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Smart Solutions

TG's *FAFSA Made Easy* program offers guidance on completing the Free Application for Federal Student Aid as well as information on scholarships and scholarship searches. Provided free to high schools, libraries, and other civic organizations, the program is available in English and Spanish. [Register to receive the program](#) and, in turn, share it with families and students.

Industry Update

Approved Model Self-Certification Form released

As anticipated in *Shoptalk* (edition 539), on February 14, 2010, ED released *Dear Colleague Letter* (DCL) GEN-10-01, which announces the approval of the Model Private Education Loan Applicant Self-Certification form and provides guidance on

implementation of the new form, as mandated by Section 487(a)(28) of the Higher Education Act of 1965, as amended, (HEA) and to satisfy the requirements of Section 128(e)(3) of the Truth in Lending Act (TILA).

Effective February 14, 2010, a school is required, upon request by an admitted or enrolled student (or upon the request of a parent loan applicant), to provide this form — in written or electronic format — and the information required to complete the form — specifically, the student's cost of attendance, estimated financial assistance, and the difference between the two amounts. In turn, a lender must obtain a self-certification signed by the applicant before disbursing a private education loan.

A PDF of the model form is available as an attachment to the DCL and [on TG Online](#).

More information

To access DCL GEN-10-01, visit <http://ifap.ed.gov/dpcletters/GEN1001.html>. For questions about this self-certification, contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

How to manage challenges to draft cohort default rates

On February 8, 2010, ED released fiscal year (FY) 2008 draft cohort default rates (CDRs) to all eligible schools (see *Shoptalk* edition [538](#) and ED's [electronic announcement](#)). A draft CDR is ED's initial, unofficial calculation that is released only to the school — not the general public. Along with the draft CDR notification, ED provides the school's Loan Record Detail Report (LRDR) so the school can review the data included in its CDR. The LRDR contains pertinent data related to the borrowers that are included in the school's CDR, such as the borrower's name, SSN, repayment start date, and date of default, if applicable.

The FY 2008 draft CDRs are based on a two-year monitoring period for defaults, as in the past. In other words, a borrower must default on a loan by the end of the fiscal year following the fiscal year in which the borrower entered repayment, to be counted as a default in the CDR calculation. The first CDRs to be based on a three-year monitoring period (with default occurring by the end of the second fiscal year following the fiscal year in which the borrower entered repayment) will be the FY 2009 rates issued in 2012. For fiscal years 2009, 2010, and 2011, both two-year and three-year CDRs will be issued to schools. For FY 2012 and beyond, only three-year CDRs will be calculated.

Beginning on February 17, 2010, domestic schools will have 45 days to submit a draft CDR challenge. All such challenges must be submitted by April 2, 2010. There are two types of challenges that a school may submit in response to receipt of its draft CDR data: an incorrect data challenge (alleging inaccuracies in the data itself),

or a participation rate index challenge (demonstrating that only a small percentage of the school's students borrowed loans included in the draft data). Both types of challenges are discussed below.

Incorrect data challenges

Unless inaccurate draft CDR data is corrected, it will be used to calculate a school's official CDR. Schools with low official CDRs benefit from exemptions from certain disbursement requirements, while schools with high official CDRs may be subject to provisional certification or loss of eligibility to participate in the Federal Family Education Loan Program (FFELP), William D. Ford Federal Direct Loan Program (FDLP), and possibly Pell grant program (see *Shoptalk* edition 534). So it is important for schools to verify the accuracy of the draft CDR data that will be used to calculate their official CDRs.

A school requests a correction of any inaccurate draft CDR data by submitting an incorrect data challenge as described below. If a school does not choose to submit an incorrect data challenge, there will not be another opportunity to request corrections to that data when the official CDRs are released in September (unless the data has changed in the interim period).

In filing an incorrect data challenge, the school may contest a borrower's repayment start date and/or date of default. The repayment start date is determined by adding six months plus one day to the date the borrower graduated, withdrew, or dropped below half-time enrollment. For CDR purposes, the date of default on a FFELP loan is the date a default claim is paid to the lender by the guarantor, or, for FFELP loans held by ED, the 361st day of delinquency. For FDLP loans, since there is no default claim payment, the default date is the 361st day of delinquency.

A school's incorrect data challenge must be submitted to the appropriate data manager. The guarantor/servicer code on the LRDR identifies the data manager for a particular loan record. Data manager contact information is [available on ED's Web site](#). If a school identifies inaccuracies on multiple loans involving multiple data managers, the school submits a separate incorrect data challenge to each of those data managers. Each challenge includes only the loans associated with the data manager to which the challenge is submitted.

If there has been a recent change in the data manager of a loan and the school submits a challenge to the former data manager because the LRDR does not reflect the change, the former data manager will notify the school and ED of the change. The school then submits a challenge to the new data manager of the loan by the later of the original 45-day challenge deadline or 15 days after receipt of the notification from the former data manager. (See ED's *Cohort Default Rate Guide*, page 4.1-6, for more information.)

Schools should keep in mind that although they may identify discrepancies between school records and borrower repayment start dates listed in the LRDR, the LRDR dates may be correct. For instance, after withdrawing, a student borrower may re-enroll at another school within the six-month grace period, delaying the borrower's repayment start date. Because a school's LRDR includes only information on loans for students who attend that school, the school may find it helpful to access ED's National Student Loan Data System (NSLDS) to help in evaluating such data discrepancies.

For incorrect data to be changed, the data manager must agree with the school's challenge on a particular borrower's loan data. In order to positively affect a school's CDR, a revised repayment start date must place a defaulted borrower outside the monitoring period used in the school's CDR calculation, or place a non-defaulted borrower within the monitoring period.

Participation rate index challenges

The other type of challenge that a school may file is a participation rate index challenge. This kind of challenge is intended for schools with low FFELP and/or FDLP loan participation relative to their student population. The school's participation rate index is the percentage of such students who borrowed FFELP or FDLP loans during that period, multiplied by the school's draft CDR. If the school's participation rate index is less than specified thresholds for CDR-based sanctions, the school's challenge is successful. Further details regarding how to construct this type of challenge are provided in Chapter 4.2 of ED's *Cohort Default Rate Guide*.

While any school may submit a participation rate index challenge, only a school subject to a CDR-based sanction will benefit if the challenge is successful. This is because a successful participation rate index challenge will not result in a change to the school's official CDR, but will instead exempt the school from the CDR-based sanction.

Generally, a school may challenge only its most recent draft CDR. However, if a school is facing a potential loss of eligibility due to its three most recent CDRs being 25 percent or greater, the school may challenge its two most recent official rates, its current draft rate, or a combination of these within the 45-day challenge period. These challenges are submitted directly to ED. Contact information is available for ED through [the IFAP Web site](#).

Other helpful resources

TG's free, archived Webinar, "[How to Challenge Your Cohort Default Rate](#)," discusses draft and official CDRs and provides more details about the two types of challenges described above.

Additionally, ED's *Cohort Default Rate Guide* is a valuable Web-based, comprehensive resource for schools participating in FFELP and FDLP. ED has also developed a useful *Cohort Default Rate Guide Quick Reference* tool that provides an easy-to-understand, high-level overview of CDR processes. Both the *Guide* and *Quick Reference* are available [online](#).

Finally, [ED's electronic announcement](#) regarding the release of Electronic Cohort Default Rate Appeals (eCDR Appeals) 3.0 provides more details on submitting incorrect data challenges electronically. ED encourages schools to use the eCDR process for submitting such challenges. Use of the eCDR process will be required for challenges and appeals beginning next year.

Questions?

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

Deadline approaches for accepting previous versions of the TPD Discharge Application

ED recently announced that beginning April 1, 2010, lenders, guaranty agencies, and Perkins schools may no longer accept previous versions of the total and permanent disability (TPD) discharge application from borrowers who are submitting their initial application for TPD discharge. Loan holders may still submit assignments that include a previous version of the form received prior to April 1. The current version of the [total and permanent disability discharge form](#) has an expiration date of December 31, 2011.

More information

Refer to ED's February 4, 2010 [announcement](#), which is available on the Information for Financial Aid Professionals. If you have any questions, contact the Disability Discharge Servicing Center at (888) 869-4169, or send an e-mail message to disability-discharge@acs-inc.com.

TG Report

TG announces keynote speakers for its 2010 annual training conference

The TG Annual Training Conference provides attendees with a variety of opportunities to learn, recharge, and gain new perspectives about the student financial aid industry. Keynote speakers have been confirmed for the event and sessions added, including workshops on outreach, financial literacy, and default

prevention. The 2010 TG Annual Training Conference is scheduled for April 7-9 at the AT&T Executive Education and Conference Center in Austin.

Keynote speakers announced



Dan Thurmon, president of Motivation Works, Inc., will offer insight on how to use focus and action to manage the demands of a busy work life. His program, "Off Balance On Purpose," kicks off the conference on Wednesday, April 7. Attendees will learn more about maintaining balance in today's world of never-ending challenges. They'll also be impressed by Thurmon's unique visual style of communication, *Speaking With Visual Impact™*.

Kathryn Childers will close the conference with an interesting presentation titled "Do It Scared!" Childers shows audiences how they can break through barriers preventing them from achieving goals. Childers encourages audiences to cultivate creativity and capitalize on previous experiences. She also discusses how to take advantage of opportunities that may transpire from success.

ED representatives will be on-hand during general sessions, offering help and information on the transition process to Direct Lending and answering questions on the year-round Pell grant program.

TG encourages attendees to take advantage of the expertise available in all general sessions by:

- Asking questions;
- Exchanging insights with colleagues who may share similar challenges; and
- Engaging in discussion during workshops.

Focus on learning tracks

TG conference staff have designed a comprehensive conference agenda focused on issues important to financial aid professionals including sessions on outreach and financial literacy. Here's an overview of subject tracks.

- **Awareness:** Many conference attendees know how the day-to-day work accomplished by financial aid professionals makes a difference for families and students. Sessions in TG's Awareness track offers tips and information on how to manage outreach efforts.
- **Financial Literacy:** Sessions during the conference will focus on financial literacy initiatives which have proved successful at other institutions. Sessions will also equip attendees with tips and information on how to support students through programs like TG's "Money Management 101."

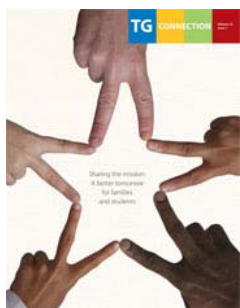
- **Industry:** Presented by both industry and TG experts, Industry track sessions provide information on such issues as loan discharge and forgiveness, Financial Aid Management System (FAMS) challenges, entrance and exit counseling opportunities, student consumerism, social media trends, and more.
- **Default Management:** TG's Default Management track will offer trainings on the basics of default management; guidance in understanding Income-Based Repayment; help in identifying default myths; opportunities for hearing how other institutions have been successful in default aversion; information on how TG can help with default management; and sessions on managing the transition to the new three-year cohort default rate.
- **Professional Development:** Industry and TG training experts will lead sessions on coaching teams, critical thinking, and how everyday efforts "Make a difference — one student at a time."
- **TG Tools:** This series of sessions will offer an overview of upcoming TG product developments; overviews of TG's Integrated Default Assistant™ (IDA™) and List Assist™ tools; and an exchange on how TG can help schools making the transition to Direct Lending.

Refer to the [online agenda](#) for more session date and time details.

To register

Visit [TG Online](#) to register before March 19, 2010. 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@tgsic.org.

Newest edition of *TG Connection* offers tips for effective outreach



An important part of TG's mission is providing outreach activities that help families and students realize their educational dreams. In the financial aid industry, outreach can come in the form of shared knowledge and information, resources, events, programs, and an array of other approaches that benefit not just families and students, but ultimately society.

The latest issue of *TG Connection* delves into several outreach models, takes a look at important lessons in building outreach programs, and showcases an online outreach tool designed to help answer many of the questions families and students may have about higher education. Created to both inform and inspire financial aid administrators, the issue covers the following topics:

- **Cultivating the future: The Seeds 4 Success Program works to create a college-going culture in Appalachian Ohio** — The Ohio Appalachian Center for Higher Education (OACHE) emphasizes the correlation between education and earnings to first-generation students from traditionally underrepresented groups. Learn how OACHE shares its outreach message with elementary, middle, and early high school students, as well as high school seniors.
- **Adventures In Education – A reliable resource on the Web gets a brand new look** — As families and students increasingly turn to the Web for information, sites like TG's *Adventures In Education* (AIE™) provide resources to help answer questions about applying to college, student financial aid, budgeting, and much more. Read about recent AIE enhancements that help promote the site's mission.
- **Admission Possible: A Minnesota organization harnesses peer group power for college outreach** — In Milwaukee, Minneapolis, and St. Paul, the nonprofit Admission Possible helps make college admission a reality for promising, low-income students by providing ACT and SAT preparation services and financial aid consulting. Discover how AmeriCorps members work with small groups of high school students to help them through the college admission process.
- **Eight important lessons in making a difference** — Whether running the TG Ambassador program or providing training, TG assistant director of pre-college success Bonita Peebles is an expert in the values and ideas behind student outreach. Bonita shares eight important lessons with financial aid offices looking to enhance their outreach programs.
- **Outreach: Community colleges share resources and opportunities** — Community college enrollment is up. More people are looking to improve their job skills or make career shifts. This article describes just a few of the ways that community colleges are reaching out to help people affected by a shifting economy.

Order your issue

If you would like to request one or more issues of *TG Connection*, please send an e-mail message to TG communications at communications@tgsic.org. Please allow one to two weeks for delivery.

TG to offer workshop on three-year cohort default rate at SASFAA Annual Conference

This spring conference season offers abundant opportunity for honing your regulatory knowledge and financial aid skills. TG will be presenting sessions at a variety of spring conferences, including the Southern Association of Student

Financial Aid Administrators (SASFAA) Annual Conference, to be held in Louisville, Kentucky, February 21–24.

TG's presenters will be offering a workshop focusing on the latest developments with regard to cohort default rates. The session, titled "Transitioning to a 3-year Cohort Default Rate," will be offered on February 22 from 1:15 p.m.–2:30 p.m. Eastern Time. Participants will focus on the shift from a two-year to a three-year CDR calculation. Participants will also learn about the benefits for schools with low default rates and the consequences of higher default rates. The session will highlight default prevention initiatives, which could help schools manage their CDRs.

More about TG trainings

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.

Help students avoid common FAFSA mistakes with TG's *Adventures In Education*

The Free Application for Federal Student Aid (FAFSA) is one of the essential documents for obtaining financial aid. Completing it *without* errors helps ensure that students receive all the aid for which they're eligible. TG's *Adventures In Education* Web site offers help with its FAFSA Info Center. AIE is a public service Web site that supplies college and career planning resources to families and students.

The FAFSA Info Center serves as a helpful utility for the FAFSA, offering an overview of the FAFSA process, help in determining dependency status, and guidance on family arrangements. The FAFSA Info Center also highlights some of the common errors in completing the FAFSA, which could complicate the processing of applications. Incomplete or incorrect information, missing supplemental documentation, or applications without signatures are just a few of the most common errors.

Also, parents and students frequently have questions about the FAFSA, for example, whether they should apply as non-citizens. AIE's FAFSA Info Center offers help with these queries as well.

Explore AIE's FAFSA Info Center

Learn more about the varied set of tools in AIE's [FAFSA Info Center](#) and offer it to your parents and students. If you have questions about any information on AIE, contact TG's communications team at (800) 252-9743, ext. 4588, or send an e-mail message to communications@tgsllc.org.

News Briefs

California community colleges and Southern California Edison are collaborating to implement a “green jobs initiative.” The initiative, which is designed to help train financially disadvantaged students in jobs that serve the environment, will offer \$2,000 scholarships to students at 10 colleges that offer job training in six “green” careers. These career fields include solar panel installation, water and waste water management, transportation and alternative fuels, biofuels production and farming, green building and energy efficiency, and environmental compliance. [Find out more about this constructive way](#) of promoting environmentalism.



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