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Tip^{of} the Week

With a new session of TG's Positive+BalanceTM training series, TG can help you learn the regulatory requirements for providing effective exit loan counseling to students. You can learn more about the *Effective Loan Counseling* session by contacting your account executive at (800) 252-9743.

Federal updates

A note about the lender of last resort

Industry news has recently been filled with discussion about a potential lack of lenders for FFELP loans and the possible need for lender-of-last resort (LLR) loans. LLR loans are one of the backstops available to help make sure that access to FFELP loans, and thereby higher education, is maintained.

LLR yesterday

LLR loans are nothing new. They've been around since 1994, which is when TG implemented its LLR program. At that time, cohort default rates were high, and lenders became unwilling to make FFELP loans to some borrowers. LLR loans were used again in the late 1990s and early 2000s when an impending change in the interest rate formula prompted concerns about loan access in the FFELP.

In both of these instances, the LLR program ran smoothly. Lenders, guarantors, and the ED came together and met the needs of students and their families. To our knowledge, everyone who qualified for and requested a FFELP loan received one.

To put this in perspective, in total, TG has guaranteed over 17,500 LLR loans for some \$38 million, a very small amount in comparison to TG's portfolio of over \$23 billion.

LLR today

Today's environment is somewhat different. The credit markets are in turmoil, and several sources of funding for FFELP loans have come under pressure. But, in essence, the issue is still access, and the solution is still the LLR program. FFELP guarantors that administered the LLR program previously remain committed to the program and to providing access to FFELP loans.

Currently, TG and other guarantors are updating procedures and processes to make sure that they continue to minimize impact to schools and borrowers. ED is developing additional contingency plans should the funding situation become serious. ED can obtain funds for guarantors to make LLR loans from the Treasury, if necessary. And everyone, including Congress, is monitoring the conditions that could contribute to serious access issues. Together, these initiatives will help ensure that early action can be taken to prevent large-scale problems.

For more help

Schools seeking additional information about TG's LLR program can contact Cynthia Mayberry, TG's manager of the Texas Region, at (800) 252-9743, ext. 4683. Lenders can contact Kevin Harris, director of lender relationships, at (800) 252-9743, ext. 2805.

TG updates

TG expands Charley Wootan Grant Program

TG's Charley Wootan Grant Program will award \$2 million in direct grants during the 2008-09 academic year — \$1 million to Texas students and another \$1 million to residents of any other state, the District of Columbia, or any U.S. territory.

The first-come, first-served, need-based grant program will provide up to \$4,245 per student. TG has awarded nearly \$6 million since 2000 when it began the program, named in honor of the late Dr. Charley V. Wootan, a former chairman of TG's Board of Directors.

"The Charley Wootan Grant Program has made a significant difference to thousands of students in Texas during the past seven years," said Sue McMillin, TG's president and CEO. "We are delighted to be able to extend this program nationally, and to help deserving students pay for their college education."

For the 2008-09 academic year, TG will offer grants ranging from \$1,000 to \$4,245 to qualified undergraduate students. Amounts awarded will be based upon a student's financial need. To become eligible, students will need to complete the Free Application for Federal Student Aid (FAFSA) and meet other eligibility requirements.

Eligibility requirements

Grants will be awarded for one year only, but recipients may reapply in subsequent years. The grant program is open to students who:

- Are high school seniors or graduates who plan to enroll, or are students already enrolled, at least half time in an undergraduate course of study for the fall 2008 at a Title IV two- or four-year college or university, or vocational-technical school;
- Demonstrate financial need; and
- Are eligible to receive Title IV federal financial aid funding.

The Charley Wootan Grant Program is independently managed by Scholarship Management Services, a program of Scholarship America, the nation's largest nonprofit, private-sector scholarship and educational support organization.

For application help

A complete application packet must be postmarked by May 5, 2008. An application and more information about the grant program can be found online at www.aie.org/wootan. Information can also be obtained by calling (800) 537-4180, and asking for the Charley Wootan Grant Program manager.

TG represents that there is no correlation or connection between its selection of recipients for grant awards and an institution's or individual's business relationship or potential business relationship with TG. Participation in TG's Charley Wootan Grant Program does not require or impose any *quid pro quo* condition.

2008 TG Annual Training Conference focuses on latest retention research and other topics



TG crafts a consistently varied menu of workshops and trainings for its Annual Training Conference. This year's conference, for example, offers sessions on default aversion, program integrity, and college access. Other sessions highlight recent

changes in the FFELP, developments in the world of Consolidation loans, effective entrance and exit counseling, and trends in private loans.

The 2008 TG Annual Training Conference — to be held April 23-25 at the Renaissance Austin Hotel in Austin, Texas — provides a foundation in the basics of

managing a financial aid program but considers a host of other topics, including the latest research into retaining students through to graduation.

Agenda close-up

To give you a sense of the variety of sessions that offer you resources for managing in a changing regulatory landscape, consider the workshop descriptions that follow.

- **New Rules—ACG and National SMART Grant:** This session will review the final regulations published on October 30, 2007, that regulate the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent (SMART) Grant Programs. Attendees will have the chance to review the final regulations; discuss general issues affected by the new regulations; and learn how a school determines a student's academic year for purposes of establishing eligibility for ACG and National SMART Grant.
- **Retention Rx: Are Career Connections the Key to Student Success?** Student motivation is the key to persistence in higher education, and this session will explore how data, networking, and partnerships with the business community can help your campus successfully retain and graduate more students. Learn what the research says about career connections as a motivation tool for students, and find out how one community college is working with area business and industry groups to align curriculum with employment market demands.
- **Reach Out and Get Results:** Attendees to this session will learn strategies to use — and pitfalls to avoid — when providing resources to students for going to college. Digital media as a communication tool with students and families will be one area of focus. Participants will also find out how to organize a successful financial aid event — like College Goal Sunday or a scholarship workshop. Tips and tricks on hosting a successful scholarship workshop will be a highlight of the session.

To register and to learn more

Visit *TG Online* at www.tgslc.org/tgconference/index.cfm to register or to find out more about the 2008 TG Annual Training Conference. Online registration is available through April 11; however, attendees can register at the hotel during the event. Registration fees are waived for school attendees. Note that this year's conference will begin with the noon lunch-time session on Wednesday, April 23.

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.

Three ways to learn about TG products: webinars, an upcoming TG User Group meet, and the TG Annual Training Conference

An integrated and important part of TG's role as a FFELP guarantor is to provide training to FFELP participants. TG has consistently offered a wide range of training opportunities to our customers — the TG Annual Training Conference, regional training, teleconferences, and more. In FY 2008, TG has tried to expand the audience of our product training, by regularly scheduling product training webinars.

The webinar advantage

TG scheduled four webinars in October and December of the first quarter of FY 2008 and another four webinars in January and February. Although in-person training has been preferable in the past, webinars do offer personal interaction with both audio and visual interfaces, as well as a chat feature that facilitates question and answer interaction between customers and TG product experts.

TG customers have appreciated training via the Web — TG averages about fifty school and lender participants for each webinar. The webinar venue offers a way to provide training quickly when developments arise in a given technical area, and, at the same time, minimize time away from the office for both trainer and trainees. Of course, it also eliminates travel expenses. Participants have rated TG's Webinars consistently high, with customer satisfaction scores averaging 4.28 out of 5.

Upcoming webinars

The next scheduled product training webinars will be held the first two weeks of April to provide customers with information related to TG's spring product enhancements; enhancements will be implemented the weekend of April 5.

To register, access *TG Online* at www.tgslc.org/training/webinars/index.cfm.

TG User Group meeting

In addition to product training webinars, the spring TG User Group (TUG) meeting — to be held April 23 from 8 a.m. to 11:30 a.m. — just before the 2008 TG Annual Training Conference, will focus on opportunities to learn more about TG products.

The TUG meeting agenda includes three panels of school and lender representatives who use TG tools. The panels will discuss the following topics:

- Utilizing TG Reports through AdvanTG Web™
- Private Loan Processing
- Integrated Default Assistant™ (IDA™) Tool Capabilities

Paul Lewis, TG's assistant manager of product management, will also provide a TG product update.

TG Annual Training Conference product sessions

The TG User Group sessions will precede and reinforce content for the TG Annual Training Conference, which dedicates two of eight conference tracks to exploring TG tools. The TG Tools Track will consist of sessions presented both by team members and customers using AdvanTG Web, change transactions (both of these sessions will be repeated), Electronic Funds Transfer (EFT), private loan processing, and TG Loans By Web™ along with PLUS Credit Connection™ and e-sign. Conference attendees will have two additional opportunities to hear the TG product update.

The TG Demo Room Track will include open time periods each day of the conference. At these times, customers can get one-on-one assistance in handling their data with TG products, as well as opportunities to attend scheduled hands-on demonstrations on the following TG tools:

- Ask TG™
- AdvanTG Web Reporting
- Change Transactions
- Real Time Access for Lenders
- EFT Web site
- IDA

To learn more

If you would like more information about either the spring TG User Group meeting or the 2008 TG Annual Training Conference, visit *TG Online* at www.tgslc.org/tgconference/index.cfm. You can register for one or both of these events at www.tgslc.org/tgconference/register.cfm.

TG looks forward to addressing your product training needs through each of these training venues.

Latest *Edufacts*™ offers tips on searching for scholarships

Scholarships and grants, or gift aid, are the ideal form of financial aid for students, since, unlike loans, they do not have to be repaid. Unfortunately, many students do not bother applying for scholarships because they don't know where to search or don't believe their grades are good enough; the process may also seem daunting.

Internet help

In reality, schools and other institutions offer a wide variety of scholarships, many targeted for different achievements, interests, and affiliations. Aside from the financial aid office and high school guidance office, the Internet has become a powerful tool in helping students find college scholarships. It should be one of the first places students and parents turn to when searching for scholarships.

However, when using the Internet, students must be careful, especially if they use a search company to find scholarships.

Scholarship search companies often charge a fee to locate scholarships for which students are eligible — but do not actually apply for them. It is wise to remember that students can perform their own research for free. Also, most reputable foundations and other organizations that award scholarships will not charge an application fee.

Experts also warn to never pay a company that advertises it will find students or parents "guaranteed" scholarship money. No search service can control the decision of a scholarship sponsor.

It may be prudent for students to do their own scholarship searches and forego any use of a search service.

To learn more

To read the complete edition of this *Edufacts*, visit www.tgslc.org/edufacts/2008/edufacts_0308.cfm.

For TG search help

Adventures In Education's Scholarship Search feature contains information on more than 10,000 scholarships worth more than \$7 billion. Students can do simple, or global, searches in the site, which yields a lot of scholarship information. Or they can use the Advanced Search to find more specialized scholarship opportunities. The Scholarship Search can be found at www.aie.org/scholarships/.

Trends and issues

***Mapping Your Future*[™] implements new Web site**

Mapping Your Future recently implemented its redesigned Web site with a revised domain name — www.MappingYourFuture.org.

Upon implementation of the site, most incoming links to *Mapping Your Future* will stop working. Links to the Web site must be updated with the new URL so that visitors can locate the site.

Newsletter help

Because *Mapping Your Future* is changing Web addresses and redesigning the site at the same time, auto-forwarding won't be available on all content. *Mapping Your Future* has identified several critical pages that will forward; however, this will only be in effect until May 1, 2009.

For more information about the changes that will occur to the functionality, navigation, and processes — and the changes that users will need to make to use the site — review instructions in this special issue of *E-Update*, the *Mapping Your*

Future newsletter, at <http://sponsors.mapping-your-future.org/sponsors/uploads/myfcc/RedesignEUpdate.htm>.

Deleting cookies after redesign

School that use *Mapping Your Future's* Online Student Loan Counseling must delete cookies before first logging into the FAO Access Area after the site redesign.

Below are instructions on deleting cookies for the more common Internet browsers:

Internet Explorer 7.0

- Select "Tools."
- Select "Internet Options."
- Open the "General" tab.
- In "Browsing history" area, click the "Delete" button.
- In "Delete browsing history" window, click "Delete cookies" button and then click "Yes."
- Click "Close" and then click "OK."

Internet Explorer 6.x

- Select "Tools."
- Select "Internet Options."
- Open the "General" tab.
- Click the "Delete cookies" button.
- Click "OK."

Firefox 2.0

- Select "Tools."
- Select "Options."
- Select "Privacy."
- In Private area, click "Clear Now."
- In "Clear Private Data" window, check "Cookies" and click "Clear Private Data Now."
- Click "OK."

Firefox 1.x

- Select "Tools."
- Select "Options."
- Select "Privacy."
- Open "Cookies" tab and click "Clear Cookies Now."

- Click "OK."

More information

To learn more about *Mapping Your Future's* varied services for students, families, and schools, visit the Web site at www.MappingYourFuture.org.

Question of the week

Q.: Is a student who is taking a couple of continuing education classes eligible for an in-school deferment on his or her FFELP loans?

A.: A borrower may qualify for an in-school deferment if he or she is:

- Attending an institution of higher education that is eligible to participate in Title IV financial assistance programs, and
- At least a half-time student whose first loan was made on or after July 1, 1987.

The *Common Manual* discusses the enrollment requirement in greater detail in Subsection 11.6.A:

"A student's in-school enrollment includes any combination of courses, special studies, research, or work experience that the school considers to constitute a course of study. Full-time or half-time enrollment is determined by the individual school and may vary according to whether the student is a graduate or undergraduate student; whether the enrollment is taking place during the summer or a regular session; and according to the nature of the program. Enrollment in a correspondence school program alone is considered half-time enrollment. The student's full-time or half-time enrollment also may be the result of adding together simultaneous enrollments at more than one school, provided that a single school certifies total enrollment for all of the schools."

A school may or may not consider continuing education classes to constitute a course of study; it is the school's responsibility to determine and certify that the course of study in which the student is enrolled meets the above definition.

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

A new study conducted by the National Center for Education Statistics shows that borrowing for an education is on the rise, which isn't surprising. However, what types of loans are being borrowed and who borrows them may open some eyes.

The report, *Trends in Undergraduate Borrowing II: Federal Student Loans in 1995–96, 1999–2000, and 2003–04*, updates a 2000 report, which performed a similar analysis of borrowing trends. Among the new report’s key findings: About a third of all undergraduate students borrow federal educational loans; much of the increase in borrowing came in unsubsidized Stafford loans. Borrowing in these types of loans rose from 10 to 21 percent. Many borrowers are borrowing up to the limit of what they’re eligible to take out. And the demographic growing fastest in borrowing are students from middle- to high-income families.

Read the complete article on the study at <http://insidehighered.com/news/2008/03/19/loans>.



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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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