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

Find out how TG's Integrated Default Assistant™ (IDA™) can help your school manage its TG cohort default rate. To learn more, call (800) 338-4752.

## Federal updates

### House passes student loan access bill

On April 17, 2008, by a vote of 383-27, the U.S. House of Representatives passed H.R. 5715, the Ensuring Continued Access to Student Loans Act of 2008. The bill responds to recent instability in the U.S. credit markets that has made it difficult for some FFELP lenders to secure the capital needed to finance student loans.

#### Provisions of the legislation

H.R. 5715:

- Increases Stafford annual loan limit for undergraduates by \$2,000 (all unsubsidized), and increases Stafford aggregate loan limits to \$31,000 for dependent undergraduates and to \$57,500 for independent undergraduates;
- Gives a Parent PLUS loan borrower the option to defer repayment (i.e., a grace period) until up to six months after his or her dependent leaves school;
- Temporarily removes a delinquency of up to 180 days on a home mortgage as an indicator of adverse credit, thereby permitting a lender to approve an otherwise eligible parent loan applicant with such a delinquency for a PLUS loan; and
- Provides the Secretary of Education additional tools to safeguard access to student loans:
  - By clarifying existing law that gives the Secretary mandatory authority to advance federal funds to guarantors operating as lenders-of-last-resort in the event that they do not have sufficient capital to originate new loans, and by allowing guarantors to carry out the functions of lender of last resort on a school-wide basis, and
  - By giving the Secretary temporary authority to purchase loans from FFELP lenders (i.e., act as a secondary market), if it is determined that lenders and other existing policy options are unable to meet the demand for loans, and if such purchase carries no cost for the federal government.

Prior to passage, the bill was amended in the following ways:

- A provision was eliminated that would have increased Stafford annual loan limits for graduate students by \$2,000;
- A provision was added to allow parents who are delinquent on medical bills to obtain PLUS loans;
- A provision was added to direct the Secretary of Education to review and, if necessary, to extend prohibited inducement rules to guarantors participating in the lender-of-last-resort program; and
- A provision was added to require the Government Accountability Office (GAO) to analyze how increased loan limits affect college costs.

### **What's next?**

With the House passage of H.R. 5715, Sen. Edward Kennedy (D-Mass.) released a statement that he is "hopeful that the Senate also will act swiftly to enact these provisions to reassure students and families." Kennedy introduced a similar bill, the Strengthening Student Aid for All Act of 2008 (S. 2815), on April 3, 2008. The President's Statement of Administration Policy (SAP) expressed support for increased loan limits, authorization of the Secretary to purchase FFELP loans, and designation of a school's eligibility to participate in the lender-of-last-resort

program, but expressed concern that increased limits “may make it more difficult for some institutions to keep their Federal student-aid funds under the ‘90-10’ institutional eligibility requirement.” The SAP also noted that the bill appeared “to be duplicative of existing law and would have little impact on preserving access to Federal student loans in the fall.”

### **More information**

For more information on H.R. 5715 and S. 2815, see TG's *Legislative Report* at [www.tgslc.org/lege\\_report/index.cfm](http://www.tgslc.org/lege_report/index.cfm). *Shoptalk Online* will keep readers informed as this legislation continues through the committee and conference stages.

### **Neg reg update: consensus reached!**

Following up on the success of the TEACH Grant negotiated rulemaking (Neg Reg) team — which reached consensus in February — the student loan issues team concluded its fourth and final meeting last week after reaching consensus on all issues. Negotiators representing ED and non-federal entities (such as schools, lenders, guarantors, servicers, and consumer groups) came to agreement on the outstanding issues, which included:

- Retroactive payments in the income-based repayment (IBR) plan,
- Various definitions used in determining eligibility for public service loan forgiveness,
- Definition of not-for-profit holder, and
- Special allowance calculations under IBR.

### **What's next**

ED will publish proposed regulations in the *Federal Register*, with a request for community comments. After reviewing those comments, ED will publish final regulations no later than November 1, 2008. *Shoptalk Online* will keep you informed as these events occur.

### **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](http://www.ed.gov/policy/highered/reg/hearulemaking/2008/index2008.html) for a full history of this Neg Reg, including meeting agendas, memoranda to the committee members, and draft proposed regulatory language.

### **ED makes increase in Stafford aggregate for health professions students official**

ED released *Dear Colleague Letter* (DCL) GEN-08-04 / FP-08-04 officially announcing new Stafford aggregate loan limits for graduate and professional

students preparing for the health professions. Effective April 14, 2008, the limit was increased to \$224,000.

### **More information**

You can read DCL GEN-08-04 / FP-08-04 at <http://ifap.ed.gov/dpcletters/attachments/GEN0804Attach.pdf>.

## **TG updates**

### **TG names Anne Hopkins senior vice president of customer relations and business operations**



Anne B. Hopkins, an executive with national and international business experience, has joined TG as senior vice president of customer relations and business operations.

In her new role, Anne will be part of TG's executive management team and will oversee the areas of customer focus, operations, collections, and marketing and product management.

Before joining TG, Anne was vice president of membership sales and marketing for the American Automobile Association (AAA) in Dearborn, Mich., as well as a business consultant for start-up businesses.

She spent 20 years in various capacities with American Express, including 10 years in executive positions in the U.S. and abroad. Anne was vice president of sales and marketing for the company's Travelers Cheque Group in Sydney, Australia, from 1994-96, and vice president and general manager of the Emerging Businesses Group in Salt Lake City from 1996-98.

She returned to Australia to serve as vice president and general manager of the Merchant Services Group from 1998-2000, and then as vice president of Worldwide Customer Experience in Dallas from 2000-04.

Anne earned a bachelor's degree from the University of Michigan, and has completed various management and leadership training programs.

"Anne possesses both nonprofit and for-profit executive experience that will serve TG well," said Sue McMillin, TG's president and CEO. "She has broad general management experience in all of the business areas that she will supervise, especially in customer relations, which is important to TG as we work to provide exceptional service to customers."

## TG unveils 16th annual training conference

This Wednesday, TG debuts the three-day 2008 TG Annual Training Conference in Austin, Texas. Hundreds of financial aid professionals from across the U.S. will attend some 67 workshops and seminars that offer a strong grounding in the essentials of managing student loans.

TG's 2008 conference, titled "Training today, preparing for tomorrow," will feature some recognized figures in student aid, including guest speaker, Robert Shireman, executive director of the Project on Student Debt and founder and president of the Institute for College Access and Success. It will also focus on training topics sure to enrich anyone's understanding of the issues facing financial aid professionals today.

### A balanced training agenda

TG designs its conference agenda around two simple ideas: Offer sessions that address the regulatory and operational concerns of a typical financial aid office, but also feature workshops on trends affecting the industry. This year, TG has provided a well-designed balance of both with seminars on perennially-important issues like enrollment management and other sessions focused on topics that have just lately drawn more attention, including the role of ethics in financial aid and particular barriers to higher education.



Here's a brief review of some of these trainings.

- **Making Ethical Financial Aid Decisions Using the NASFAA Statement of Ethical Principles:** This interactive session allows participants to explore methods for ensuring that ethical practices are a part of all decision-making within the financial aid office.
- **Enrollment Management — Clear and Present Danger to Institutional and Student Success:** This workshop helps schools support academic and financial success among students by infusing default aversion strategies into existing or new institutional retention initiatives. Participants will learn tips for establishing a systemic default aversion plan within strategic enrollment management.
- **Hispanic-Serving Institutions: Achieving Latino Success Project:** Learn the history and purpose of the Achieving Latino Student Success (ALASS) Project; review federal and state accountability measures which have fueled institutional efforts to assess student success; and gain a policy perspective of Latinos in higher education.
- **Lender and Servicer Forum: Best Practices from Regulations to Operations:** Participants in this open forum discuss the impact of recent

changes in regulations and the operational challenges that have resulted. They'll also discuss best practices for originating lenders.

- **Best Practices for Developing and Implementing a Financial Aid Code of Conduct:** Join an open discussion about developing a financial aid code of conduct for your office and learn from some of those who have implemented a code of conduct at their institutions.

Conference attendees will also be treated to some opportunities for professional and personal enrichment outside regularly-scheduled conference sessions, including these:

- **Opening luncheon keynote address:** Dr. Janet Lapp, founder of the Center for Leadership Development, leads a presentation on leadership that inspires with a special focus on the work of professionals in financial aid.
- **Healthy Start Walk and Breakfast** (7:15 a.m. - 8:45 a.m., Thursday): Start your day with an optional brisk walk on a wooded trail with TG team members and other conference attendees.

### To learn more

Visit *TG Online* at [www.tgslc.org/tgconference/index.cfm](http://www.tgslc.org/tgconference/index.cfm) to find out more about the 2008 TG Annual Training Conference. Online registration is now closed; however, attendees can register at the hotel during the event. Registration fees are 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).

## Give your students the tools to explore consolidation — with help from TG

As graduation approaches, your seniors are contemplating a new set of priorities beyond college, including financial obligations like student loan repayment. A large percentage of such borrowers have multiple loans, which means several things: They're probably eager to lower their interest rate and payment amount — low payments take less out of the paycheck — and they want a convenient way to pay all their loans if they have several lenders. Student loan consolidation offers the optimal solution — simpler payments, lower interest rates, and reduced monthly amounts.

Borrowers with variable-rate loans are also probably very interested in consolidation at this time, since federal interest rates for student loans are about to be adjusted, most likely to a new all-time low. For these and other borrowers, reliable, easy-to-find information on consolidation is important. TG provides just such support in the form of printed materials and a comprehensive Web site.

## Portable resources

TG helps you cover your communication bases with two easy-to-mail pieces of collateral: a statement stuffer on TG's Web site — Consolidation Station™ — and a wallet card, which serves as a quick reference for instant help on consolidation.



The statement stuffer offers a capsule description of Consolidation Station, TG's Web site on student loan consolidation. The statement stuffer lists the advantages of consolidating, provides the Web address for the site, and offers a phone number for immediate help.



The wallet card also guides students to Consolidation Station and lists the call center number for TG's customer assistance team, ready during normal business hours to answer questions related to consolidation.

## Web site support

Available whenever borrowers need answers, TG's Consolidation Station describes the benefits of consolidation, walks borrowers through the consolidation process, includes a search tool for choosing a lender, and offers a calculator for estimating repayment for FFELP and Direct Lending loans as well as Perkins and previous Consolidation loans.

Borrowers may be especially interested in the calculator tool, which provides a simple interface for entering basic loan information in order to determine an estimated consolidation payment amount. Borrowers select a loan type, enter a loan balance amount and interest rate as well as the loan term, and click "Calculate." The calculator is pre-populated with the existing fixed rates for common FFELP loans.

Or, if borrowers wish to begin the consolidation process, the lender search feature provides a handy starting point. Using the search, borrowers can locate lenders several different ways: They can view and choose from a list of lenders that consolidate with TG; search for a lender by entering a name or a keyword from the name; or locate the lenders for their TG-guaranteed loan, or for all their loans.

## To learn more

If you're looking for resources that help your graduating seniors — and graduated students — understand consolidation, consider TG's varied tools. To find out more about TG's Consolidation Station, visit [www.ConsolidationStation.org](http://www.ConsolidationStation.org). For questions

about the site, contact TG's product support team at (800) 332-1455, or send an e-mail message to [product.support@tgslc.org](mailto:product.support@tgslc.org).

## Tech Report

### TG Loans by Web™ offers solutions to assist schools and students during changing times

Due to ongoing challenges in the financial markets, lenders are considering their options as to how best to manage their available capital and whether to continue making FFELP loans. This uncertainty, together with new regulations about schools and their lender lists, have some TG schools questioning how these changes will affect their borrowers, and more specifically, their borrowers' TG Loans by Web (LBW) experience. Rest assured LBW will be well equipped to handle lender shifts in participation. Continue reading this article for more specifics on LBW.

#### Lender no longer originates FFELP loans – effect on prior borrowers using LBW

Some lenders have indicated that they will no longer originate FFELP loans either temporarily or permanently. As a return borrower enters TG's LBW system, LBW recognizes the borrower and accesses his or her prior lender information. At that point the system will confirm if the lender is still an eligible LBW lender. If it is not, the lender selection page will not pre-populate a lender for the borrower but will instead prompt the borrower to select a lender. When the borrower chooses the "select a lender" button, the school's current preferred lender list will display, if the school has established one. If not, the borrower will have the ability to search the full database of TG eligible lenders. See sample screenshot below.

The screenshot shows the 'Lender Selection' page for 'KELLY'S SCHOOL'. On the left is a vertical navigation menu with four steps: '1. Personal Information', '2. References', '3. Lender Selection' (highlighted in blue), and '4. Loan Request Information'. The main content area has the school name 'KELLY'S SCHOOL' and a link for 'School Fact Sheet'. Below this, it says 'Your selected lender is: No lender has been selected.' and provides instructions: 'If you need to choose or change your lender, click the **Select Lender** button.' There is a blue 'Select Lender' button. At the bottom, there are three buttons: 'Cancel', 'Previous', and 'Next'. The top of the page has the TG logo and 'TG Loans By Web™' with navigation links for 'Main Menu', 'Provide Feedback', 'Help', and 'Logout'. The page title is 'Complete Your Loan Award - Lender Selection'.

Questions about TG Loans By Web™? Contact TG Customer Assistance at (800) 530-1449.

**You are using XP Service Pack 2. For AdvanTG Web™ to work properly, add TG to your pop-up blocker white list.**  
Click [here](#) for instructions.

## **Lender originates some FFELP loans – Effect on borrowers using LBW**

Some lenders have announced a partial suspension from the FFELP by limiting the borrowers to whom they will lend. To facilitate a smooth transition for the school and borrower in this instance, TG will be implementing new profile options for LBW to define relationships between specific lenders and schools. A couple of outstanding issues remain in this scenario, but TG is working to resolve them as quickly as possible.

## **Updates and Reminders**

TG is conducting a survey of lenders to update the LBW database with current information. Lenders are being asked to indicate whether the lender is originating loans for all eligible borrowers at a particular school, whether the lender is originating loans only for some borrowers (e.g., serial borrowers) at that school, or whether the lender is no longer originating any loans for students attending the school.

Lenders and schools are reminded, however, that while TG can update the LBW database at a lender's request, schools are the only entities that can change their preferred lender lists so it is extremely important for lenders to inform both schools and TG of their lending plans.

Finally, it is important to note that TG's application processing is not being modified to stop the guarantee of a loan; if the application comes from a source other than LBW (e.g., LBW Batch, ELM, etc.), it will continue to guarantee as it does today. Therefore, it is important for schools to monitor the lender IDs on applications sent directly to TG for processing.

TG is targeting late May to implement the new functionality in LBW.

## **Questions**

For questions about these changes to LBW, contact TG's product support group at (800) 332-1455, or send an e-mail message to [product.support@tgslc.org](mailto:product.support@tgslc.org).

## **Help in using LBW**

TG now offers free instructional flyers to help borrowers complete loan applications through LBW. To order or download printable PDFs of the TG Loans By Web instructions, visit TG's online ordering page at [www.tgslc.org/order/index.cfm](http://www.tgslc.org/order/index.cfm). Select the Loan Administration link under School and Lender Materials.

## Trends and issues

### Question of the week

**Q.: Can a student who is concurrently enrolled in high school and college (sometimes referred to as dual enrollment) receive federal student aid?**

A.: Per the federal regulations in 34 CFR 668.32(b), an otherwise eligible student may receive federal student aid if the student... "[i]s not enrolled in *either* an elementary *or* secondary school" (emphasis added). Thus, a student who is enrolled in college may not receive federal student aid if he or she is enrolled in high school at the same time.

Note that prior participation in dual enrollment does not disqualify an otherwise eligible first-year college student from receiving an Academic Competitiveness Grant (ACG), as long as the student was not enrolled previously as a regular student in an ACG-eligible college program when he or she was still in high school and was at or below the age of compulsory school attendance. This is per the 2008-09 *Federal Student Aid Handbook*, page 1-64.

### 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).

## Legislative update

Both the House and Senate have focused considerable attention on liquidity in the student loan industry. Sen. Edward Kennedy (D-Mass.) along with Rep. Rubeen Hinojosa (D-Texas) and Rep. George Miller (D-Calif.) filed legislation that would address this issue in a variety of ways, including: reducing students' reliance on loans by increasing the annual Pell grant award for the lowest-income Pell grant recipients; increasing the annual loan limits on federal unsubsidized student loans; and increasing the annual loan limit for unsubsidized loans for graduate and professional students. Learn more by reading the full report on *TG Online* at [www.tgslc.org/lege\\_report/2008/lr\\_080415.cfm](http://www.tgslc.org/lege_report/2008/lr_080415.cfm).

## This, that, and the other

In 1970 on this day, the environmental — then known as the ecology — movement seized national attention, when 20 million Americans observed the first official Earth Day, including thousands of college students. Former Sen. Gaylord Nelson announced plans for the event in September 1969. He envisioned the day as a protest of sorts against the deteriorating quality of U.S. natural resources, disappearing species, and largely-unregulated industry. He couldn't have guessed

the event would turn into a groundswell — an experience tapping into the activist spirit of the moment.

Today, hundreds of colleges plan annual Earth Day celebrations, offering panel discussions on environmental issues, exhibits on clean energy, and even art contests using recyclable materials. Activities tend to focus on the need to be good stewards of the environment, and, as such, are generally open to the public. Watch for events on your campus or at other local community centers.



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