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**Meet Paul Goebel**



Paul Goebel is director of the Student Money Management Center at the University of North Texas. He is also AFCPE’s Financial Counselor of the Year. See this week’s profile.

**Smart Solutions**

Interviews make for strong first impressions. Help your graduating seniors ensure that first impression is a calm, self-assured, and memorable one with [interview tips](#) from *Adventures In Education* (AIE™).

**Industry Update**

**ED releases trial three-year cohort default rates**

On December 7, ED announced that to assist schools in understanding the impact of the new three-year cohort default rate (CDR) calculation, it has calculated and is making available unofficial trial three-year CDRs for the last three cohorts for which there are data to support a three-year calculation (fiscal years 2005, 2006, and 2007).

## Background

The Higher Education Opportunity Act (HEOA) of 2008 made changes to the timeframes for the CDR calculation. As a reminder, a school's CDR is the percentage of a school's federal student loan borrowers that enter repayment within the cohort fiscal year (denominator in the formula below) and default within the cohort default period (numerator). Currently, the cohort default period is the two-year period that begins on October 1 of the fiscal year when the borrower enters repayment and ends on September 30 of the following fiscal year. For example, for the fiscal year 2007 (FY 2007) official rates that were published last September, the CDR calculation was performed as follows:

$$\frac{\text{Number of borrowers who defaulted between October 1, 2006, and September 30, 2008}}{\text{Number of borrowers who entered into repayment between October 1, 2006, and September 30, 2007}}$$

Beginning with the FY 2009 cohort, however, the CDR formula will be calculated on a three-year basis. In other words, the first three-year CDR, which will be issued in draft form to schools in February 2012 and as official rates in September 2012, will be calculated as follows:

$$\frac{\text{Number of borrowers who defaulted between October 1, 2008, and September 30, 2011}}{\text{Number of borrowers who entered into repayment between October 1, 2008, and September 30, 2009}}$$

ED will continue to calculate and publish official two-year CDRs until three sets of three-year rates are published. The last of these two-year rates will be for the FY 2011 cohort and will be released in 2013. Beginning in 2014, only three-year rates will be published, since, at that time, three three-year rates would have been calculated (FY 2009 will be published in 2012, FY 2010 in 2013, and FY 2011 in 2014).

## Trial three-year CDRs

To assist schools in preparing for the transition to the three-year CDR, ED is releasing "trial" three-year CDRs for FY 2005, FY 2006, and FY 2007. These rates are provided for information only; no benefits or sanctions apply to these trial rates. In addition, because these are unofficial rates and serve as preview data only, schools may not submit challenges or appeals that normally apply to draft and official rates. Nor do these rates reflect certain adjustments that may be made for official rates (fewer than 30 borrowers in a cohort, low participation, mergers, recalculations due to appeals or adjustments, etc.).

Schools can access their trial FY 2005, FY 2006, and FY 2007 CDRs and can request a Loan Record Detail Report (LRDR) for each calculation through the National Student Loan Data System (NSLDS) at [www.nslsdfap.ed.gov](http://www.nslsdfap.ed.gov). Schools will also be able to compare these trial rates with their official two-year rates for the relevant cohort years. Beginning December 14, 2009, these trial rates (with enrollment information) will also be posted publicly on the Federal Student Aid Data Center at [www.FSADataCenter.ed.gov](http://www.FSADataCenter.ed.gov).

### **More information**

To view the entire ED announcement on three-year cohort rates, please visit the [Information for Financial Aid Professionals Web site](#).

## **ED issues reminder on requesting Status Information Letters from Selective Service**

On November 23, ED released an Electronic Announcement advising schools that the Selective Service System is currently receiving an unusually large number of requests from schools for Status Information Letters. The Status Information Letter is used by schools to document that a federal student aid applicant is exempt from registering with Selective Service, if the student isn't clearly exempt from the requirement to register. This increase in the number of requests has caused a significant backlog in Selective Service System processing.

Selective Service has researched the nature of these requests and has determined that the requests are primarily from schools asking for verification for specific student aid applicants who are not required to register with Selective Service.

Most men aged 18-25 are required to register with Selective Service in order to be eligible for federal student aid. This requirement includes men residing in the U.S. who are U.S. citizens or noncitizens. However, there are several categories of men who are not required to register with Selective Service in order to receive federal student aid. The announcement describes which types of students are not required to register (and for whom the school should not request a Status Information Letter) and provides examples of documentation that may be used to verify a student's exempt status.

If the student is not clearly exempt from the requirement to register, then it is appropriate to request a Status Information Letter from Selective Service.

### **More information**

The [complete announcement](#) is available on the Information for Financial Aid Professionals Web site.

Please review the 2009-10 *Federal Student Aid Handbook*, Volume 1, Chapter 5, for more information about Selective Service requirements. The Handbook is available

for download in PDF format on [TG Online](#). For more information about who is required to register, please go to the [Selective Service System Web site](#), and select "Need a Status Information Letter or Not?" in the "What's New?" section.

If you have questions, contact TG customer assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgsdc.org](mailto:cust.assist@tgsdc.org).

## **TG Report**

### **Offer your June graduates an electronic way of staying on top of repayment**

As the grace period for June graduates ends, you're probably considering how to help your former students as they transition into one of the more challenging markets of recent years. TG offers online assistance in terms of loan repayment with its Web-based loan account management tool, myTG<sup>SM</sup>. The myTG portal provides TG borrowers a convenient way to monitor payment history, download repayment forms, and update details of personal information. TG also recently added new features that allow defaulted borrowers to make loan payments.

#### **Easy payment 24/7**

The myTG portal helps TG borrowers stay on top of repayment for their TG loans. The newest enhancements provide various online tools to help borrowers resume repayment on their loans if they're delinquent or in default. Online payment methods include: debit card, credit card, and single or recurring autodraft from a checking or savings account. Defaulted borrowers eligible for repayment can even negotiate their down payment and set up a repayment schedule.

#### **Other borrower services**

The myTG portal offers secure, online access to important loan information for borrowers and co-borrowers, including:

- A summary of TG-guaranteed loans, no matter the status
- School, lender, and servicer information for each loan
- Information on deferment, forbearance, and loan discharge and forgiveness as well as the corresponding forms to help borrowers manage their student loans
- Detailed account information for delinquent or defaulted loans

#### **To learn more**

For more information about myTG, please contact TG customer assistance team at (800) 845-6267, or send an e-mail message to [cust.assist@tgsdc.org](mailto:cust.assist@tgsdc.org).

## Options, resources, information: *TG Online* helps borrowers make sense of repayment

Students face a series of hurdles after they collect their diploma, including starting a career, relocating in some cases, and establishing a financial base by which to manage any outstanding debts. Add student loan repayment to these objectives and you have the makings for one of the more confusing transition periods in a graduate's life.

In a variety of ways, TG helps borrowers navigate repayment, providing information on borrower obligations and options by phone, printed publications, and Web. TG's call centers are available to answer questions and guide borrowers through the repayment process. TG offers [a variety of printed brochures](#) to outline repayment plans and recommend responsible payment habits. And TG's corporate Web site, *TG Online*, provides borrowers an extensive set of resources titled [Repaying Your Student Loan](#). Offer your graduates this information, which is available to answer questions 24/7 from any Web browser. Here's a brief outline of *TG Online's* repayment area.

- **Ways to Repay Your Loan**

Borrower repayment plans have different requirements for eligibility. This section succinctly describes these requirements and explains details of repayment for the Standard Repayment Plan, Income-Based Repayment Plan, Graduated Repayment Plan, Extended Repayment Plan, and Income-Sensitive Repayment Plan.

- **Comparison of Repayment Plans**

Choosing the most appropriate repayment plan can be confusing. Borrowers may want to pay more now so that their total interest payments are lower. Or they may need to pay less now in order to accommodate straitened circumstances. This section offers a table comparing the relative cost of repayment by each plan given a set loan balance and interest rate.

- **Responsibilities and Obligations**

This section contains links to an online statement of terms and conditions for federal PLUS and Stafford loans. The section also defines a change in status for borrowers and describes the purpose and length of the grace period.

- **Why Should You Care?**

This section describes two of the chief reasons for repaying loans responsibly — avoiding delinquency and default.

- **Helpful Repayment Options**

Borrowers have several options at their disposal in case repayment becomes difficult, including alternative loan repayment plans, deferment, forbearance, and consolidation, all described in this section.

- **Income-Based Repayment**

Income-Based Repayment (IBR) is an alternative student loan repayment plan. TG's IBR page defines IBR, describes who may be eligible, and answers various questions that borrowers may have about the plan. The page also offers a link to the IBR application as well as TG's IBR calculator.

### **To learn more**

For more information about myTG, please contact TG customer assistance team at (800) 845-6267, or send an e-mail message to [cust.assist@tgsllc.org](mailto:cust.assist@tgsllc.org).

## **Meet UNT's Paul Goebel, Financial Counselor of the Year**

Given shifting markets and rising student loan debt levels, many universities want students to graduate with more than a degree — they're investing in training that offers students a financial literacy education as well. In some ways, the University of North Texas (UNT) has been at the forefront of these efforts. In 2005, UNT



established the Student Money Management Center, a campus resource offering consultative services and information to students on a variety of financial topics, from budgeting and expense planning to establishing credit. The center, which serves 8,000 students annually, has been recognized for its comprehensive approach to financial literacy education.

Paul Goebel has served as director for the center since its inception. During his tenure, he's helped transform the center from a two-person operation into a dynamic financial literacy program, providing campus outreach as well as varied workshops and services. Goebel is an impassioned advocate for students as they strive to establish a sound financial footing before they graduate. Goebel believes that students should be free from financial anxiety while in school in order to focus on completing their degree. Understanding how to manage money is key to that goal.

"I have a strong belief in the difference effective money management skills can make in a person's life, whether they are college students, working professionals, or retirees," said Goebel.

In recognition of his profound commitment to serving students, Goebel was recently recognized as Financial Counselor of the Year by the Association of Financial

Counseling, Planning, and Education (AFCPE), a professional organization that supports and promotes the field of financial counseling and planning education. The association is made up of university educators, cooperative extension instructors, military financial counselors, private practitioners, and others.

The award is given to an AFCPE member who has contributed outstanding work in financial counseling and accomplished “a high level of outreach, evidence of outcomes, and an innovative approach to counseling.”

### **A proactive money management approach**

Goebel says his success springs from a strong commitment to student success. “Every opportunity I have to help a student strengthen his or her financial literacy skills makes my work worthwhile,” said Goebel.

He sees the center’s success in a similar light, describing its growth partly as a collaboration or engagement with students. “We reached out to students as we were creating our program,” said Goebel. “We have even sought out their advice in the design of our office. Engaging students during our first days on campus and continuing to engage them each semester has helped the center produce a dynamic array of services.”

The financial literacy needs of a diverse student body keep Goebel focused in his work. He also wants to remove the negative association that comes with seeking help for financial issues. “There’s a stigma in our society about talking with others about money, especially when problems occur,” said Goebel. “Where money is involved people tend to be more reactive than proactive. I believe a great number of students face their college years underprepared for assuming the financial responsibilities of today’s college experience.”

### **Long-term benefits of financial literacy**

Schools can help in varied ways, according to Goebel. They can communicate scholarship opportunities more effectively; they can also prepare students by offering more structured financial literacy training during college.

As an example, Goebel notes that the center takes a more personalized approach to serving students with its consultative service, the Financial Success Program. The program provides one-on-one counseling for financial issues. The consultations serve to educate students on money-management topics and help students apply these concepts in their own lives. The center averages about 500 consultations every academic year.

Such training offers long-term benefits to students, especially those managing high levels of educational debt long after graduation. “It’s important we give our students more attention in the area of financial literacy if we want them to succeed for themselves and for their families,” said Goebel.

Goebel grew up in New Jersey before making his way to Texas in the late '70s. He received an undergraduate degree in advertising from the University of Texas at Austin, followed by a master's degree in marketing from St. Edward's University in Austin. He took his current position with the center in 2005.

## Policy Resources

### Common Manual Updates

Guarantor representatives who serve on the *Common Manual* Governing Board have approved several changes to the *Common Manual*. Details on these changes and a newly updated *Integrated Common Manual* incorporating the changes will be available on *TG Online*. These changes will appear in the *Manual's* next annual update.

### Questions

Please note the effective date of each policy change. If you have questions about any of the changes, contact TG customer assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

### Ask the Policy Expert

**Q.: What options are available for resolving a defaulted loan?**

**A:** After a borrower defaults, it's not too late to resolve a defaulted loan. Here is a list of options available to help a borrower resolve a defaulted loan, with details that follow. A borrower can:

- Make satisfactory repayment arrangements
- Consolidate the defaulted loan
- Rehabilitate the defaulted loan
- Pay the defaulted loan in full
- Receive a discharge on the defaulted loan

**Make satisfactory repayment arrangements:** To have eligibility for Title IV aid reinstated, a borrower must make six consecutive full monthly payments to the appropriate holder for each defaulted loan. These payments must be made on time (within 15 days of the payment due date), voluntarily (directly by the borrower, regardless of whether there is a judgment against the borrower), and must be reasonable and affordable. Any court-ordered payments or involuntary payments obtained by state offsets or federal Treasury offsets, wage garnishment, or income or asset execution will not count toward the six

payments required for reinstatement. A lump sum prepayment of future installments does not satisfy the requirement for six consecutive monthly payments and will not reinstate a borrower's Title IV eligibility.

It's important to remember that the borrower may reestablish Title IV eligibility only once. If a borrower has reestablished his or her eligibility and then fails to maintain satisfactory payment arrangements on that defaulted loan, or a defaulted loan for which a judgment has been obtained, the borrower may not reestablish his or her eligibility again under this provision.

**Consolidate the defaulted loan:** A defaulted Title IV loan is eligible for consolidation if the borrower, at the time of application for the Consolidation loan, meets one of the following conditions:

- The borrower has made satisfactory repayment arrangements with the holder of the defaulted loan.
- The borrower has agreed to repay the Consolidation loan under an income-sensitive or income-based repayment schedule.

Consolidation will remove the loan from a defaulted status, but will not remove the default's negative impact on the borrower's credit history.

**Rehabilitate the defaulted loan:** To rehabilitate a FFELP loan, a borrower must make nine, on-time (i.e., received within 20 days of the due date), full monthly payments to the guarantor or its contracted vendor during a period of 10 consecutive months. Payments must be made voluntarily by the borrower and must be equal to or greater than the amount determined to be reasonable and affordable. Payments obtained by state offsets or federal Treasury offsets, wage garnishment, trustee payments, or income or asset execution will not satisfy requirements for rehabilitation. If a borrower successfully completes rehabilitation, the guarantor will assist the borrower in securing a lender to purchase the loan. If it is purchased, the loan will be removed from a defaulted status, and the guarantor or any other holder of the loan that previously reported it as in a defaulted status to a national credit reporting agency will remove that status.

**Pay the defaulted loan in full:** A borrower may choose to pay the defaulted loan in full. This option will not remove the record of the default from the borrower's credit history.

**Receive a discharge on the defaulted loan:** A borrower may receive a discharge if he or she demonstrates eligibility for the discharge. Discharges available to borrowers include: total and permanent disability, bankruptcy, closed school, death, false certification by the school or due to the crime of identity theft, unpaid refund, and spouses and parents of September 11, 2001,

victims. Loan discharge may remove the record of default from the borrower's credit history, depending on the type of discharge.

### **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).

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### **News Briefs**

If you've ever watched an auditorium's worth of graduates file up to accept their diplomas, you may have wondered about the origin and meaning of the costumes they wear, specifically the gown and mortarboard. Typically worn just a few times in a person's life, the black robe and distinctive headgear have a long history dating back to the Middle Ages. During that period, scholars at Oxford, Cambridge, and other European universities were often ordained as priests. Today's graduation gown has evolved over time, and with many changes, from the early utilitarian habits and robes that these ecclesiastical academics wore. The mortarboard has a similar origin. Made up of two pieces — the skullcap and the board — the mortarboard developed from religious caps that priests donned in medieval times and even earlier. The cap appeared in its present form probably during the Renaissance as a modification to earlier graduation caps. Variations in color, length, cut, fabric, and decoration to the cap and gown are many. Differences come as a factor of degree (e.g., master's, doctorate), country (English gowns differ from American as well as from other European gowns), school (faculty wear widely varied hoods and colors depending upon the college), and much more. If you're curious about the varied customs and history of today's graduation regalia, you'll find lots of literature on the topic, including *A History of Academical Dress in Europe* by W.N. Hargreaves-Mawdsley.



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