Shoptalk Online
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Edition 485
TG

In this issue:

Tip of the Week

Planning your spring training? Consider the TG Speakers Bureau and its comprehensive menu of training in skills vital to financial aid offices. You'll find a listing of workshops on *TG Online* at www.tgslc.org/speakers/index.cfm.

Federal updates

Neg Reg announcement

On December 31, following six regional hearings held last fall to gather public input on federal regulatory issues, ED published a *Federal Register* notice of multiple negotiated rulemaking (a.k.a. Neg Reg) sessions scheduled to begin next month.

Neg Reg in a nutshell

Neg Reg is a process used by some federal agencies to develop and revise regulations. In Neg Reg sessions affecting financial aid regulations, a group of participants representing various sectors of the financial aid community meet with ED representatives to reach consensus on the language of a proposed rule. ED may use that language as a basis for its proposed rule, which will be published, along with a request for public comments, following the conclusion of the Neg Reg session.

2009 Neg Reg

In this Neg Reg process, ED plans to establish five committees, or "teams," to develop proposed regulations on changes made to the Higher Education Act (HEA) by the Higher Education Opportunity Act of 2008 (HEOA). The teams will consider the following topics:

- Team I: Loans — Lender/General Loan Issues
- Team II: Loans — School-based Loan Issues
- Team III: Accreditation
- Team IV: Discretionary Grants
- Team V: General and Non-Loan Programmatic Issues

ED notes that because of the large volume of changes made by the HEOA that must be implemented through Neg Reg, not all provisions will be regulated at this time. In particular, provisions affecting foreign schools (the majority of which are not effective until July 1, 2010) and unfunded programs will be considered at future Neg Reg sessions. Regulations implementing HEOA changes to other areas of Title II of the HEA, as well as Titles III, V, VI, and VII, and those areas of Title I that do not affect the Title IV programs, will be implemented either through notice and comment rulemaking or, where the regulations will merely reflect the changes to the HEA and not expand upon those changes, without notice and comment.

How to get involved

The *Federal Register* notice also calls for nominations for individual negotiators. Neg Reg committees are composed of representatives of organizations or groups with interests that are significantly affected by the subject matter of the proposed regulations, namely, the Title IV student financial assistance and grant programs. Negotiators must be involved in and have demonstrated expertise or experience in the relevant subjects under negotiation. Nominations must be submitted by January 23, 2009.

Timeline

ED anticipates that negotiations for these committees will begin in February 2009, with each committee meeting for three sessions of approximately three days at roughly monthly intervals. The schedule for negotiations has been developed to ensure publication of the final regulations by November 1, 2009, with implementation of the new regulations no later than July 1, 2010.

More information

Shoptalk Online will provide regular updates to keep you informed about the progress of Neg Reg. The *Federal Register* notice is available online at http://edocket.access.gpo.gov/2008/pdf/E8-31176.pdf.

Loan purchase programs guidance

ED recently released Electronic Announcements (E-ANN) #41 and #42, providing additional guidance on the implementation of the new Short-Term Loan Purchase Program authorized by the Ensuring Continued Access to Student Loans Act (ECASLA). For more information about this program, see *Shoptalk Online* edition 483.

E-ANN #41 notes a correction to the 2007–08 Master Loan Sales Agreement under the Short-Term Loan Purchase Program. E-ANN #42 provides ED's lender ID for the purpose of tracking and reporting the 2007–08 loans purchased under the Short-Term Loan Purchase Program.

For more information

The E-ANNs are available online at http://federalstudentaid.ed.gov/ffelp.

ED issues DCL on the HEOA

On December 31, 2008, ED issued a *Dear Colleague Letter* (DCL) GEN-08-12/FP-08-10, providing a summary of most of the provisions of the Higher Education Opportunity Act (HEOA) of 2008, which amended and reauthorized the Higher Education Act (HEA) of 1965. This 219-page letter, which may be accessed on the Information for Financial Aid Professionals (IFAP) Web site at http://ifap.ed.gov/dpcletters/GEN0812FP0810.html, organizes the provision summaries by the title of the HEA that is being amended and further arranges the information by topic within each title. A chart is included at the end of the letter that groups the provisions by effective date.

The provisions of the HEOA were effective upon enactment, August 14, 2008, unless otherwise noted in the law. Institutions should use these summaries in conjunction with reviewing the text of the HEOA itself. TG provides convenient integrated versions of the HEA on its Web site at www.tgslc.org/policy/hea.cfm. In these integrated versions, revisions made to the HEA by the HEOA are set in blue text (underline for new text and strikethrough for deleted text).

The summaries provided in the DCL do not change any requirements in the law and are provided to aid understanding of the changes to the HEA. Affected parties are responsible for taking the steps necessary to comply by the effective dates established by the HEOA, unless the HEOA specifies that regulations are necessary to implement certain provisions, or, if so indicated by ED, operational steps must be taken by ED before parties may comply. Because this will require program participants to implement a large number of new provisions before receiving guidance from ED, any written guidance provided, or, as applicable, the absence of such guidance, will be taken into account during subsequent reviews for compliance with the HEOA.

As required by the HEA, ED will issue regulations for some of the programs affected by the HEOA through the negotiated rulemaking process (see previous article). To follow ED's implementation of the HEOA, please refer to ED's HEOA Web site at www.ed.gov/HEOA.

Shoptalk Online will provide additional information about this DCL in upcoming editions as we continue to review and analyze the document.

More information

For questions about the HEOA or negotiated rulemaking, call TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Final rules 101: The ins and outs of Public Service Loan Forgiveness

Shoptalk Online continues its exploration of the final rules published by ED on October 23, 2008, with a focus on the Public Service Loan Forgiveness Program, a loan forgiveness program for Direct loan borrowers created by the College Cost Reduction and Access Act (CCRAA).

Intended to encourage individuals to work in the public service sector, the Public Service Loan Forgiveness Program will provide forgiveness of the remaining outstanding balance of principal and accrued interest on a borrower's Direct Loan(s) if the borrower makes 120 monthly payments after October 1, 2007, and the loans are not in default. The types of Direct loans that may be forgiven under this program include Direct subsidized and unsubsidized Stafford loans, Direct PLUS loans (for parents or graduate professional students), and Direct Consolidation loans.

Eligibility criteria

To be considered for loan forgiveness under this program, the borrower must be working full-time for a public service organization, as defined in the final regulations.

The term "public service organization" includes the following:

- A federal, state, local, or tribal government organization, agency, or entity (excluding the U.S. Congress)
- A public child or family service agency

- A non-profit organization under Section 501(c)(3) of the Internal Revenue code that is exempt from taxation under Section 501(a) of the code
- A Tribal college or university, or
- A private organization that provides the following public services:
    - Military service
    - Emergency management
    - Public safety
    - Law enforcement
    - Public interest law services, including prosecution, public defense, or legal advocacy in low-income community at a non-profit
    - Early childhood education, including Head Start, state-funded pre-kindergarten, or licensed or regulated health care
    - Public service for the elderly and for individuals with disabilities
    - Public health, including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care occupations and support
    - Social work in a public child or family service agency
    - Public library sciences and education
    - School-based library sciences
    - Other school-based services

The term "full-time" means working in qualifying employment in one or more jobs for the greater of:

- An annual average of at least 30 hours per week; or
- The number of hours the employer considers full-time, unless the qualifying employment is with two or more employers.

Vacation or leave time provided by the employer or leave taken under the Family Medical Leave Act do not count against the average hours worked for the annual basis.

Qualifying number of payments and repayment plans

The borrower must have made 120 monthly payments on his or her Direct loan under one or a combination of the following Direct loan plans:

- An income-based repayment plan

- An income-contingent repayment plan
- A standard repayment plan based on a 10-year repayment period

If the borrower is repaying a Direct Consolidation loan, the monthly payment amounts must not be less than the equivalent amounts paid under a Direct loan standard repayment plan based on a 10-year period.

Options for FFELP borrowers

Effective July 1, 2008, a FFELP borrower may 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. Payments made on those FFELP loans prior to the consolidation will not count toward the 120 monthly payment requirement.

The application process

ED has indicated that it will develop an application form for the Public Service Loan Forgiveness Program. This form will include all necessary information for the borrower and employer on eligibility criteria, applicable definitions, and procedures for applying. In addition, the form will contain an employer certification section and instructions on supporting documentation that ED will need in determining the borrower's eligibility for forgiveness. The borrower will be responsible for collecting the employer certification either annually or at the close of the 120 payment qualifying period, and collecting and retaining the necessary records that support his or her eligibility for the loan forgiveness.

Because the first forgiveness will not likely occur until after October 1, 2017, there is sufficient time to explore and design the operational procedures necessary to administer this program.

For more information

The final rules on the Public Service Loan Forgiveness Program are located in 34 CFR 685.219. An integrated version of the regulations is available from *TG Online* at www.tgslc.org/policy/intreg.cfm. Additional information can also be found in *Dear Colleague Letter* GEN-08-01, and in HEA 455(m)(3)(B).

NSLDS Newsletter #22 available

ED has released *NSLDS Newsletter* #22, which announces new online access requirements for users of the National Student Loan Data System (NSLDS) and describes Student Eligibility Enhancements for the 2009-10 award year. These changes, which are effective January 2009, include:

- A new Rules of Behavior confirmation page;
- Annual Security Acknowledgment Training, which is tailored to the type of access associated with the organization type (e.g., school, lender, guaranty

agency, state agency), and whether or not the NSLDS user is a Primary Destination Point Administrator (PDPA);

- Verifying borrower relationship for lender and lender servicer users (applies only to users at lenders and lender servicers). Beginning January 1, NSLDS will require a reason for lenders and lender servicers to retrieve a record for a Title IV aid recipient with whom an established relationship does not exist on NSLDS; and
- 2009-10 Student Eligibility Enhancements.

More information

To access *NSLDS Newsletter* #22, visit the Information for Financial Aid Professionals (IFAP) Web site at http://ifap.ed.gov/nsldsmaterials/Newsletter22.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 January 2008 *Closed School Monthly Report* supplied by ED. Schools listed are those with which TG has done business or to which TG has otherwise provided services.

Newly reported closures

OPE School ID	School Name and Address	Unofficial Closure Date	ED's Official Closure Date
00110006	**John Brown University – South Arkansas College** 300 S West Ave. El Dorado, AR 71730	N/A	11/06/08

TG updates

TG receives guidance on return of loan funds under the Loan Purchase Commitment Program

Under the recently-implemented Loan Purchase Commitment Program established by the Ensuring Continued Access to Student Loans Act (ECASLA) of 2008, certain fully-disbursed loans may be 'put,' or sold, to ED. TG recently requested that ED clarify if the communication of changes and returns of FFELP funds on those loans can be facilitated by the same EFT processes currently in use in the FFELP, or if schools will need to issue paper checks to complete some of these returns.

In response, ED has indicated that at this time it does not support the use of the EFT processes currently in place with FFELP guarantors, lenders, and servicers.

Instead, ED's servicer works directly with the selling lender and its servicer to receive and process returned or cancelled funds in a specified manner for post-sale adjustment transactions. Although TG will continue to pursue a more comprehensive solution with ED, we wish to make schools aware of what to expect at this time when initiating cancellations or returns of funds on FFELP loans that have been put to ED by lenders.

Until TG receives and processes information from the ED servicer confirming that a FFELP loan has been successfully put, ending the guarantor's direct involvement in subsequent loan adjustment activities, TG's processes remain active and our EFT process can be used to facilitate returns, cancellations, and other types of adjustments. After that time, TG's system is updated to reflect that the loan is in an "AE — Assigned to ED" status that prevents further transaction processing as the guarantor of the loan. TG will be able to receive and process transactions from the school until the put notification process is complete. After that time, the school will work directly with the lender that held the loan to communicate post-sale transactions to ED's servicer.

TG is also preparing to implement an improvement to the process of returning funds on put loans. As the Central Disbursing Agent (CDA) for loans using TG's EFT process, TG plans to be able to return funds electronically to the selling lender to pass the funds along to ED's servicer after the loans are in a put status, thus eliminating the need for paper checks to return funds. Although no completion date has been set at this time, analysis of the requirements to make this change possible is underway, and TG will provide an update as soon as possible.

More information

For questions, please contact TG's product support team at product.support@tgslc.org, or send an e-mail message to Bonnie Brinkley, assistant vice president of guarantee, support and reporting at bonnie.brinkley@tgslc.org.

TG introduces new online financial literacy resource — the Positive+Balance™ Community

Increasingly, schools are developing financial literacy programs to help students learn crucial financial skills. Often, finding reliable financial literacy resources can be tricky, but TG's new Positive+Balance Community can help.

The Positive+Balance Community, available at www.PositiveBalance.org, is a Web site for educators and financial aid professionals seeking financial literacy information.

The community features an online library of financial literacy resources, all of which are free and easy to download. TG's Positive+Balance presentations and training materials are available in the file library, in addition to educational resources from other reputable sources such as the Federal Trade Commission (FTC) and the

Federal Deposit Insurance Corporation's (FDIC) Money Smart program. Members can also contribute their own training materials to the online file library.

"We want the Positive+Balance Community to be the go-to source for financial literacy materials online," said Margie Harvey, TG's financial literacy program manager. "We encourage others to contribute their own resources so we can make the site as comprehensive as possible. We want it to be a real community effort."

Making financial literacy easier to teach

The Positive+Balance Community is also a social networking Web site. Users can create their own personalized member profile page where they can upload photos and start a blog. Members can search for others in the community by name, job title, school location, and other criteria — even goals and interests.

Online newsfeeds keep members up-to-date with the latest industry news, and a community calendar lists information and registration details about upcoming training and industry events. Photo galleries of past events can be posted on the community calendar as well.

Membership to the community is free, but users must register to use the site. Only members can share information with each other, and each user controls how much information he or she shares with the community.

"By making it easier to access financial literacy information and by providing a forum for collaboration, the Positive+Balance Community helps educators and financial aid professionals promote financial literacy to a wider audience," said Harvey. "Any financial literacy instruments we can provide to make their jobs easier and more effective is part of our ongoing mission at TG."

To learn more

To register with the Positive+Balance Community and learn more, visit www.PositiveBalance.org.

Reauthorization resource available on *TG Online*

TG is pleased to announce the availability of a new resource to assist our customers in reviewing and understanding the various changes brought about by the recently-enacted reauthorization bill, the Higher Education Opportunity and Access Act (HEOA).

Based on a matrix created by the NCHELP Program Regulations Committee, this document notes the topic of each HEOA change, the section of the Higher Education Act (HEA) where the change is located, a summary of the provision, and its effective date.

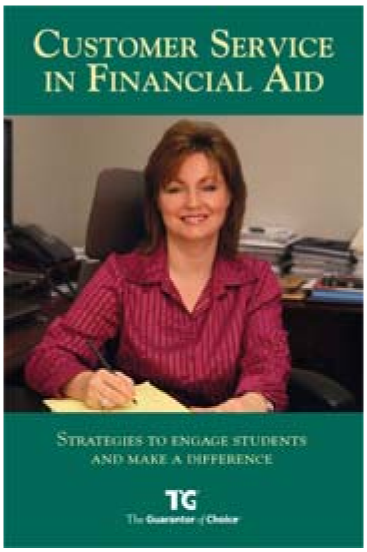
Accessing the resource

The document, titled "Summary of the Higher Education Opportunity Act of 2008 (HEOA)," is available on *TG Online* under "More Resources" at www.tgslc.org/policy/hea.cfm. We also recommend that customers download the integrated version of the HEA, from the same Web page, as an additional reference tool.

More information

For questions about the HEOA, contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

TG publishes *Customer Service in Financial Aid* book



What does customer service mean within the context of a school financial aid office? A new book published by TG, *Customer Service in Financial Aid: Strategies to Engage Students and Make a Difference*, lays out specific principles to help master the concept of good customer service and use those principles to further an institution's success with student recruitment and retention. It's the only publication of its kind written specifically for financial aid officers to help identify exceptional customer service techniques, which can be applied in their offices' daily operations.

"Customer service is a universal need in any industry," explained author and TG corporate trainer Tom Rebstock. "The real impact of poor customer service is that customers who are continually mistreated will take their business elsewhere. Financial aid offices or enrollment management departments can use the described techniques in the book to provide help in implementing or improving strategies to recruit and retain students," he added.

According to Rebstock, very little research had been done on providing customer service within academia, and virtually none within the context of a financial aid office. The research was conducted through TG's "Crafting the Keys to Customer Service" workshop, with results gathered from 56 workshops carried out in 12 states. More than 2,200 financial aid and school administrators participated and provided more than 100 suggestions for defining good customer service. Some of the suggestions included these practices:

- Provide accurate and complete information.
- Know all policies and regulations — the whole process.
- Personalize service based on individual needs.

"TG quickly realized that helping define customer service could assist financial aid officers in their efforts to ensure success at their campuses," Rebstock explained. "The book is full of good examples of how to practice good customer service, and we will continue to gather more data on the best practices in this area."

For more information

Financial aid and enrollment offices can receive copies of *Customer Service in Financial Aid* when attending the "Keys to Customer Service" and "Best Practices in Customer Service" workshop sessions scheduled through TG's Speakers Bureau. Financial aid officers can also contact TG communications at (800) 252-9743, ext. 4546, or send an e-mail to communications@tgslc.org.

Mapping Your Future® features TG's Cindy Marrs as volunteer

Mapping Your Future (MYF) recently profiled TG's Cindy Marrs for her volunteer work with the organization.

As a policy advisor and trainer on industry topics for TG's Speakers Bureau, Marrs responds to questions from internal and external customers on a variety of regulatory-related issues. Many times, customers know they've read or heard something about a particular topic, but they're not sure where to find the information, or perhaps how to interpret it. Marrs will research the issue and offer a practical interpretation. The challenge of trying to understand and implement new laws, regulations, and policies can be frustrating, but Marrs finds the work gratifying, especially when she's succeeded in helping a customer.

After earning a bachelor's degree, Marrs took a data-entry job in a financial aid office. From there, she moved into a counseling position, which focused her interest in financial aid policy.

In addition to policy analysis, Marrs has a passion for financial literacy harkening back to her days as a financial aid counselor. When a volunteer opening on the MYF content team became available, she knew it would be a good fit and gladly accepted when an offer for the position was made. Marrs's policy analysis has been instrumental in helping MYF implement many regulatory changes, especially those of the last year.

Marrs is dedicated to MYF's mission, which she believes provides an essential service to students. "I enjoy the collaborative nature of the teams, and I always feel like I come away from a project with new knowledge that will, in the future, help me provide even better service to the community," she said.

To learn more TG's regulatory training

Would you like to learn more about the many training opportunities TG offers through its Speakers Bureau? Visit 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.

Legislative update

Top Democratic congressional leaders have been in discussions with President-elect Barack Obama's transition team, identifying legislation for work in the first weeks after Congress convenes in January. A top priority will be the massive economic recovery package that congressional leaders hope to have ready by Inauguration Day. This bill, which is projected to offer $600 billion to $1 trillion in aid, targets a number of social programs, including state Medicaid and projects to rebuild the country's infrastructure. The bill may also provide tax reductions for middle- and low-income wage earners, including a tax credit to fund the first $4,000 of the cost of tuition and fees for a college education in exchange for 100 hours of community service. Learn more about the latest legislative developments by reading the full report on *TG Online* at www.tgslc.org/lege_report/2008/lr_081229.cfm.

This, that, and the other

Claiborne Pell, the former senator from Rhode Island who created the U.S. college grant program that bears his name, died last Thursday, January 1, 2009. Pell also wrote the legislation that established the National Endowment for the Arts and the National Endowment for the Humanities. He was 90.

Pell, a Democrat, was widely regarded as the most formidable politician in Rhode Island history. In six statewide victories over Republican opponents, he received an average of 64 percent of the vote. Pell was stricken with Parkinson's disease at the end of his Senate career, and his illness forced him to retire in January 1997 after six terms in the Senate.

Pell was most widely known for devising legislation that created the program that has dispensed grants to tens of millions of poor and middle-class college students. This year alone, approximately 6 million Americans will receive critical financial support to attend college through the Pell Grant program.

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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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