

## In this issue:

<b>Federal updates</b> .....	<b>1</b>
Reminder of changes effective July 1 .....	1
Variable interest rates drop .....	3
<b>TG updates</b> .....	<b>4</b>
TG to host symposium on financial literacy counseling .....	4
Webinar notice: TG offers training on product enhancements and industry issues .....	5
<b>Trends and issues</b> .....	<b>7</b>
TG's director of public benefit operations Kristin Boyer works with schools to make college a reality for more students .....	7
TG and <i>Mapping Your Future</i> <sup>®</sup> announce updates to counseling sessions .....	9
Question of the week .....	10
<b>This, that, and the other</b> .....	<b>11</b>

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

Will incoming freshmen be visiting your campus this summer? Help them get the most from their experience with TG's list of campus visit tips. You'll find it along with schedule planners, college repayment charts, and more through *Adventures In Education* at [www.aie.org/handouts/index.cfm](http://www.aie.org/handouts/index.cfm).

## Federal updates

### Reminder of changes effective July 1

Do you have a big red circle around July 1 in your planner? The various changes to the Title IV programs that have been authorized in the last year — many with July 1, 2008, effective dates — may have left your mind swirling, but a review of the upcoming changes impacting the financial aid industry should help put your mind at ease.

Let's start with the College Cost Reduction and Access Act (CCRAA), signed into law on September 27, 2007. Although some provisions have already gone into effect, others will become effective July 1. The CCRAA:

- Reduces of the interest rate for subsidized Stafford loans for undergraduate students first disbursed on or after July 1, 2008, and before July 1, 2009, from 6.8 percent to 6.0 percent
- Permits a FFELP borrower to consolidate his or her FFELP loans into a Direct Consolidation loan if the borrower intends to be eligible to use the public service loan forgiveness program
- Increases the Pell grant maximum
- Implements the TEACH Grant Program

For further information on the CCRAA, see *Shoptalk Online* editions [427](#), [428](#), and [437](#). ED provided clarification on several CCRAA issues in DCL [GEN-08-01](#).

On November 1, 2007, final rules for both the general provisions and the loan provisions were published in the *Federal Register*. While schools and financial institutions were permitted to implement some of the provisions early, all of the changes must be implemented by July 1. Items of particular interest in the final rules include:

### **Loan provisions**

- Revises the definition of “eligible lender”
- Provides a non-exhaustive list of prohibited inducements
- Provides an exhaustive list of permitted activities
- Establishes criteria and disclosure requirements for preferred lender lists (PLL)
- Eliminates the 12-month maximum loan period
- Establishes loan counseling requirements for Grad PLUS loan borrowers
- Simplifies the deferment process

### **General provisions**

- Changes timeframes for certain activities (for schools using passive loan confirmation)
- Revises the treatment of loan funds when a student withdraws before beginning class
- Removes the requirement for school to obtain permission for direct payment via EFT to a bank account
- Establishes timeframes for issuing a check
- Changes permissible amount to \$200 and removes exception (for payment of minor, prior-year charges using current-year Title IV aid)

- Extends the timeframe for delivery of a late disbursement to 180 days, and removes ED appeal process

For further information on the final rules, see *Shoptalk Online* editions [431](#), [432](#), [433](#), [434](#), [439](#), [440](#), and [442](#). ED provided additional guidance regarding PLL in DCL [GEN-08-06](#).

The Ensuring Continued Access to Student Loans Act of 2008 (P.L. 110-270) was signed into law on May 5, 2008. The legislation includes provisions intended to assist FFELP borrowers in obtaining student loans. Effective July 1, 2008, P.L. 110-270:

- Increases Stafford annual and aggregate loan limits for undergrad students
- Gives a parent PLUS borrower the option to postpone repayment
- Temporarily removes or eases certain adverse credit criteria for PLUS borrowers

For further information on P.L.110-270, see *Shoptalk Online* editions [453](#), [454](#), and [456](#).

## Questions

As always, *Shoptalk Online* will keep readers informed of any new developments and ED guidance regarding the implementation of legislative and regulatory requirements. In the meantime, 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).

## Variable interest rates drop

ED announced last week that for the first time since 2004, interest rates on Stafford and PLUS loans with variable interest rates will drop, by 3.01 percent. The new rates will be effective from July 1, 2008, to June 30, 2009.

Stafford and PLUS loans first disbursed on or after July 1, 1998, and before July 1, 2006, have variable rates that reset annually on July 1 based on the last 91-day T-bill auction in May. Note that this rate change is independent of the upcoming reduction in the fixed interest rate — from 6.8 percent to 6.0 percent — on subsidized Stafford loans for undergraduate students, effective for loans first disbursed on or after July 1, 2008, and before July 1, 2009.

### How low will they go?

On July 1, 2008, interest rates on Stafford and PLUS loans that are subject to the variable-rate provision will be as follows:

- 3.61 percent for Stafford loans during in-school, grace, and deferment periods,
- 4.21 percent for Stafford loans during repayment and forbearance, and

- 5.01 percent for PLUS loans.

### **More rates to come**

Some older PLUS and Supplemental Loans for Students (SLS) loans have variable interest rates based on the weekly average of the one-year constant maturity Treasury yield for the last calendar week ending on or before June 26. As a result, new rates on such loans won't be available until late June.

Another interest rate not expected until late June is the one applicable to the Health Education Assistance Loan (HEAL) portion of Federal Consolidation loans, which is based on the average of the bond equivalent rates of the 91-day T-bills auctioned for the quarter ending June 30.

### **More information**

ED's press release on the new interest rates is available online at <http://ifap.ed.gov/eannouncements/0527InterestRate20082009.html>.

For questions about the interest rate changes, contact TG customer assistance at (800) 845-6267 or send an e-mail to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## **TG updates**

### **TG to host symposium on financial literacy counseling**

The ability to make smart decisions when it comes to managing money is becoming ever more important for students. Average student loan debt has doubled over the past decade, and a majority of students now have credit cards and accumulate thousands in additional debt by the time they graduate. More colleges and universities recognize the need to teach students the basic skills for financial survival and success.

TG is hosting a symposium to offer help. The symposium will bring together experts from the higher education community who will discuss strategies for implementing on-campus financial literacy programs. Such programs teach students crucial financial literacy skills they need to succeed in life after college.

#### **Generating ideas and tips to use**

The 2008 TG Financial Literacy Counseling Symposium will take place on Friday, June 27, from 9:30 a.m. to 3:30 p.m., at the Dallas-Fort Worth Airport Marriott.

Dr. Dottie Durband, the director of Texas Tech University's "Red to Black" program, and Danielle Champagne, assistant director of the University of North Texas' "In the Green" program, will share their expertise and experience with launching successful campus-wide financial literacy initiatives.

In addition, attendees will participate in discussions about creating successful campus financial literacy centers.

Topics for discussion include:

- Conceptualizing financial literacy initiatives,
- Securing approval and funding,
- Implementing financial literacy initiatives, and
- Improving a successful financial literacy program.

The discussion will generate ideas and tips that educators can use to develop a financial literacy program best-suited for their campus and students.

### **To register**

For more information about TG's 2008 Financial Literacy Counseling Symposium, or to register to attend the event, visit *TG Online* at [www.tgslc.org/training/literacy/](http://www.tgslc.org/training/literacy/).

### **Questions**

For particular questions about the symposium, contact Mike Nowlin at (800) 252-9743, ext. 4814, or send an e-mail to [mike.nowlin@tgslc.org](mailto:mike.nowlin@tgslc.org).

## **Webinar notice: TG offers training on product enhancements and industry issues**

As summarized in the "Reminder of changes effective July 1" article in this edition, new regulations on various aspects of the FFELP become effective on July 1. TG will be implementing enhancements to AdvanTG Web™ and TG Loans By Web™ to accommodate these changes.

TG is offering several webinars to introduce schools and lenders to these enhancements and to help address current industry issues.

### **Webinar topics**

The webinars will cover product enhancements being implemented the weekend of June 7.

Among other changes, TG is enhancing AdvanTG Web and TG Loans By Web to allow schools to provide lender information to their borrowers. Schools will have the ability to enter borrower benefit information via the Lender List screen in AdvanTG Web. This information will then display to the borrower through TG Loans By Web.

Schools will be able to enter information for the following three categories of borrower benefits:

- Rates and fees,
- Repayment terms, and
- Other.

A school may also choose to include Web addresses for the lenders on its preferred lender list to provide the borrower with an additional research tool in making his or her lender selection.

TG's webinars will also consider current loan processing challenges and how schools, lenders, and TG can work together to ensure that borrowers continue to have access to higher education financing.

### **Webinar times**

Below are the dates and times for the sessions.

#### *For school participants*

Wednesday, June 4  
2:00 p.m. – 3:00 p.m. (CST)

Monday, June 9  
2:00 p.m. – 3:00 p.m. (CST)

#### *For lender/servicer participants*

Friday, June 6  
10:00 a.m. – 11:00 a.m. (CST)

Tuesday, June 10  
10:00 a.m. – 11:00 a.m. (CST)

### **To register**

To register for a particular webinar, visit [TG Online](#).

### **Contacts**

If you have any questions regarding the upcoming webinars, please contact Lisa Felder, external product training coordinator, at [lisa.felder@tgslc.org](mailto:lisa.felder@tgslc.org).

If you should need technical assistance with TG's products, please contact our product support team at (800) 332-1455 or send an e-mail to [product.support@tgslc.org](mailto:product.support@tgslc.org).

## Trends and issues

### **TG's director of public benefit operations Kristin Boyer works with schools to make college a reality for more students**

Kristin Boyer brings two considerable strengths to her job: her career-long dedication to the cause of higher education and her genuine love for what she does. As director of operations for TG's public benefit program, Kristin helps lead TG's philanthropic efforts in college access and retention. Each day, she serves as steward for TG's program, ensuring its long-term direction and working closely with schools and other institutions.



TG has awarded nearly \$10 million in grants to 100 institutions and nonprofit organizations to advance access to college, student retention, and educational research. This academic year is the third consecutive year that TG has awarded competitive grants through its Public Benefit Grant Program. TG's grant funds help an eclectic set of projects, including initiatives that offer need-based grants to students; student mentoring and internships; pre-college outreach to students and families; academic support and instruction; student retention; student transfer guidance and support; and education research.

The variety is something Kristin finds stimulating, while the work itself is something she feels passionate about. "It's incredibly rewarding when you can open up the possibilities for a student or help remove or at least minimize some of the obstacles that they thought were insurmountable," said Kristin. "Ultimately, education helps everyone. It's not only the individual that benefits, it's also society as a whole. That student is more likely to engage in civic activities, be more productive, and contribute more to the community."

#### **Seeing results first-hand**

For Kristin, a typical work day could involve any number of things. She might be making presentations to prospective applicants about the types of projects TG funds. She could be reading and evaluating progress reports from current grantees, or visiting schools to talk with the staff involved in a project. Or she could be reviewing research on issues that affect access to higher education or retention and student success.

"And I'm always interested in exploring new ways of serving students and families through our program," said Kristin.

Kristin finds one aspect of her job particularly rewarding — witnessing first-hand the benefits that grants can provide students. Last year, she attended the closing ceremony for a summer college-awareness program that TG had funded.

Afterwards, several students approached her to say how much they appreciated the school's program and TG's support of it.

"One of the students was from Montana and just happened to be staying with his grandparents in Texas, who had signed him up for the summer program," said Kristin. "He said that, until this program, he didn't think college was even a remote possibility, but now he knew it was an attainable goal. That's the kind of feedback we love to get!"

### **Building a career around college access**

Kristin's previous jobs have all prepared her in some way for her present work. After college, she accepted a position as a middle school teacher in Hutchinson, Kan. She then got some direct experience in financial aid by serving for two years as an admissions and financial aid counselor for McPherson College, a small, private school. She transferred to the college's communications office, eventually serving as associate director of development and director of communications.

Her varied aptitude was helpful when she came to work for TG as a senior communications specialist, and then, two years ago, took her current job with TG's Public Benefit Program. Each position built on skills she gained in a prior job and provided relevant experience for philanthropic work in college access and retention. According to Kristin, directing operations for TG's Public Benefit Program is a great fit for her professional and personal interests.

"When proposals come in, it's thrilling to see what strategies and programs are proposed to help students achieve their educational goals," said Kristin. "Then, when the final reports come in, we get to see the actual impact that the program has made in students' lives."

### **Helpful strategies**

In her work, Kristin has come across a variety of ideas for broadening access for students, especially for first-generation students. If a school or other institution is looking for help in starting a program or adding to a current one, she has a number of suggestions; however, she notes that these strategies do not universally apply, and all may need to be tailored to meet the needs of students or the campus. A few noteworthy practices that schools may consider include these:

- Use a case-management approach to improve student access and retention.
- Establish partnerships between higher education and business communities to make educational pathways relevant to students and easy to navigate.
- Focus on parental and community support as a means to improve educational access for underserved populations.
- Encourage supplemental instruction to motivate student participation and success.

TG's Public Benefit Grant Program can help organizations and campuses to try out some of these strategies by funding a pilot year or by expanding a current program. If successful, these programs can be brought to scale or incorporated into standard practice.

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

To receive funds, organizations are required to submit proposals that address the issue of access to postsecondary education for low-to-moderate income students.

### **To learn more**

If you'd like to learn more about TG's Public Benefit Grant Program, you'll find a description of its purpose and process on *TG Online* at [www.tgslc.org/publicbenefit/index.cfm](http://www.tgslc.org/publicbenefit/index.cfm).

## **TG and *Mapping Your Future*® announce updates to counseling sessions**

*Mapping Your Future* has updated eight Online Student Loan Counseling (OSLC) sessions to comply with regulatory changes, where applicable, and to add consistency to the text. These sessions include:

- Stafford entrance
- Stafford exit
- Stafford and Perkins combined entrance
- Stafford and Perkins combined exit
- Grad PLUS entrance
- Grad PLUS exit
- Stafford and Grad PLUS combined entrance
- Stafford and Grad PLUS combined exit

Among other changes, the subsidized Stafford interest rate has been updated to 6.0 percent for undergraduate students; a revision of the aggregate loan limit for Health Education Assistance Loan (HEAL) borrowers has been made; and the Grad PLUS entrance language required by regulations effective July 1 has been changed.

### **Other changes**

With assistance from the OSLC team and other volunteers, the staff will make additional updates on July 1, including:

- Adding a new loan limit chart,

- Removing references to the 6.8 percent subsidized Stafford interest rate for undergraduate students,
- Updating the Spanish Stafford entrance and Spanish Stafford exit counseling sessions, and
- Adding an improved indebtedness customization option.

The improved indebtedness customization option will allow schools to provide an average loan figure per loan type. The current process allows schools to enter one average loan figure per counseling session.

### More information

If you have questions about the updates and changes to the Online Student Counseling sessions, contact *Mapping Your Future* at [feedback@mappingyourfuture.org](mailto:feedback@mappingyourfuture.org).

### Question of the week

**Q.:** May a school choose whether to participate in the TEACH Grant Program?

**A.:** Yes. ED published a Notice of Proposed Rulemaking (NPRM) in the *Federal Register* on March 21, 2008, which provides the following proposed regulation in 34 CFR 686.4(a):

“A TEACH Grant-eligible institution that offers one or more TEACH Grant-eligible programs may elect to participate in the TEACH Grant program.”

Of course, these are proposed regulations, and ED has not yet released final regulations. However, since the TEACH Grant negotiated rulemaking (Neg Reg) committee reached consensus on all of the proposed regulations, it is highly unlikely that this language will change in the final regulations.

To access the *Federal Register* in which this NPRM is published, go to <http://edocket.access.gpo.gov/2008/pdf/E8-5196.pdf>.

In addition, for more information on the TEACH Grant Program, see DCL GEN-08-07 — just released — on the Information for Financial Aid Professionals (IFAP) Website at <http://ifap.ed.gov/dpccletters/060308GEN0807.html>.

### Do you have a question?

If you have a question that needs an answer, feel free to *Ask TG™*. *Ask TG* is TG's online query tool for borrowers, schools, and lenders. It includes a database of frequently asked questions about financial aid, student loan processing, and TG's products and services. To submit a question to *Ask TG*, visit [tgslc.custhelp.com](http://tgslc.custhelp.com).

## This, that, and the other

In collaboration with financial aid professionals, ED's Office of Federal Student Aid (FSA) has designed management assessment modules to help schools enhance their services. The modules contain links to applicable laws and regulations. FSA's information features examples of specific compliance issues and provides recommendations for related assessments that your school may want to complete.

You can find the tool at <http://ifap.ed.gov/qahome/fsaassessment.html>.



P.O. Box 83100  
Round Rock, TX 78683-3100  
(800) 252-9743  
(512) 219-5700  
(512) 219-4560 TDD

*Shoptalk Online* is published by TG. Unless specifically noted, the policies and procedures outlined in *Shoptalk Online* apply only to loans made under the TG guarantee and not to loans underwritten by other guarantors.

To ask questions about *Shoptalk Online*, please contact Communications at (800) 252-9743, ext. 4732, or send an e-mail message to [communications@tgsic.org](mailto:communications@tgsic.org).

**Contributors to this edition:** Rob Davenport, Lisa Felder, Kelly Kaelin, Cindy Marrs, Art Martinez, Cindy Savage, and Matt Smith. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

©2008 Texas Guaranteed Student Loan Corporation.  
AdvanTG Web, Ask TG, TG Loans By Web, and the TG logo are trademarks of Texas Guaranteed Student Loan Corporation.