return it to the Direct Consolidation Loan Program. According to guidance from ED, the language in DCL FP-07-07 — “if a loan holder receives an LVC that does not include the name and lender identification (LID) number of the eligible lender or trustee lender that received the borrower's application under Item 19 of the LVC, it should not provide any information related to a borrower's loan and should instead provide a written explanation to inform the requestor as to why it is not completing the LVC” — does not apply to the Direct Consolidation Loan Program, as the program does not have an LID. The Direct Consolidation Loan Program is identified clearly on the LVC, so the holder(s) of the borrower's underlying loan(s) should rest assured that it is providing the borrower's loan information to the correct source.

To access DCL FP-07-07, go to the Information for Financial Aid Professionals (IFAP) Web site at [www.ifap.ed.gov/dpcletters/GEN0703.html](http://www.ifap.ed.gov/dpcletters/GEN0703.html).

### 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 [tgsic.custhelp.com](http://tgsic.custhelp.com).

## Common Manual

### 2007 Common Manual has arrived

The 2007 annual update of the *Common Manual* is available for download. The update contains all of the policies approved since the 2006 update, including numerous policies derived from the final rules that followed the passage of the Higher Education Reconciliation Act of 2005 (HERA).

The electronic version of the 2007 annual update, known as the *Electronic Common Manual* (ECM) is now available at

[www.tgslc.org/policy/integrated\\_online\\_manual.cfm](http://www.tgslc.org/policy/integrated_online_manual.cfm). We encourage our customers to download this valuable and easy-to-use resource.

### **Foundation for future changes**

The 2007 ECM is the most current version of the manual and is the baseline document to which changes will be made as new policies are approved throughout the upcoming *Common Manual* year.

As new policies are approved, the *Common Manual* leadership will continue to release monthly *Integrated Common Manuals* (ICMs) showing the changes to the text as underlines and strikethroughs. This provides *Common Manual* users with the most up-to-date version of the manual at all times.

Each month that new policies are approved, TG posts the latest ICM to *TG Online* for users to download. Policy changes and the availability of the ICM are also announced in *Shoptalk Online*.

### **Paper copies of the *Common Manual***

TG is proud to say that due to efforts over the past few years to get customers to “go electronic,” TG is distributing only 29 copies of the paper version of the 2007 annual update to the *Common Manual*. Customers who receive a paper copy will need to place the annual update pages within their *Common Manual* binders. As always, it is a good idea to archive the pages you replace.

### **CD-ROM version**

The 2007 *Common Manual* e-Collection CD-ROM will also soon be available. The e-Collection is a complete virtual reference shelf containing the 2007 ECM as well as the following additional materials:

- *Federal Student Aid Handbook* 2007-08 (Volumes 1 and 5, and the Application and Verification Guide)
- *Federal Student Aid Handbook* 2006-07
- Common Forms
- Higher Education Act (HEA)
- Federal Regulations — Parts 600, 668, and 682
- NCHelp Topical Index of the HEA and Regulations
- Dear Colleague/Partner Letters
- Announcements

## To learn more

You can request a copy of the e-Collection CD-ROM by contacting TG communications at (800) 252-9743, ext. 4546, or by sending an e-mail message to [communications@tgslc.org](mailto:communications@tgslc.org).

## Legislative update

The FY 2008 budget reconciliation process, the Higher Education Act (HEA) reauthorization process, and various "ad hoc" HEA reauthorization bills are moving ahead in both houses of Congress.

On June 20, the Senate Health, Education, Labor, and Pensions Committee reported its budget reconciliation bill — the Higher Education Access Act (HEAA) — and its version of the reauthorization of the HEA — S. 1642, the Higher Education Amendments of 2007.

The HEAA bears some similarity to HR 2669, the House Education and Labor Committee's budget reconciliation bill. Among other things, the HEAA proposes to reduce the lender special allowance by .50 percent (.80 percent for non-auction PLUS loans) for for-profit lenders and .35 percent for nonprofits and small lenders (.65 percent for non-auction PLUS loans); maintain lender reinsurance at 97 percent; repeal the FFELP Exceptional Performer program; increase the lender fee to 1 percent; reduce the FFELP guarantor collections retention from 23 percent to 16 percent (the Account Maintenance Fee is proposed to be paid on a "per loan" basis); repeal the income-contingent and income-sensitive repayment options and replace them with a single "income-based" repayment option for both the FFELP and FDLP; increase the length of student loan deferments from three to six years and expand the program; establish a nationwide pilot auction program for the FFELP PLUS program with two lenders per state; and create a new supplemental Pell Grant called the Promise Grant for Pell recipients with greatest need.

To learn more about this legislation and other education bills being considered by both houses of Congress, read the full *Legislative Update* report on *TG Online* at [www.tgslc.org/lege\\_report/index.cfm](http://www.tgslc.org/lege_report/index.cfm).

## This, that, and the other

On May 24, 2007, the Department of Education announced a new mission statement. It reads:

"The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access."



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To ask questions about *Shoptalk Online*, please contact Communications at (800) 252-9743, ext. 4732 or [communications@tgslc.org](mailto:communications@tgslc.org).

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