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Tip^{of} the Week

TG's *Adventures In Education* (AIE™) offers a comprehensive resource on completing the Free Application for Federal Student Aid (FAFSA), the essential application for any student seeking federal aid. Offer students AIE's FAFSA resource, which is located at www.aie.org/FAFSA/index.cfm.

Federal updates

Economic stimulus bill proposes changes to student aid programs

Last week, House Democrats released a preliminary, draft version of the American Recovery and Investment Bill of 2009, a new economic stimulus bill that is intended to provide supplemental appropriations for a variety of initiatives, including job preservation and creation, infrastructure investment, energy efficiency and science, and expansion or modification of certain federal student aid programs. House Committees are scheduled to start hearings on the bill this week.

Among the proposed changes in the student aid programs are increases in Pell grant funding and Work-Study funding, as well as increases in annual and aggregate unsubsidized Stafford loan limits. The bill also recommends simplification of the current education tax credits. Additional funding would be allocated for state

fiscal relief programs to prevent cutbacks to key services, including appropriations for elementary, secondary, and higher education institutions.

More information

Shoptalk Online will keep readers informed as this bill progresses through the legislative process.

The text of the draft House American Recovery and Investment Bill of 2009 is available online at <http://appropriations.house.gov/pdf/RecoveryBill01-15-09.pdf>. The draft committee report is located at <http://appropriations.house.gov/pdf/RecoveryReport01-15-09.pdf>.

ED releases Special Allowance Rate memo and additional ECASLA guidance

Last week, ED issued a memo on FFELP special allowance rates for the period ending December 31, 2008. The memo outlines revisions to the special allowance calculation for loans whose special allowance calculation is based on the rate of 3-month commercial paper. Under the revised calculation, the average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in the quarter is 2.58 percent.

For loans for which the special allowance rate is calculated by using the average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending December 31, 2008, the average of the rates is 0.35 percent.

ED has also released several additional Electronic Announcements (E-ANN) on the Ensuring Continued Access to Student Loans Act (ECASLA). These include:

- E-ANN #44: Provides official notification of the participant yield rate for the quarter ending March 31, 2009, under the Master Participation Agreement. Based on the SAP rate noted above, the participant yield rate for the quarter ending March 31, 2009, is 3.08 percent.
- E-ANN #45: Contains a link to the Asset-Backed Commercial Paper (ABCP) Conduit Put Agreement to be executed between ED, a Conduit, and that Conduit's Conduit Administrator, as provided in the terms and conditions for the Conduit Program.
- E-ANN #46: Provides links to the Master Participation Agreement and the Master Loan Sales Agreement for the 2009-10 Loan Purchase Programs.

More information

The SAP memo, along with attachments providing more detailed information, is located on the Information for Financial Aid Professionals Web site at www.ifap.ed.gov/ffelspebrates/011609SAPMemo.html.

The ECASLA E-ANNs may be accessed through ED's ECASLA Web page at <http://federalstudentaid.ed.gov/ffelp/>.

Reauthorization DCL: Second look

In this week's edition we continue our coverage of *Dear Colleague Letter* (DCL) GEN-08-12/FP-08-10, which provides a summary of many of the Higher Education Opportunity Act of 2008 (HEOA) provisions that amended and reauthorized the Higher Education Act of 1965 (HEA). In this article we highlight additional topics for which the DCL provides further details or significant new information, or which may not have been widely discussed in various industry communications.

Although many readers may have already become familiar with the various provisions included in the HEOA, we encourage affected parties to review the DCL summaries alongside the HEOA text to ensure a complete understanding of the requirements and their respective effective dates. To facilitate this review, TG provides convenient, searchable HEA compilations that integrate the HEOA changes on its Web site at www.tgslc.org/policy/hea.cfm. The DCL may be accessed on the Information for Financial Aid Professionals (IFAP) Web site at <http://ifap.ed.gov/dpclletters/GEN0812FP0810.html>.

Keep in mind that for many of the provisions, ED will conduct negotiated rulemaking sessions to provide clarification and interpretation of the law. In some cases, ED must implement operational changes before parties may comply.

- **Program Participation Agreement (PPA): 90/10 Rule** (DCL GEN-08-12, pages 24, 68-69, 188, and 199, and HEA Sec. 487(a)(24) and (d))

The HEOA moves the 90/10 Rule to the PPA. This rule applies only to proprietary institutions and requires them to derive at least 10 percent of their revenue from non-Title IV sources. Previously, an institution that violated the 90/10 Rule for one year lost its eligibility to participate in the Title IV programs. However, under the HEOA, the institution's participation becomes provisional for two fiscal years, and ED must publicly disclose on the College Navigator Web site the identity of that institution and the extent to which the institution failed to satisfy the rule. If the institution does not satisfy the 90/10 Rule for two consecutive fiscal years, it loses its eligibility to participate in the Title IV programs for at least two fiscal years.

In addition, no later than July 1 of each year, ED must submit to Congress a report that contains, for each proprietary institution, the amount and percentage of the institution's revenues from Title IV sources and non-Title IV sources, as provided by the institution in its audited financial statements. (Review *Shoptalk Online*, edition [470](#), and see DCL GEN-08-12 for more details.)

- **Program Participation Agreement (PPA): Preferred Lender Lists** (DCL GEN-08-12, pages 41 and 71, and HEA Sec. 487(a)(27) and (h))

HEOA amendments largely reflect the preferred lender list provisions in the November 1, 2007, final rules, but note that in addition to ensuring that the list contains at least three unaffiliated lenders for FFELP loans, the list must specifically indicate whether a lender is or is not an affiliate of each other lender on the list. If a lender is an affiliate of another lender, the institution must describe that affiliation. If a school provides a preferred lender list for private loans, the list must include at least two unaffiliated private loan lenders.

- **Ability to Benefit** (DCL GEN-08-12, page 93, and HEA Sec. 484(d)(4))

Students without a high school diploma or its equivalent become eligible to receive Title IV funding upon satisfactory completion of six credit hours, or the equivalent coursework, that are applicable toward a degree or certificate. Note, however, that those students may not receive Title IV aid while earning the six credit hours. This change was effective August 14, 2008.

- **Professional Judgment disclosure** (DCL GEN-08-12, page 92, and HEA Sec. 483(h))

ED must disclose on a student's Student Aid Report (SAR) that the student may, on a case-by-case basis, qualify for a professional judgment adjustment to the cost of attendance or the values of the data items required to calculate the EFC. The disclosure will include examples of qualifying special circumstances and additional information on the steps a student or family member may take in order to seek an adjustment.

- **Notice to students concerning penalties for drug violations** (DCL GEN-08-12, pages 101-102, and HEA Sec. 485(k) and 484(r))

Upon enrollment, institutions must provide to every student a separate, clear, and conspicuous written notice about the suspension of eligibility for Title IV aid due to drug-related offenses. An institution must also provide a timely, separate, clear, and conspicuous written notice to each student who has lost eligibility under such circumstance, that notifies the student of the loss and advises the student how to regain eligibility.

- **Reporting student loans to consumer reporting agencies** (DCL GEN-08-12, page 127, and HEA Sec. 430A)

The agreements governing the exchange of student loan information between ED and each guarantor, eligible lender, and subsequent loan holder with each consumer reporting agency now require reporting on FFELP, FDLP, and private education loans, applicable to all reports made to consumer reporting agencies on or after August 14, 2008.

What's next?

As required by the HEA, ED will issue regulations through the negotiated rulemaking process, through notice and comment rulemaking or, where the new

regulations will merely reflect the changes to the HEA, without notice and comment. *Shoptalk Online* will provide additional information about this DCL and any further guidance ED may provide in upcoming editions.

More information

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

TG updates

TG offers FAFSA program to schools and community organizations

For the last 14 years, TG has produced an informative program on completing the Free Application for Federal Student Aid (FAFSA), the all-important document for any student interested in federal aid for college. The *FAFSA-Made-Easy* program explains the FAFSA section by section and offers information for submitting the application. The program also serves to inspire students to attend an institution of higher education.

The free program will be available beginning February 2. Higher education institutions as well as high schools, libraries, community outreach groups, and faith-based organizations can register to receive the program. They in turn can act as host sites, offering the program to students and families.

To receive the program, organizations can register at TG's public service Web site, *Adventures In Education*, located at www.aie.org/FAFSAMadeEasy. Registered organizations will receive a promotional packet that includes posters, flyers, a sign-up sheet, and other materials to promote the program. DVDs of the program will be shipped separately initially; after January 23, the promotional packet and DVDs will be mailed together. The program, available in English and Spanish, runs approximately 50 minutes.

Host sites can show the program on the date and time that is most convenient for their staff and the families they serve.

"Host sites can also keep the DVDs and use them for additional viewings or to duplicate for circulation," said Richard Sapp, TG's director of pre-college success. "The program may be broadcast over public access and school district television outlets."

An added bonus for students

Students whos view the *FAFSA-Made-Easy* program can complete and return a Program Evaluation Form, which is provided with the DVD. The form is the student's entry for scholarships and the grand prize of a computer (laptop or

desktop). Host sites can make copies of the form, pass them out to students that view the program, and return them to TG.

Winners of the scholarships and computer are under no obligation to obtain student loans from any lending institution or have their loans guaranteed by TG.

To learn more

For more information, contact Richard at (800) 252-9743, ext. 2865, or send an e-mail message to richard.sapp@tgslc.org.

Spread the word: Join TG at these events in support of Financial Aid Awareness Month

This February, TG team members travel across Texas, promoting financial aid awareness and lending support at key events planned for Financial Aid Awareness Month. Their goal is to answer questions on financial aid and help students complete and submit the Free Application for Federal Student Aid, or FAFSA.

TG provides help in several forms at these financial aid events, including volunteers for answering questions and laptops for completing an application online. Volunteers are members from TG's Ambassador Program, a volunteer program made up entirely of TG employees who spread the word on financial aid at community events and work to make college more accessible to students and families.

Here's a preview of financial aid events TG supports. Note that these events are open to all students interested in completing a FAFSA, including students currently enrolled in college or those interested in enrolling.

Weekend help: Financial Aid Saturdays

TG's team members will be meeting with students and families at events called "Financial Aid Saturdays" hosted by 11 area independent school districts (ISDs), including Austin, Del Valle, Hays, and Round Rock. Held every Saturday from January 17 to March 7, these workshops provide one-on-one help for completing and submitting the FAFSA. TG will train volunteers from the business community of Central Texas who will offer assistance at the workshops. Tax professionals from Community Tax Centers will also be on hand at select locations to complete tax forms also used in completing a FAFSA. If you'd like to learn more about TG's involvement or the activities planned, contact Bonita Peebles at (800) 252-9743, ext. 4784, or send an e-mail message to bonita.peebles@tgslc.org.

Hispanic outreach

The Houston Hispanic Forum, held February 7 at the George R. Brown Convention Center in Houston, Texas, offers one of the largest venues for disseminating financial aid and college admission information in Texas. The event is open to all students but tailored specifically for the needs of Spanish-speaking students and

families. TG will manage the financial aid and admissions plaza for the forum, providing about 40 laptops for submitting financial aid applications, including the FAFSA and the Texas Application for State Financial Aid, or TASFA, and college admissions applications. The laptops can also be used for online scholarship searches. Financial aid experts from local colleges and universities and TG Ambassadors will help families submit applications. The event also offers panel discussions on various financial aid topics.

On February 17, TG representatives will attend the third annual *Feria Para Aprender*, a health, education, and social services fair at the Burger Center in Austin. Team members will provide college awareness material and answer questions on how to prepare and pay for college. To learn more, contact Bonita Peebles at (800) 252-9743, ext. 4784, or send an e-mail message to bonita.peebles@tgslc.org.

FAFSA Telethons

From February 9 to February 27, TG and the Texas Higher Education Coordinating Board (THECB) will be hosting live news telecast programs to inform students and families about the financial aid and admission application processes. Volunteers from colleges and universities, THECB, and TG will manage a phone bank during the live telecasts.

For more information about dates, times, and targeted viewing locations for the telethons, please contact Richard Sapp at richard.sapp@tgslc.org.

College Goal Sunday

College Goal Sunday began as an Indiana initiative designed to inform students and families about the availability of financial aid and offer expert assistance in filling out the paperwork required to qualify for that aid. It garnered support nationally, becoming one of the most well-recognized financial aid events in the country. Texas offers its own state-supported form of the program that brings together colleges, high schools, families and students at some 30 sites. Held on February 22 this year, Texas' College Goal Sunday offers students and families an opportunity for learning more about the FAFSA and completing an application.

For more information about the event, please contact Richard Sapp at richard.sapp@tgslc.org.

And more to come

Throughout February, TG will be supporting or helping to manage numerous other financial aid fairs and workshops geared for prospective college-goers. For details, please contact Richard Sapp at (800) 252-9743, ext. 2865, or send an e-mail message to richard.sapp@tgslc.org.

To order publications and other resources

If you'd like to promote financial aid awareness on your college campus, or provide materials in outreach efforts of your own, consider TG's free collateral, including posters, publications, and even a complete program on DVD — the *FAFSA-Made-Easy*. To order any of these published materials, visit the *Online Forms/Publications* ordering page on *TG Online* at www.tgslc.org/order/index.cfm.

How do financial aid offices make a difference? Find out with new issue of *TG Connection*

TG's latest edition of *TG Connection* examines how financial aid professionals often go above and beyond to provide the best service to students. *TG Connection*, a quarterly TG magazine, offers substantive articles on trends in financial aid. The magazine also pays particular attention to the professional needs of financial aid administrators.

This issue of *TG Connection* — *Helping Students Succeed: The Focus of Financial Aid* — considers a simple question: How do financial aid professionals and other college administrators make a difference in the lives of students? The answer comes in a surprising variety of forms, from mentoring to inter-office collaboration. Here's a short summary of articles in this issue.

- **Collaborating with other campus offices:** Student issues are often not confined to problems that can be addressed by the financial aid office alone. This article discusses ways financial aid offices can collaborate with other campus offices or off-campus organizations to enhance the services they offer their students.
- **Above and beyond in financial aid:** Financial aid professionals are in the industry because they believe in what they do. This article highlights stories of exceptional service on the part of financial aid officers, offices, and schools.
- **Mentoring students:** Mentor programs can provide vital support for students, especially for at-risk populations such as first-generation students and those from economically disadvantaged backgrounds. This article includes interviews with administrators and students from several campus mentoring programs.
- **Web Resources:** This article highlights a number of online resources financial aid offices can use to help their students make the transition into the working world.
- **Managing student workers to fullest effect:** Managing student workers, many of whom may be new to part-time or full-time employment, can offer a set of unique challenges. This short article describes strategies for effectively managing student workers. It focuses on how administrators can instill a sense of teamwork and shared mission, as well as help students strengthen their job skill set.

To order your copy

If you would like to request one or more copies of this issue of *TG Connection*, please e-mail TG communications at communications@tgslc.org. Please allow one to two weeks for shipment and delivery.

TG to close for annual corporate meeting on Thursday

TG will be closed for its annual corporate-wide meeting on Thursday, January 22, from 2:30 p.m. to 5 p.m. TG will resume normal business hours of operation on Friday, January 23.

This, that, and the other

Consumers may soon be able to get free credit scores through their bank or credit union. Fair Isaac Corp., which produces the FICO credit score, is announcing an agreement to make its score available free to an estimated 200,000 members at the Pennsylvania State Employees Credit Union. The corporation is working on making the service available to others as well.

Learn more at <http://online.wsj.com/article/SB123199103802984715.html>.



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