

## In this issue:

<b>Federal updates</b> .....	<b>1</b>
New FFELP deferment forms approved .....	1
Federal Reserve Board approves final rules for private education loans .....	2
\$200 million expansion of health care professionals' training, courtesy of ARRA .....	3
<b>TG updates</b> .....	<b>4</b>
New Positive+Balance™ training helps graduate students prepare for life after college .....	4
Register for TG's webinar on product enhancements .....	5
Charles Shields helps TG harness technology to connect with borrowers.....	6
<b>This, that, and the other</b> .....	<b>7</b>

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

If you're looking for a simple, online way to stay current with TG news, including processing schedule changes and product enhancements, you'll find a great resource in TG Message Central<sup>SM</sup>. TG Message Central delivers bulletins on the latest developments at TG right to your *TG Online* e-mail inbox. Subscribe now through [TG Online](#).

## Federal updates

### New FFELP deferment forms approved

On July 30, 2009, ED released *Dear Colleague Letter* (DCL) FP-09-06, which announced the approval of revised FFELP deferment forms and provided guidance on implementation of the new forms. The new forms accommodate the changes to the terms and conditions of deferments as mandated by the Higher Education Act of 1965, as amended by the Higher Education Opportunity Act of 2008 and the October 23, 2008, final rules published in the *Federal Register*.

The revised deferment forms include:

- Economic Hardship Deferment Request (HRD)
- Education Related Deferment Request (EDU)
- In-School Deferment Request (SCH)
- Parent PLUS Borrower Deferment Request (PLUS)

- Parental Leave/Working Mother Deferment Request (PLWM)
- Public Service Deferment Request (PUB)
- Unemployment Deferment Request (UNEM)
- Temporary Total Disability Deferment Request (TDIS)

Note that the Parent PLUS Borrower Deferment Request (PLUS) is a revised title formerly known as the PLUS Borrower with Dependent Student Deferment Request. Revisions for the Military Deferment Request (MIL) are in process; however, that deferment form does not expire until April 30, 2010.

Lenders and servicers (and schools that provide forms for their students and alumni) may begin to use the new forms immediately. They must provide only the newly approved forms (distinguished by their expiration date of May 31, 2012) to borrowers beginning January 1, 2010. However, if a lender or servicer receives previous versions of these deferment forms after January 1, 2010, the lender or servicer may process them.

PDF versions of the new forms are available as attachments to the DCL and on *TG Online* at [www.tgslc.org/forms/frms\\_def.cfm](http://www.tgslc.org/forms/frms_def.cfm).

### **More information**

To access FP-09-06, visit <http://ifap.ed.gov/dpcletters/FP0906.html>. For questions about deferments, contact TG customer assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## **Federal Reserve Board approves final rules for private education loans**

Last week, the Federal Reserve Board issued a press release announcing final amendments to Regulation Z, which implements the Truth in Lending Act, or TILA. These amendments are necessary in order to implement provisions of the Higher Education Opportunity Act of 2008 (HEOA).

Under the amendments, private education loan providers must disclose general information on loan terms and features on or with the loan application. The disclosure at the time of application must also include an example of the total cost of a loan based on the maximum rate that a provider may charge as well as information about the availability and terms of the federal student loan programs. Additional disclosures must be provided when the loan is approved and when the loan is consummated. The Board's amendments also implement the HEOA's restrictions on using the name, emblem, or mascot of an educational institution in a way that implies that the institution endorses the creditor's loans.

The Board provides private education loan model disclosure forms and samples that creditors may use to comply with the new disclosure requirements, including:

- [Application and solicitation model form](#) [H-18 (63.3 KB PDF)]
- [Approval model form](#) [H-19 (65.2 KB PDF)]
- [Final model form](#) [H-20 (62 KB PDF)]
- [Application and solicitation sample](#) [H-21 (184 KB PDF)]
- [Approval sample](#) [H-22 (80.3 KB PDF)]
- [Final sample](#) [H-23 (74.2 KB PDF)]

The new disclosure requirements will apply to loans made expressly for postsecondary educational expenses, but will not apply in the case of educational expenses that are funded by credit card advances, or real estate-secured loans. In addition, these amendments do not apply to Title IV loans, which are subject to separate disclosure rules issued by ED.

### **For more information**

The Board's announcement, *Federal Register* notice, model disclosure forms and samples, as well as a report, "Consumer Research and Testing for Private Education Loans: Final Report of Findings," are available at [www.federalreserve.gov/newsevents/press/bcreg/20090730a.htm](http://www.federalreserve.gov/newsevents/press/bcreg/20090730a.htm). The amendments are effective 30 days after they are published in the *Federal Register*, which is expected shortly. Compliance is optional until six months after the date of publication in the *Federal Register* or February 14, 2010, whichever is earlier.

Visit *TG Online* at [www.tgslc.org/policy/hea.cfm](http://www.tgslc.org/policy/hea.cfm) to download an integrated, searchable PDF version of the portions of the TILA that were affected by the HEOA.

## **\$200 million expansion of health care professionals' training, courtesy of ARRA**

Last week, U.S. Department of Health and Human Services (HHS) Secretary Kathleen Sebelius announced the availability of \$200 million to train approximately 8,000 students and credentialed health professionals by September 30, 2011. As noted in an HHS press release, the funds are part of the \$500 million allotted to the HHS Health Resources and Services Administration (HRSA) to address workforce shortages under the American Recovery and Reinvestment Act (ARRA).

The \$200 million will be directed to the following program areas:

- \$80.2 million for scholarships, loans, and loan repayment awards to students, health professionals, and faculty. Of those funds, \$39 million will be targeted to nurses and nurse faculty, \$40 million to disadvantaged students in a wide range of health professions, and \$1.2 million to health professions faculty from disadvantaged backgrounds.

- \$50 million in grants to health professions training programs. Funds will be used to purchase equipment needed to expand programs and improve the quality of training.
- \$47.6 million to support primary care training programs. These funds will support the training of residents, medical students, physician assistants, dentists and individuals, many of whom will practice in underserved areas.
- \$10.5 million to strengthen the public health workforce. Funds will support public health traineeships and increase the number of individuals trained through preventive medicine and dental public health residencies.
- \$10.2 million to increase the diversity of the health professions workforce.
- \$1.5 million to support the efforts of state professional licensing boards in reducing barriers to telemedicine.

All funds will be awarded through a competitive process. Some will be announced over the next several months and others at a future date.

### **What about the other \$300 million?**

The remaining ARRA workforce funds apportioned to HRSA will expand scholarships and loan repayment for primary care providers who serve in health professional shortage areas through HRSA's National Health Service Corps.

### **More information**

The HHS press release is available at [www.hhs.gov/news/press/2009pres/07/20090728c.html](http://www.hhs.gov/news/press/2009pres/07/20090728c.html).

## **TG updates**

### **New Positive+Balance™ training helps graduate students prepare for life after college**

Earning a graduate degree takes considerable commitment. Transitioning to a career requires similar dedication. A new training presentation from TG's Positive+Balance™ financial literacy program helps graduate students better understand what to expect after graduation.

"Looking Ahead: Life After Graduate School" provides practical budgeting tips, saving strategies, and information about federal student loan repayment options, including the new Income-Based Repayment (IBR) plan. The presentation also offers advice on how graduates can earn the attention of a potential employer and improve their chances of getting hired.

The session focuses on a variety of financial considerations. Participants learn to gauge whether the salary they expect to earn will cover their cost of living.

On request, TG trainers are happy to present the “Looking Ahead: Life After Graduate School” training to students. The presentation slides and accompanying workbook can also be downloaded free of charge from TG’s Positive+Balance Community<sup>SM</sup> Web site.

The Positive+Balance Community is TG's online resource for educators and financial aid professionals seeking financial literacy solutions and support. Members can download free financial literacy materials, including Positive+Balance presentations, as well as share information and materials. They can also create profile pages, connect with other members, post blog entries, start discussion groups, and participate in forums. To sign up for a free membership, visit [www.PositiveBalance.org](http://www.PositiveBalance.org).

### **To learn more**

For more information about Positive+Balance, visit *TG Online* at [www.tgslc.org/PositiveBalance](http://www.tgslc.org/PositiveBalance). If you would like TG's assistance in developing, implementing, or improving your financial literacy efforts, contact your account executive at (800) 252-9743, or send an e-mail message to [positivebalance@tgslc.org](mailto:positivebalance@tgslc.org).

### **Register for TG’s webinar on product enhancements**

TG recently released enhancements to AdvanTG Web™, its application and loan management system, and TG Loans By Web™, TG's online student loan application tool. Among other things, these changes simplify change transaction management, as well as open loan processing to any combination of FFELP lender, school, and guarantor. As schools and lenders process loans during peak season, these enhanced products may provide for greater convenience.

To supply schools and lenders with an overview of current changes, as well as future plans, TG will offer a webinar covering various loan processing enhancements, including:

- The incorporation of the new Stafford and PLUS MPNs;
- Additional text to guide TG Loans By Web borrowers through the registration and login process;
- Enhancements to the prior servicer assignment rule;
- Modifications to lender disbursement roster processing;
- Support for the new repayment plan, Income-Based Repayment; and
- Improved functionality for TG’s online tool for creating lender surveys, List Assist<sup>SM</sup>.

## Webinar times

The webinar will be offered twice.

- Friday, August 7; 10 a.m. – 11 a.m. Central Time
- Monday, August 10; 10 a.m. – 11 a.m. Central Time (repeat session)

## To attend a webinar

To participate, register for one of the listed webinars at [www.tgslc.org/training/webinars/register.cfm](http://www.tgslc.org/training/webinars/register.cfm).

## For help

For questions about TG's products, please contact TG's product support team at (800) 332-1455, or send an e-mail to [product.support@tgslc.org](mailto:product.support@tgslc.org).

## Charles Shields helps TG harness technology to connect with borrowers

In today's fast-paced work world, keeping in touch with student loan borrowers can be a challenge. Borrowers take on new jobs, move between cities, or otherwise change their contact information. Maintaining an effective connection with borrowers is vital, especially as markets shift and workers find themselves affected. TG's default prevention team is committed to helping borrowers succeed in repaying their student loans. From phone counseling to e-mail and mail campaigns, TG's default prevention team strives to stay in touch with borrowers so that they understand their repayment obligations and have support if they need it.

TG employs technology including predictive dialer systems to make that connection with borrowers. A predictive dialer system works like a telephone operator, only one capable of making and monitoring thousands of calls per day. The system places calls to a roster of pre-set numbers, filtering out busy calls, unanswered calls, or answers by machines like faxes. At the same time, the system connects answered calls to waiting default prevention counselors.



To use TG's predictive dialer system to best effect, TG's contact center analyst Charles Shields monitors the system's performance. He tracks call volume and develops strategies for using the system most efficiently.

"I monitor how well the system works in handling our inbound call volume," said Shields. "I also prepare productivity reports to help our team schedule shifts for peak call times."

Shields' work helps maximize the number of borrowers TG can contact. As a result, more borrowers learn about the options available to them should they experience difficulties making loan payments. "We can also reduce the time that borrowers wait when calling in," said Shields.

Shields is uniquely suited for his position. Before coming to TG, he worked as a senior call center manager for a large credit card company. He's also held a position with a 401(k) plan administrator, taking a second job as a part-time default aversion counselor with TG's default prevention team. Shields took a full-time position with TG's collection team before transferring to the default prevention team. Shields says the work has been rewarding for a number of reasons.

"We strive every day to educate people on the options they have to manage their student loans," said Shields. "Many of the people we talk to are just starting to build their credit history. It is very satisfying to help these individuals avoid payment issues and maintain good credit."

Enhancing TG's dialer processes is never far from Shields' mind. Currently, he and other TG team members are investigating how to leave automated more customized messages for calls picked up by answering machines. They're also considering strategies to better integrate the timing of e-mail messaging and phone calls. This approach may drive a better response rate from borrowers.

Outside work, Shields is a dedicated fan of his alma mater's sports teams. "If there is anything related to Louisiana State University sports on television, I am watching it," said Shields. "I am also involved in my oldest son's youth sports activities, including a football league and baseball league designed for children with mental and physical disabilities."

### **More about TG's default prevention work**

To learn more about TG's default prevention efforts with schools and borrowers, please contact your account executive at (800) 252-9743, or send an e-mail message to [relationship.management@tgslc.org](mailto:relationship.management@tgslc.org).

## **This, that, and the other**

College students who need a textbook for a class but don't want to keep the physical copy once the semester is over have a solution in new textbook rental Web sites like Chegg and Bookrenter. These sites work like lending libraries, only on a cash basis. Students can rent hardcopy textbooks for a given period of time, say a semester, at a percentage of the cover price. Non-returned books are charged to a student's online account at full price. The service offers several benefits, including lower costs for students and a reduced impact on the environment — fewer new books means fewer trees cut down. The profitability of such sites depends partly on the shelf life of rented books. Some subjects, like science, require new editions on a frequent basis; other subjects, like the humanities, can go for longer periods without requiring revisions to a given edition. Read more about [textbook renting online](#).



P.O. Box 83100  
Round Rock, TX 78683-3100  
(800) 252-9743  
(512) 219-5700  
(512) 219-4560 TDD

*Shoptalk Online* is published by TG. Unless specifically noted, the policies and procedures outlined in *Shoptalk Online* apply only to loans made under the TG guarantee and not to loans underwritten by other guarantors.

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](mailto:communications@tgslc.org).

**Contributors to this edition:** Rob Davenport, Sarah Faszholz, David Garza, Cindy Marrs, Art Martinez, and Matt Smith. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

©2009 Texas Guaranteed Student Loan Corporation.  
AdvanTG Web, Ask TG, List Assist, and the TG logo are trademarks or service marks of Texas Guaranteed Student Loan Corporation.