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

Set your training sights on a well-designed and highly-rated industry conference, the TG Annual Training Conference, held this year from April 22-24 in Austin, Texas. Find details and registration information at [www.tgslc.org/tgconference/index.cfm](http://www.tgslc.org/tgconference/index.cfm).

## Federal updates

### ED releases FY 2007 draft cohort default rates

FY 2007 draft electronic cohort default rate (eCDR) notification packages were transmitted via the Student Aid Internet Gateway (SAIG) to domestic Title IV-eligible schools that are enrolled in eCDR on February 9, 2009. Domestic schools that are not enrolled in eCRR will not receive notification packages from ED, but may download their cohort default rates and accompanying materials via the [NSLDS Professional Access Web site](#).

Foreign schools will be mailed their notification package as an encrypted Portable Document Format (PDF) file on a CD-ROM. Foreign schools that receive a CD-ROM will also receive a separate letter providing the password needed for decryption. Since foreign schools may also sign up to receive future cohort default rate notification packages electronically via the SAIG, ED plans to provide cohort default rate information to all foreign schools electronically beginning with notification of the FY 2007 official cohort default rates in September 2009. For information on SAIG access, foreign schools can contact the Foreign School Team at (202) 377-3168.

## **Challenges**

If a school identifies any data it believes to be inaccurate, it may challenge its draft CDR and request a verification and correction of errors. Challenges of FFELP data must be submitted to the guarantor responsible for managing that data within a 45-day timeline. The timeline is scheduled to begin on February 18, 2009, for domestic schools. For foreign schools, the time period begins on the receipt date of the notification letter and password, whichever is latest.

ED also provides every school with 30 calendar days to submit a participation rate index challenge to ED's Default Prevention and Management (DPM) division. A participation rate index challenge is intended to prevent potential adverse consequences anticipated by a school based on a high official CDR; but these challenges are based on a low number of student loan borrowers rather than on an allegation of inaccurate data.

## **Mailing IDC Challenges**

Schools may mail IDC challenges to TG at one of the following addresses:

### ***For regular mail:***

TG  
Attn: Compliance Analyst, Ken Johnson  
P.O. Box 83100  
Round Rock, TX 78683-3100

### ***For overnight delivery services:***

TG Distribution Center  
Attn: Compliance Analyst, Ken Johnson  
3500 Wadley Place, #303  
Austin, TX 78728-1244

## **Cohort Default Rate Guide**

ED's *Cohort Default Rate Guide* (Guide) is Web-based and can be accessed via the DPM Web site. Additionally, the *Cohort Default Rate Guide Quick Reference* (Quick Reference) is available as an easy-to-understand resource that provides a high-

level overview of the CDR process. You can access both the *Guide* and *Quick Reference* at <http://ifap.ed.gov/DefaultManagement/finalcdrg.html>.

## **How TG can help**

TG considers default prevention a top priority. The ever-changing environment in the financial aid industry as well as current economic conditions makes default prevention a critical activity. TG's default prevention team works with schools and lenders in developing strategies to more effectively prevent the default of student loans, and also works with borrowers by offering information about default and repayment. The team can help schools in a number of ways:

- Understanding the rate calculation, including how the CDR is calculated and how it affects your campus;
- Assistance in creating and implementing campus-based default prevention plans;
- On-site consultation in the areas of financial literacy and default aversion;
- Training on TG's Integrated Default Assistant™ (IDA™); and
- Assistance in default rate challenges as well as policy questions regarding default aversion, including the new 3-year rate calculation.

## **Questions**

For questions about the FY 2007 draft CDR challenge procedures, contact Ken Johnson at (800) 252-9743, ext. 4701, or send an e-mail message to [ken.johnson@tgslc.org](mailto:ken.johnson@tgslc.org).

If you have questions about how you can use TG's default prevention 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](mailto: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](mailto:joe.braxton@tgslc.org).

## **New loan purchase programs guidance**

Last week, ED released Electronic Announcement (E-ANN) #47, which announces the first conduit under the Asset-Backed Commercial Paper (ABCP) Conduit Put Program, and the continuation of the 2007-08 Short-Term Purchase Program through February. Specifically, the last day that ED will accept offers to sell 2007-08 FFELP loans under the Short-Term Purchase Program will be Wednesday, February 25, 2009 (12 p.m., EST), with a purchase date of March 9, 2009.

## **Important reminders**

Any FFELP loan holder that wishes to put 2007-08 loans to ED under the Short-Term Purchase Program must, if it has not already done so, submit its Master Loan

Sales Agreement 2007-08 Adoption Agreement (and related forms) to ED. Since ED must approve the Agreement before the lender's offer is accepted, the last day to submit these documents is Wednesday, February 18, 2009.

Keep in mind that prior to ED's acceptance of an "Offer to Sell" under the Short Term Purchase Program, the seller or seller's servicer must have successfully completed intersystem acceptance testing with the ED Servicer demonstrating that the ED Servicer can receive and process both the Loan Transfer Conversion file and the Borrower Benefit Conversion file required for the Short Term Purchase Program.

The E-ANN also includes a chart that provides a summary of the relevant dates for the remaining Short-Term Loan Program sales.

### **For more information**

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

## **ED announces Neg Reg schedule**

In *Shoptalk Online* edition [485](#), TG announced that ED had recently published a *Federal Register* notice stating that it would be conducting negotiated rulemaking (a.k.a. Neg Reg) beginning this month. Last week, ED released tentative meeting schedules for the five teams that will be formed for this round of Neg Reg:

- 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

Each team is scheduled to hold three meetings. With the exception of the Accreditation team — which will begin meeting in March — each team will hold its first meeting in February and complete negotiations by May. 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**

The tentative Neg Reg schedules are available on ED's Higher Education Opportunity Act (HEOA) Web page at [www.ed.gov/policy/highered/leg/hea08/index.html#neg-reg](http://www.ed.gov/policy/highered/leg/hea08/index.html#neg-reg). *Shoptalk Online* will provide regular updates to keep you informed about the progress of Neg Reg.

## TG updates

### **TG to continue to subsidize federal default fee on behalf of students**

TG announced on February 6 that it will continue to pay the one percent federal default fee on behalf of its borrowers for federal Stafford and PLUS loans for the 2009-10 award year.

The fee will be paid on behalf of all borrowers whose loans are guaranteed by TG, regardless of which postsecondary school a student attends or which financial institution issues the loan.

"Subsidizing the federal default fee provides a direct benefit to borrowers," said Sue McMillin, TG's president and CEO. "This decision reflects TG's commitment to help reduce expenses for students and families, many of whom may be facing challenges regarding college affordability during this current economic downturn."

This is the fourth consecutive year that TG will subsidize the federal default fee. TG has helped approximately 2.3 million borrowers through its waiver and subsidization of guarantee and federal default fees since 1999.

"We are very cognizant of how this decision directly affects students," said McMillin. "It is one of many benefits TG provides throughout some important stages of a student's education. TG has also worked to create a wide range of resources to help put borrowers first, including comprehensive default aversion and financial literacy programs."

The Deficit Reduction Act (Public Law 109-171) requires guarantors to deposit one percent of the amount of loans guaranteed and disbursed on or after July 1, 2006, into the federal fund. The federal fund is owned by the federal government and covers the risk associated with student loan default.

### **Well-received *Enrollment Management Journal* becomes quarterly publication**

Because of its initial first-year success, TG has announced that its scholarly periodical, the *Enrollment Management Journal: Student Access, Finance, and Success in Higher Education*, has become a quarterly publication.

Contributors are asked to cover subject matters, such as admission standards, tuition, financial aid policies, uses of student data software, need-based and merit-based aid, and other issues that directly pertain to successful student enrollment. As the journal's publisher, TG aims to advance knowledge about these critical areas and make new and relevant data available to practitioners, researchers, and policy makers.



TG recently released the winter 2008 edition in collaboration with the University of Nebraska–Lincoln. In this issue, the “Scholarship and Research” section focuses on conceptual manuscripts written by academic researchers of enrollment management, including:

- "Bigger Can Be Better: Using the National Survey of Student Engagement (NSSE) to Examine the Relationship Between Good Practice and Undergraduate Outcomes at a Large Research University" by John F. Ryan, Ohio State University;
- "The Deregistration Paradox: Addressing Tuition Nonpayment as Part of Student Swirl" by Tom Pilarzyk and Yan Wang, Milwaukee Area Technical College; and
- "International Students on the U.S. College Campus: Intercultural Communication and Enrollment Management" by Lynn Dee Gregory, University of Vermont.

The second section highlights enrollment management activities or strategies that have proven successful, such as:

- "Required Learning Communities for Undecided Freshmen" by Mary Keenan, University of Minnesota–Duluth; and
- "We'll Give You the Story; You Make it Your Own: Developing the Common Reader Program at West Texas A&M University" by Jessica Mallard, Russell Lowery-Hart, Amy Andersen, Mo Cuevas, and Kendra Campbell, West Texas A&M University.

"We believe the journal will become a resource to campus leaders and administrators, who are seeking new and additional strategies, or affirmation of current practices, to help them advance student success," said Jacob Fraire, TG's assistant vice president for educational alliances.

### To learn more

For additional information or to subscribe, please visit [www.tgslc.org/emj](http://www.tgslc.org/emj).

The *Enrollment Management Journal*, which is available by subscription only, is an initiative of the Council for the Management of Educational Finance.

## Reminder: Upcoming webinar event

As described in *Shoptalk Online* edition [488](#), this month TG is launching a series of live, Web-based, cost-free training events, which will focus on current issues in the financial aid industry, as well as financial aid fundamentals. If you haven't yet registered for TG's industry training webinar scheduled for February 19, it's not too late.

Next week's webinar, which will take place from 2 p.m. to 3 p.m., CST, is titled, "Introduction to the Federal Family Education Loan Program (FFELP)." In this

session, participants gain introductory-level knowledge of the key participants in the FFELP, develop an understanding of the phases of a loan, explore the types of loans included in the FFELP, and discuss the various participants involved in the FFELP community. They're also provided a functional overview of schools, lenders, servicers, secondary markets, guarantors, and ED.

### **To register**

You can register for this webinar at [www.tgslc.org/training/webinars/industry.cfm](http://www.tgslc.org/training/webinars/industry.cfm). Schedules for additional webinars will be published quarterly and announced in *Shoptalk Online*.

### **TG's Maria Luna-Torres helps students stay on top of debt**

Few people understand the value of a higher education as well as first-generation college students. Just ask TG's Maria Luna-Torres, who was first in her family to get a college degree and experienced some of the trials of a first-generation student.



"Even though I was determined to go to college, it was a struggle convincing my family that I was going to move away after graduating from high school," said Luna-Torres. "They were afraid to let me go, not knowing what to expect."

As it happens, college offered direction to Luna-Torres in many ways, including a career path as a financial aid professional. While working on her bachelor's degree at Texas A&M University, Luna-Torres took a Work-Study position in the financial aid office. She graduated to pursue a full-time job as a financial aid counselor in the same office. Eventually, she even got a master's degree in higher education. According to Luna-Torres, her own experience fuels her desire to help students through each step of the college endeavor, from enrollment to loan repayment.

"I enjoy working with students and families in completing the financial aid process," said Luna-Torres. "It's intimidating for many families, especially those that are going through it for the first time, and I enjoy being there for them."

### **Guiding force**

At Texas A&M, Luna-Torres found a vocation, helping students and families explore their financial aid options. She took her "calling" to a different level with a job on TG's educational alliances team. The job, as director of educational finance initiatives, requires a unique combination of talents — including financial aid expertise and consensus-building — for a position on a unique committee, the Council for the Management of Educational Finance.

In the mid-1990s, TG partnered with several other institutions from the student loan community to create an educational resource, or council, on debt management and default prevention. Made up of representatives from schools, lenders, and servicers, the council plans initiatives to help students repay their loans. They also

strive to reach out to all those involved in student loans, from students and borrowers to financial aid professionals and even faculty members.

"I work with the council to determine areas of need pertaining to debt management, financial literacy, default prevention, and student success," said Luna-Torres.

The council sets annual projects and objectives, including media campaigns, on-campus trainings, and research into areas like enrollment management. Council initiatives are established every year at a planning meeting; committees are then formed to carry out those initiatives. Luna-Torres helps to ensure the group completes its yearly goals. She also works closely with all 18 members.

"I enjoy my role on the council," said Luna-Torres. "I get a sense of accomplishment from seeing an idea develop into a resource or outcome that ultimately benefits students. Of course, sometimes reaching consensus can be a challenge with so many passionate, dedicated professionals. However, I've learned that brainstorming and collaborating are essential to producing something great."

### **Shaping a better tomorrow**

The council has developed many resources, including the white paper "[Crisis Averted or Merely Postponed?](#)," which examines long-term cohort default rates, resolving defaults, and curing delinquencies. They lead or orchestrate other efforts, producing, for example, entrance and exit counseling materials.

"Schools have found these resources to be very helpful in conducting their loan counseling sessions, and we continue to receive requests for these tools," said Luna-Torres.

Another council initiative includes the [Enrollment Management Journal](#), a joint TG and University of Nebraska–Lincoln publication mentioned in a previous article in this issue of *Shoptalk Online*. The *Enrollment Management Journal* is designed to help researchers and schools better understand the best practices for retaining and graduating students.

Luna-Torres says that there are a variety of other projects on the council's front-burner, including a publication on ensuring student success and an industry forum on debt management. She finds the variety both exciting and a source of motivation in an ever-changing field.

"I think we learn from each other on the council, which keeps things interesting," she said. "And, more importantly, I think that what we learn and create together really helps students and families in their educational goals."

### **To learn more**

Find out more about the initiatives of the council. Visit *TG Online* at [www.tgslc.org/council](http://www.tgslc.org/council). You can also contact TG's director of educational finance

initiatives Maria Luna-Torres at (800) 252-9743, ext. 4632, or send an e-mail message to [maria.luna-torres@tgslc.org](mailto:maria.luna-torres@tgslc.org).

## Make it fun: TG offers middle-schoolers a clue-finding puzzle on higher education



Planting the seed of interest in higher education at an early age is a smart idea. An aware student is more likely to explore his or her career options with the help of a degree. They're also more likely to seek out information on financial aid and other funding possibilities. TG provides an incentive to begin that learning process with a fun puzzle in the vein of "Where's Waldo?" Instead of an intrepid explorer, however, children have to find clues, and then place them in a separate tracking sheet to construct a final piece of good advice.

Offered through TG's college and career-planning Web site, *Adventures In Education* (AIE™), the puzzle is a great way to make learning about college interactive and enjoyable. Students can use an online "magnifier" to find the clues embedded in the puzzle, which is made up of dozens of images of middle-school and young college students. By the end, they'll have understood a few facts about college and perhaps begun to think about their own path to a degree.

### Find out for yourself

To view the puzzle, visit AIE at [www.aie.org/Puzzle](http://www.aie.org/Puzzle). Explore the rest of AIE by visiting [www.AIE.org](http://www.AIE.org). If you have questions or need more information about the site's content, contact TG's communications team at (800) 252-9743, ext. 4588, or send an e-mail message to [communications@tgslc.org](mailto:communications@tgslc.org).

## TG closed on Presidents Day

TG will be closed next Monday, February 16, in observance of Presidents Day. TG will resume normal business hours on Tuesday, February 17.

## Trends and issues

### Policy potpourri

**Q.: Are there any restrictions for the serial use of a PLUS MPN in cases where a PLUS borrower uses an endorser to obtain the loan?**

**A.:** Yes. Per *Dear Colleague Letter* GEN-03-03, when an endorser is used, the PLUS MPN becomes a "single-loan" promissory note because the endorser is liable only for the specific loan that he or she agreed to endorse. The lender must obtain a new MPN and new endorser addendum if the PLUS borrower

(parent or student) requests either an increase in the loan amount or a subsequent PLUS loan.

### Do you have a question?

If you have a question that needs an answer, 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 to *Ask TG*, visit [tgslc.custhelp.com](http://tgslc.custhelp.com).

### This, that, and the other

TG offers an informative program that explains how to complete and submit the FAFSA. Provided at no cost, the *FAFSA-Made-Easy* program is available to higher education institutions as well as high schools, libraries, and other outreach groups. To receive the program, organizations can register at [www.aie.org/FAFSAMadeEasy/Register](http://www.aie.org/FAFSAMadeEasy/Register). Registered organizations receive a promotional packet that includes the DVD (in Spanish or English), posters, flyers, a sign-up sheet, and other materials to promote the program. As an added bonus, students who view the program can complete and return a Program Evaluation Form, which enters the student for a scholarship drawing.

For more information, contact TG's director of pre-college success Richard Sapp at (800) 252-9743, ext. 2865, or send an e-mail message to [richard.sapp@tgslc.org](mailto:richard.sapp@tgslc.org).



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