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**TG’s Thanksgiving hours**

TG offices will close at noon on Wednesday, November 25, and will remain closed for the remainder of the week. TG will resume normal business hours on Monday, November 30. *Shoptalk* will also take a short hiatus. The next edition of *Shoptalk* will be published December 1.

**Smart Solutions**

Remind your May graduates of their student loan obligations. *TG Online* offers a concise description of borrower “[Repayment Obligations and Responsibilities.](#)”

## Industry Update

### Fall 2009 Negotiated Rulemaking on school-related issues is underway: Part I

As reported recently in *Shoptalk*, ED has established two committees, or "teams," to develop proposed regulations on a variety of issues through the Negotiated Rulemaking (Neg Reg) process. Team I will discuss issues relating to institutional program integrity, while Team II will consider topics specific to foreign institutions.

Team I held its first meeting on November 2-6. The overview below offers a partial summary of the issues this Neg Reg committee has begun discussing. The remaining issues will be considered in a subsequent *Shoptalk* article.

- **Definition of high school diploma for the purpose of establishing institutional eligibility to participate in the Title IV programs, and student eligibility to receive Title IV aid**

Should ED develop regulations that define a "high school diploma" for the purpose of establishing an institution's eligibility to participate in the federal student aid programs and to ensure that only eligible students receive federal student aid? Also, what steps can ED, the states, and the education community take to confirm the validity of high school diplomas and identify credentials obtained through diploma mills?

- **Ability to benefit**

How should regulations address concerns raised by the Government Accountability Office (GAO) about the ability-to-benefit (ATB) test publishers prepare and submit to ED? Should certification requirements for ATB test administrators be strengthened?

Additionally, what should be considered in implementing the ATB provision included in the Higher Education Opportunity Act (HEOA) that permits students to demonstrate ATB by satisfactory completion of six credit hours or the equivalent coursework applicable toward a degree or certificate offered by the institution?

- **Misrepresentation of information to students and prospective students**

Should ED revise the regulations or provide additional guidance about the types of statements and communications that could constitute "misrepresentation"? If so, should ED harmonize those rules with similar rules issued by the Federal Trade Commission that apply to privately owned institutions that do not offer a degree program?

- **Incentive compensation**

One component of an institution's Program Participation Agreement is a prohibition on providing any commission, bonus, or other incentive payment to any individual or entity engaged in recruiting or admission activities or in making decisions regarding the award of Title IV funds, when that payment is based directly or indirectly on success in securing enrollments or financial aid. The regulations implementing this provision of the HEA specify twelve types of payment and compensation plans that do not violate this statutory prohibition, as detailed in 34 CFR 668.14(b)(22)(ii). Should these "safe harbors" be reexamined?

- **State authorization as a component of institutional eligibility**

To begin and continue to participate in the Title IV student aid programs, the HEA requires an institution (with the exception of a foreign institution) to be legally authorized to provide a postsecondary educational program within the state in which it is located. However, some states do not expressly "authorize" institutions, instead relying upon other entities, such as accrediting agencies, for approval of institutions. Should the oversight provided by accrediting agencies be considered sufficient to fulfill the state authorization requirement? If not, should ED require that in order for an institution to be allowed to participate in the Title IV programs, a state must explicitly license or otherwise authorize an institution to offer postsecondary programs? If such an approach is taken, what should constitute "state authorization"?

- **Gainful employment in a recognized occupation**

Some postsecondary education or training programs qualify students to receive federal student aid by virtue of the fact that they "prepare students for gainful employment in a recognized occupation." Accrediting agencies exercise considerable control over approval of such programs by evaluating curricula and student outcomes. But should ED attempt to establish a standard for what constitutes "gainful employment"? And should ED require that institutions cite the occupational names and codes for such training programs per the U.S. Department of Labor's (DOL) Standard Occupational Classification (SOC) system? Finally, should additional disclosures to prospective students about a program's cost, placement rate, and salary expectations be required, and if so, how should these disclosures be made?

- **Definition of a credit hour**

Credit hours are used to measure degree completion and to award Title IV aid, but there is no commonly accepted definition of a "credit hour." Should ED establish minimum standards to define a credit hour for purposes of federal student aid, or is the oversight currently provided by state authorities and accrediting agencies sufficient? Also, should ED revisit the clock hour to credit hour conversion formula?

## **More information**

Team I will hold its second session on December 7-11, 2009. ED has developed a Team I Web page, available at [www.ed.gov/policy/highered/reg/hearulemaking/2009/integrity.html](http://www.ed.gov/policy/highered/reg/hearulemaking/2009/integrity.html), that includes the Team I list of negotiators, the committee's draft organizational protocol, and the issue summaries developed by ED (excerpts of which were provided above).

A similar page exists for the Team II committee, which will hold its first session on November 16-20, 2009, at [www.ed.gov/policy/highered/reg/hearulemaking/2009/foreign-schools.html](http://www.ed.gov/policy/highered/reg/hearulemaking/2009/foreign-schools.html).

To provide comments on the issues under consideration, please consult the list of negotiators provided on ED's Neg Reg Web page for the appropriate team.

Once the Neg Reg sessions have concluded, ED will publish proposed rules and provide an opportunity for community review and comment. Final rules will be published no later than November 1, 2010, and will be effective July 1, 2011.

## **ED releases announcement regarding increased aid for students whose parent or guardian died as a result of military service in Iraq or Afghanistan**

On November 6, ED released an electronic announcement on the "Operational Implementation of Increased Title IV Student Assistance to Children of Certain Deceased Members of the U.S. Military" as provided by recent amendments made to the Higher Education Act.

Under these provisions, otherwise eligible students whose parent or guardian died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001, and who meet certain age and enrollment requirements, may be eligible to receive increased amounts of Title IV student financial assistance. To be eligible for increased Title IV aid under these provisions, the student must have completed a Free Application for Federal Student Aid (FAFSA), not previously have received a bachelor's degree (except for certain teacher certification candidates), and meet all Title IV student eligibility requirements. Such students are eligible for increased aid under these provisions if the student was 23 years of age or younger when the parent or guardian died, or, if the student was over age 23, he or she was enrolled at an institution of higher education at the time of the parent or guardian's death.

The types and amounts of increased assistance depend on the student's calculated Expected Family Contribution (EFC) and the award year, as described in the announcement.

The announcement also describes ED's process for identifying eligible students, the origination and disbursement of maximum Pell grant awards for 2009-10, and process enhancements for 2010-11 and beyond.

## More information

The announcement, including contact information for questions about various operational components of this program, is available on the Information for Financial Aid Professionals Web site at <http://ifap.ed.gov/eannouncements/110609DODMatch.html>.

## ED announces IRS data retrieval process for 2009-10 FAFSA on the Web

On November 5, ED announced its plans to initiate a process that will enable Title IV student aid applicants and parents of dependent applicants to transfer certain tax return information from an Internal Revenue Service (IRS) Web site directly to their 2009-10 Free Application for Federal Student Aid (FAFSA) on the Web application. ED notes that allowing applicants to transfer information directly from the IRS' database into the FAFSA will reduce time, effort, and data entry for FAFSA applicants and their parents. The process change will also improve data accuracy and consistency and reduce the need for corrections.

IRS data retrieval functionality will be implemented in the 2009-10 version of FAFSA on the Web for initial and renewal applications on or about January 24, 2010. During this initial pilot period, ED will analyze 2009-10 application submissions in order to determine usage and performance, gather feedback from users (both applicants and schools), and identify potential future improvements. In the summer of 2010, ED will implement IRS data retrieval functionality for the 2010-11 processing cycle.

The announcement also includes more information regarding the IRS data retrieval process for 2009-10 in a question and answer format, addressing such issues as:

- Who is eligible to use the IRS data retrieval process
- Who cannot use the IRS data retrieval process
- Who should not use the IRS data retrieval process
- How the IRS data retrieval will process work
- What output students and financial aid administrators will receive as a result of the use of the IRS data retrieval process
- Whether the verification process will change as a result of IRS data retrieval functionality

## More information

The full announcement is available on the Information for Financial Aid Professionals Web site at <http://ifap.ed.gov/eannouncements/110509OverviewIRSDataRetrieval0910.html>.

For more information, schools should contact CPS/SAIG Technical Support at (800) 330-5947 (TDD/TTY (800)511-5806), or send an e-mail message to [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov). Students may contact the Federal Student Aid Information Center at (800) 4-FEDAID ((800) 433-3243)), or send an e-mail message to [FederalStudentAidCustomerService@ed.gov](mailto:FederalStudentAidCustomerService@ed.gov). TDD/TTY service is also available at (800) 730-8913.

## TG Report

### Plan to attend TG's sessions at the CCCSFAAA Annual Conference

The financial aid industry is undergoing some pivotal changes, including a shift in the way an institution's cohort default rate is calculated. TG offers a session on the new calculation method at this year's Annual Conference for the California Community College Student Financial Aid Administrators Association (CCCSFAAA) held in San Jose from December 10-12. TG presenters will also offer an in-depth look at the return of Title IV funds and a primer on how best to manage difficult customer interactions. Below you'll find a short summary of each session. Refer to the [CCCSFAAA Annual Conference agenda](#) for the exact meeting time and location.

- **Transitioning to a 3-year Cohort Default Rate:** In this session, participants will learn how a school's cohort default rate (CDR) is calculated and how the Higher Education Opportunity Act (HEOA) has affected CDRs given the shift from a 2-year to a 3-year calculation. Participants will discuss the benefits of a low cohort default rate and the consequences of a high default rate. The session will also focus on default prevention practices to help schools manage their CDR.
- **R2T4 — Basics and Beyond:** ED places an emphasis on R2T4 in school program reviews. This session will demystify the calculation for new and seasoned financial aid officers. It will also offer attendees some suggestions on how to improve the R2T4 process for their offices. The course explains the general principles of the R2T4 process, reviews the elements of an R2T4 calculation, and provides recommendations on how to avoid some of the more common R2T4 findings in a program review.
- **Responding to Conflict: Strategies for Dealing with People on the Edge:** This session will offer communication and stress management techniques for dealing with staff, students, and parents during these tough economic times. Session participants will complete an assessment of their style of conflict management. They will then discuss appropriate and inappropriate approaches to resolving conflict. Attendees will also learn about campus programs that provide resources to families and students in crisis.

## **Find out about other TG training opportunities**

Would you like to learn more about the many training opportunities TG offers through its Speakers Bureau? Visit [www.tgslc.org/speakers/index.cfm](http://www.tgslc.org/speakers/index.cfm) to browse the training catalog. Keep in mind that TG can adapt a training session to meet the needs of your campus. To find out how, contact your TG account executive at (800) 252-9743.

## **Join TG for its R2T4 session at upcoming CASFAA Conference**

TG trainers will be presenting a session at this year's California Association of Student Financial Aid Administrators (CASFAA) Conference on one of the more challenging duties that a financial aid officer must perform — the return of Title IV funds (R2T4) calculation. Held in San Jose from December 12-14, the CASFAA Conference offers a great opportunity for learning about the latest developments in financial aid as well as administrative responsibilities such as the R2T4 calculation.

TG's session will help new and seasoned financial aid officers to understand and apply the R2T4 calculation. It will also provide suggestions for an effective R2T4 process. The course examines the elements of an R2T4 calculation and recommends ways to avoid some of the more common R2T4 findings in a program review.

## **To learn more about TG's trainings**

TG offers a varied set of training opportunities through its Speakers Bureau. Visit [www.tgslc.org/speakers/index.cfm](http://www.tgslc.org/speakers/index.cfm) to browse the training catalog. Keep in mind that TG can adapt a training session to meet the needs of your campus. To find out how, contact your TG account executive at (800) 252-9743.

## **Claim recalls: New e-mail process**

Effective immediately, TG claims announces a long-requested change in the claim recall process. Claims may now be recalled via e-mail. To use this new service, simply send your recall request to [recalls@tgslc.org](mailto:recalls@tgslc.org). Claims will continue to be returned through the regular process. If you prefer, you may continue sending recall requests via fax to (512) 219-4514.

## **Have questions?**

For questions concerning the claim recall process, please contact TG's assistant vice president of claims Ron Stroud at (800) 252-9743, or send an e-mail message to [ron.stroud@tgslc.org](mailto:ron.stroud@tgslc.org).

## TG releases NSLDS submittal schedule for 2010

TG's data reporting team has released the TG National Student Loan Data System (NSLDS) reporting schedule for 2010. Please refer to the table below for specific submittal due dates. Here is an overview of the submittal process.

- Each month, a lender sends its Lender Manifest or Common Account Maintenance (CAM) records to TG by the date listed in the left column of the table.
- Behind the scenes, TG processes the file and updates its database.
- TG then sends loan changes to the NSLDS, which updates its system, making the most current data viewable to schools by the corresponding date in the right column of the table below. In this way, schools have the most recent data available on their borrowers in order to make subsequent borrower eligibility determinations.

### 2010 NSLDS Submittal Schedule

Lender Manifest data received by 3 a.m. or CAM data received by 10 a.m.	Data viewable on NSLDS
1/8/2010	1/11/2010
1/22/2010	1/25/2010
2/5/2010	2/8/2010
2/19/2010	2/22/2010
3/12/2010	3/15/2010
3/26/2010	3/29/2010
4/9/2010	4/12/2010
4/23/2010	4/26/2010
5/7/2010	5/10/2010
5/21/2010	5/24/2010
6/11/2010	6/14/2010
6/25/2010	6/28/2010
7/9/2010	7/12/2010
7/23/2010	7/26/2010
8/13/2010	8/16/2010
8/27/2010	8/30/2010
9/10/2010	9/13/2010
9/24/2010	9/27/2010

Lender Manifest data received by 3 a.m. or CAM data received by 10 a.m.	Data viewable on NSLDS
10/8/2010	10/12/2010*
10/22/2010	10/25/2010
11/12/2010	11/15/2010
11/24/2010**	11/29/2010
12/10/2010	12/13/2010
12/22/2010**	12/27/2010

\* Note that, due to the holiday, the data will be viewable on Tuesday instead of Monday.

\*\* Keep in mind that, due to the holiday, lenders must have their updates in on Wednesday.

### More information

For more information on TG's submittal schedule, contact TG's data reporting team at [good.data@tgsic.org](mailto:good.data@tgsic.org).

## New Financial Aid for Rookies module available: Professional Judgment

TG offers a new addition to its Financial Aid for Rookies (FAR) training modules. The FAR modules have been developed to provide Web-based, on-demand training on the fundamentals of financial aid to TG's school customers. The modules provide training for new staff members as well as no-cost support for staff that simply need a refresher course in financial aid processes.

In this module, participants will examine professional judgment principles in the Higher Education Act and discuss various situations requiring professional judgment, including dependency overrides and awarding unsubsidized Stafford loans to dependent students who lack parental support.

Other FAR modules include:

- History and Philosophy of Financial Aid
- Federal Aid Application Process
- Student Eligibility
- Verification

- Cost of Attendance
- Need Analysis and EFC Calculation
- Financial Aid Packaging
- Satisfactory Academic Progress

### More information

Please visit the [FAR Web page](#) on *TG Online* for more information about this resource, and to view all of the training modules and quizzes.

## Help your spring grads go from grace to repayment with TG's brochures

The grace period has ended or will soon end for May and June graduates with Federal Stafford loans. By November 30, most such borrowers, along with students who have dropped below half-time, will enter repayment. Offer them some helpful resources as they make the transition into repayment during a challenging time in the job markets. You can inform them of their financial obligations with TG's printed materials, which anticipate their questions and define their options in repaying loans.

### TG's printed help

TG's brochures and envelope stuffers offer several advantages. They remind and educate borrowers about their debt. They answer questions many student loan borrowers have about deferment, forbearance, and consolidation. And they provide a helpful overview of repayment options like Income-Based Repayment.

Here's a look at particular items you can order through TG and mail to graduates or students.

- **Managing Repayment:** This publication outlines loan management options for borrowers experiencing financial difficulties. The brochure explains deferment, forbearance, consolidation, and alternative payment plans, and provides a list of the top 10 ways borrowers can avoid default.
- **Income-Based Repayment:** This brochure describes the newest repayment plan, which could potentially benefit a variety of borrowers of federal student loans, including those experiencing difficulties in meeting their student loan payment. For borrowers who qualify, Income-Based Repayment, or IBR, sets an affordable monthly payment based on income, federal student loan debt, and family size. TG's brochure defines IBR and offers a number of repayment examples that illustrate the possible payment

TG Managing Repayment

Income-Based Repayment



amount reduction under the IBR plan. The brochure also describes how borrowers can apply for IBR and lists the types of loans that are eligible to include under an IBR plan.

- **Repayment Plan Options:** This TG brochure offers a concise overview of the differences among plans, including the Standard, IBR, Graduated, Extended, Income-Sensitive, and Consolidation repayment plans. A table supplies a handy comparison of all plans based on sample loan amounts. The table compares plans by monthly payment amount, term limits, total interest, and total amount paid. For borrowers who find themselves unable to make payments, the brochure also offers a short description of deferment and forbearance.
- **Frequently Asked Questions:** TG offers a concise yet comprehensive source of help with this brochure, which details answers to perennial questions such as "What is forbearance?" or "Is consolidation right for me?" The brochure also provides instructions on what students should do if they begin receiving bills while still in school, or if they can no longer make payments on a student loan.

### To order the brochures

You can order TG's brochures online. To order any of the items listed above, visit [TG Online](#).

### More about TG's default prevention activities

TG's default prevention team works with schools and lenders to prevent student loan defaults. The team also works with borrowers by offering information about default and repayment. If you have questions about how you can use the 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@tgsdc.org](mailto:rett.anderton@tgsdc.org). Joe Braxton may be reached at (800) 252-9743, ext. 4696, or by sending an e-mail message to [joe.braxton@tgsdc.org](mailto:joe.braxton@tgsdc.org).

### TG's List Assist<sup>SM</sup> now offers alternative lender survey support

On October 30, TG released an enhanced version of List Assist<sup>SM</sup>, an online tool for managing surveys used in creating a recommended lender list. The latest version of List Assist provides schools and lenders with the ability to administer survey requests about alternative student loans.

For schools, List Assist has been enhanced to include information such as education level and graduate program for alternative loan surveys. School users can also use a library of survey questions that now offers questions specific to FFELP or alternative loan types.

For lenders, enhancements allow users to view key information on every page of the survey response, such as education level and graduate program for alternative loan surveys.

### **User Guide and online help**

Information on the latest enhancements is available through List Assist's *User Guide* and online help. 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@tgsic.org](mailto:relationship.management@tgsic.org).

## **Policy Resources**

### **Ask the Policy Expert**

**Q.: If a PLUS Loan borrower uses an endorser, and the PLUS loan borrower dies, can the lender collect the loan proceeds from the endorser?**

**A.:** No, the lender may not collect the loan proceeds from the endorser. According to §682(b)(1), if an individual borrower dies, or the student for whom a parent received a PLUS loan dies, the obligation of the borrower and any endorser to make any further payments on the loan is discharged.

### **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 [tgsic.custhelp.com](http://tgsic.custhelp.com).

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## **News Briefs**

More than two million service men and women have earned Post-9/11 GI Bill benefits. To help those vets connect with a college or university of their choice, the American Council on Education (ACE) recently launched a college guidance Web site, [www.TodaysGIBill.org](http://www.TodaysGIBill.org). The Web site offers detailed information on the college selection, admissions, and financing processes. It also supplies information on college preparation, transferability of credits, institution and program choice,

application timelines, and benefit eligibility. Visit [www.TodaysGIBill.org](http://www.TodaysGIBill.org) to learn more.



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