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Tip^{of} the Week

Many students are already beginning to think about how to pay for next year's educational expenses. You can help them search for scholarships with *Adventures In Education's* (AIE™) scholarship search engine. AIE's scholarship search contains information on more than 10,000 scholarships with a combined value of more than \$7 billion. Find out more at www.aie.org/scholarships.

Federal updates

Final rules 101: Income based repayment, Part 2

In our last edition of *Shoptalk Online* (see edition [481](#)), we provided a summary of various key elements of the Income Based Repayment (IBR) plan, including borrower eligibility and definitions, the repayment and forgiveness process, and information dissemination. In this article we will cover how interest and special allowance will be calculated in IBR, and how loans in this repayment plan will be monitored for the purpose of determining the borrower's eligibility for loan forgiveness.

Remember, although IBR will not become available until July 1, 2009, it is not too early to begin educating borrowers about this repayment plan, which will benefit certain borrowers by minimizing monthly payments and, in some cases, by providing loan forgiveness after 25 years of repayment.

Interest

In the IBR plan, interest accrues on the loan as normal. Consequently, negative amortization could occur if the payment amount is less than the accrued interest, particularly in the case of a borrower with a very low — or \$0 — monthly payment amount.

To partially offset the impact of negative amortization, ED will assist borrowers with subsidized Stafford loans by paying the difference between the monthly payment amount attributable to the subsidized loans (or the subsidized portion of a Consolidation loan), and the monthly accrued interest, for up to three years. However, on any unsubsidized portion of the loan debt (whether unsubsidized Stafford, Grad PLUS, or an unsubsidized portion of a Consolidation loan), interest will accrue and, in some cases, be capitalized.

Special allowance

Lenders will receive special allowance payments based on the average daily balance, as well as the average daily accrued interest, during the time that a borrower meets the partial financial hardship (PFH) criteria. ED has not yet provided guidance on the reporting mechanism for IBR special allowance, but is expected to issue a *Dear Partner Letter* regarding this topic.

Monitoring

Maintaining careful documentation of a borrower's payment history in IBR is crucial in determining his or her eligibility for forgiveness. A lender must track all payments made under a PFH (including \$0 payments), and payments made under separate IBR calculations. The lender must also maintain a record of the borrower's use of an Economic Hardship Deferment, if applicable. All of these factors are taken into consideration in the lender and guarantor's evaluation of loan forgiveness eligibility. After 25 years (or 300 months) of qualifying payments in IBR, the loan holder will file a claim with the guarantor for forgiveness on any remaining balance.

More information

The final rules regarding IBR are located in 34 CFR 682.215. An integrated version of the regulations is available from *TG Online* at www.tgslc.org/policy/intreg.cfm. If you have questions about IBR, please contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

TG updates

TG offers webinar on creating a financial literacy program

Many of today's students graduate with thousands of dollars of debt from student loans and credit cards. You can help them manage their money and make smarter financial choices through a campus-based educational initiative like a financial literacy program. TG provides help in designing and implementing such a program with an upcoming webinar, "Building a Successful Financial Literacy Program," which will be presented on Thursday, December 11, from 3 p.m. to 4 p.m. CST.

Participants will learn tips and strategies for developing campus financial literacy initiatives. They'll also hear about TG's financial literacy tools and solutions. Representatives from two higher-learning institutions will be on hand to share their expertise in leading campus financial literacy initiatives. Speakers include Jimmie Wilder, associate director of financial aid at San Francisco State University; Diana Chow, supervisor of university loans and collections and fiscal services at San Francisco State University; and William Spiers, director of financial aid at Tallahassee Community College.

To register

To participate in the webinar, register through *TG Online* at www.tgslc.org/training/webinars/webinars0812.

Questions?

For questions regarding the upcoming webinar, contact Margie Harvey, TG's financial literacy program manager, at (800) 252-9743, ext. 4859, or send an e-mail message to margery.harvey@tgslc.org.

You are invited: TG Annual Training Conference planned for April 2009

Mark your calendars for the 2009 TG Annual Training Conference, which will be held April 22-24 at the Renaissance Hotel in Austin, Texas. Each year, TG offers a three-day round-up of workshops and forums that emphasize training in the nuts and bolts of financial aid. Well-attended and regularly praised for its polish and organization, the TG Annual Training Conference has come to be a mandatory stop for financial aid professionals attending spring conferences.

The 2009 conference theme is "Stepping Up for Students — The Rhythm of FFELP." A successful financial aid program is based on the individual contributions of so many professionals working at institutions based across the country. TG recognizes the value each person brings to that effort, especially as economic changes make financial aid even more important to students and parents. This year's conference considers the unique form of collaboration and support that exists in the financial aid industry — between schools and students, between financial aid officers and

their schools, and between other institutions and the FFELP — that make financial aid available to thousands of students each year. Join us at this year's conference to hear more about the 'good vibe' your commitment adds to higher education.

Conference information

- **Hotel Accommodations**

All conference activities will be held at the Renaissance hotel in northwest Austin.

Online Reservations and Rates

Single/Double Rate — \$174.00/223.00

Triple/Quad Rate — \$243.00/\$263.00

Govt. Single/Double Rate — \$85.00/\$140.00

Rates are valid through March 31, 2009.

- **Registration Fee**

The 2009 early conference registration fee is an affordable \$50 per person for all attendees, including higher education participants as well as attendees representing lending institutions. After March 20, 2009, the registration fee will be \$75 per person.

- **Sponsorship Note**

TG does not solicit or accept sponsorship donations from the student lending community for this training event.

To register and to learn more

Visit *TG Online* at www.tgslc.org/tgconference/register.cfm to register or to find out more about the 2009 TG Annual Training Conference. 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.

TG hosts training webinars on TG products, ECASLA

Were you unable to attend the recent TG User Group (TUG) Meeting? TG offers the next best thing in several December webinars that showcase TG's various products and services, and that provide an instructive overview of the Ensuring Continued Access to Student Loans Act (ECASLA).

Webinar times and topics

TG's training webinars cover assorted topics and are offered throughout December. Here's a complete listing.

- **List AssistSM** (Wednesday, December 3, 2:00 p.m. CST; and Wednesday, December 10, 10 a.m. CST): List Assist provides an automated, online process

for creating and managing surveys, or Requests For Information (RFI). Among other things, List Assist lets schools query lenders and compare information electronically; tailor surveys to focus on the needs of students; tabulate scores; and even print reports to evaluate lender responses. The tool comes with a library of over 100 assessment questions and offers a variety of reports for documenting the survey process.

- **Ensuring Continued Access to Student Loan Act (ECASLA) Impacts** (Thursday, December 4, 10:30 a.m. CST): Participants will hear an overview of the programs created to combat the lack of liquidity in the financial markets, including the Loan Participation Purchase program; the Loan Purchase Commitment program; the Short-term Put program; and the Asset-Backed Commercial Paper Conduit program. This program is intended for the school FFELP community.
- **TG Product Update** (Monday, December 8, 2:00 p.m. CST; Tuesday, December 9, 10:30 a.m. CST): This webinar will provide an overview of TG's FY 2009 product plans, as well as future product and technology strategy. Participants will also hear more about product enhancements completed in FY 2008.

To register

Join the dialogue by registering to attend these webinars at <http://tgslc.na4.acrobat.com/f79913243>. Please note that, on first logging into TG's webinar tool, users will be asked to create a password that can then be used for all future TG webinars.

Want to know more about TUG?

Any school or lender that uses TG products is automatically enrolled as a member of TUG. To learn more about TUG, its board of directors and officers, its mission and goals, and other details, refer to TG Online at www.tgslc.org/tug/index.cfm.

For questions about TUG, contact Sheila Casey at (800) 252-9743, ext. 4576, or send an e-mail message to sheila.casey@tgslc.org.

TG and Council to offer a "School Dialogue on Student Debt Management"

Market changes and growing borrower debt make it important that all members of the financial aid community remain committed to helping students and parents. One way schools can do this is by offering students the knowledge, tools, and information they need to effectively manage their student loan debt.

To help schools, TG and the Council for the Management of Educational Finance offer a webinar on best practices in student debt management. With TG's support, the Council is hosting the webinar on Tuesday, December 16, from 9:30 a.m. to 12 p.m., CST.

In this dialogue, you will learn more about TG's default prevention tools, initiatives, and research data concerning the impact of the new cohort default rate calculation. You will also have an opportunity to share your best practices and exchange ideas on how to most effectively help students manage their student loan debt.

To register

To join this timely dialogue on student debt management, register for the webinar through *TG Online* at www.tgslc.org/council/dialogue/index.cfm.

About the Council

The Council works to minimize student loan defaults by providing the higher education community with innovative leadership, activities, and services that improve the understanding and management of personal and education finance by students and families. For over 10 years, the Council and TG have worked together to address some of the most important issues affecting students' ability to successfully repay their student loans.

To learn more about the initiatives of the Council, visit *TG Online* at www.tgslc.org/council. You can also contact Maria Luna-Torres at (800) 252-9743, ext. 4632, or send an e-mail message to maria.luna-torres@tgslc.org.

A greener corporate home: TG unveils Web pages on its environmental efforts

In choosing a college or university, more students are considering a school's commitment to the environment. The Princeton Review reports that many students and parents are interested in institutions that conserve resources, even looking for particular schools that offer environmental courses and programs of study. As a business, property owner, and community member, TG shares a similar concern for the environment.

Several years ago, TG formed a taskforce, the Energy Management Team (EMT), to review TG's business processes and facilities. The team's job was to make recommendations for increasing TG's energy efficiency and for reducing its "carbon footprint," or the measure of its impact on the environment in terms of greenhouse gas emissions. TG implemented a variety of the team's suggestions, and the results have been positive: TG has reduced its energy consumption and emissions overall by 17 percent since 2004. TG's corporate facility has also been awarded the Environmental Protection Agency's prestigious Energy Star label for the last three years.

TG recently added Web pages to *TG Online* that highlight TG's environmental efforts. These pages describe the various ways TG works to promote energy efficiency and conservation, including its focus on technologies and strategies that help protect the environment, such as:

- Energy Management System (EMS) and Direct Digital Control (DDC) technology to control and monitor building heating, ventilation, and air-conditioning, allowing TG to reduce its energy consumption by controlling the indoor environment and optimizing all mechanical equipment;
- Lighting technologies to reduce energy consumption, including systems for reducing indoor light output depending on available outdoor ambient light;
- Occupancy sensors that turn off lighting when not needed;
- Low-wattage, mercury T825 watt lamps;
- Low-flow water fixtures and automated landscape water timers to help TG maintain lower water consumption rates;
- Distribution of ceramic mugs to all team members to reduce usage of disposable coffee cups;
- Consolidated servers to reduce data center energy consumption; and
- Strategic operations that reduce server usage during off-peak times.

Find out more

Learn more about TG's commitment to conserving resources and operating a greener corporate home by visiting *TG Online* at www.tgslc.org/abouttg/green/index.cfm.

TG releases NSLDS submittal schedule for 2009

TG's data reporting team has released the TG National Student Loan Data System (NSLDS) reporting schedule for 2009. Here is how the report process works. Please refer to the chart below for specific submittal due dates.

- A lender sends to TG its Lender Manifest or Common Account Maintenance (CAM) records by the date in the left-hand column each month as noted on the chart below.
- TG processes the file and updates its database.
- TG then sends loan changes to the NSLDS, which updates its system, making the most current data viewable to schools by the corresponding date in the right-hand column of the chart. In this way, schools have the freshest data available on their borrowers in order to make subsequent borrower eligibility determinations.

2009 NSLDS Submittal Schedule

Lender Manifest data received by 3 a.m. or CAM data received by 10 a.m.	Data viewable on NSLDS
1/9/2009	1/12/2009
1/23/2009	1/26/2009
2/6/2009	2/9/2009
2/20/2009	2/23/2009
3/13/2009	3/16/2009
3/27/2009	3/30/2009
4/10/2009	4/13/2009
4/24/2009	4/27/2009
5/8/2009	5/11/2009
5/22/2009	5/26/2009*
6/12/2009	6/15/2009
6/26/2009	6/29/2009
7/10/2009	7/13/2009
7/24/2009	7/27/2009
8/7/2009	8/10/2009
8/21/2009	8/24/2009
9/4/2009	9/8/2009*
9/18/2009	9/21/2009
10/9/2009	10/12/2009
10/23/2009	10/26/2009
11/6/2009	11/9/2009
11/20/2009	11/23/2009
12/11/2009	12/14/2009
12/23/2009**	12/28/2009

*Note that, due to the holiday, the data will be viewable on Tuesday instead of Monday.

** Keep in mind that, due to the holiday, lenders must have their updates in on Wednesday.

More information

For more information on TG's submittal schedule, contact TG's data reporting team at good.data@tgslc.org.

TG helps Associated Colleges of Illinois with grant for college readiness program



According to *Measuring Up 2006: The National Report Card on Higher Education*, Illinois shows a high disparity in educational attainment among students of various races and income levels. In particular, whites graduate from high school at markedly higher rates (95 percent versus 73 percent for non-white students). Of those high school graduates, more students from high-income families go on to college than those from low-income families: 52 percent versus 23 percent for ages 18-24.

These disparities have dramatic implications for Illinois' high school students. For one thing, without intervention of some kind, first-generation, low-income, and minority youth in Illinois may struggle to achieve full participation as productive members of their communities. The Associated Colleges of Illinois (ACI) offer help through their College Readiness Program, an initiative TG supports through its Public Benefit Grant Program.

The College Readiness Program offers a year-round program of academic enrichment, personal growth opportunities, and hands-on experience. The program was designed to increase the high school graduation and college enrollment rates of minority, first generation, and low-income students at high schools throughout Illinois. To do this, the program offers a curriculum that is delivered in a variety of ways: through 10 monthly Saturday conferences (held from September through June), through week-long residential summer academies on ACI member college campuses, and by bus tours.

Inside the program

Program events are offered through ACI member college and university campuses. These campus-based events help high school students become familiar and comfortable within a higher education setting. Over the four years of the program, students spend more than 950 hours on college campuses and begin to see college as a natural next step after high school graduation.

According to Cindy Yang, an administrator for the College Readiness Program, the bus tours are a special feature of the curriculum that can be customized according to the community.

"Tours are offered according to the needs of schools, neighborhoods, or youth organizations, for extra support in their college-going goals," said Yang.

Monthly Saturday conference events offer a gamut of options for students who want to learn more about higher education. A standard conference event is a campus tour for students who want to see how campuses compare to one another. Other items include team-building exercises and a monthly book club, which promotes

learning and an atmosphere of sharing. A new and particularly interesting offering is the Live College Chat Room.

"A minimum of two of our interns host the college chat event," said Yang. "The chat event offers a time and place for kids to get together and talk amongst themselves about college. Usually these chats include 8 to 12 students — largely juniors and seniors comparing notes about where they are applying or considering applying to. We added this to allow kids to connect further on their goals, and add to the college-going culture. Given an array of options like this, students can choose what to engage in based on their interests."

The program also offers a "Summer Academy" in which students take classes in core courses like writing and science. Activities within the classes vary depending on the instructors' development of the course.

"Two years ago, we had a literature class based around the movie *Shrek*," said Yang. "Students analyzed the references to old fairy tales and nursery rhymes in the film, which many young people do not catch. In the macroeconomics course, students visited the Federal Reserve Bank in downtown Chicago. In the music class, students learned how music is judged, were assigned pieces of music, and ultimately wrote their own critique which was compiled into a small publication at the end of the course."

To facilitate the learning in much of the program, ACI's "coaches" play a particularly important role. They encourage and support, reinforce lessons from the faculty-led workshops, clarify points, and lead practice exercises. They also consult with students, particularly on high school and college planning.

"We have found the rapport between coaches and their students to be critical," said Yang. "We have an outstanding staff of coaches who are well-respected and liked by our students. Effective coaches mean that more students stay in program and learn more, too."

About TG's Public Benefit Grant Program

To apply for funds, organizations are required to submit proposals that address the issue of access to, or retention in, 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.

Trends and issues

Policy potpourri

Q.: The 30-day delayed disbursement requirement that applies to first-year undergraduates who are also first-time borrowers often results in the student being unable to meet our school's payment deadlines. May we charge those students an installment fee or late fee in that case?

A.: No, a school may not charge late fees or impose other penalties upon a student whose funds are delayed due to regulatory compliance or the school's actions.

34 CFR §Sec. 668.14(b)(21) states that by entering into a program participation agreement, a school agrees that

"It will not impose any penalty, including, but not limited to, the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that the student borrow additional funds for which interest or other charges are assessed, on any student because of the student's inability to meet his or her financial obligations to the institution as a result of the delayed disbursement of the proceeds of a Title IV, HEA program loan due to compliance with statutory and regulatory requirements of or applicable to the Title IV, HEA programs, or delays attributable to the Institution;"

Often first-year undergraduates — who are also first-time borrowers and thereby subject to a 30-day delayed disbursement requirement — request an emergency loan or sign up for an installment plan to take care of a portion of their institutional charges. Installment fees that might normally be assessed by the school would not be permissible under these circumstances because the student is unable to meet his or her obligation due to a regulatory requirement.

TG also encourages schools to find ways to assist their students when loan disbursements are delayed for other reasons beyond the student's control — for instance, due to disbursement delays related to lender funding schedules. For example, a school may choose to waive installment or other fees it would normally charge, in the event that a student is unable to fully settle his or her account at the school due to such a disbursement delay.

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 tgsic.custhelp.com.

This, that, and the other

FastWeb™ conducted a student loan survey in October and November 2008 to help identify the reasons why some borrowers prefer private student loans over federal education loans. The survey was also intended to help measure the impact of the student loan credit crunch on prospective borrowers and to generate ideas for improving the student loan programs. According to the survey, a high percentage of prospective borrowers of various kinds of loans, including private student and parent PLUS loans, are being denied. Nearly half of Stafford loan borrowers have borrowed the maximum amount available. And more than a third of students use alternative financing options to pay for school, such as borrowing from friends and family, credit cards, or personal unsecured loans from a bank.

Find out more survey results at www.finaid.org/loans/studentloansurvey.phtml.



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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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