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Tip^{of} the Week

Get your students off to a good start in managing credit and debt with help from TG's *Adventures In Education* (AIE™). AIE's Web pages on financial literacy offer great information on handling credit cards, including a glossary of credit terms and a short tutorial on credit scores and reports. Find out more at www.aie.org/College/Paying/Earning/Credit/index.cfm.

Federal updates

ED revises ECASLA loan purchase provisions

On November 8, ED issued a press release announcing two changes to the loan purchase programs authorized by the Ensuring Continued Access to Student Loans Act (ECASLA).

First, ED will “replicate for the 2009-10 academic year the successful loan purchase and participation interest programs announced in May 2008 for the 2008-09 school year” as authorized by H.R. 6889 (see *Shoptalk Online* edition [473](#)).

In addition, ED plans to expand the timeframe for loan eligibility. This change will provide liquidity support to one or more conforming Asset-Backed Commercial Paper (ABCP) conduits to purchase and provide longer-term financing for FFELP loans. Under this change, ED intends that all fully disbursed non-consolidation FFELP loans awarded between October 1, 2003, and July 1, 2009, will be eligible for inclusion. Loans in the conduit will be financed with new issues of ABCP, and ED will

enter into a forward commitment to purchase eligible student loans from the conduit in the future at a prearranged price, at no net cost to the federal government. This provision will assist lenders that lack enough up-front funds to participate in ECASLA by enabling them to re-enter the market using loans disbursed in previous academic years.

More information

Shoptalk Online will provide more information as it becomes available. ED's press release is available online at www.ed.gov/news/pressreleases/2008/11/11082008.html. For more information on the ECASLA programs, please view ED's fact sheet at www.ed.gov/students/college/aid/ecasla-facts.html.

Loan purchase programs guidance

On October 31, ED released Electronic Announcement (E-ANN) #34 regarding the implementation of the loan purchase programs authorized by the Ensuring Continued Access to Student Loans Act (ECASLA).

E-ANN #34 provides interpretative guidance, in the form of 48 new "Questions and Answers," regarding the loan purchase programs as referred to in Section 27 of the Master Loan Sale Agreement and Section 37 of the Master Participation Agreement.

For more information

The E-ANN is available online at <http://federalstudentaid.ed.gov/ffelp>.

TG updates

Product spotlight: TG's List AssistSM jumpstarts lender list process with library of survey questions

Looking for an easy way to survey lenders for a recommended or suggested lender list? An electronic process that saves you work time and helps you capture information important to your borrowers?

You'll find a great solution in TG's new lender survey tool, List AssistSM. List Assist simplifies information-gathering for a lender survey with an assortment of features, including a ready-made library of questions vetted by industry professionals.

Using the library

Offered at no cost to schools and lenders, List Assist provides an online tool for managing lender surveys, also known as Requests For Information (RFI). Using it, schools can gather loan information, document results, and evaluate lender offerings.

Creating surveys with List Assist is a straightforward process. Schools can choose questions from a pre-set library of over 100 assessment questions or generate new content by creating their own questions.

To produce the library, TG developed an inventory list of lender survey questions, presented it to industry colleagues on national school and lender focus groups, and requested feedback. At the same time, various TG teams — including research and analytical services, customer assistance, and policy and regulatory affairs — worked to make the wording of questions clear and to help ensure the measurability of results.

Asking the right questions

Using the List Assist library, schools can create surveys that focus on key lender products and services. For example, questions can target a lender's offerings for borrower benefits: "As a percentage of the loan amount, how much of the federal origination fee does your company pay on behalf of Stafford borrowers for loans disbursed after July 1, 2009?" Or "Do you offer additional interest rate reduction for continued on-time payments?"

Other questions gather information on a lender's default management services, electronic services, or other benefits. For example, "Do you provide delinquency reports to schools to assist in default management?" Or "Will you provide on-site exit counseling services at my school?"

According to TG's product manager Teresa Bobadilla, the List Assist library offers a "living list" of questions. "TG can review the library and make changes to content," she said. "We can then make that content available to all school users almost immediately. That means schools won't have to wait for a product release to take advantage of the revised content."

Bobadilla also notes that the List Assist library focuses on questions that help differentiate lender offerings. "List Assist does not include questions on subjects like federal student loan interest rates, which are set by the federal government," said Bobadilla. "Lenders can technically offer loans at a lower rate, but most do not. We avoided questions that did not help in distinguishing one lender from another."

More about List Assist

To learn more about List Assist, view an online demo of the product. Visit *TG Online* at www.tgslc.org/products/index.cfm and click "TG List Assist Demo" in the right column.

Make opportunity knock with TG's Financial Aid Leadership Symposium

Are you looking for a training experience that gives you insight about what it takes to be a leader in financial aid? A workshop focused on growing your leadership skills so that you and your team can perform at peak potential? TG has the answer: a

week-long workshop that offers a mix of interactive sessions and open forums where you can learn and even practice the skills necessary for an effective financial aid leader.

TG's Financial Aid Leadership Symposium is designed specifically for financial aid professionals looking to excel in their field. TG is accepting applications for the next workshop, which will be presented in Round Rock, Texas, from February 2-6, 2009.

TG has been offering this week-long training since 2006, and each year, adds sessions that keep the curriculum fresh and innovative. Last year, Symposium presenters introduced a module on systems thinking, a holistic approach to problem-solving that examines the parts of an issue in relation to the big picture.

This year, the team will present a new module on building trust. Trust is the foundation for a committed team that prizes accountability and performs well. Symposium presenters offer practical ways to create that trust, so that your team can rely on each other and stay motivated and focused.

Long-time benefits

Participants of the Symposium regularly praise the workshop for the fresh perspective it brings to financial aid issues and challenges.

"It helped me to view the workplace in a new way," said Patricia Hinds, associate director of financial aid at Tulane University. "Focusing on these topics for a week was an encouragement to change the assumptions I have about staff and processes."

Many alumni find the Symposium renews their commitment to the work of financial aid. Others talk about the opportunity the workshop offers to rethink leadership roles on his or her team.

"The program really gets you to thinking about how you do things, what you should probably change, and how you interact with your staff," said Eric Cooper, director of student enrollment services at the University of Texas at San Antonio. "There are times for self-reflection and self-development, but there is also discussion on how to help you develop your staff, work with colleagues, and even develop skills to help with office vision."

Participants often leave with practical knowledge, which they can apply almost immediately on returning to the office.

"Since the Symposium, I have created a Financial Literacy Program on our campus and I do many presentations in classes," said financial aid officer Rhonda Beauchamp of Texas State Technical College (TSTC). "I feel the Symposium gave me the confidence to challenge myself. I have taken on more responsibility, and I love every minute of it."

Strong agenda, fresh ideas

Over the course of a week, the Symposium offers a series of workshops on the principles of good leadership. Among other things, participants learn how to build trust, motivate staff, and create a vision for a team. A great advantage to attendees is that they learn these concepts partly by discussing issues drawn from their own work experiences.

Symposium participants work in small groups and make individual presentations on particular topics. Throughout the week, attendees get the feedback of experts in various fields like policy and training.

Attendees enjoy the freeing atmosphere of the Symposium, which encourages candid discussion on current challenges in the industry or at the office.

TG senior corporate trainer Tom Rebstock describes the Symposium's benefits this way: "I believe the Symposium plays an important role in these times of rapid change in the financial aid industry," he said. "We're continuously improving the agenda to maintain a fresh leadership curriculum that is customized within the context of a financial aid office."

Attending the 2009 Symposium

To enhance the hands-on learning environment, enrollment in the Symposium is limited to a small, diverse cohort of selected applicants.

To apply, complete an application on *TG Online* at www.tgslc.org/training/leaders.

The application deadline is December 1, 2008. The fee for the Symposium is \$1,000 per participant and includes the full week of classes and materials, as well as hotel accommodations and selected meals.

More information

To learn more about TG's Financial Aid Leadership Symposium, visit *TG Online* at www.tgslc.org/training/leaders. You can also contact Tom Rebstock at (800) 252-9743, ext. 2835, or send an e-mail message to tom.rebstock@tgslc.org.

TG's Mark Brody helps borrowers in repayment focus on solutions, not consequences

For Mark Brody, the biggest reward of his job comes in hearing the daily stories from his team about helping borrowers through student loan repayment. As TG's assistant manager for default prevention, Brody has heard quite a few.

"I get energized working with our team," said Brody. "Our contact center team offers many services, and it's a great experience hearing how they provide borrowers with the right information to make smart decisions."

With over 18 years of loan and call center experience under his belt, Brody understands the value of effective teamwork. He says that kind of value goes to work every time a member of TG's default prevention team contacts a borrower.

"Our team is made up of experienced, customer-focused professionals who provide world-class counseling with each customer interaction," said Brody.

Brody helps lead a 90-member team effort devoted to keeping borrowers on track to repayment. TG's default prevention team is divided into sub-teams that specialize in assisting borrowers through every phase of a loan — from grace counseling and pre-delinquency through default. The team uses an assortment of technology to contact borrowers and students, including an auto-dialer system that can place and receive thousands of calls a day.



Managing such a diverse effort offers its challenges, but Brody, a former youth sports coach outside work, relishes the team environment. "Not everybody can be a pitcher or catcher, but everybody plays an important part in the daily win — helping borrowers pay back their loans."

Role of strong communication

Each month, the default prevention team provides guidance to borrowers in the more than 50,000 conversations conducted via phone and e-mail. Their work is vital to borrowers, especially as economic uncertainty affects more consumers entering repayment. Certainly, month by month, their efforts pay off: In FY 2007 alone, TG prevented more than \$3.53 billion in delinquent loans from defaulting for more than 342,000 borrowers.

Using technology strategically and training staff are useful tools to helping borrowers, according to Brody. However, communication is a key element of any default aversion initiative. Effective communication can both educate and motivate borrowers, partly by helping them focus on the positive.

"There are options for every borrower," said Brody. "It is important that we keep borrowers aware of the solutions available to them. In my opinion, borrowers should never feel that defaulting is a good alternative."

In helping borrowers, Brody relies on a career's worth of experience in the loan and collections industries. Prior to coming to TG, he worked for several financial services-based organizations including Sallie Mae, Fairbanks Capital, and a credit card-financing company — Metris Companies, and Capital One Auto Finance. His experience has taught him that a higher education is a valuable cornerstone to a borrower's long-term financial success. It's also given him insight into serving borrowers from widely different economic circumstances.

“Balancing needs and wants is vital for any borrower. We train our team to help borrowers focus on what they can do to help themselves,” said Brody. “The bottom line here is not the consequence of inaction, but rather the positive results of taking action.”

More about TG's default prevention activities

TG's default prevention team works with schools and lenders to prevent the default of student loans. The team also works with borrowers, offering information about default and repayment. If you have questions about how you can use the team's service in your default prevention work, contact Rett Anderton or Joe Braxton, TG's default aversion consultants. Rett Anderton may be reached at (800) 252-9743, ext. 4765, or by sending an e-mail message to rett.anderton@tgslc.org. Joe Braxton may be reached at (800) 252-9743, ext. 4696, or by sending an e-mail message to joe.braxton@tgslc.org.

Trends and issues

Policy Potpourri

Q.: There have been recent regulatory changes to the economic hardship deferment eligibility criteria as well as new federal minimum wage and poverty guideline amounts used to determine a borrower's eligibility. However, the current Economic Hardship Deferment Request form has not been updated. What information has changed and what are the current minimum wage and poverty guideline amounts that should be used to determine a borrower's eligibility for the deferment?

A.: The NCHelp Operations Forms Subcommittee will soon provide lenders and servicers with a detailed information sheet for processing the Economic Hardship Deferment Request until such time that ED publishes a revised form. Below are the changes for determining eligibility criteria.

- Eligibility criteria for items 4, 5, and 6 on the form have changed from using the poverty guideline income for a family of two regardless of the actual family size, to using 150 percent of the poverty guideline applicable to the borrower's actual family size.
- The borrower's actual family size means the number determined by counting the borrower, the borrower's spouse, and the borrower's children, including unborn children who will be born during the period covered by the deferment, if the children receive more than half their support from the borrower. A borrower's family size also includes other individuals if, at the time the borrower requests the economic hardship deferment, the other individuals (A) live with the borrower; and (B) receive more than half their support from the borrower and will continue to receive this support from the borrower for the year the borrower certifies family size. Support

includes money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs.

- The current minimum wage amount, effective July 24, 2008, is \$6.55 per hour. The chart below shows monthly amounts that represent 150 percent of the current poverty guidelines for the applicable family size.

Economic Hardship Deferment Request Poverty Guideline Chart

Borrower's Family Size	These monthly amounts represent 150% of the poverty guideline		
	48 Contiguous States and District of Columbia	Alaska	Hawaii
1	\$1,300.00	\$1,625.00	\$1,495.00
2	\$1,750.00	\$2,187.50	\$2,012.50
3	\$2,200.00	\$2,750.00	\$2,530.00
4	\$2,650.00	\$3,312.50	\$3,047.50
For each additional person, add:	\$450.00	\$562.50	\$517.50

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 tgslc.custhelp.com.

This, that, and the other

TG's award-winning Web site on college and career planning, *Adventures In Education (AIE™)*, was recently spotlighted in an article by the *Los Angeles Times*.

AIE offers students and their families a versatile array of tools for preparing for college and career, including loan calculators, interactive financial literacy features, a planning calendar for financial aid, and more.

TG's Web site offers direct, concise answers to the common questions students and parents have about college. It also provides links to numerous federal and state programs, and offers a searchable database of more than 10,000 scholarships.

Read the complete article at www.latimes.com/business/la-fi-bookmarks3-2008nov03,0,6468549.story.



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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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