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Tip^{of} the Week

Help your latest crop of graduates understand their repayment options. If your students have problems making payments, they may need to consider deferment. TG offers a complete description of deferment, including a listing of eligibility criteria online at www.tgslc.org/borrowers/deferment/index.cfm.

Federal updates

HEA extension signed

Last week we reported that another extension of the Higher Education Act (HEA) was in the works, and since then it has been approved by both chambers of Congress and signed into law.

The original bill, HR 3927, was replaced with a slightly different version from the Senate (S 2258), the Third Higher Education Extension Act of 2007. Instead of the six month extension proposed by the House, S 2258 extends the HEA for five months, through March 31, 2008, and also makes a slight revision to the definition of nonprofit holder as found in the College Cost Reduction and Access Act (CCRAA).

For more information

To access the text of S 2258, go to Thomas, the U.S. Congress Web site, at <http://thomas.loc.gov/>. In the space for "Search Bill Text," enter "S 2258," click on "Bill Number," and click "Search."

Final rules for loans and general provisions

On November 1, ED released the much-anticipated final rules for loan provisions (available online at <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/pdf/07-5332.pdf>) and general provisions (<http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/pdf/E7-21083.pdf>).

The final rules incorporate many changes from the proposed rules released last summer, based on community comments submitted to ED. Although the new rules will become effective July 1, 2008, ED has designated several changes in the loan provisions rules for early implementation "at the discretion of each institution, lender, guaranty agency, or servicer, as appropriate."

Those provisions include:

- Simplification of the deferment process and allowing a borrower's representative to request a military service deferment or Armed Forces deferment;
- Allowing the use of an accurate and complete photocopy of an original or certified copy of a borrower's death certificate to support the discharge of a Title IV loan due to death;
- For Grad PLUS borrowers, requiring entrance counseling and modifying exit counseling;
- Limiting the collection costs a school may assess against a Perkins loan borrower;
- Limiting the frequency of capitalization on Consolidation loans to a quarterly basis (however, a lender may only capitalize unpaid interest that accrues during an in-school deferment at the expiration of the deferment);
- Allowing a lender to suspend credit bureau reporting for 120 days and granting borrowers a 120-day forbearance on a loan while the lender investigates a false certification as the result of identity theft.

Beginning with next week's edition of *Shoptalk Online*, we will provide a series of articles covering specific areas of the rules; the first article will focus on prohibited inducements and preferred lender lists.

More information

If you have any 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.

ED provides new FERPA guidance

ED has released three new brochures regarding the Family Educational Rights and Privacy Act (FERPA). The brochures, available online at www.ed.gov/policy/gen/guid/fpco/ferpa/safeschools/, include the following titles:

- Balancing Student Privacy and Campus Safety: A Guide to the Family Educational Rights and Privacy Act for Colleges and Universities
- Balancing Student Privacy and School Safety: A Guide to the Family Educational Rights and Privacy Act for Elementary and Secondary Schools
- Parents' Guide to the Family Educational Rights and Privacy Act: Rights Regarding Your Children's Education Records

To learn more

Copies of the brochures may also be ordered from ED by calling (877) 433-7827, or by e-mailing edpubs@inet.ed.gov.

NSLDS Newsletter #15 available

Last week, ED released NSLDS Newsletter #15, which discusses recent enhancements to the National Student Loan Data System (NSLDS) for the 2008 award year.

Highlights of the changes include:

- Security measures implemented by NSLDS to ensure the confidentiality of student aid information
- The NSLDS e-mail address change from nslds@pearson.com to nslds@ed.gov
- Increased FFEL and Direct loan amounts for the 2007-08 award year
- Changes to the NSLDS system for enrollment reporting when schools close, merge, or become ineligible for Title IV aid
- Access to the most recent version of the Transfer Student Monitoring User Guide on www.ifap.ed.gov

- NSLDS enhancements to display Teacher Loan Forgiveness (TLF) and Loan Discharge Information
- Availability of a new NSLDS report for schools seeking to retrieve detailed student and loan program information
- Display changes on the NSLDS for Students Web site

More information

To access NSLDS Newsletter #15, visit the Information for Financial Aid Professionals (IFAP) Web site at

<http://ifap.ed.gov/nsldsmaterials/1030NSLDSNewsletter15.html>.

TG updates

TG names Kevin Struckhoff assistant vice president of relationship management and consulting team; Margie Harvey transitions into new role



Kevin Struckhoff, who has spent his entire career in the student loan industry, has joined TG as assistant vice president of relationship management and consulting.

In his new role, Struckhoff will lead TG's relationship management and consulting team and represent the company with colleges, universities, and lenders. He has spent 25 years working for various lending institutions in several states.

Struckhoff most recently spent two years as a senior vice president of school relations for College Loan Corporation and headed the California and Rocky Mountain regions. From 1997-2004, he worked for Chase Education First — a joint venture between JP Morgan Chase and Sallie Mae — in Tampa, FL. He served as executive director of regional sales and then vice president of national sales for the joint venture.

He previously worked for six years in New York as an assistant vice president for Manufacturers Hanover Bank and as a vice president of Chemical Bank Education Finance Group. Struckhoff also earlier worked in student lending for three community banks in Kansas and Colorado.

Struckhoff earned a Bachelor of Science degree from Fort Hays State University in Kansas.

"Kevin has a wealth of experience in the student loan industry. His sales management knowledge will be invaluable in leading our school and lender sales and consulting teams," said Kim Alexander, TG's vice president for customer focus. "He also is well known and respected by schools and lenders in Texas and

throughout the nation, and that will serve TG well as we expand to other areas of the country.”

Margie Harvey takes on new assignment

Margie Harvey, who led the relationship management and consulting team until recently, chose to take on a new opportunity in TG’s marketing and product management area — market strategist.

In her new role, Margie will have a significant impact on the direction that TG’s products and services take. She’ll also continue to work closely with the relationship management and consulting team, supporting their efforts to help TG’s customers.

“I have developed many close relationships with TG’s customers over the years, and I look forward to working with them in the future,” said Margie. “I am proud of our efforts to build a strong team, and I am confident that Kevin Struckhoff will build upon our success.”

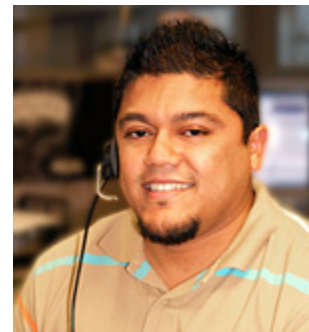
For more information

Kevin can be reached at (800) 252-9743, ext. 6701, or by sending an e-mail message to kevin.struckhoff@tgslc.org. Margie can be reached at (800) 252-9743, ext. 4859, or by sending an e-mail message to margery.harvey@tgslc.org.

TG senior default aversion counselor Feliciano Lopez helps borrowers stay on top of student loans

To help borrowers avoid default, TG senior default aversion counselor Feliciano Lopez is willing to do whatever it takes.

“Some customers may be surprised at the lengths that we’ll go to help bring their account current,” said Feliciano. “We’ll fax or e-mail any forms that they might need and as many times as necessary, make special accommodations to reach them at a convenient time, and just basically provide a personalized service to them based around their needs.”



With commitment like this, it’s no wonder that borrowers request Feliciano by name when they call back for assistance. They’re impressed with his regulatory knowledge and touched by his diplomatic style of communicating.

“Customers are grateful and show it in many ways,” said Feliciano. “Some will call to thank me personally. Others will ask to speak to my supervisor.”

Thriving in a call center environment

Working in default aversion takes a special set of skills — a solid grounding in the latest regulations, a real desire to connect with borrowers, and a willingness to pitch in on a call center team. Feliciano shows strength in all these areas. That’s why he has such a varied role on his team.

As a senior default aversion counselor, Feliciano works “behind the scenes,” sending out deferment forms to borrowers; receiving these forms from borrowers and ensuring all information is correct before forwarding them on; and performing quality control duties to ensure that TG’s counselors follow the highest standards on and off the phones.

“I answer any questions that our counselors might have and also assist in training,” said Feliciano. “I also deal directly with borrowers when following up on accounts or helping to resolve any issues that they might have.”

Feliciano’s secret for success is pretty straightforward: He thrives on the fast-paced environment of a call center, especially the challenges in helping more borrowers with better technology and quicker turnaround.

“In the past month or so, we have significantly increased the amount of counselors on the phone in TG’s default prevention team,” said Feliciano. “We’re trying to get our counselors trained and ready to go as soon as we can.”

Keeping balance with music hobby

Feliciano also succeeds with customers because he’s confident in providing information. He reads quite a few regulatory publications and trade newsletters to stay abreast of regulatory developments. That way, he offers the most current information to borrowers. Of course, Spanish-speaking borrowers appreciate Feliciano’s fluency in both Spanish and English.

Feliciano was born in Nebraska but he moved to the Texas town of Laredo when he was young. He moved back to Nebraska when he was 15 and completed high school there.

Outside of work, Feliciano relaxes by staying connected to a preoccupation of youth culture the world over — music. He programs beats using software on his computer. “I make a range of tracks from dance to hip hop,” said Feliciano. “I also enjoy adding vocals to my music as well as jamming live and doing vocals.”

To learn more

You can find out more about TG’s extensive default aversion program by contacting one of TG’s default aversion consultants — Rett Anderton or Joe Braxton. Rett Anderton may be reached at (800) 252-9743, ext. 4765, or by sending an e-mail message to rett.anderton@tgsic.org. Joe Braxton may be reached at (800) 252-9743, ext. 4696, or by sending an e-mail message to joe.braxton@tgsic.org.

Trends and issues

Remind your May graduates — Grace period ending

Six months after their graduation in May 2007, your spring graduates are facing another milestone of sorts: the end of grace period on any Federal Stafford loans

they hold. Grace period for these borrowers will expire at the end of November. Note that the grace period is also ending for students who dropped below half-time enrollment six months ago. For these students, payment on any Federal Stafford loans is also coming due.

If you're communicating with your former students — as well as any students who dropped below half time — consider reminding them of their repayment obligations. Most borrowers are aware of their loan responsibilities, but reminders are always helpful. Besides, you can include in your communication tips and information about what to do if the borrower can't make a payment.

Repayment help

Borrowers who do find themselves unable to pay should contact their lender or servicer immediately. The lender or servicer can outline alternatives to repayment or recommend a payment plan based on the borrower's income.

TG is also always willing to be of service. You can refer borrowers to our Web site to learn more about their varied repayment options, including deferment and forbearance. A description of deferment and forbearance and their uses can be found on *TG Online* at www.tgslc.org/borrowers/repay/index.cfm.

Add to this suite of information TG's valuable tool for learning more about loan consolidation called Consolidation StationSM. Consolidation Station describes the benefits of consolidation and provides a search feature for choosing a lender. Your borrowers can find it online at www.ConsolidationStation.org.

Questions?

For particular questions, you or your students can also contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Question of the week

Q.: Must a student be enrolled at least half time in order to be eligible for aid under one of the campus-based programs (Federal Supplemental Educational Grant [FSEOG], Federal Perkins Loan, and Federal Work-Study)?

A.: In almost all cases, the answer is no. Per the 2007-08 *Federal Student Aid Handbook*, page 1-73:

"Unlike the Stafford and PLUS loan programs, a student does not have to be enrolled at least half time to be eligible to receive aid through the campus-based programs unless the student is seeking aid to attend a teacher certification or professional credential program."

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.

Common Manual

Common Manual updates

On October 18, 2007, guarantor representatives who serve on the *Common Manual* Governing Board approved several changes to the *Common Manual*. Details on these changes and a newly updated Integrated *Common Manual* incorporating the changes are available online at www.tgslc.org/policy/integrated_online_manual.cfm.

Economic Hardship Deferment Eligibility Criteria

The *Common Manual* has been updated to align economic hardship deferment eligibility criteria with Department guidance published in the Preamble language in the *Federal Register* dated June 29, 1994, page 33587. A borrower is eligible for an economic hardship deferment if he or she is receiving payment or benefit under a federal or state public assistance program, such as Aid to Families with Dependent Children, Supplemental Security Income, Food Stamps, or state general public assistance.

Affected Sections:	11.4.A Eligibility Criteria: Economic Hardship
Effective Date:	Economic hardship deferments granted by the lender on or after January 1, 2008, unless implemented earlier by the lender.
Basis:	Preamble language in the <i>Federal Register</i> , dated June 29, 1994, page 33587; §682.210(s)(6)(ii).
Policy Information:	944/Batch 143
Guarantor Comments:	None.

Including a Retroactive Period in a Loan Period

The *Common Manual* has been updated to address certifying a loan that includes a retroactive period. A school may certify a borrower's eligibility for a Stafford or PLUS loan retroactive to the beginning of the current period of enrollment for a student or parent borrower, as applicable, who, for example, requests a loan during the second or subsequent payment period in the period of enrollment. A school may also certify a borrower's eligibility for a Stafford or PLUS loan retroactive to the beginning of the current period of enrollment in situations where a student or parent borrower, as applicable, regains eligibility after an earlier loss of eligibility

due to failure to maintain satisfactory academic progress, failure to meet citizenship requirements, a default or overpayment in a Title IV program, inadvertent borrowing in excess of the Stafford annual or aggregate loan limit, or a drug-related conviction. However, a school may include a retroactive portion of the current enrollment period in a Stafford or PLUS loan period only if the student attended and completed that retroactive period on at least a half-time basis. For example, a school may certify a loan in the spring term for a fall/spring period of enrollment and include the costs for the fall term in the student's cost of attendance for the loan period, provided that the student completed the fall term on at least a half-time basis. The school must ensure that a loan period including a retroactive period does not exceed the maximum allowable loan period, and meets applicable criteria for determining the frequency of Stafford annual loan limits. If a student attended during a retroactive period on a less-than-half-time basis, a school must not include the retroactive period in the loan period or that retroactive period's costs in the cost of attendance for the loan period.

Affected Sections: 6.2 Determining the Loan Period

Effective Date: Publication date of the 03-04 FSA Handbook.

Basis: 03-04 FSA Handbook, Volume 8, Chapter 6, p. 8-63.

Policy Information: 976/Batch 143

Guarantor Comments: None.

Prorated Loan Limits

The *Common Manual* has been revised to clarify that loan proration is required, when applicable, for an undergraduate student who is seeking a professional credential or certification necessary for employment in a non-teaching profession. Loan proration is not required for a student completing coursework necessary for a professional credential or certification from a state if that credential or certification is required for employment as a teacher in an elementary or secondary school.

Affected Sections: 6.11.F Prorated Loan Limits

Effective Date: Retroactive to the implementation of the *Common Manual*

Basis: §682.204(a)(6) and (7); 07-08 FSA Handbook, Volume 3, Chapter 4, p. 3-92.

Policy Information: 977/Batch 143

Guarantor Comments: None.

Loss of Eligibility for Special Allowance Payments

The *Common Manual* has been revised to clarify that any failure on the part of a lender to fulfill due diligence on a Consolidation loan may result in a loss of eligibility for any interest benefits and special allowance payments that might

otherwise apply to that Consolidation loan. This change aligns Subsection 15.1.A with current language in Section 12.4.

Affected Sections: 15.1.A Agreement to Guarantee Federal Consolidation Loans

Effective Date: Retroactive to the implementation of the *Common Manual*.

Basis: §682.302(d)(1)(iv).

Policy Information: 978/Batch 143

Guarantor Comments: None.

Legislative update

As the congressional calendar winds down and FY 2008 appropriations dictate more and more of the agenda, members in both houses of Congress will be struggling to reconcile their differences on various budget and education-related bills. At the same time, they're working on other substantive legislation relating to children's health care, higher education reauthorization, and defense authorization, among other issues. Recently, both chambers passed appropriations bills, which exceed the Administration's proposed budget on domestic spending. Learn more about recent developments on the Hill by reading the complete *Legislative Report* at www.tgslc.org/lege_report/2007/lr_071030.cfm.

This, that, and the other

TG will be closed next Monday, November 12, in observance of Veterans Day. TG will resume normal business hours on Tuesday, November 13.



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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.

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