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

Going to college can be a difficult transition for parents as well as students. *Adventures In Education* provides parents with information on adjusting to the change. Offer your parents and students these helpful tips, located at [www.aie.org/Parents/empty\\_nest.cfm](http://www.aie.org/Parents/empty_nest.cfm).

## Federal updates

### 2008-09 *Federal Student Aid Handbook* Errata and Updates

ED has posted the 2008-09 *Federal Student Aid Handbook* (FSA Handbook) Errata and Updates on the Information for Financial Aid Professionals (IFAP) Web site. The revisions affect the following sections of the FSA Handbook:

- Application and Verification Guide
- Volume 1: Student Eligibility
- Volume 2: School Eligibility and Operations

- Volume 5: Overawards, Overpayments, and Withdrawal Calculations
- Volume 6: Managing Campus-Based Programs

Please note that ED has not yet released the 2008-09 version of Volume 3: Calculating Awards and Packaging. Once all the volumes of the 2008-09 FSA Handbook have been released, TG will provide a single downloadable file encompassing all of the volumes.

### More information

To view the entire announcement, visit the IFAP Web site at <http://ifap.ed.gov/sfahandbooks/0809FSAHandbookErrata.html>.

### Closed school corner

The following table provides a list of newly reported school closures and error corrections from the Postsecondary Educational Participants System (PEPS) and from the October 2008 *Closed School Monthly Report* supplied by ED.

#### Newly reported closures

OPE School ID	School Name and Address	Unofficial Closure Date	ED's Official Closure Date
02100403	<b>Everest Institute-Southfield</b> 26111 Evergreen Rd., Ste. 303 Southfield, MI 48076-4492	N/A	09/01/08
03128200	<b>Kaplan Career Institute</b> 5981 Jefferson Northeast, Ste. A&B Albuquerque, NM 87109-2072	N/A	08/31/08
02530705	<b>Sebring Career Schools</b> 7060 Bissonnet Houston, TX 77074-6010	N/A	08/15/08
02605900	<b>TESST College of Technology</b> 6315 Bren Mar Dr. Alexandria, VA 22312-6342	N/A	08/31/08

### Current special allowance rates: quarter ending September 30, 2008

The following rates apply for the quarter ending September 30, 2008:

- The average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending September 30, 2008, is 1.63 percent.

- The average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter ending September 30, 2008, is 2.87 percent.

The FFELP special allowance rates for the most recent quarter are available on *TG Online* at [www.tgslc.org/policy/index.cfm](http://www.tgslc.org/policy/index.cfm).

## **TG updates**

### **Designing a financial literacy program? Attend TG's TASFAA Fall Conference session on financial literacy**

The fall conference of the Texas Association of Student Financial Aid Administrators (TASFAA) kicks off this Wednesday, October 8, offering a full program of sessions on such key subjects as industry best practices and regulatory changes.

TG presents a number of workshops, including sessions on customer service in the financial aid office, effective entrance and exit counseling, and credit card basics for students. A fourth session, offered Thursday at 8:45 a.m., looks closely at a recent TG event that focused on financial literacy. The session, titled *2008 TG Financial Literacy Counseling Symposium*, features important insights shared at the symposium and offers a basic outline for implementing an on-campus financial literacy initiative.

#### **Blueprint for financial literacy training**

In June 2008, TG brought together experts in financial literacy with financial aid administrators for a day-long symposium. The symposium offered a forum for administrators who wanted to learn more about designing a financial literacy program. TG's TASFAA Fall Conference session expands on findings from the workshop. The session describes why financial literacy programs are so vital to students, outlines a basic model for a program, and suggests a variety of ways for making financial literacy a campus-wide dialogue.

Attendees at TG's TASFAA session on financial literacy will gain some valuable insights on every stage of producing a financial literacy program. They'll learn more about what to consider before developing a program: Should training be presented online or in-person? They'll also discuss ways of securing approval and funding, and examine the benefits of different kinds of delivery vehicles: Web sites, ads, and other tools, for example.

#### **To learn more**

Would you like to learn more about the many training opportunities TG offers through its Speakers Bureau? Visit [www.tgslc.org/speakers/index.cfm](http://www.tgslc.org/speakers/index.cfm) to read the training catalog. Keep in mind that TG can tailor training to meet the needs of your financial aid office. To schedule a program, contact your TG regional account

executive at (800) 892-1357, or send an e-mail message to [relationship.management@tgslc.org](mailto:relationship.management@tgslc.org).

## Mid-semester boost: Help your students brush up their study skills with these tips

More universities and colleges are linking strong academic performance to better career prospects. Students who can master study and organization skills are likely to prepare more effectively for a career.

You can give your students a stronger academic foundation with training. TG offers some help with a comprehensive training program on academic and life skills called Positive+Balance™. The program is designed to help students foster basic academic skills like studying.

In the tips that follow, you'll find a snapshot of content from one workshop in the Positive+Balance program. Use these ideas in your own training or take advantage of TG's ready-made session, including presenters and collateral.

### Inside the study basics

To study effectively, students should follow a set of basic routines. These practices can help students manage their assignments and engage more fully with new material.

- **Prioritize and rank:** Students should organize assignments according to importance. Smaller projects may be easy to complete, but tackling large projects first provides more of a sense of accomplishment. Achievement can offer motivation for more work and study.
- **Create challenges:** Setting deadlines and timelines is a useful way to motivate study. Breaks and rest are an essential part of this practice. If students get bored, they may need to vary their technique: Flash cards lend themselves to learning certain material, and presenting content to others is also a great way to integrate concepts.
- **Get support:** Study groups, peers, teachers, and other faculty members all offer potential guidance that students may find insightful. Oftentimes, students can pick up different perspectives and even get a critique on what they've learned.
- **Find rewards:** One of the easiest things to do is to set milestones in studying. After studying for a certain amount of time or completing an assignment, students can take a break, talk to a friend, or even play a video game. The key is to find the reward that provides a sense of accomplishment and drives further study.

## Learn more

To find out more about Positive+Balance or TG's other default prevention solutions, tools, and services, contact your regional account executive at (800) 252-9743. You may also contact Rett Anderton or Joe Braxton, TG's default aversion consultants, directly. Rett Anderton may be reached at (800) 252-9743, ext. 4765, or by sending an e-mail message to [rett.anderton@tgsllc.org](mailto:rett.anderton@tgsllc.org). Joe Braxton may be reached at (800) 252-9743, ext. 4696, or by sending an e-mail message to [joe.braxton@tgsllc.org](mailto:joe.braxton@tgsllc.org).

## Trends and issues

### Question of the week

**Q.:** Is there a minimum age requirement for Stafford loan eligibility?

**A.:** No. However, an otherwise eligible borrower must have at least a high school diploma or the recognized equivalent of a high school diploma; or meet one of the following standards:

- Be beyond the age of compulsory attendance in the state in which the postsecondary school is located, and pass an independently administered ability-to-benefit test that has been approved by ED, or
- Have completed a secondary school education in a home-school setting that is treated as a home or private school under applicable state law; in this case, the student is not required to pass an ability-to-benefit test. An underage home-schooled student is considered to be beyond the age of compulsory school attendance in the state in which the postsecondary school is located if that state does not consider the student to be truant once he or she has completed a home-school program, or if that state would not require the student to attend school or continue to be home-schooled. (*Common Manual*, Subsection 5.1.B)

### Do you have a question?

If you have a question, 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, visit [tgsllc.custhelp.com](http://tgsllc.custhelp.com).

## Common Manual

### Common Manual updates

On September 18, 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).

## NSLDS Reporting and Frequency

The *Common Manual* has been revised to incorporate the directive from the Department that strongly encourages monthly reporting of NSLDS data by a lender or servicer, while retaining the minimum quarterly reporting requirement. The directive aligns the *Manual* with information contained in the Technical Update for Lenders and Lender Servicers — 2000-01, which strongly encourages monthly reporting of balances by lenders and servicers. Implementing monthly reporting of National Student Loan Data System (NSLDS) data will allow guarantors to provide more accurate information and improve the quality and accessibility of student aid data, two of the goals of the NSLDS.

Revised policy language also expands the reporting process explanation to indicate NSLDS data may be reported via the Common Account Maintenance (CAM) process, if the guarantor agrees and the lender provides all the required data, including any resubmission that may be necessary as the result of an error.

<b>Affected Sections:</b>	3.5.G NSLDS Reporting
<b>Effective Date:</b>	Publication date of NSLDS Technical Update 2000-01.
<b>Basis:</b>	Technical Update Lenders and Lender Servicers—2000-01; NSLDS Guaranty Agency Data Provider Instructions (DPI), Version 4.1, 1.2 (Appendix A, Fields 135 through 138).
<b>Policy Information:</b>	1050/Batch 151
<b>Guarantor Comments:</b>	None.

## Defining Enrollment Status

The *Common Manual* has been revised to include standards for determining full-time enrollment status for a student enrolled in a nonstandard term-based credit-hour program, as required by the final regulations published November 1, 2007. The policy also deletes obsolete formulas for determining full-time enrollment status for students enrolled in a program using both credit and clock hours.

In addition, revised policy clarifies that non-credit and reduced-credit remedial courses must be included when determining a student's enrollment status, if the student qualifies for Title IV aid for those courses.

<b>Affected Sections:</b>	5.11 Student Enrollment Requirements 6.9 Defining Enrollment Status Appendix G
<b>Effective Date:</b>	Loans first disbursed on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.

**Basis:** §668.2(b); 08-09 FSA Handbook, Volume 1, pp. 1-11 and 1-12.

**Policy Information:** 1051/Batch 151

**Guarantor Comments:** None.

## **Stafford Annual and Aggregate Loan Limit Increases for Undergraduate Students**

The July 2008 annual update of the *Common Manual* has been revised to incorporate increases in the unsubsidized Stafford annual loan limit for certain undergraduate students, and increases in the undergraduate Stafford aggregate loan limit authorized by the Ensuring Continued Access to Student Loans Act (ECASLA) of 2008.

Annual loan limits for all undergraduate students, including those that did not increase as the result of the ECASLA, are as follows:

### **• Preparatory Coursework for Undergraduate Program**

- Base Stafford eligibility (subsidized and unsubsidized): \$2,625
- Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to borrow a PLUS loan): N/A
- Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan): \$6,000

### **• First-Year Undergraduates**

- Base Stafford eligibility (subsidized and unsubsidized): \$3,500
- Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to borrow a PLUS loan): \$2,000
- Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan): \$6,000

### **• Second-Year Undergraduates**

- Base Stafford eligibility (subsidized and unsubsidized): \$4,500
- Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to borrow a PLUS loan): \$2,000
- Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan): \$6,000

### **• Third-Year and Beyond Undergraduates**

- Base Stafford eligibility (subsidized and unsubsidized): \$5,500

- Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to borrow a PLUS loan): \$2,000
- Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan): \$7,000
- **Teacher Certification Coursework, or Preparatory Coursework for Graduate or Professional Program**
  - Base Stafford eligibility (subsidized and unsubsidized): \$5,500
  - Additional unsubsidized Stafford eligibility (dependent student, excluding a student whose parent is unable to borrow a PLUS loan): N/A
  - Additional unsubsidized Stafford eligibility (independent student or dependent student whose parent is unable to obtain a PLUS loan): \$7,000

A school that does not repackage students who have already received financial aid awards for the 2008-09 academic year must notify students who are eligible for additional unsubsidized Stafford loan amounts that the student may have additional loan eligibility.

The ECASLA increased the Stafford aggregate loan limit for all categories of dependent students to \$31,000, of which no more than \$23,000 may consist of subsidized Stafford loan funds. The Stafford aggregate loan limit for an independent student, and for a dependent student whose parent is unable to borrow a PLUS loan, increased to \$57,500. Of the total amount borrowed, no more than \$23,000 may consist of subsidized Stafford loan funds.

**Affected Sections:** 6.11.A Stafford Annual Loan Limits  
6.11.B Stafford Aggregate Loan Limits  
Figure 6-4

**Effective Date:** Stafford loans first disbursed on or after July 1, 2008, for loan periods that include or begin on or after July 1, 2008.

**Basis:** Ensuring Continued Access to Student Loans Act (ECASLA) of 2008 (P.L. 110-227); DCL GEN-08-08.

**Policy Information:** 1052/Batch 151

**Guarantor Comments:** None.

### **Special Stafford Aggregate Loan Limits for Graduate and Professional Health Profession Students**

The July 2008 version of the *Common Manual* has been updated to reflect an increase in the Stafford aggregate loan limit for graduate and professional health profession students who are eligible for increased unsubsidized Stafford loans, from \$189,125 to \$224,000. The aggregate amount of subsidized Stafford loan funds

that a graduate or professional health profession student may receive remains unchanged at \$65,500.

**Affected Sections:** 6.11.D Increased Unsubsidized Stafford Loan Limits for Health Profession Students

**Effective Date:** April 18, 2008.

**Basis:** DCL GEN-08-04.

**Policy Information:** 1053/Batch 151

**Guarantor Comments:** None.

### **FFELP Delivery to Transfer Students**

The *Common Manual* has been revised to reflect a regulatory change regarding a school's examination of a transfer student's financial aid history, made by the HERA Interim Final Rule, published July 3, 2006. The school must determine the amount of any ACG and/or National SMART grant funds awarded and delivered during the award year for the transfer student prior to the delivery of FFELP funds.

**Affected Sections:** 8.7.G Delivery to Transfer Students

**Effective Date:** Eligibility determinations made on or after July 1, 2007, unless implemented earlier by the school.

**Basis:** §668.19(a)(3).

**Policy Information:** 1054/Batch 151

**Guarantor Comments:** None.

### **Ineligibility for Title IV Aid Due to Prior Default on a Title IV Loan**

The July 2008 version of the *Common Manual* has been updated to clarify that an individual who is in default on any Title IV loan is ineligible to receive any Title IV aid, including the benefit of a parent PLUS loan, until the default is resolved. However, a parent's unresolved default on a Title IV loan does not adversely impact a dependent student's eligibility for Title IV aid, except that a school must not certify a parent PLUS loan for the defaulted parent borrower.

**Affected Sections:** 5.2.D NSLDS Data Match

**Effective Date:** Retroactive to the implementation of the *Common Manual*.

**Basis:** §668.35(a); '682.201(c)(1)(iv); 08-09 FSA Handbook, Volume 1, Chapter 3, pp. 1-47 to 1-48 and Chapter 7, p. 1-74.

**Policy Information:** 1056/Batch 151

**Guarantor Comments:** None.

## Eligibility Amounts for PLUS Loans

The *Common Manual* has been revised to state explicitly that there is no annual or aggregate loan limit for a parent or Grad PLUS loan. A PLUS loan may not exceed the cost of attendance minus the student's estimated financial assistance for the loan period.

**Affected Sections:** 6.11 Loan Limits  
6.11.C PLUS Loans for Graduate and Professional Students  
6.15.C PLUS Loan Certification

**Effective Date:** Retroactive to the implementation of the *Common Manual*.

**Basis:** §682.204(h); DCL GEN-92-21; 07-08 FSA Handbook, Volume 3, Chapter 5, pp. 3-78 and 3-90; *Student Financial Aid Handbook for Foreign Schools*, Chapter 1, pp. 1-5 and 1-7.

**Policy Information:** 1057/Batch 151

**Guarantor Comments:** None.

## Delivering Loan Funds

The *Common Manual* has been revised to clarify that there are three exceptions to the general rule that in order for a school to deliver the proceeds of any loan disbursement, a student must maintain continuous eligibility for the loan period certified, and to provide cross-references to explanations of those exceptions.

**Affected Sections:** 8.7 Delivering Loan Funds at Eligible Schools

**Effective Date:** Retroactive to the implementation of the *Common Manual*.

**Basis:** §682.604(b)(2)(i), (iii), and (iv).

**Policy Information:** 1058/Batch 151

**Guarantor Comments:** None.

## Diligent Effort

The *Common Manual* has been revised to specify that a diligent effort for purposes of delinquent loan collection procedures is one successful contact or at least two attempts to contact the borrower or endorser by telephone. Generally speaking, one actual telephone contact with the borrower, or two attempts to make such contact on different days and at different times, will satisfy the "diligent effort" requirement. However, the "diligent effort" requirement is intended to be a flexible one, requiring the lender to act on information it receives in the course of attempting telephone contact regarding the borrower's actual telephone number and the best time to call and reach the borrower.

**Affected Sections:** 12.4.A Due Diligence Requirements for Loans with Monthly Repayment Obligations

- 12.4.B Due Diligence Requirements for Loans with Repayment Obligations Less Frequent Than Monthly
- 12.4.D Contact by Telephone
- 12.4.E Endorser Due Diligence
- 12.7.C Required Address Skip Tracing Activities
- 12.8.A Telephone Skip Tracing Activities
- Appendix G

**Effective Date/**

**Trigger Event:** July 1, 1996, unless implemented earlier by the lender.

**Basis:** §682, Appendix D, Q & A #1; DCL 88-G-138.

**Policy Information:** 1059/Batch 151

**Guarantor Comments:** None.

## Legislative update

The 110th Congress passed The Emergency Economic Stabilization Act, H.R. 1424, which authorizes the Secretary of the Treasury to purchase or insure "troubled assets" held by banks as a means to inject financial liquidity into the country's banking system. The law is primarily meant to authorize the purchase and guarantee of mortgages and mortgage securitizations; however, the legislation also permits the Secretary to include other financial instruments deemed to be "troubled assets." Learn more about this latest legislation by reading the full report on *TG Online* at [www.tgslc.org/lege\\_report/2008/lr\\_081006.cfm](http://www.tgslc.org/lege_report/2008/lr_081006.cfm).

## This, that, and the other

Fidelity Investments® recently announced the results of its second annual College Savings Indicator survey, which found that parents are projected to meet only 21 percent of the total cost of their children's college education, a three percent decrease from last year. The survey calculates how prepared parents are to pay for future college expenses for today's high school seniors.

According to parents surveyed, the current economic conditions are having a direct impact on their ability to save more for college, with 60 percent citing day-to-day expenses as a barrier. As a result, over 30 percent of these parents have either decreased the amount they are saving or have stopped saving completely for their children's future college education. In addition, 35 percent of all parents fear they will need to delay retirement to meet college expenses.

Read more about the survey's findings at [http://personal.fidelity.com/myfidelity/InsideFidelity/index\\_NewsCenter.shtml?refhp=pr](http://personal.fidelity.com/myfidelity/InsideFidelity/index_NewsCenter.shtml?refhp=pr).



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