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

Working on a default prevention program for your campus? TG offers some help. TG's default prevention consultants can work with you to design an effective plan. To learn more, contact your TG account executive, or call our default prevention team at (800) 252-9743, ext. 4765 or ext. 4696.

## Federal updates

### Taking a closer look at the final rules: Prohibited inducements and preferred lender lists

We continue this week with our series of articles focusing on areas of the November 1, 2007, final rules that are proving especially challenging for FFELP industry participants to interpret and implement. Last week in *Shoptalk Online* edition [439](#), we explored the topic of loan entrance counseling for Grad PLUS borrowers. This week, we will examine prohibited inducements and preferred lender lists.

## **Prohibited inducements**

The final rules provide an exhaustive list of permitted activities for lenders and guarantors, and a non-exhaustive list of prohibited inducements for lenders and guarantors. Most of the permitted and prohibited activities are the same for lenders and guarantors. However, the preamble to the final rules (page 61980) clearly explains that the role and responsibilities of a guarantor are very different from those of a lender: "Unlike lenders, guaranty agencies are responsible for lender and school oversight, school and lender training, default aversion services, lender claim review and approval, and outreach services to students, parents, and schools." The new rules reflect those different roles, and we've broken down the permitted and prohibited activities accordingly.

## **Exhaustive list of permitted activities by guarantors**

- Assistance to a school that is comparable to that provided by the Secretary of Education to a school under the Direct Loan Program, as identified by the Secretary in a public announcement, such as a notice in the *Federal Register*.
- Default aversion activities approved by the Secretary of Education.
- Student aid and financial literacy-related outreach activities, excluding in-person school-required entrance and exit counseling, as long as the name of the entity that developed and paid for any materials is provided to participants and the guaranty agency does not promote its student loan or other products; but a guaranty agency may promote benefits provided under other federal or state programs administered by the guaranty agency.
- Meals and refreshments that are reasonable in cost and provided in connection with guaranty agency-provided training of program participants and elementary, secondary, and postsecondary school personnel, and with workshops and forums customarily used by the agency to fulfill its responsibilities under the Higher Education Act (HEA).
- Meals, refreshments and receptions that are reasonable in cost and scheduled in conjunction with training, meeting, or conference events if those meals, refreshments, or receptions are open to all training, meeting, or conference attendees.
- Travel and lodging costs that are reasonable as to cost, location, and duration to facilitate the attendance of school staff in training or service facility tours that they would otherwise not be able to undertake; or to participate in the activities of an agency's governing board, a standing official advisory committee, or in support of other official activities of the agency.
- Toll-free telephone numbers for use by schools or others to obtain information about FFELP loans and free data transmission services for use by schools to electronically submit applicant loan processing information or student status confirmation data.

- Payment of federal default fees in accordance with the HEA.
- Items of nominal value to schools, school-affiliated organizations, and borrowers that are offered as a form of generalized marketing or advertising, or to create goodwill.
- Loan forgiveness programs for public service and other targeted purposes approved by the Secretary, provided the programs are not marketed to secure loan applications or loan guarantees.
- Other services as identified and approved by the Secretary through a public announcement, such as a notice in the *Federal Register*.

### **Non-exhaustive list of prohibited inducements by guarantors**

- Payments or offerings of other benefits, including prizes or additional financial aid funds, to a prospective borrower in exchange for processing a loan using the agency's loan guarantee.
- Payments or other benefits, including prizes or additional financial aid funds under any Title IV or state or private program, to a school or school-affiliated organization based on the school's or organization's voluntary or coerced agreement to use the guaranty agency for processing loans, or to provide a specified volume of loans using the agency's loan guarantee.
- Payments or other benefits to a school or any school-affiliated organization, or to any individual in exchange for FFEL loan applications or application referrals, a specified volume or dollar amount of FFEL loans using the agency's loan guarantee, or the placement of a lender that uses the agency's loan guarantee on a school's list of recommended or suggested lenders.
- Payment of entertainment expenses, including expenses for private hospitality suites, tickets to shows or sporting events, meals, alcoholic beverages, and any lodging, rental, transportation or other gratuities offered by a guaranty agency or a lender participating in the agency's program, for school employees or employees of school-affiliated organizations.
- Philanthropic activities, including providing scholarships, grants, restricted gifts, or financial contributions in exchange for FFEL loan applications or application referrals, a specified volume or dollar amount of FFELP loans using the agency's loan guarantee, or the placement of a lender that uses the agency's loan guarantee on a school's list of recommended or suggested lenders.
- Staffing services to a school, except for services provided to participating foreign schools at the direction of the Secretary, as a third-party servicer or otherwise on more than a short-term, emergency basis, which is non-recurring, to assist the institution with financial aid-related functions. "Non-recurring, emergency basis" means a state- or federally-declared natural disaster, a federally-declared

national disaster, and other localized disasters and emergencies identified by the Secretary of Education.

- Assessing additional costs or denying benefits otherwise provided to schools and lenders participating in the agency's program on the basis of the lender's or school's failure to agree to participate in the agency's program, or to provide a specified volume of loan applications or loan volume to the agency's program or to place a lender that uses the agency's loan guarantee on a school's list of recommended or suggested lenders.
- Compensation to lenders or their representatives for the purpose of securing loan applications for guarantee.
- Performance of functions normally performed by lenders without appropriate compensation.
- The providing of equipment or supplies to lenders at below-market cost or rental.
- The offer to pay a lender that does not hold loans guaranteed by the agency a fee for each application forwarded for the agency's guarantee.
- The mailing or distribution of unsolicited loan applications to students enrolled in a secondary school or a postsecondary institution, or to parents of those students, unless the potential borrower has previously received loans insured by the guaranty agency.
- Fraudulent or misleading advertising concerning loan availability.

**Exhaustive list of permitted activities by lenders:**

- Assistance to a school that is comparable to the kinds of assistance provided to a school by the Secretary under the Direct Loan Program, as identified by the Secretary in a public announcement, such as a notice in the *Federal Register*.
- Support of and participation in a school's or a guaranty agency's student aid and financial literacy-related outreach activities, excluding in-person school-required entrance or exit counseling, as long as the name of the entity that developed and paid for any materials is provided to the participants and the lender does not promote its student loan or other products.
- Meals, refreshments, and receptions that are reasonable in cost and scheduled in conjunction with training, meeting, or conference events if those meals, refreshments, or receptions are open to all training, meeting, or conference attendees.
- Toll-free telephone numbers for use by schools or others to obtain information about FFELP loans and free data transmission service for use by schools to electronically submit applicant loan processing information or student status confirmation data.

- A reduced origination fee.
- A reduced interest rate as provided under the HEA.
- Payment of federal default fees in accordance with the HEA.
- Purchase of a loan made by another lender at a premium.
- Other benefits to a borrower under a repayment incentive program that requires, at a minimum, one or more scheduled payments to receive or retain the benefit, or under a loan forgiveness program for public service or other targeted purposes approved by the Secretary, provided those benefits are not marketed to secure loan applications or loan guarantees.
- Items of nominal value to schools, school-affiliated organizations, and borrowers that are offered as a form of generalized marketing or advertising, or to create good will.
- Other services as identified and approved by the Secretary through a public announcement, such as a notice in the *Federal Register*.

**Non-exhaustive list of prohibited inducements by lenders:**

- Payments or offerings of other benefits, including prizes or additional financial aid funds, to a prospective borrower in exchange for applying for or accepting a FFELP loan from the lender.
- Payments or other benefits to a school, any school-affiliated organization or to any individual in exchange for FFELP loan applications, application referrals, or a specified volume or dollar amount of loans made, or placement on a school's list of recommended or suggested lenders.
- Payments or other benefits provided to a student at a school who acts as the lender's representative to secure FFELP loan applications from individual prospective borrowers.
- Payments or other benefits to a loan solicitor or sales representative of a lender who visits schools to solicit individual prospective borrowers to apply for FFELP loans from the lender.
- Payment to another lender or any other party of referral fees or processing fees, except those processing fees necessary to comply with federal or state law.
- Solicitation of an employee of a school or school-affiliated organization to serve on a lender's advisory board or committee and/or payment of costs incurred on behalf of an employee of a school or school-affiliated organization to serve on a lender's advisory board or committee.
- Payment of conference or training registration, transportation, and lodging costs for an employee of a school or school-affiliated organization.

- Payment of entertainment expenses, including expenses for private hospitality suites, tickets to shows or sporting events, meals, alcoholic beverages, and any lodging, rental, transportation, and other gratuities related to lender-sponsored activities for employees of a school or a school-affiliated organization.
- Philanthropic activities, including providing scholarships, grants, restricted gifts, or financial contributions in exchange for FFELP loan applications or application referrals, or a specified volume or dollar amount of FFELP loans made, or placement on a school's list of recommended or suggested lenders.
- Staffing services to a school, except for services provided to participating foreign schools at the direction of the Secretary, as a third-party servicer or otherwise on more than a short-term, emergency basis, and which is non-recurring, to assist a school with financial aid-related functions. "Non-recurring, emergency basis" means a state- or federally-declared natural disaster, a federally-declared national disaster, and other localized disasters and emergencies identified by the Secretary of Education.
- Unsolicited mailings to a student or a student's parents of FFELP loan application forms, except to a student who previously has received a FFELP loan from the lender or to a student's parent who previously has received a FFELP loan from the lender.
- The offering, directly or indirectly, of a FFELP loan to a prospective borrower to induce the purchase of a policy of insurance or other product or service by the borrower or other person.
- Fraudulent or misleading advertising with respect to a lender's FFELP loan activities.

### **Additional prohibited inducement changes**

The final rules also:

- Prohibit a guaranty agency from making a claim payment to a lender, or requesting a reinsurance payment from ED, if the agency determines or is notified by the Secretary that the lender offered or provided an improper inducement.
- Establish a "rebuttable presumption" providing the lender or guaranty agency with an opportunity to show that a questioned activity or payment was made for reasons unrelated to securing loan applications or loan volume.
- Clarify and expand a borrower's legal rights under the Federal Trade Commission's (FTC) Holder Rule by applying the rule to all loans made under the FFELP and specifying that it applies if the lender making the loan offered or provided an improper inducement to the school or any other party in connection with the making of the loan.

## Preferred lender lists

Lender lists have not, until now, been regulated in the FFELP. The final rules continue to permit a school to have a preferred lender list, but state that any such list cannot:

- Be used to deny or otherwise impede a borrower's choice of lender.
- Include lenders that have offered, or have offered in response to a solicitation by the school, financial or other benefits to the school in exchange for inclusion on the school's list.
- Contain fewer than three unaffiliated lenders. For the purposes of a preferred lender list, a lender is affiliated with another lender if:
  - The lenders are owned or controlled by the same entity or individuals;
  - The lenders are wholly- or partly-owned subsidiaries of the same parent company; or
  - The directors, trustees, or general partners of one of the lenders constitute a majority of the persons holding similar positions with the other lender.

The final rules clarify that the definition of "affiliated" does not include relationships that involve only post-disbursement servicing or secondary market activities.

The final rules also require that such a list provided by a school must:

- Disclose the method and criteria used by the school in selecting lenders the school recommends to prospective borrowers.
- Provide comparative information about interest rates and other benefits offered by the lenders to prospective borrowers.
- Include a prominent statement in any information related to its list of lenders advising prospective borrowers that they are not required to use one of the school's recommended lenders.
- For first time borrowers, not assign a borrower's loan to a particular lender through award packaging or other methods.
- Not cause any unnecessary delays for borrowers who use a lender not on the school's list.
- Be updated at least annually, as well as the accompanying information.

A school cannot solicit payments and other benefits, except borrower benefits, from a lender in exchange for the lender's placement on the school's list. In the final rules, ED clarified that a school does not have to ensure that any lender included on its preferred lender list offers the same benefits to all borrowers at the school.

ED is developing a model format that a school may use in providing comparative interest rate and benefit information as well as the method and criteria used to select lenders for a list. *Shoptalk Online* will notify readers when this resource is available.

### **For more information**

These changes will be effective July 1, 2008. We encourage our readers to review not only the final regulatory language, but also the preamble discussions to the proposed and final rules; these documents are available, respectively, on line at <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/pdf/E7-15314.pdf> and <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/pdf/E7-21083.pdf>. The integrated regulations, incorporating the final rules that were published on November 1, 2007, are available on *TG Online* at [www.tgslc.org/policy/intreg.cfm](http://www.tgslc.org/policy/intreg.cfm).

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).

## **TG updates**

### **“Training today, Preparing for tomorrow” — Set your sights on TG’s 2008 TG Annual Training Conference**

FFELP and industry-related training provides you with the foundation to do your job well and to benefit students. Each year, TG offers a three-day round-up of workshops and forums that emphasizes training in the nuts and bolts of financial aid. Well-attended and regularly praised for its polish and organization, the TG Annual Training Conference has come to be a choice stop for many financial aid professionals attending spring conferences.



This year's event will be held April 23-25 at the Renaissance Austin Hotel in Austin, Texas. Its format follows a tried-and-true formula of workshops, breakout sessions, and open forums, and serves the interests of all those who work in financial aid. Training is offered according to educational tracks, each track providing a series of sessions on topics like debt management and default aversion, school interests, electronic processing, program integrity, college access and success, and more.

"This year's Conference theme — 'Training today – Preparing for tomorrow' — speaks to the priority TG places on providing customers with the best in FFELP-related tools and knowledge to prepare their students for the future," said Vickie Tanner, assistant vice president for product training and event management.

### **Keynote speaker chosen and other events set**

Several speakers, including the keynote, have been lined up for the Conference. This year's keynote address will be given by Dr. Janet Lapp, who founded The Center for Leadership Development. The Center strives to help companies succeed during times of change.

"Dr. Lapp will help TG Conference attendees realize ways in which they find personal success through authenticity and by embracing passion for their career," said Judith Cunningham, TG's event planning coordinator.

Other scheduled Conference speakers include Robert Shireman, executive director of Project on Student Debt and president of the Institute for College Access and Success, Inc.; and Steve Morgan, a motivational speaker who will perform a breakout session on change and offer entertainment at the Conference dinner.

This year's Conference will include events from previous years, including a dinner and an exhibit hall-style event to introduce customers to TG's customer-facing teams.

### **To register and to learn more**

Visit *TG Online* at [www.tgslc.org/tgconference/index.cfm](http://www.tgslc.org/tgconference/index.cfm) to register or to find out more about the 2008 TG Annual Training Conference. Registration is waived for school attendees.

If you prefer to speak with someone directly, contact Judith Cunningham at (800) 252-9743, ext. 2905, or send an e-mail message to [judith.cunningham@tgslc.org](mailto:judith.cunningham@tgslc.org).

## **TG to hold information forums on Public Benefit Grant Program**

TG invites you to an information forum to hear about the Public Benefit Grant Program and to ask questions about grant funding opportunities for 2008-09. TG's philanthropic initiative has awarded approximately \$10 million over the past three years to nonprofit institutions and organizations to help fund efforts leading to greater access to higher education and student success.

These information forums provide an overview of the grant guidelines and project highlights from previous years.

### **To register**

The forums are offered at no-cost, however seating is limited. TG will sponsor forums in various locations as well as several online presentations. For complete

details and to register for the forums, visit *TG Online* at <http://www.tgslc.org/publicbenefit/forums.cfm>.

### **To learn more about the Public Benefit Program or the application**

Applications for funding from the TG Public Benefit Program must be received at TG on or before Friday, March 7, 2008. To find out details of the grant application, visit [www.tgslc.org/publicbenefit/guidelines.cfm](http://www.tgslc.org/publicbenefit/guidelines.cfm).

If you have any questions, please feel free to contact TG's director of public benefit operations Kristin Boyer at (800) 252-9743, ext. 4518, or send an e-mail message to [kristin.boyer@tgslc.org](mailto:kristin.boyer@tgslc.org).

## **Tech Report**

### **Resetting your password through TG's encryption service: Tumbleweed™ Secure Messenger Portal**

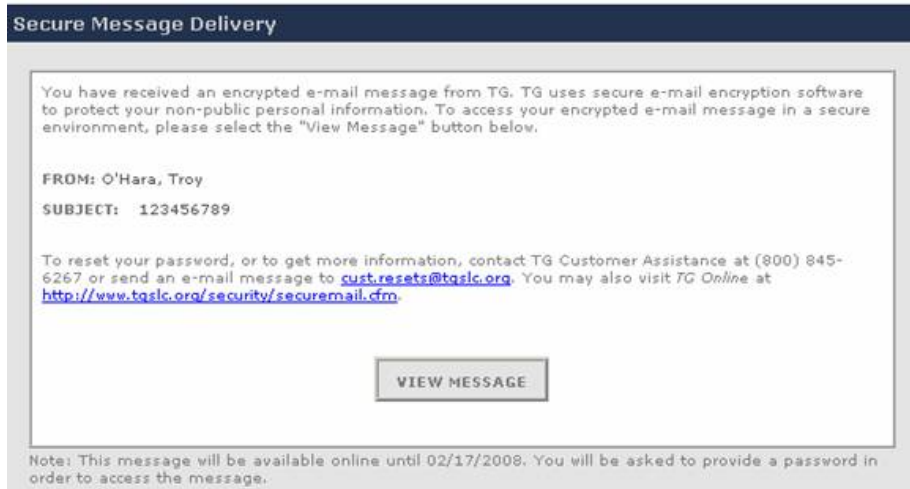
To protect the privacy of non-public personal information (NPI) sent via e-mail, TG secures all outbound e-mail messages through an e-mail encryption software product known as Tumbleweed. The software protects e-mail sent from TG — which may contain NPI based on criteria set by TG — by storing the communication on a secure server where the recipient may access the message.

To receive TG messages stored on a secure server, you may be notified in a clear-text e-mail message to visit a TG-hosted Web site. Once you've entered your password through this site, you can access the message, and then save and reply to it.

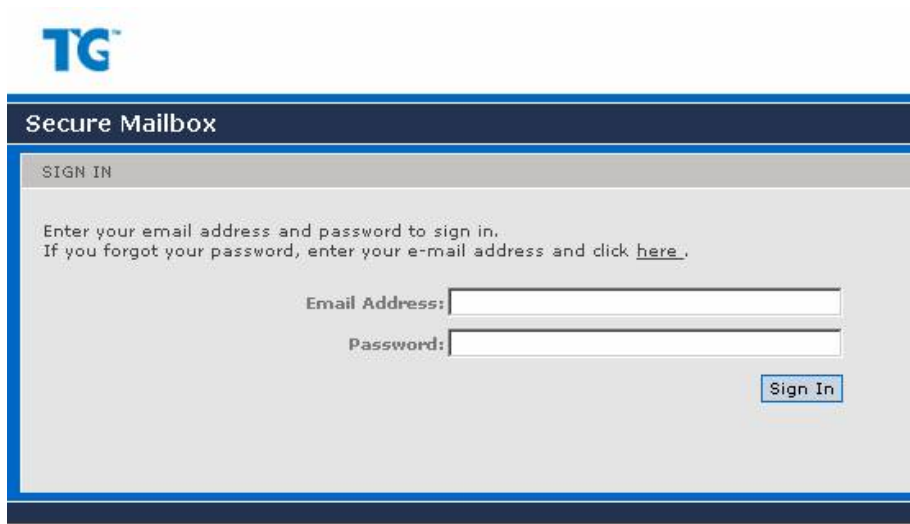
#### **To reset your Tumbleweed password**

You may occasionally need to reset your password. If so, here's how you can do that.

1. When you receive an encrypted e-mail from TG, you will get a message that provides a link to the Tumbleweed Secure Messenger Portal on the TG server. Click the **View Message** link in the e-mail.

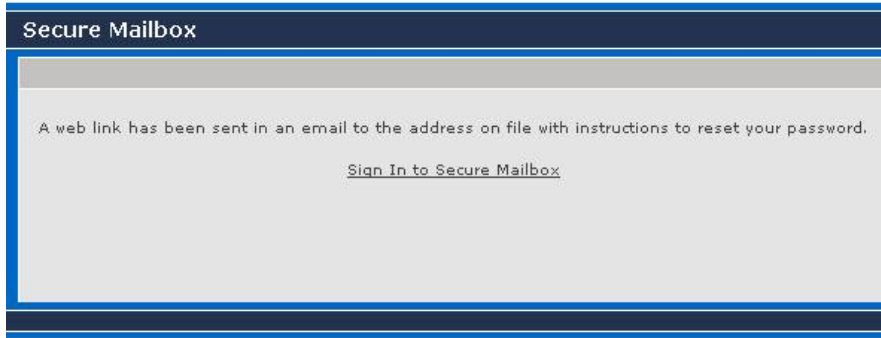


2. In the login prompt screen, enter your e-mail address and click **Sign In**.



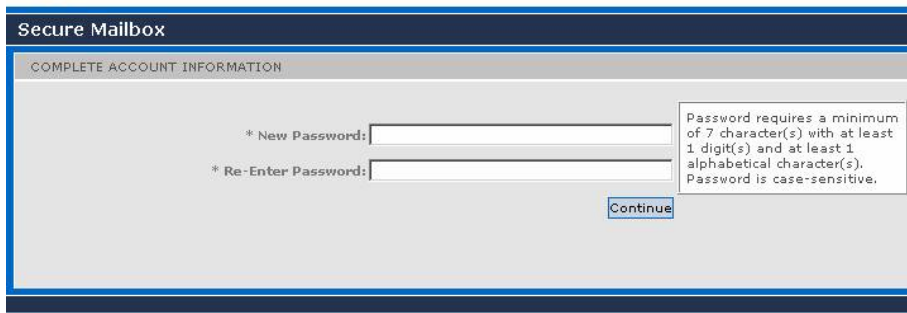
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3. The following screen appears letting you know to check your e-mail account for further instructions. You will also be given a link back to the login screen.



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4. You will receive an e-mail with a specially crafted URL link customized for your account. The e-mail contains a TG phone number and contact if you need additional support. When you click the link, you will be taken to a secured Web site that prompts you for a new password.



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5. Once you've changed your password, you will be directed to the login page of the Tumbleweed Secure Messenger portal. You can now sign in with your e-mail address and newly-created password.

## Questions?

To learn more, contact TG's Customer Assistance team at (800) 845-6267, or send an e-mail message to [cust.assist@tgsllc.org](mailto:cust.assist@tgsllc.org).

## Trends and issues

### Question of the week

**Q.: I understand that there are new entrance counseling requirements for Grad PLUS borrowers. Do parent PLUS borrowers also have to participate in entrance counseling sessions?**

**A.:** No, parent PLUS borrowers are not required to participate in entrance or exit counseling sessions. The new entrance counseling regulations (in 34 CFR §682.604(f)(2)) apply only to “a graduate or professional student PLUS loan borrower.”

### **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).

## ***Common Manual***

### ***Common Manual updates***

On January 17, 2008, 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](http://www.tgslc.org/policy/integrated_online_manual.cfm).

### **Eligible Noncitizens**

The *Common Manual* is updated to include victims of human trafficking and certain relatives of such victims as eligible noncitizens for purposes of determining eligibility for Title IV assistance.

<b>Affected Sections:</b>	5.2.A Citizenship Data Match
<b>Effective Date:</b>	FFELP loans certified by the school on or after May 11, 2006.
<b>Basis:</b>	07-08 FSA Handbook, Volume 1, Chapter 2, pp. 1-20 and 1-21; DCL GEN-06-09.
<b>Policy Information:</b>	992/Batch 146
<b>Guarantor Comments:</b>	None.

### **Teacher Certification and Courses That Use Direct Assessment**

The *Common Manual* has been revised to state that a course that uses direct assessment rather than credit hours or clock hours to measure student progress is not an eligible course for purposes of teacher certification or recertification.

<b>Affected Sections:</b>	5.11 Student Enrollment Requirements
<b>Effective Date:</b>	September 8, 2006.
<b>Basis:</b>	Higher Education Reconciliation Act of 2005; Preamble language to the <i>Federal Register</i> , dated August 9, 2006, pp.

45668-45669; 07-08 FSA Handbook, Volume 1, Chapter 1, p. 1-5.

**Policy Information:** 993/Batch 146

**Guarantor Comments:** None.

### **Revised Late Disbursement and Post-withdrawal Disbursement Time Frames**

The *Common Manual* has been revised to extend the time frame for the delivery of a late disbursement of loan funds to a student who has lost eligibility for a reason other than complete withdrawal. A late disbursement must now be delivered within 180 days of the date the student lost eligibility. The option for the school to obtain Department approval for a late delivery of loan funds after the 180-day period expires is eliminated. Loan funds not delivered by the end of the 180-day period may not be delivered to the student regardless of the circumstance that prevented timely delivery.

In addition, the time frame for the delivery of a post-withdrawal disbursement of FFELP loan funds has also been extended to 180 days after the school's determination that the student withdrew.

A new sub-subheading has been added to the text that addresses a post-withdrawal disbursement of Title IV grant funds. If outstanding charges exist on a student's account, a school may credit the student's account up to the amount of outstanding charges with any grant funds that make up the post-withdrawal disbursement. The school must deliver directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. The school must deliver a post-withdrawal disbursement of Title IV grant funds as soon as possible, but no later than 45 days after the date of the school's determination that the student withdrew. There is no requirement that a school obtain the student's permission before making a post-withdrawal disbursement of grant funds.

**Affected Sections:** 8.7.E Late Delivery

9.5.A Return Amounts for Title IV Grant and Loan Programs

**Effective Date:** Late disbursements delivered by the school on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.

Post-withdrawal disbursements delivered by the school on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.

**Basis:** §668.22(a)(5)(ii)(B)(1); §668.22(a)(5)(iii)(C); §668.164(g)(4)(i); Preamble to the *Federal Register*, dated November 1, 2007, Volume 72, pp. 62018, and 62027-62029.

**Policy Information:** 994/Batch 146

**Guarantor Comments:** None.

### **Application of Administrative Forbearance during the Total and Permanent Disability (TPD) Conditional Discharge Period**

The *Common Manual* has been revised to provide policies related to the application of an administrative forbearance to a loan during a time when a nondisabled comaker is solely responsible for the repayment of a loan. The administrative forbearance may be applied in conjunction with a period of authorized deferment to satisfy a period of delinquency that remains outstanding after the application of an authorized deferment.

Revised policy provides that the administrative forbearance may not begin earlier than the date the loan holder receives the disabled comaker's loan discharge application, or the notification from the guarantor that a loan discharge application has been submitted to the guarantor, whichever is earlier. The policy further explains that the administrative forbearance may not end later than the date the lender receives notification of the final discharge determination.

**Affected Sections:** 11.1.A General Deferment Eligibility Criteria  
11.19.F Forbearance of a Loan for a Comaker during the TPD Conditional Period  
13.8.F Total and Permanent Disability

**Effective Date:** Administrative forbearances processed by a lender on or after July 1, 2007, unless implemented earlier by the guarantor.

**Basis:** *Conditional Disability Discharge: Joint Consolidations, PLUS Co-Borrowers, and Disabled Endorsers* dated August 2006. This document was developed by the Department in cooperation with NCHelp's Default Aversion and Claims Standardization (DACS) subcommittee and is located on the Department's Conditional Disability Discharge Unit's (CDD) Website at [www.fsacollections.ed.gov/contractors/ga/cdd/index.asp](http://www.fsacollections.ed.gov/contractors/ga/cdd/index.asp). The document was updated with minor revisions and republished in November 2006.

**Policy Information:** 995/Batch 146

**Guarantor Comments:** None.

### **Regaining Eligibility after Failure to Meet Satisfactory Academic Progress**

The *Common Manual* is being updated to clarify that, when a borrower regains Stafford or PLUS loan eligibility after a loss of eligibility due to the student's failure to make satisfactory academic progress, a school may certify a loan retroactive to the beginning of the current period of enrollment, unless the school's written satisfactory academic progress policy provides for reinstatement of eligibility at a later point.

**Affected Sections:** 6.2 Determining the Loan Period  
**Effective Date:** Publication date of the 96-97 FSA Handbook.  
**Basis:** None  
**Policy Information:** 999/Batch 146  
**Guarantor Comments:** None.

### Federal Data Matches

The *Common Manual* has been updated to reflect current form names and numbers that are used for verification of citizen or eligible noncitizen status.

**Affected Sections:** 5.2.A Citizenship Data Match  
**Effective Date:** Implementation of a federal citizenship form is determined by the Department.  
**Basis:** None.  
**Policy Information:** 1000/Batch 146  
**Guarantor Comments:** None.

### Definition of “Change of Control”

The definition of “change of control” has been amended to state that a school that changes status from a for-profit entity to a nonprofit entity, or vice versa, is also considered to have undergone a change of control. A school in this circumstance is required to perform the administrative tasks applicable to any school that undergoes a change of control in order to retain its eligibility to participate in the Title IV programs.

**Affected Sections:** Appendix G  
**Effective Date:** Retroactive to the implementation of the *Common Manual*.  
**Basis:** 95-96 FSA Handbook, Chapter 3, Section 10.  
**Policy Information:** 1001/Batch 146  
**Guarantor Comments:** None.

## This, that, and the other

More high school juniors and seniors are forgoing summer vacations and summer jobs for pricey college preparatory programs. Some colleges, like Pennsylvania State University or the University of Wisconsin, are working with service companies to offer young adults one or more weeks on campus during the summer. While there, students take regular coursework, bone up on the basics of particular subjects, sharpen their test performance for the SATs, or learn more about college admissions.

These programs can cost upwards of \$7,000 depending on the package, but more students are flocking to them for a taste of college and to get a better shot at gaining admittance to the college of their choice.

Learn more about these programs by reading the complete *New York Times* article at

[www.nytimes.com/2008/02/03/travel/03heads.html?\\_r=2&ex=1359781200&en=55af07fdbdfb5220&ei=5088&partner=rssnyt&emc=rss&oref=slogin&oref=slogin](http://www.nytimes.com/2008/02/03/travel/03heads.html?_r=2&ex=1359781200&en=55af07fdbdfb5220&ei=5088&partner=rssnyt&emc=rss&oref=slogin&oref=slogin).



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