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

Provide your freshman students with some budget help for their first semester on campus with TG's [online budget worksheet](#), available through *Adventures In Education*.

## Federal updates

### New loan purchase programs guidance

On July 31, ED published Ensuring Continued Access to Student Loans (ECASLA) announcement #68, which provides information about the four new servicers that have been awarded contracts to service student loans held by ED, including loans sold to ED through the Loan Purchase Programs authorized under ECASLA. The announcement also describes upcoming changes to loan sale file layouts for loans to be sold to ED and subsequently serviced by one of the four new loan servicers, as well as a question and answer document about the process and specifics of the changed layouts.

In ECASLA announcements #69 and 70, ED also announced upcoming periods of unavailability to process loan sale purchase requests and participation funding requests.

And in announcement #70, ED provided additional information on the closing dates for sales of loans under the 2008-2009 Loan Purchase Commitment Program (the 2008-2009 PUT Program), as well as important information on the close-out of participation interests in the 2008-2009 Loan Participation Purchase Program.

### **More information**

The complete announcement and attachments are available on ED's ECASLA Web site at <http://federalstudentaid.ed.gov/ffelp>.

## **TG updates**

### **TG to release enhanced List Assist<sup>SM</sup>**

Creating tools to help improve student loan processes is a priority for TG. That work doesn't stop once a product is released. TG reviews its products to make sure they work as intended and to add changes that improve performance. List Assist<sup>SM</sup> offers the latest example of those efforts.

List Assist provides schools and lenders with an online tool for generating, communicating, and tracking surveys used in creating a FFELP lender list. For schools, List Assist simplifies information-gathering. For lenders, it streamlines the survey process and can help in prioritizing work. On August 14, TG will launch an enhanced version of List Assist, which includes a variety of processing efficiencies, many of which were suggested by users.

#### **Enhancements for schools**

The latest release of List Assist is designed to provide a more user-friendly way to communicate and customize surveys. Enhancements allow users to:

- Update contact information and survey end dates, and communicate those changes to survey recipients.
- Send and resend survey requests more efficiently.
- View a distribution list for a specific survey from the List Surveys and Send Surveys list pages.
- Re-order question categories and questions within each category. To further customize a survey, users can choose other questions from List Assist's library of questions, or create their own questions.
- View the number of characters available in some free-form text boxes. Visual alerts will let users know if they have exceeded the maximum limit and by how many characters.

- View “Other Answer” as one option for multiple choice questions; “Other Answer” replaces “No Answer” for surveys created after August 14, 2009. Lenders that select “Other Answer” can also provide a brief text response. In evaluating responses, schools will be able to view the lender’s text explanation.
- Rate surveys on a new response rating scale of 0-5.

### **Enhancements for lenders**

The newest version of List Assist strives to make the response process more efficient for lenders. Enhancements are designed to allow users to:

- View the survey invitation with the school name and code in the subject line.
- Access the school’s survey end date, which will display on the School Information page in the survey.
- View the number of characters available in some free-form text boxes. Visual alerts will let users know if they have exceeded the maximum limit and by how many characters.
- Select “Other Answer” as one option for multiple choice questions; “Other Answer” replaces “No Answer” for surveys created after August 14, 2009. Lenders that select “Other Answer” can also provide a brief text response. In evaluating responses, schools will be able to view the lender’s text explanation.
- Open multiple survey requests at the same time. This feature allows users to work on multiple requests by toggling between surveys. Note that only one user at an institution can access a specific survey at a time. In the event that another user tries to access an open survey, a validation message will display. The message will note that the survey is being used by another user.

### **Upcoming training webinars**

TG will provide training webinars on List Assist enhancements to both schools and lenders following the implementation date. To accommodate peak season schedules, the training sessions will be repeated in September.

To learn more about the latest enhancements, schools and lenders can [register](#) for one of the following training sessions.

- Tuesday, August 18, 2009; 10 a.m. – 11 a.m. Central Time
- Tuesday, August 18, 2009; 2 p.m. – 3 p.m. Central Time (repeat)
- Monday, September 28, 2009; 2 p.m. – 3 p.m. Central Time (repeat)
- Tuesday, September 29, 2009; 10 a.m. – 11 a.m. Central Time (repeat)

## **User Guide and online help**

Information on the latest enhancements will also be provided through List Assist's User Guide and online help. Users will be able to access this information via List Assist after the August 14 release date. The User Guide is located on the List Assist Main Menu under the Resources section.

### **To learn more**

If you have questions about the latest changes, or would like to register to use List Assist, please contact your TG account executive at (800) 252-9743. You can also send an e-mail message to [relationship.management@tgslc.org](mailto:relationship.management@tgslc.org).

## **Plan to attend TG's webinar on IBR**

If you haven't registered for TG's upcoming webinar on the Income-Based Repayment (IBR) plan, there's still time. The webinar will be held Thursday, August 20, from 2 p.m.–3 p.m. Central Time.

IBR, available to FFELP and Direct Loan borrowers, will benefit eligible borrowers by minimizing monthly payments and by providing loan forgiveness in some cases. Educating borrowers about this repayment plan will be vital to realizing IBR's potential benefits. This session provides a high-level introduction to the IBR plan, including how borrowers qualify for IBR, the forgiveness component of IBR, the advantages IBR provides to the borrower and the school, and ideas for educating borrowers about IBR.

### **To register**

Registration information for the IBR webinar is currently available at [www.tgslc.org/training/webinars/industry.cfm](http://www.tgslc.org/training/webinars/industry.cfm). Schedules for additional webinars will be published quarterly. Watch *Shoptalk Online* for notification of registration availability for future webinars.

## **TG sets dates for 2010 Financial Aid Leadership Symposium**

TG has set training dates for the 2010 Financial Aid Leadership Symposium, which will be held February 8–12, in Round Rock, Texas. TG's Symposium is a week-long professional development workshop designed to enhance the leadership skills of mid-level managers in college and university financial aid offices. Participants study key leadership principles and consider how to apply these concepts to current financial aid office issues.

### **A focus on all the roles of a leader**

The Symposium uses a variety of instructional techniques including interactive modules, small-group projects and exercises, individual presentations, mentoring, and roundtable discussions. Throughout, attendees get the feedback of experts in various fields like policy and training.

Besides grooming participants to be more effective leaders, the Symposium also offers a number of other benefits, including an informal network of peers who stay in touch via e-mail. Graduates use the e-mail network to seek advice or feedback on particular issues.

The Symposium's training focuses on enhancing many leadership traits, including:

- Communication;
- Building a shared vision;
- Trust;
- Embracing change;
- Motivation;
- Performance management and coaching; and
- Presentation skills.

### **How can I attend the 2010 Symposium?**

Space for the Symposium is limited to 12-16 participants in order to create a comfortable atmosphere for small-group activities and interactive exercises.

Each applicant will be required to submit:

- A letter stating his or her desire to participate in the program;
- Two letters of recommendation, including one from the school's director of financial aid; and
- A current challenge or issue that the school is facing that can be used in the program as a sample scenario.

To apply, complete an application through [TG Online](#).

The fee for the symposium is \$1,000 per participant and includes the full week of classes and materials, as well as hotel accommodations and selected meals.

### **More information**

To learn more about TG's Financial Aid Leadership Symposium, visit *TG Online* at [www.tgslc.org/training/leaders](http://www.tgslc.org/training/leaders). You can also contact Tom Rebstock at (800) 252-9743, ext. 2835, or send an e-mail message to [tom.rebstock@tgslc.org](mailto:tom.rebstock@tgslc.org).

### **Updated integrated HEA available on *TG Online***

TG is pleased to announce the availability of updated integrated portions of the Higher Education Act (HEA) that incorporate changes from the Higher Education Opportunity Act (HEOA, H.R. 4137) and technical corrections to the HEOA (H.R.

1777). The HEOA was signed into law by President Bush on August 14, 2008, and the technical corrections bill was signed into law by President Obama on July 1, 2009. The NCHelp Program Regulations Committee contributed to this resource.

Updated titles of the HEA have been compiled in easy-to-use portable document format (PDF) files. Each PDF shows the language that has been stricken as well as language that has been added. Additionally, each part and section has been bookmarked for easy navigation.

Updated titles include:

- Integrated HEA Title IV, Parts B, D, G, and I
  - Title IV — Student Assistance
    - Part B — Federal Family Education Loan Program
    - Part D — Federal Direct Loan Program
    - Part G — General Provisions Relating To Student Assistance
    - Part I — Competitive Loan Auction Pilot Program
- Integrated HEA Title IV, Parts A, C, E, F, H, I, and J and Title VII, Part E
  - Title IV — Student Assistance
    - Part A — Grants To Students In Attendance At Institutions Of Higher Education
    - Part C — Federal Work-Study
    - Part E — Federal Perkins Loans
    - Part F — Need Analysis
    - Part H — Program Integrity
    - Part J — Strengthening Historically Black Colleges And Universities And Other Minority-Serving Institutions
  - Title VII — Graduate and Postsecondary Improvement Programs
    - Part E — College Access Challenge Grant Program
- Integrated HEA Title I
  - Title I — General Provisions
    - Part A — Definitions
    - Part B — Additional General Provisions

- Part C — Cost of Higher Education
- Part D — Administrative Provisions for Delivery of Student Financial Assistance
- Part E — Lender and Institution Requirements Relating to Education Loans

### **Accessing the bookmarked integrated HEA**

To access this practical tool, visit *TG Online* at [www.tgslc.org/policy/hea.cfm](http://www.tgslc.org/policy/hea.cfm).

In addition, this page continues to provide Integrated Sections of the Truth in Lending Act (TILA), which indicates changes made by the HEOA. However, no changes were made to these TILA sections by the technical corrections bill.

- Integrated Sections of Truth in Lending Act
  - Section 103 — Definitions and Rules on Construction
  - Section 104 — Exempted Transactions
  - Section 128 — Consumer Credit Not Under Open End Credit Plans
  - Section 130 — Civil Liability
  - Section 140 — Preventing Unfair and Deceptive Private Educational Lending Practices and Eliminating Conflicts of Interest

### **More information**

For more information about the HEOA, see TG's [summary](#) and ED's [Dear Colleague Letter GEN-08-12](#). For more information about the technical corrections bill, see TG's [summary](#). Links to the text for the HEOA and the technical correction are posted on TG's [Higher Education Act Legislation pages](#).

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

## **Trends and issues**

### **Sticky situations: Late delivery of loan funds**

With this article, *Shoptalk Online* brings back the popular "Sticky Situations" series for an encore presentation (for previous Sticky Situations articles, see *Shoptalk Online* editions [384](#), [390](#), [394](#), [402](#), [409](#), [418](#), [424](#), [428](#), and [453](#)). Today's article provides tips for handling the late delivery of Stafford or PLUS loan funds to students and parents, a common concern as the end of a term approaches. In keeping with the series' theme of translating complicated regulatory issues into everyday language, the article is presented in an easy-to-read question and answer format.

**Q.:** What about late disbursement? Isn't that the same thing as late delivery?

**A.:** No. When we are discussing FFELP funds, disbursement refers to the transfer of funds from the lender to the school, and delivery is the transfer of funds from the school to the borrower. In the course of reviewing official guidance on this topic, however, you may note that ED sometimes uses the term "disbursement" to describe both of these processes (see the margin note on page 4-23 of the 2008-09 *Federal Student Aid Handbook* [FSA Handbook]).

**Q.:** When is the last day that a school may certify a loan?

**A.:** The school must certify the loan either before the end of the loan period or the date on which the student ceased to be enrolled at least half time, whichever is earlier.

**Q.:** Must the borrower sign the Master Promissory Note (MPN) by the end of the loan period?

**A.:** No. The borrower is not required to sign the MPN by the end of the loan period. The borrower must sign the MPN before the lender can make the late disbursement. Note that in the case of a withdrawal, a student must also sign the MPN before the loan funds can be included in the R2T4 calculation as aid that could have been disbursed, thereby making those loan funds potentially eligible for a late delivery (see *Dear Colleague Letter* [GEN-05-16](#)).

**Q.:** Must a school offer a late delivery? When is it optional?

**A.:** It depends. A school must offer a late delivery of Stafford or PLUS loan funds that the borrower was eligible to receive while the student was still enrolled during a payment period or period of enrollment that the student successfully completed. If a student ceases to be enrolled at least half time but does not withdraw, a school may offer a late delivery of Stafford or PLUS loan funds to the student or parent borrower to pay for educational costs the student incurred for the period in which the student was eligible.

**Q.:** As noted above, what constitutes "successful completion" of a loan period or period of enrollment?

**A.:** Successful completion is defined in the 2008-09 FSA Handbook as follows: "Successful completion — "a student 'successfully completes' credit or clock-hours if your school considers the student to have passed the coursework associated with those hours" (page 3-7).

**Q.:** What is the deadline for making a late delivery of loan funds to students?

**A.:** The loan funds must be delivered no later than 180 days after the school determines the student withdrew. If the student did not withdraw, funds must be delivered no later than 180 days after the earlier of the end of the loan period or the date on which the student ceased to be enrolled at least half time.

**Q.:** Can a school provide a late delivery of a second or subsequent loan disbursement?

**A.:** In the case of a second or subsequent disbursement, the student must have graduated or successfully completed the period of enrollment for which the loan was intended. Refer to the previous question to determine what constitutes successful completion.

### **For more information**

Additional information about the topic of late delivery can be found in Section 8.7E of the *Common Manual*. The FSA Handbook provides general information about late delivery (referred to as late disbursements) in Volume 5, Chapter 2 of the 2008-09 version. To download the *Integrated Common Manual* or FSA Handbook, visit *TG Online* at <http://www.tgslc.org/policy/index.cfm>.

## **Give yourself an entrance/exit counseling checkup**

With summer drawing to a close and the beginning of the traditional fall semester just a couple of weeks away, schools will be making sure that their borrowers complete entrance and exit counseling as required by the Higher Education Act. Now is the time to double-check that the entrance and exit counseling you are providing to your students has all of the requisite components.

### **Entrance counseling**

Entrance counseling is required for all first-time Stafford and Grad PLUS loan borrowers. Schools must provide entrance counseling either at, or prior to, the delivery of the student's first disbursement of the loan. This information must be in simple, understandable language and address the terms and conditions of the loan, and borrower responsibilities associated with the loan. Counseling can be conducted in person or through the use of written or online tools, and interactive counseling with tests or quizzes is encouraged. Regardless of the medium the school chooses for its counseling sessions, an individual with Title IV expertise must be available shortly after the counseling to answer questions.

The student must acknowledge receipt of written or online counseling. If the school uses a written counseling form, the student must sign and return the form to the school. If the school uses online counseling tools, those tools must include a method for the student to provide acknowledgement. In all cases, the school must maintain documentation that the student completed entrance counseling.

According to federal regulations, entrance counseling must explain to the borrower:

- Use of the Master Promissory Note (MPN);
- Effect of accepting the loan on eligibility for other aid;
- Seriousness and importance of the repayment obligation;

- For Grad PLUS borrowers, if the school determines the student has not met his or her maximum eligibility for Stafford loans, the school must notify the student of the amount he or she is eligible to receive, a comparison of the maximum interest rates for Stafford and PLUS loans, a comparison of periods when interest accrues on Stafford and PLUS loans, and a comparison of when Stafford and PLUS loans enter repayment (if the financial aid award letter includes the required information and is provided to the student prior to loan certification, it would meet this requirement);
- How interest accrues and is capitalized when not paid by the student or the Department;
- The option to pay interest on unsubsidized Stafford and Grad PLUS loans while in school;
- Definition of half-time enrollment for all terms, including summer, and the consequences of not maintaining half-time enrollment;
- The importance of contacting the appropriate office at the school if the student plans to withdraw before completing the program, so that the school can provide exit counseling;
- The obligation to repay the loan even if the student does not complete the program or does not complete the program within the regular time for program completion, is unable to obtain employment, is dissatisfied with the school, or does not receive the services purchased from the school;
- Consequences of default, including adverse credit reports, federal offset, other federal delinquent debt collection procedures, and litigation;
- Sample monthly repayment amounts which must be based on either:
  - A range of levels of indebtedness of borrowers of subsidized or unsubsidized Stafford loans, and, as appropriate, graduate borrowers of unsubsidized Stafford loans or Grad PLUS loans; or
  - The average cumulative indebtedness of other borrowers in the same program as the borrower, at the same school
- Information concerning the National Student Loan Data System (NSLDS) and how the student can access his or her records on NSLDS; and
- The name and contact information the student may use if he or she has questions about rights and responsibilities or loan terms and conditions.

### **Exit counseling**

Exit counseling is required for all Stafford, Grad PLUS, and Perkins loan borrowers. Schools must provide exit counseling shortly before a student ceases at least half-time enrollment. This information must be in simple, understandable language and

address the terms and conditions of the loan, and the borrower responsibilities associated with the loan.

Counseling can be conducted in person or online, and interactive counseling with tests or quizzes is encouraged. If a borrower drops out without notifying the school, the school must confirm that the borrower has completed online counseling, or mail exit counseling material to the borrower at his or her last known address within 30 days of learning that the borrower has withdrawn or failed to participate in an exit counseling session. The school must maintain documentation that the student completed exit counseling.

Exit counseling must include information about:

- Repayment plans available and a comparative analysis of the features of each of those plans, including average projected monthly payments under each plan and the difference in interest and total payments the student can expect to pay under each plan;
- Terms and conditions to obtain deferment and forbearance, full or partial loan forgiveness, or discharge;
- A copy of a Department of Education publication that describes assistance programs (note that this publication has not yet been developed);
- Explanation that the student can prepay the loan(s), request a shorter repayment schedule, and change repayment plans;
- Debt management strategies to assist the student in repaying the loan(s);
- Information about the average anticipated monthly repayment amount based on the student borrower's indebtedness or on the average indebtedness of student borrowers in attendance at the same school and for the same program of study who have obtained the same types of loans as the student borrower;
- A review from entrance counseling on the use of the Master Promissory Note, the importance of repaying, and the obligation to repay even if the student did not complete the program or did not complete the program within the regular completion time for that program, is unable to obtain employment, or is dissatisfied with the education received;
- Consequences of default, including adverse credit reports, federal offset, other federal delinquent debt collection procedures, and litigation;
- Effects of loan consolidation, including:
  - Effect on total interest and fees to be paid and length of repayment term;
  - Effect on borrower benefits on underlying loans, such as grace periods, deferment, and loan forgiveness and discharge;
  - The option to prepay or change repayment plans; and

- How borrower benefits may differ between lenders.
- Tax benefits available to the student, such as those described in the IRS Publication 970, "Tax Benefits for Education";
- Information concerning NSLDS and how the student can use the system to access his or her records on NSLDS; and
- Information on the availability of the Student Loan Ombudsman's Office.

Schools must collect the following information as part of exit counseling and provide it to the guarantor(s) within 60 days of receipt:

- Name
- Address
- SSN
- References
- Driver's license number and state
- Expected permanent address
- Name and address of next-of-kin
- Name and address of employer or expected employer

### **To learn more**

Whatever your school's method of offering entrance and exit counseling, make sure that it meets standards set by the Department of Education. For more information, the *Common Manual* discusses these topics in various sections, including 4.4.C and 4.4.D, which are titled "Entrance Counseling" and "Exit Counseling." You can download the most current version of the *Common Manual* from *TG Online* at [www.tgslc.org/policy/index.cfm](http://www.tgslc.org/policy/index.cfm).

For questions about entrance and exit counseling, contact TG's customer assistance team at (800) 845-6267, or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

### **Policy potpourri**

**Q.: I understand that the Income-Based Repayment (IBR) plan became effective on July 1, 2009, and a borrower must be re-evaluated for eligibility for partial financial hardship (PFH) every 12 months. Does this mean that if a borrower qualifies for IBR in October 2009, his or her PFH will have to be evaluated again on July 1, 2010?**

**A.:** No, the 12 month re-evaluation of eligibility is based on a 12 month period beginning on the date the borrower entered an IBR repayment plan rather than the date the repayment plan became available for borrowers.

## Do you have a question?

Feel free to *Ask TG™*. *Ask TG*, TG's online query tool for borrowers, schools, and lenders, offers a database of frequently asked questions about financial aid, student loan processing, and TG's products and services. To submit a question, visit [tgslc.custhelp.com](http://tgslc.custhelp.com).

## This, that, and the other

Legislation now working its way through Congress may increase the amount of Pell grants to low-income students. However, a recent study indicates that many eligible students from low-income families aren't even aware that Pell grants are available for college. The study, conducted by a sociologist from the University of Washington, also notes that parental attitudes about college play a key role in whether a student goes to college. Among other things, the study found that parents with low income and less education are less likely to know about financial aid. These parents also tended to believe that funding for college was not easy to obtain. Find out more about the study's findings by reading the [complete article](#) available online through *Inside Higher Ed*.



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