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Tip^{of}the Week

It's tax season. Educate your borrowers about their potential tax breaks if they're paying off student loans or currently paying for tuition and college expenses. TG offers a concise overview of three tax benefits for eligible student loan borrowers. You can find them at www.tgslc.org/borrowers/tax/index.cfm.

Federal updates

Neg Reg begins

Over the last couple of weeks, members from various sectors of the financial aid and higher education communities have gathered in Washington, D.C., to participate in the first sessions of the 2007-08 negotiated rulemaking (Neg Reg) process. Unlike last year's Neg Reg, which addressed a wide variety of issues affecting our industry, this year's teams will focus on only two areas, the TEACH Grant Program and student loan issues.

TEACH grant session I

During the first TEACH grant issues session (held January 8-10), the negotiators reviewed Neg Reg procedures and protocol and agreed to add a non-federal negotiator to the team, before plunging into discussions on the numerous complicated matters to be decided regarding this new program. This is largely uncharted territory for the federal as well as non-federal negotiators: Last year's Neg Reg participants became acquainted with the fusion of merit- and need-based

federal student aid in the form of the ACG and SMART Grant Programs, but the TEACH grant, with the potential to convert to an unsubsidized Direct Loan, presents even more complex and critical issues for the negotiators.

Some of the most pressing concerns involve balancing institutional eligibility requirements with student eligibility and awareness requirements — in other words, negotiators hope to open up the program to as many institutions as possible, while also ensuring that recipients are fully aware of the service and academic conditions that accompany the program, and the consequences of not fulfilling those commitments.

Other items discussed include the conversion from grant to loan status, repayment, conforming changes to R2T4 and overpayments, and determination of awards. ED did not add or remove any items from the official agenda, which was reported in *Shoptalk Online* edition [436](#). The second TEACH grant session is scheduled to occur January 22-24.

It is interesting to note that the TEACH Grant Program seems to have already garnered a great deal of attention among students: ED has stated that about 15 percent of FAFSA applicants so far have indicated interest in the TEACH grant, which far exceeds the initial projections of the Congressional Budget Office.

Loan session I

The first session of loan issues negotiations concluded on January 9, a day earlier than expected. ED declined to add several suggested topics to the agenda, opting instead, as with the TEACH grant team, to retain at this time the original agenda as outlined. At this first session, the negotiators had the opportunity to discuss all agenda items, and expressed particular concern about two items on the agenda: the new income-based repayment plan and the public service loan forgiveness program.

ED announced that it plans to develop two separate regulations packages, one focusing on changes due to the College Cost Reduction and Access Act of 2007 (CCRAA), and one on the issue of federal preemption of state laws relating to improper inducements and arrangements between schools and lenders. ED also suggested it was reviewing the possibility of increasing aggregate loan limits — in particular for health professions students — outside of the Neg Reg process, and expects to make a decision on that possibility before the next round of negotiations, which is scheduled to take place on February 4-6.

More information

Please visit ED's "2007-08 Negotiated Rulemaking for Higher Education" Web page at www.ed.gov/policy/highered/reg/hearulemaking/2008/index2008.html for more information. The names of committee members selected for the two teams are provided in the January 8 *Federal Register*, available at <http://a257.g.akamaitech.net/7/257/2422/01jan20081800/edocket.access.gpo.gov>

</2008/pdf/E8-121.pdf>. TG will continue to keep its customers informed about the Neg Reg sessions via *Shoptalk Online*.

TG updates

Stanley joins TG as director of student persistence and success



Elizabeth Holland Stanley has been named TG's new director of student persistence and success. She has 14 years of experience in college enrollment and higher education services.

In her new position, Elizabeth will work with colleges and universities, state agencies, and educational associations to increase college persistence, retention, and graduation. She will manage a portfolio of innovative concepts to increase college access and success, including a refereed journal on enrollment management.

A strong background

Elizabeth spent the past six years in Austin with The College Board, a national nonprofit membership association whose mission is to connect students to college success and opportunity. She held several positions with the organization, including chief educational manager for higher education relationship development, and interim vice president for the Southwestern Region.

Elizabeth was director of admission for St. Edward's University from 1999-2001, and also served as assistant and associate director of admission for the Austin private college prior to that. She began her career in 1993 as an admission counselor at Southwestern University in Georgetown, Texas, and later served as the university's assistant director of admission from 1995-96.

Elizabeth earned a Bachelor of Arts degree from Southwestern University, and a Master of Arts degree from St. Edward's University. She is a member of the National Association for College Admission Counseling and the Texas Association for College and Admission Counseling, as well as several other higher education associations.

"Elizabeth possesses a unique blend of expertise. She has a keen understanding of the challenges faced by low and moderate-income students in accessing college, and overcoming obstacles to stay in school, and in-depth knowledge of the enrollment practices among postsecondary education institutions," said Jacob Fraire, TG's assistant vice president of educational alliances. "Her expertise will be instrumental in helping institutions create practical solutions to student persistence and graduation."

To find out more

Elizabeth can be reached at (800) 252-9743, ext. 4914, or by e-mail at elizabeth.stanley@tgsic.org.

New TG training model merges default aversion and student retention

Increases in college costs and a greater reliance on student loans are compelling institutions of higher learning to adopt new approaches in preventing student loan delinquency and default.

With that in mind, TG and the Council for the Management of Educational Finance have issued a second edition of "A Clear and Present Danger to Institutional and Student Success: A training model for embedding student loan default aversion within strategic enrollment management."

The training model is offered as a guide:

- to help schools support academic and financial success among students through early and sustained intervention and education;
- to encourage entire campus participation and support in promoting wise borrowing decisions by students; and
- to help institutions develop systemic default aversion efforts within strategic enrollment management.

The training model centers on four key components: identifying students, recruiting students, retaining students, and fostering and sustaining student connections on campus.

Jacob Fraire, TG's assistant vice president of educational alliances, said the training model is designed to help institutions build enrollment management and default aversion plans, which are more closely aligned with each other and which define the role of the whole campus community in helping students to successfully complete their education and prepare for loan repayment once they leave the campus.

"By aligning campus default aversion efforts within enrollment management plans, institutions will be better able to equip students with loan management skills that will allow them to focus on academic progress, while managing their finances wisely," Fraire said.

Case studies

The document also includes successful case studies from the University of Texas-Pan American and the University of the Incarnate Word in San Antonio, each of which has implemented strategies for student retention, completion, and default aversion.

The Council for the Management of Educational Finance is a consortium of higher education professionals whose objective is to develop default aversion and debt management initiatives that promote success in higher education. The Council serves in an advisory role to TG.

The Educational Policy Institute, an international organization in Virginia Beach, Virg., dedicated to the study of educational opportunity, collaborated with TG and the Council for the Management of Educational Finance in producing the second edition of this training model.

To learn more

Copies of the publication may be ordered online at www.tgslc.org/order/index.cfm, or by calling (800) 252-9743, ext. 4732.

Make sure your students understand alternative loans with TG's new brochure



At some point in their educational career, your students may consider an alternative, or private, loan. Ideally, students should first exhaust all of their other funding options — including federal, state, and institutional grant and loan programs. Generally speaking, federal and other such loan programs offer better terms and interest rates for students and borrowers. They usually come with more repayment options and provide more flexibility with regard to deferment and forbearance.

Given the multitude of alternative loan packages on the market, TG created a tool to help educate your students and borrowers — the *Alternative Loans* brochure. This concise publication offers information on the key differences between federally-guaranteed loans and alternative loans and offers useful tips on how to compare the two. With it, your students will be able to make a more informed decision when it comes to borrowing an alternative loan.

Consider offering this compact, easy-to-stow brochure as a handout in your office lobby or mailing it to students or borrowers inquiring about alternative loans.

Inside the brochure

The *Alternative Loans* publication clearly defines alternative loans and then answers the general questions many borrowers have about the program: What is different about alternative loans? How can I determine whether it's right for me? And what's the general process for applying for one? Here are some particular highlights.

- **Get the big picture:** Students and borrowers should learn as much as they can before borrowing an alternative loan, since so many lenders offer these loans on varying terms. The goal is to become as proactive and educated a borrower as possible.

- **How does an alternative loan differ from a federal loan?:** Before students go down the alternative loan road, they should be aware of some of the important differences between federally-guaranteed loans and alternative loans, including interest rates, loan fees and late charges, repayment options, and the need for endorsers. This section of the brochure compares the two programs in a handy table, which also features some questions borrowers should ask.
- **How do I compare alternative loans?:** When researching their options, borrowers should be sure to make an apples-to-apples comparison between alternative and federal loans. In this section, they'll learn some of the questions to consider such as the availability of repayment incentives.
- **How do I apply for an alternative loan?:** Before borrowing an alternative loan, borrowers should carefully consider their debt and repayment obligations on all loans. They should also determine how much they need to borrow by working out a budget of educational costs and subtracting all resources for those costs. Once they've decided on borrowing, this section outlines some general steps to follow in applying for an alternative loan.

To order

To order *Alternative Loans* for your students and borrowers, visit the "Online Forms/Publications" ordering page on *TG Online* at www.tgslc.org/order/index.cfm.

To learn more

You can always direct your student and parent borrowers to other sources of help as well as give them this handy brochure. For questions about federal loans or alternative loans, contact TG's customer assistance team at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Trends and issues

Question of the week

Q.: Does a PLUS borrower have to file a FAFSA?

A.: According to the 2008-09 *Federal Student Aid Handbook*, Application and Verification Guide (AVG):

"If the only federal aid a dependent student wants to receive is a PLUS loan to one of her parents, she doesn't have to complete a FAFSA, but the parent will need to complete a loan application and promissory note. Also, the student must still meet all the usual eligibility criteria, and the parent must meet the PLUS eligibility requirements. A student must submit a FAFSA, however, to receive a graduate PLUS loan." (page 3)

A school may, of course, choose to implement a policy requiring parent PLUS loan applicants to complete a FAFSA. The 2008-09 *Federal Student Aid*

Handbook, Application and Verification Guide can be accessed at www.tgslc.org/policy/fsa_handbook.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 update

During the second session of the 110th Congress, the remainder of the HEA stands a good chance of being reauthorized. The last comprehensive HEA reauthorization was in 1998. Though the calendar for this congressional session is crowded, comes with a shortened timeline, and takes place during a General Election year, the HEA reauthorization job should get done in short order. There are two bills before the Congress that propose to reauthorize the HEA — S 1642 (The Higher Education Amendments of 2007) and HR 4137 (The College Opportunity and Access Act of 2007). The final bill that will be passed and signed into law this year will be a compromise bill. Learn more about ongoing developments by reading the complete *Legislative Report* at www.tgslc.org/lege_report/2008/lr_080109.cfm.

This, that, and the other

Web video opens a new form for scholars looking to participate in an increasingly visual culture. *Big Think™*, a new Web site, hopes to be "a *YouTube* for ideas." The site offers interviews with academics, authors, politicians, and other thinkers. Most of the subjects are filmed in front of a plain white background, and the interviews are chopped into bite-sized pieces of just a few minutes each. The short clips could have been served up as text quotes, but *Big Think* believes video is more engaging.

YouTube™ wants to be a venue for academe also. In the past few months, several colleges have signed agreements with the site to set up official "channels." The University of California at Berkeley was the first, and the University of Southern California, the University of New South Wales, in Australia, and Vanderbilt University soon followed.

YouTube was surprised by how popular the colleges' content has been. Lectures are long, after all, while most popular *YouTube* videos run just a few minutes. Yet some lectures on Berkeley's channel scored 100,000 viewers each, and people were sitting through the whole talks.

Learn more about the growing popularity of Web video lectures at <http://chronicle.com/free/2008/01/1159n.htm>.



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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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