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

Does your institution have December graduates? If so, provide budget worksheets to students during exit counseling. Templates are available from TG's public service Web site, *Adventures In Education*, at [www.AIE.org](http://www.AIE.org).

## 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 October 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
01246106	<b>Lincoln Technical Institute</b> 1 Plymouth Meeting, #300	N/A	09/30/07

OPE School ID	School Name and Address	Unofficial Closure Date	ED's Official Closure Date
	Plymouth Meeting, PA 19462-1326		
03232303	<b>Lincoln Technical Institute Lincoln College of Technology</b> 5675 Jimmy Carter Blvd., Suite 100 Norcross, GA 30071	N/A	09/28/07

## Final rules 101: Counseling, confirmation, capitalization, and more

As we announced in [last week's Shoptalk Online](#), ED has released final rules for loan issues

(<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>).

Like the long-awaited birth of a child, the arrival of these final rules has been preceded by much anxiety and has left the financial aid industry at once relieved and daunted at the prospect of the many adjustments ahead. To assist our customers and business partners through this difficult early period, we will be providing a series of articles — a crash-course, if you will — to explain the major provisions found in the new rules that will most significantly impact your daily operations. As always, we strongly encourage you to read and analyze the preamble discussions and rules in their entirety to ensure that you understand all of the possible ramifications for your business processes.

### Grad PLUS loan counseling

The new rules will require entrance counseling for all first-time Grad PLUS loan borrowers. The counseling requirements vary, depending on whether the student has previously borrowed a Stafford loan.

Exit counseling requirements for Stafford loan borrowers have also been modified. For Stafford loan borrowers who have also borrowed a Grad PLUS loan, exit counseling information must include the average anticipated monthly repayment amount based on the combination of the different loan types that the borrower has received.

Before certifying a Grad PLUS loan, the school must also notify the prospective Grad PLUS borrower of his or her eligibility for a Stafford loan, provide a comparison of the terms and conditions of PLUS and Stafford loans, and ensure that the prospective Grad PLUS borrower has an opportunity to request a Stafford loan.

This information may be provided to the borrower via the award letter process, as long as the information is provided prior to certification of the loan.

In response to public comments regarding the complexities of the different counseling formats required for Grad PLUS borrowers, ED states in the preamble discussion to the final rules that, "If a school finds that providing a comprehensive initial counseling to all student PLUS borrowers is more cost effective than providing the limited counseling required by the regulations, a school may provide the comprehensive counseling to all student PLUS borrowers."

### **Maximum loan periods**

The maximum 12-month loan period for annual loan limits, as well as the maximum 12-month loan guarantee period, has been eliminated. Schools will be allowed to certify a single loan for a student in shorter non-term or nonstandard term programs. This change will also provide flexibility in rescheduling disbursements for students who drop out and return within the permitted 180-day period. ED notes in the preamble that even with this change, "Annual loan limits continue to apply to the academic year or the period of time necessary for a student to progress to the next grade level..."

### **Affirmative confirmation of a loan**

Schools using affirmative confirmation — that is, schools that require electronic or written confirmation of the types and amounts of Title IV loans that a student wishes to borrow before crediting those funds to the student's account — will be unaffected by the new rules.

However, ED has imposed greater requirements upon schools that choose to use a passive confirmation process. Specifically, those schools must:

- Notify the student no earlier than 30 days before, but no later than 7 days after, it credits the student's account with the loan funds; and
- Allow the student 30 days (currently 14 days) to cancel all or a portion of the loan or loan disbursement.

### **Late disbursements**

Currently, a school may request, in certain situations, disbursement of Title IV funds up to 120 days beyond the date that the student withdrew or otherwise became ineligible. The school may appeal to ED to allow the late disbursement beyond 120 days if the reason for the delay is not the fault of the student or parent. The new rules will extend the late disbursement deadline to 180 days, but also remove the option to appeal to ED for an extension beyond that deadline.

### **Simplification of the deferment process**

This provision will allow a loan holder, at its option, to grant a loan deferment (for deferments available to a new borrower on or after July 1, 1993) based on a

deferment granted by another loan holder or ED, rather than requiring the borrower to submit a separate deferment request to each loan holder.

In the case of a military deferment, it also allows a borrower's representative (i.e., a member of the borrower's family or another reliable source) to request the deferment on behalf of the borrower. The loan holder is required to grant the loan deferment request in this circumstance.

### **Accurate and complete copy of a death certificate**

Currently, a loan holder must collect an original or certified copy of a borrower's death certificate in order to approve a loan discharge due to death, which often places a financial and administrative burden upon the borrower's surviving family members. The new rules allow a loan holder to approve such a discharge based on an accurate and complete copy of a death certificate. However, each loan holder must obtain an accurate and complete copy of the death certificate for its own records—one loan holder cannot approve a death discharge based on another holder's copy of a death certificate.

### **NSLDS reporting requirements**

Under the new rules, schools, lenders, and guarantors must "report enrollment and loan status information, or any other Title-IV-related data required by the Secretary, to the Secretary by a deadline established by the Secretary." The timeframe for guarantor reporting to NSLDS of changes to the borrower's enrollment status will be shortened from 60 days to 35 days.

### **Frequency of capitalization**

To align FFELP regulations with those currently found in the Direct Loan Program, the new rules will require that unpaid interest that accrues on a Consolidation loan during an in-school deferment be capitalized only once, at the end of the deferment. Currently, the unpaid interest on a FFELP Consolidation loan may be capitalized quarterly or whenever repayment is required to begin or resume.

### **For more information**

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](mailto:cust.assist@tgslc.org).

## **ED issues DCL announcing approval of 9/11 loan discharge application**

As announced in *Shoptalk Online* edition [425](#), final rules for the 9/11 loan discharge were issued on September 28, 2007, with the promise that ED would soon release an application, based on comments and on changes made by the final rules.

On Friday, November 9, 2007, ED issued *Dear Colleague Letter* (DCL) [GEN-07-08](#), which provides the 9/11 loan discharge application for use by borrowers who are

the spouses or parents of eligible public servants or other eligible victims of the September 11, 2001, terrorist attacks.

### **Application effective date**

The application is available for immediate use. FFEL Program participants and Perkins Loan schools must make the application available to borrowers no later than January 31, 2008. Requests for the 9/11 loan discharge made by borrowers using other means that were in place before January 31, 2008, may continue to be processed after that date.

### **Application access**

The application is available in PDF and Microsoft Word® format as attachments to the [GEN-07-08](#). The form is also available on the National Council of Higher Education Loan Programs (NCHelp) Web site at [www.nchelp.org](http://www.nchelp.org).

### **More information**

For more information on the 9/11 loan discharge, call TG customer assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgsic.org](mailto:cust.assist@tgsic.org).

## **TG updates**

### **Sylvia J. Espelage joins TG as a regional account executive for California**



Sylvia Espelage, who has 30 years of experience in the student loan industry, recently joined TG as a regional account executive based in San Jose, California. She will be responsible for the Northern California region.

For the past five years, Espelage was director of school relations for Northern California for College Loan Corporation. From 1998-2002, she was a senior marketing representative for Bank One Student Loans in southern Ohio and West Virginia.

Espelage also spent 10 years as a marketing and sales executive with Chase Manhattan and its subsidiaries in the Midwest and Mid-Atlantic regions. And she worked as a financial aid counselor for nine years — four years at Cincinnati State Technical College and then five years at College of Mount St. Joseph in Cincinnati.

She earned a Bachelor of Arts degree from College of Mount St. Joseph.

“Sylvia knows the Northern California territory well and has strong relationships in the industry that make her an ideal choice for this new position,” said Kevin Struckhoff, TG’s assistant vice president for relationship management and consulting. “She will continue to work closely with schools and will be a great asset as TG expands service to colleges and universities in California.”

## To learn more

Espelage can be reached at (800) 252-9743, ext. 6738, or by e-mail at [sylvia.espelage@tgscl.org](mailto:sylvia.espelage@tgscl.org).

## TG and *Mapping Your Future*<sup>TM</sup> make updates due to new final regulations

*Mapping Your Future* (MYF) has begun to update its Web site content and applications, including the Online Student Loan Counseling (OSLC) sessions, to reflect changes due to implementation of final regulations issued on November 1. With assistance from the content team, OSLC team, and other volunteers, and upon receipt of additional guidance, the staff will make additional updates.

### About OSLC

OSLC enables schools and students to meet federal loan counseling requirements conveniently. It also enhances the loan management education of the student by actively involving them in the counseling — making OSLC an important default prevention tool. OSLC can provide busy school staff with an opportunity to spend more time with those students needing assistance in the loan process. It is a free service provided by the guaranty agencies from around the country that sponsor MYF, as well as the friends that support the Web site.

### For more information

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).

## Spotlight on TG's Public Benefit Award Program: Training support for the National College Advising Corps

High school counselors play a growing role in the transition that students make from high school to college. More and more, counselors work on the front lines with teachers, serving as mentors to students, charting out possible educational and career tracks, and offering necessary training to prepare students for college. However, the ratio of counselors to students is low according to the American School Counselor Association — nationally, an alarming 1 counselor for every 479 students.



An association of organizations, including the National College Access Network (NCAN) — a nonprofit association of counseling professionals devoted to improving access to postsecondary education for first-generation, under-represented, and low-income students — offers some help. NCAN, along with ten colleges and universities, including the University of North Carolina at Chapel Hill, have spearheaded an initiative called the National College

Advising Corps, which provides under-represented high schools with guides, or “advisors.” These guides work right along side guidance counselors, helping students through the college admissions process, including financial aid applications and scholarship searches.

“While high school counselors cover a range of services, our advisors focus on just college admissions,” said Dr. Nicole Hurd, executive director of the National College Advising Corps. “Within that area, however, they do quite a few things to help students, including offering advice on the right coursework, explaining the college testing process for things like the ACT and the SAT, and even providing tutoring about essay-writing for the college application.”

Advisors are chosen by a committee made up of representatives from the ten colleges and universities, various local K-12 institutions, and NCAN. The advisors go through a rigorous training program on many aspects of admissions and financial aid. According to Hurd, the advisors benefit from direct contact with professionals in the field.

“We bring in financial aid officers who talk about how financial aid is packaged,” said Hurd. “Our guides also learn more about financial literacy and what college students need to know to manage their money during college.”

One of the great advantages of the program is that guides are “near-peer,” that is, they’re close in age to students, which gives their message more “credibility,” according to Hurd. “Students can more easily identify with them and feel empowered by them,” she said.

### **Long-term goals**

The National College Advising Corps aims to increase matriculation rates for under-represented students, and, so far, the results have been impressive.

The first program established at the University of Virginia saw matriculation rates rise as much as 20 percent in some areas of the state. Guides logged over 7,000 advising appointments and 400 classroom visits.

Dr. Hurd sees the program expanding to 20 university-based programs with outreach to a potential 1,500 students.

TG supports the program with a Public Benefit grant that helps fund training services for the guides, including various national workshops on mentoring and other skills. NCAN was one of 46 organizations and higher education institutions to receive a grant for the 2007-08 academic year.

### **About TG's Public Benefit Award Program**

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. Application materials for 2008-09 will be available in January 2008.

### **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/publicbenefit/index.cfm](http://www.tgslc.org/publicbenefit/index.cfm).

## **Trends and issues**

### **Question of the week**

**Q.: May a school delay the disbursement of Title IV funds for its students until after the 60-percent point in the payment period?**

**A.:** No. According to guidance from ED in the form of the preamble language that precedes the general provisions final regulations published in the *Federal Register* on November 1, 2007, page 62016, "[A]s a general matter, Title IV funds must be provided to students in a timely manner to best assist them in paying their educational expenses. Consequently, an institution may not delay the disbursement of funds until after the 60 percent point, for example, to avoid the administrative burden of performing a Return of Title IV Funds calculation and the requirements that go along with it, or to prevent the student from having to return funds upon withdrawal."

To access this *Federal Register*, go to

<http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/pdf/E7-21083.pdf>.

### **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](http://tgslc.custhelp.com).

## **This, that, and the other**

TG offices will be closing at noon on Wednesday, November 21, for the remainder of the week. The TG team will be back to serve you on Monday, November 26. In observance of the holiday, *Shoptalk Online* will take a short hiatus also. The next edition of *Shoptalk Online* will be available November 27.

Happy Thanksgiving from all of us at TG!



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