



In this issue:

Federal updates	1
Reauthorization outlook: Concentrate and ask again	1
ED releases final rules for ACG and National SMART Grant programs	2
Disaster guidance reminder.....	2
Trends and issues	3
Five ways to enhance your default aversion efforts.....	3
Make the student financial aid connection: Raising awareness on your campus	5
Question of the week	6
This, that, and the other	7

Tip of the Week

Many college students turn to credit cards to cover some expenses. Help your students better understand credit cards, specifically the importance of a credit score and report. TG's *Adventures In Education* Web site offers a description of, and information about, credit scores and reports online at www.aie.org/College/Paying/Earning/Credit/creditscoresandreports.cfm.

Federal updates

Reauthorization outlook: Concentrate and ask again

Lately it seems that figuring out if reauthorization of the Higher Education Act (HEA) will ever occur is about as reliable as asking the question of your Magic 8-Ball® — the answers you get could range from “It is decidedly so” to “Better not tell you now” or even “Don't count on it.”

Whatever your method of forecasting the actions of Congress, if you've been keeping track of HEA extensions, it's time to add another entry to your tally sheet. With the current extension set to expire on October 31, the House has just approved the eighth extension in this reauthorization cycle (not counting the automatic one-year extension provided for in the General Education Provisions Act). HR 3927, the Third Higher Education Act Extension of 2007, provides for a “clean” extension and would extend the HEA through April 30, 2008. It has been sent to the Senate for approval.

Has Congress made any progress?

Reauthorization is on the congressional radar — the Senate has developed and approved its version of a reauthorization bill (S 1642), as have House Republicans (HR 3746) — but progress has stalled as House Democrats focus on completing reauthorization of the No Child Left Behind Act. Once House Democrats turn their attention to the HEA and develop their version of a reauthorization bill, the conference committee process will begin as all parties attempt to reach a position of agreement, or at least compromise, on final language.

For more information

To access the text of HR 3927, go to Thomas, the U.S. Congress Web site, at <http://thomas.loc.gov/>. In the space for "Search Bill Text," enter "HR 3927," click on "Bill Number," and click "Search."

ED releases final rules for ACG and National SMART Grant programs

On October 29, ED published final rules for the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs in the *Federal Register*. The rules, which do not differ significantly from the proposed rules published on August 7, are available online at <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/pdf/E7-21068.pdf>.

Implementation

The regulations are effective July 1, 2008; however, ED states that schools “may, at their discretion, choose to implement these final regulations in their entirety, or by section, on or after November 1, 2007.”

More information

If you have questions about the final rules, please contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Disaster guidance reminder

TG wishes to express its heartfelt sympathy to those who have been affected by the recent wildfires in Southern California. The fires have brought devastation to untold thousands, including many of TG’s business associates, customers, and borrowers. In the wake of this tragedy, we would like to remind our readers of guidance from ED regarding certain special provisions for affected individuals, as well as schools, lenders, and guaranty agencies, whenever a disaster is declared by the president.

Regulatory relief

Dear Colleague Letter (DCL) GEN-04-04 details these provisions, and notes that, “Unless stated otherwise, this regulatory relief applies to all Title IV loan borrowers,

students, and their families who, at the time of a disaster, were residing in, employed in, or attending an institution located in an area designated as a Federally-declared disaster area. In addition, it applies to institutions, lenders, and guaranty agencies if they are located in such areas." It also states that a Title IV participant must document the fact that it has used the exceptions included in this guidance and indicate what alternative procedures were followed.

The DCL provides specific exceptions for FFELP-related issues including repayment, forbearance, guarantor and lender disbursements, and NSLDS reporting. It also addresses agreements to permit study at another institution, length of academic year, cash management issues, lost student records, need analysis, professional judgment, satisfactory academic progress, verification, institutional charges and refunds, R2T4, and campus-based aid provisions.

TG will work with our affected borrowers in providing repayment relief, determined on a case-by-case basis or as specified in any forthcoming guidance. We are also committed to assisting our customers and business associates as they respond to this tragedy.

More information

A list of the counties that have been declared disaster areas is available on the FEMA Web site at www.fema.gov/news/disasters.fema. To read the full text of DCL GEN-04-04, go to the IFAP Web site at <http://ifap.ed.gov/dpcletters/GEN0404.html>. If you have any questions, please contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Trends and issues

Five ways to enhance your default aversion efforts

Have you been tasked with implementing a default aversion plan for your campus? Then you're probably aware how complex the issue can be: Managing default with your borrowers, training your staff on the basics of default aversion, and creating a comprehensive default aversion practice for your school requires quite a bit of research and preparation. Fortunately, there are number of things you can do to supplement the plan you put in place and ensure the best service for your students.

TG also helps you with a series of workshops in default aversion, including training to help you and your staff understand the basics of default. These training modules form one portion of TG's comprehensive program on default aversion and financial literacy — POSITIVE+BALANCE™. POSITIVE+BALANCE is a customizable program that can be integrated with existing training for your staff.

A few ideas to consider

Below, you'll find a few suggestions to consider as you create your default aversion strategy. These ideas will help your team work well together and enhance the customer service you provide your students.

- **Craft an effective financial aid packaging philosophy:** Be sure you understand your student population — their socio-economic background, their reasons for attending your college, i.e., a second degree or vocational training. Identify borrowers who are “at-risk” for defaulting and, as much as possible, set aside funds to reduce the indebtedness of these borrowers.
- **Educate students about their obligations:** Be explicit with students about their responsibilities as borrowers. You can do that a number of ways, including effective entrance and exit loan counseling through training conducted online or in-person. A number of reliable, comprehensive resources are available to you online, including [Mapping Your Future™](#). Include it in any training you provide or use descriptions for the loan terms and borrowers rights. Also, describe the consequences of default, which can be extensive and long-lasting.
- **Invest in the right technology:** To manage default aversion data and communications well, your office may need to purchase infrastructure technology, including hardware and software. Technology can give you the tools to handle the large quantity of default prevention data that your office may process. You may also want to research skip-tracing services or consider purchasing technology that helps you locate borrowers without addresses. Software can also be useful in producing statistical analysis of cohorts.
- **Draw up a communications plan:** Students can default because they lack information on the issue. Inform your students at every opportunity about default and its consequences. Stock your office lobby with brochures describing the topic (TG carries many you can [order online](#)); offer in-person counseling; or require classes on the topic as a prerequisite to graduation. Counseling on career options is also a good, proactive way to help your students as they begin repayment.
- **Stay connected with former students:** Remember to stay in touch with your students after they graduate. Provide links on your school's homepage to repayment and deferment information. Keep up periodic contact during grace periods. And advertise in alumni mailings about borrower responsibilities. Also, consider conducting borrower seminars to educate the wider community around your campus about student loan repayment and default.

Learn more

To find out more about POSITIVE+BALANCE and this particular training module, contact your account executive at (800) 252-9743. You can also learn more from Rett Anderton or Joe Braxton, TG's default aversion consultants. Rett Anderton may be reached at (800) 252-9743, ext. 4765, or by sending an e-mail message to

rett.anderton@tgslc.org. Joe Braxton may be reached at (800) 252-9743, ext. 4696, or by sending an e-mail message to joe.braxton@tgslc.org.

Make the student financial aid connection: Raising awareness on your campus

The Free Application for Federal Student Aid (FAFSA) for the next academic year isn't available until January 2008. However, if you're considering ways to ensure your students understand the importance of financial aid and the particular value of the FAFSA, you might start planning now. Putting the elements in place now helps ensure that more students apply early; it may also reduce the number of questions your office has to handle.

To be effective, a financial aid awareness campaign should reach students wherever they may be — online or in the student union building — and draw on the energy and expertise of your entire financial aid office. TG can help with its own resources, which include brochures and other materials that you can [order online](#). We also offer a college and career planning Web site — AIE — which informs students of financial aid deadlines and offers a number of other tools. And, to coincide with the annual Financial Aid Awareness Month in February, TG hosts a special event — the *FAFSA Made Easy* program — which walks students step-by-step through completing both the paper and online FAFSA.

To help you with your own on-campus awareness initiatives, consider this short list of recommended strategies.

- **Form a cross-campus committee:** Enlist a team made up of representatives from campus departments that handle student issues or that can otherwise educate students about financial aid. Consider inviting staff from the Registrar's Office, Admissions, Student Affairs, and even the academic departments, if classes on money management are required of students for graduation. Have this team brainstorm a cross-campus initiative and begin the planning process for coordinating efforts.
- **Draft a communication campaign:** Employ all communication channels to ensure you're reaching students where they read, chat, or otherwise socialize. Outside of the usual media — kiosk flyers and posters, postcard reminders, Web ads on your school's Web site — send an e-mail to students and to their families. Don't forget your student newspaper, an important daily source of information and news for your student body. Or run an information article in newsletters that families in your area receive. You might also consider running ads on social networking sites like *Facebook®* or *MySpace®*. The *Mashable®* Web site offers a comprehensive listing of such social networking sites.
- **Hold a financial aid fair** — Make a party of it and invite your students. This may sound silly at first, but the accent here is on grabbing attention any way you can — and what better way than turning the financial aid process into a fun occasion. Choose an outreach theme, decorate your office, offer door prizes or

drawings, dress willing staff members in costume, and make sure your go-to staff members for information are front and center.

- **Meet your students where they are:** Set up table and chairs at the student union building, cafeterias, libraries, or even on-campus coffee shops. Accessible locations like these make it easy to provide your students relevant information. You may also be able to gather completed paperwork there — FAFSA verification forms or other relevant items.
- **Make it easy to apply:** Not everyone has a computer, or access to a computer during the day on campus. Consider setting up computers in your office lobby so that your students can apply there. What's even better is that they'll have a ready source of information in your staff if questions come up.

To order TG's financial aid awareness materials

You can order financial aid awareness brochures and materials through *TG Online* at www.tgslc.org/order/index.cfm. These materials can be a useful supplement to any information you provide students. Among other things, TG's brochures and collateral describe the process for borrowing and provide an overview of the FFELP. Many are provided in Spanish and English.

TG's FAFSA Made Easy program

TG's *FAFSA Made Easy* program is available in Spanish and English and serves as a guide to completing both the paper and online FAFSA. Schools can order a DVD of the program to show as part of any event promoting financial aid awareness and FAFSA completion. To help you advertise the *FAFSA Made Easy* Program, TG can also supply you an assortment of collateral, including posters, flyers, fact sheets, and student evaluation forms. You'll find more details about the next edition of the program in future issues of *Shoptalk Online*.

Question of the week

Q.: ED recently announced a change in the FAFSA distribution process for the 2008-09 award year; the announcement states that the 2008-09 paper FAFSA will not be available for ordering via FSAPubs. Has there been any more news about this change in distribution strategy?

A.: Yes — since ED released the announcement on September 13 about the change in strategy (as reported in *Shoptalk Online* Edition [423](#)), ED has issued an update containing frequently asked questions pertaining to, among other things:

- The new PDF FAFSA that students may download and complete and the method for submitting it.
- The process of granting a dependency override using the PDF FAFSA.
- The method by which a student can request a paper FAFSA from ED.

- The process by which an organization may make a special request order for paper FAFSAs.

To view this October 22 update, go to <http://ifap.ed.gov/eannouncements/1022FAFSAFAQ.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 tgslc.custhelp.com.

This, that, and the other

This weekend, people across the country will move their clocks back one hour, marking the end of Daylight Saving Time (DST). The Energy Policy Act of 2005 mandates that DST start on the second Sunday in March and end on the first Sunday in November. In 2007, the start and stop dates are March 11 and November 4, respectively. The change occurs at 2 a.m., though other countries may push back their time at a different hour depending on their time zone. You'll find an interesting compendium of facts and history of DST online at a site called "Webexhibits."

The site describes when and why DST was first promulgated — Benjamin Franklin actually had the idea though it wasn't put into effect by any country until England passed laws in 1916. Originally, the change was met with resistance. Today, however, DST is recognized as a useful energy saving measure. You can read more about DST at <http://webexhibits.org/daylightsaving/b.html>.



P.O. Box 83100
Round Rock, TX 78683-3100
(800) 252-9743
(512) 219-5700
(512) 219-4560 TDD

Shoptalk Online is published by TG. Unless specifically noted, the policies and procedures outlined in *Shoptalk Online* apply only to loans made under the TG guarantee and not to loans underwritten by other guarantors.

To ask questions about *Shoptalk Online*, please contact Communications at (800) 252-9743, ext. 4732, or send an e-mail message to communications@tgslc.org.

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

©2007 Texas Guaranteed Student Loan Corporation.
Ask TG and the TG logo are trademarks of Texas Guaranteed Student Loan Corporation.