February 9, 2010 — Edition 539

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TG closed on Presidents Day

TG will be closed next Monday, February 15, in observance of Presidents Day. TG will resume normal business hours on Tuesday, February 16.

Smart solutions

The 2010 *TG Calendar* features beautiful seasonal photography as well as a listing of important conference dates and federal holidays. Order it from TG communications by calling (800) 252-9743, ext. 4732.

Industry Update

Program integrity Neg Reg concludes without consensus

The program integrity team (Team I) of the 2009-10 negotiated rulemaking (Neg Reg) process has concluded its negotiations without reaching consensus. As a reminder, the team was considering fourteen issues.

The team reached tentative agreement on the following topics:

- Definition of a 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;
- Ability to benefit;
- Misrepresentation of information to students and prospective students;
- Definition of a credit hour;
- Agreements between institutions of higher education;
- Verification of information included on student aid applications;
- Satisfactory academic progress;
- Retaking coursework; and
- Disbursements of Title IV funds.

However, agreement could not be reached on these issues:

- Incentive compensation;
- State authorization as a component of institutional eligibility;
- Gainful employment in a recognized occupation;
- Return of Title IV funds (R2T4) for term-based programs with modules or compressed courses; and
- R2T4 and taking attendance.

What's next?

Since the team did not reach consensus, ED is not required to use any of the team's agreed-upon language in crafting the proposed regulations. However, it is likely that such language will be strongly considered as ED completes its development of the proposed rules.

ED will publish its proposed regulations in a Notice of Proposed Rulemaking (NPRM) in the *Federal Register* by this summer, and will provide an opportunity for public comment at that time. Final regulations are expected to be published in the *Federal Register* by November 1, 2010, with most or all of the new provisions becoming effective on July 1, 2011.

More information

Team II, which is discussing foreign school issues, will hold its third meeting February 22-26, 2010.

Please visit ED's "Negotiated Rulemaking for Higher Education 2009-10" Web page for more information on both teams' activities, including issue summaries and ED's most-recently posted proposed language. Note that the posted language will not reflect any revisions considered during the final team meetings.

New private education loan disclosure requirements effective February 14

The Board of Governors of the Federal Reserve published the Final Rules on August 14, 2009, in the *Federal Register* amending 12 CFR Part 226, otherwise known as Regulation Z. These amendments were necessary in order to implement provisions under Title X of the Higher Education Opportunity Act of 2008 (HEOA) that amended the Truth in Lending Act (TILA). The compliance date for these new rules is February 14, 2010.

The final rules require creditors who make private education loans to provide consumers with certain disclosures throughout the loan process. The new disclosure requirements apply to loans made expressly for postsecondary educational expenses, but not to educational financing that is 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.

The HEOA provides a safe harbor for any creditor that elects to use a model form promulgated by the Board that accurately reflects the terms of the creditor's loans. As part of the final rules, the Board provided 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)]

Additionally, prior to consummation of a private education loan, the lender must obtain a self-certification form from the consumer. The purpose of this self-certification form is to inform the consumer of the maximum amount that he or she can expect to borrow without affecting federal, state, or school financial aid eligibility. The self-certification form is required for private education loans for which the loan application is received on or after February 14, 2010. Per industry guidance, ED expects to make the model self-certification form available by February 12, 2010.

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.

Visit *TG Online* to download an integrated, searchable PDF version of the portions of the TILA that were affected by the HEOA.

Reminder: Draft cohort default rates released yesterday

As reported in last week's *Shoptalk*, ED released FY 2008 draft cohort default rates (CDRs) to schools on February 8. For information about challenging draft CDRs, schools are encouraged to view TG's webinar titled "How to Challenge Your Cohort Default Rate," available on *TG Online*.

More information

For questions about the FY 2008 draft CDR challenge procedures, contact TG's compliance analyst Ken Johnson at (800) 252-9743, ext. 4701, or send an e-mail message to ken.johnson@tgslc.org.

TG Report

Enhance your financial literacy efforts with the help of TG's upcoming symposium in Atlanta

If you're looking for tips and strategies for strengthening your campus' financial literacy program, plan to attend the free TG symposium scheduled for March 2 in Atlanta. This day-long seminar will showcase successful financial literacy initiatives put into practice at Emory University. The symposium's interactive format will also foster discussion on how to adapt Emory's financial literacy approach to other campuses.

TG's symposium, which runs from 9 a.m.-3:45 p.m. Eastern Time, will offer the following learning opportunities:

- **A case study in financial literacy:** Learn about helpful, real-world examples that show how effective financial literacy programs can make a difference for families and students.
- **Roundtable discussion:** Ask questions, brainstorm effective program strategies, collaborate with others, and develop potential ideas to take back to campus.
- **Creating, implementing, and assessing your own on-campus financial literacy program:** Discuss best practices and lessons learned gathered from your own experience implementing financial literacy training for students.
- **Building a community:** Learn about TG's Positive+Balance Community℠, a social networking site created to spur dialogue on financial literacy.
- **TG resources:** Explore how TG's offerings can support campus financial literacy efforts.

To register

Join TG for the Atlanta symposium, or register for another symposium event through *TG Online*.

To learn more

For questions about the 2010 TG Financial Literacy Symposia, please contact Margie Harvey, TG's financial literacy segment manager, at (800) 252-9743, or send an e-mail message to margery.harvey@tgslc.org.

Join TG for Financial Aid Awareness Month events in Texas

Throughout February — Financial Aid Awareness Month — TG reaches out in multiple ways to Texas students. At various events, TG provides help in completing the Free Application for Federal Student Aid (FAFSA), answers common questions about the financial aid process, and supplies encouragement to take the first step toward a career. The list below offers a summary of a few of these financial aid events. Note that all events are open to families and students interested in completing the FAFSA, including students currently enrolled in college or those interested in enrolling.

Financial Aid Saturdays

TG staff members will meet with families and students at events called "Financial Aid Saturdays," hosted by 13 Austin-area independent school districts (ISDs). Held every Saturday from February 6 to March 27, these workshops provide guidance for completing and submitting the FAFSA. Tax professionals will be on hand for answering tax-related questions about the FAFSA.

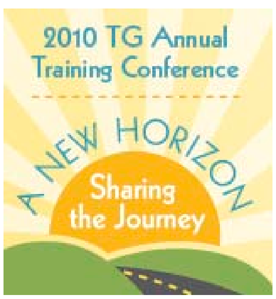
College Goal Sunday

Texas' College Goal Sunday brings together colleges, high schools, families, and students at 33 locations throughout the state. This year, Texas' College Goal Sunday will be held on February 21. Students and families will be able to ask questions about the FAFSA as well as learn how to complete and submit the Texas Application for State Financial Aid (TASFA).

To learn more

For questions about the events detailed above, please contact TG's assistant director of pre-college success, Bonita Peebles, at (800) 252-9743, ext. 4784, or send an e-mail message to bonita.peebles@tgslc.org.

Sessions added to 2010 TG Annual Training Conference



TG has confirmed a variety of new sessions for its annual training conference, which is scheduled for April 7-9 at the AT&T Executive Education and Conference Center in Austin. The 2010 TG Annual Training Conference, "A New Horizon - Sharing the Journey," will focus on the evolving legislative and regulatory landscape for student financial aid and the work of industry participants to prepare for change. Representatives from organizations including TG, the Department of Education (ED), and the Texas Higher Education Coordinating Board, as well as various industry experts, will present more than 60 sessions throughout the event.

Recently added session topics include:

- FFELP and Direct Loan discharge/forgiveness programs
- Private loan fundamentals — Talking to your borrowers
- How TG can help with default management
- Income-Based Repayment basics
- Year-round Pell
- Direct Loan servicer panel

In addition, TG and industry experts will present nine professional development sessions. Additions include:

- Critical thinking
- Coaching your team to success
- Lose the blues, get motivated

To access a list of session descriptions with schedule dates and times, visit *TG Online*.

Conference information

- **Registration:** TG will offer a daily registration fee ($50 for Wednesday, $25 for each half day), or you can attend all three days for a rate of $75. Register by March 19, 2010, to avoid a $25 late registration fee.
- **Accommodations:** Hotel reservations may be made by calling (877) 744-8822 (toll free) or (512) 404-3600 (local). Ask for the group code TGCONF0410 (for the group rate of $149) or group code TGSTAT0410 (for the state/government rate of $115).
- **Sponsorship Note:** TG neither solicits nor accepts sponsorship donations for this training event.

To register

Visit *TG Online* to register. If you prefer to speak with someone directly, contact TG's event planning coordinator Judith Cunningham at (800) 252-9743, ext. 2905, or send an e-mail message to judith.cunningham@tgslc.org.

TG announces upcoming industry-training webinars

Join TG's policy and regulatory experts in the upcoming months as they continue this free webinar series on topics of interest to financial aid professionals, including current issues in the financial aid industry and financial aid fundamentals.

Interested participants need only a computer with Internet access and the ability to use speakers or headphones. TG will provide presentation materials for each session, which can be downloaded, viewed, or printed. A Q&A will follow the presentation portion of each session.

Generally, TG’s industry webinars will be offered twice on the third Thursday of each month, at 10 a.m. Central Time, and 3 p.m. Central Time. Also note that, for convenient, on-demand training sessions, each webinar is posted to TG's online webinar archive within a day or two of the broadcast.

Join TG for the following webinars:

- **Is your student dependent or independent? Interpreting dependency status rules** — Thursday, February 18, 10 a.m.–11 a.m. Central Time, and 3 p.m.–4 p.m. Central Time

  This webinar considers the provisions and policies on student dependency status. Discussion will focus on what makes a student dependent or independent for federal student aid purposes; how to exercise professional judgment to grant a dependency override; and what discretion a financial aid administrator has to help a dependent student who lacks parental support. New and veteran financial aid professionals are encouraged to participate in this session.

- **TG's Positive+Balance Community℠: Strengthening collegiality and sharing practices** – Thursday, March 18, 10 a.m.–11 a.m. Central Time, and 3 p.m.–4 p.m. Central Time

  Last year, TG developed and implemented the Positive+Balance Community, a social networking site that fosters dialogue among professionals developing and managing financial literacy initiatives. The site allows participants to share ideas and collaborate on the subject of financial literacy, as well as gain access to helpful resources. TG's director of financial literacy operations will discuss TG's results with the Web site to date, and how TG intends to strengthen the resource to ensure that it is a viable, collaborative tool for financial literacy practitioners and educators.

- **IBR basics** — Thursday, April 15, 10 a.m.-11 a.m. Central Time, and 3 p.m.–4 p.m. Central Time

  On July 1, 2009, Income-Based Repayment (IBR), the newest student loan repayment plan, became available to FFELP and Direct Loan borrowers. IBR can benefit certain eligible borrowers by minimizing monthly payments and by providing loan forgiveness in some cases. Educating borrowers about this repayment plan and its benefits, through the loan counseling process and other information dissemination efforts, will be key to realizing IBR's full potential. This session presents a high-level introduction to the IBR plan, including how borrowers qualify for IBR, the forgiveness component of IBR, the benefits IBR provides to the borrower and the school, and ideas for educating borrowers about IBR.

To register

Register for these webinars online. Click each webinar link to begin the registration process. Schedules for additional webinars will be published regularly and announced in *Shoptalk*.

TG to host regional trainings in Georgia

Training offers one of the best ways to keep on top of new and evolving regulations as well as industry trends. TG will provide two regional trainings in Georgia during the next several months. Offered at no cost to participants, these trainings will highlight changing regulatory policy. They will also spotlight strategies for managing the financial aid office effectively. Here's a session summary for each training event.

Augusta State University, Augusta; March 16; morning session: 8 a.m.–12:30 p.m.; afternoon: 1 p.m.–4 p.m., Eastern Time

- **Leading your team through challenging times (repeats in the afternoon):** If you're struggling with the pace of industry change, you're not alone. Many financial aid offices face challenges in multiple areas, including budgets, work load, and technology. To help lead your team, TG offers a workshop featuring various exercises for promoting teamwork and collaboration.
- **What do you say?™ (repeats):** When faced with a challenging customer service situation, it's often the first few seconds — and your first words — that determine your success or failure. This fast-paced and entertaining program answers the question, "What do you say?," in those first moments dealing with unhappy customers. Topics cover a variety of situations, including how to respond when your customer is disappointed, when your customer won't let you help, when you can't say yes, and when your customer feels wronged.
- **Show what you know (morning session only):** Using an engaging game show format, TG's presenters pose a series of challenging policy questions on current federal student aid topics to attendees. Participants will enjoy this entertaining but informative presentation and leave with valuable, practical regulatory knowledge.

College of Coastal Georgia, Brunswick; April 21; 9:15 a.m.–3 p.m., Eastern Time

- **Best practices in customer service:** Based on work with financial aid administrators, TG has developed a list of customer service principles geared for financial aid offices. During this session, participants will discuss procedures that have proven successful when implementing good customer service. Attendees will also take away a copy of TG's publication, *Customer Service in Financial Aid.*
- **Why bother with Generation Y?:** Millennials, Echo Boomers, Generation Next — the latest student cohort is already affecting how higher education institutions serve their students and recruit and retain employees. Generation Y is techno-savvy, confident, outspoken, and has high expectations of the colleges they attend. Learn useful tips for helping students and managing staff from this generation.

- **Today's multi-generational campus:** As a financial aid professional, learn how to distinguish among student generations. Explore ways to motivate students as well as fellow financial aid team members by learning the values and work ethics of each generation.
- **Federal update:** Learn about recent activities that may affect the Federal Family Education Loan Program (FFELP) and other federal student aid programs. The session will offer updates on various issues including federal common forms, *Dear Colleague/Partner* letters issued by ED, proposed and final federal regulations, and pending legislation.
- **Show what you know** (see description above)

Register

To register for the Georgia regional trainings, visit *TG Online*.

To learn more

TG offers a variety of training opportunities through its Speakers Bureau. TG can adapt training sessions to meet the needs of your campus. To find out how, contact your account executive at (800) 252-9743.

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 are 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.

Ask the policy expert

Q.: **We have a borrower who had a prior loan discharged due to total and permanent disability. Last year, the borrower took out a new Stafford loan and provided us with a physician’s statement certifying that the borrower was able to engage in substantial gainful activity. The borrower also provided us with a signed statement acknowledging**

that the new loan can't be discharged later for any present impairment unless her condition deteriorates so that she is again totally and permanently disabled. This year, the borrower wants to take out another new Stafford loan. Does the borrower need to provide the same documentation again this year, or can we use copies of the documents provided last year?

A.: The student only needs to obtain the physician certification once; the school keeps a copy of it in the student's file. However, the school must collect a new borrower acknowledgment from the student for each new loan. See the *Federal Student Aid Handbook*, 1-51.

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.

News Briefs

Colleges are putting mobile technology to use in the classroom. If you're wondering how, the *2010 Horizon Report* offers a glimpse of emerging technologies and their potential effect on teaching and learning. The annual *Horizon Report* considers some of the most interesting experiments from classrooms around the country. Here's one example. Kent State's GeoHistorian Project uses a smart phone application to tie information on a historical site or marker to a barcode. Printed out and provided to individuals walking through the Kent State campus, these bar codes become an instant tour of significant places such as the memorial to the 1970 Kent State shootings. Users simply scan the barcode with their smart phone camera, and then watch a multimedia presentation about the site on their phones' display. Find out more about the latest classroom technology.

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

To ask questions about *Shoptalk*, please contact Communications at (800) 252-9743, ext. 4732, or send an e-mail message to communications@tgslc.org.

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

Contributors to this edition: Sam Armstrong, Rob Davenport, David Garza, Cindy Marrs, and Art Martinez. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.