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Smart Solutions

Many students and parents don’t understand the difference between elements of a typical financial aid package, including scholarships, grants, federal loans, and Federal Work-Study. TG’s *Adventures In Education* offers an explanation of each and a reminder that all federal financial aid is not need-based. [Offer this online information](#) as one more resource to your enrolling students.

TG Report

TG to offer financial literacy symposium for proprietary schools

For many schools, creating a financial literacy program can be a challenging process. For others, shaping a program already in place offers its own difficulties. TG is hosting a symposia series on designing and implementing campus financial literacy programs for various types of schools, including public and private institutions. On Tuesday, March 30, TG will offer a special symposium geared for the needs of proprietary schools and students. Mimi Coenen, national loan education manager with Kaplan Higher Education, will share her experience in managing a financial literacy program for a proprietary institution.

Offered in Philadelphia, the free, day-long seminar will allow attendees to examine and discuss a variety of financial literacy topics, including the following:

- **Financial literacy — a school case study**

Learn about and discuss the specific methods employed in building and implementing a corporate-wide financial literacy program designed to meet the needs of families and students.

- **Roundtable discussion**

Dig deeper into the case study experience and uncover symposium takeaways. Discuss the case study, ask questions, and engage in dialogue with peer participants.

- **Creating, implementing, and assessing your own on-campus financial literacy program**

Consider best practices, lessons learned, and common concerns during this interactive session.

- **Building a community**

Learn about and discuss TG's Positive+Balance CommunitySM, a social networking site created to foster dialogue among financial aid professionals who are developing and managing financial literacy initiatives. Registered users of the site can share best practices, connect with colleagues, and download useful presentations.

- **TG resources**

Explore how TG's offerings can support campus financial literacy efforts. Participants will also be able to share their ideas on improving TG's financial literacy products and resources.

To register

[Join TG for the Philadelphia symposium](#), or register for another symposium event through *TG Online*.

To learn more

For answers 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@tgsdc.org.

Register for TG's upcoming industry-training webinars

In the upcoming months, TG's policy and regulatory experts continue a 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.

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:

- **TG's Positive+Balance CommunitySM: 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 CommunitySM, a social networking site that fosters dialogue among professionals creating 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 — a tool to help students manage repayment** — Thursday, April 15, 10 a.m.-11 a.m. Central Time, and 3 p.m.-4 p.m. Central Time

Income-Based Repayment (IBR) is a repayment option available to Federal Family Education Loan Program (FFELP) and William D. Ford Federal Direct Loan Program (FDLP) borrowers. IBR will benefit certain borrowers by minimizing monthly payments and by providing loan forgiveness in some cases. Educating borrowers about this repayment plan and its benefits — whether through the loan counseling process or other communication — will provide the 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.

- **Know who you owe: Helping students manage split-loan servicing** — Thursday, May 6, 10 a.m.-11 a.m. Central Time, and 3 p.m.-4 p.m. Central Time

Today, more and more student borrowers are likely to contend with multiple loan holders (aka “split-loan servicing”) as a result of ED’s student loan liquidity programs and the increasing number of schools switching from one federal student loan program to another. This webinar will help financial aid administrators understand split-loan servicing considerations from both the school’s and the borrower’s perspective, and explore strategies that can serve students as they repay their federal student loans.

- **Professional judgment — It’s your call** — Thursday, May 20, 10 a.m.-11 a.m. Central Time, and 3 p.m.-4 p.m. Central Time

Designed to allow flexibility on a case-by-case basis, the professional judgment provisions in the Higher Education Act can make even the most experienced aid administrator feel a little “up in the air.” This webinar revisits the provisions and policies relevant to professional judgment situations including dependency overrides, awarding unsubsidized Stafford loans to dependent students who lack parental support, and waiving the new academic completion requirement for Pell Grant recipients' second scheduled awards.

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*.

Offer your students TG’s “Money Management 101” training, now available online

Teaching college students the basics of smart money management isn’t always the easiest task. Students manage competing priorities, including part-time or full-time jobs in some cases. Many have a varied schedule and can’t always attend financial

literacy trainings offered on campus. To help, TG has placed its financial literacy training session “Money Management 101” online for easy viewing.

TG's “Money Management 101” is designed to teach students a number of simple but important lessons in money management, including how to establish and maintain a spending plan, minimize debt, keep good financial records, invest in the future, and use credit cards wisely. The “Money Management 101” presentation illustrates each of these concepts with facts and offers helpful tips on putting these ideas into practice. The session forms one workshop in TG's extensive financial literacy program for students. Other sessions focus on effective credit card practices, budgeting for expenses, and saving, among other topics.

The “Money Management 101” presentation is available through TG's *Adventures In Education* (AIE™) Web site, an online resource for students planning for college and preparing for a career.

To learn more

[View the “Money Management 101”](#) presentation available on AIE.

TG announces upcoming webinar on Hispanic-Serving Institutions

To maintain a competitive economy, the U.S. depends on an educated workforce. Latinos make up the fastest-growing segment of the U.S. population, according to the Census Bureau. Many colleges and universities, including Hispanic-Serving Institutions (HSIs), are crafting programs to support Latinos in their higher education pursuits. TG offers assistance through its Public Benefit Grant Program, a competitive grant program designed to help advance access to college, student retention, and educational research.

A recent study conducted by *Excelencia* in Education and funded by a grant from TG's Public Benefit Grant Program examines enrollment and retention issues for Latino students. TG will host a webinar on the findings of the *Excelencia* study, titled “Emerging Hispanic-Serving Institutions (HSIs): Serving Latino Students.” The webinar will explain some of the challenges facing HSIs and offer strategies for promoting student success and college completion rates at these institutions.

Webinar time

Thursday, March 4; 1:30 p.m. Central Time

To participate

[Register for the “Emerging Hispanic-Serving Institutions \(HSIs\): Serving Latino Students” webinar.](#)

More about the Public Benefit Grant Program

TG's Public Benefit Grant Program is administered based solely on merit and need, and without regard to the business of TG or any form of *quid pro quo* consideration. [Learn more about the program.](#)

TG adds more convenience to encryption service for customers

TG looks for ways to simplify its processes and products for customers. Enabling more customers to receive secure, encrypted e-mail in a transparent way is one example.

TG secures its outbound e-mail messages in one of two ways — via an encryption product provided by Cisco Systems®, called Cisco Registered Envelope Service (CRES), or through Transport Layer Security (TLS), a security protocol already built into many commercially available e-mail gateways. Here's how the two methods work.

- CRES encrypts e-mail containing non-public personal information, including borrower and loan data. Customers, such as borrowers, schools, lenders, and servicers, receive encrypted e-mail as an attachment to regular e-mail.
- TLS encrypts any message sent from TG to an e-mail gateway which accepts TLS encryption. TLS unencrypts the message when it reaches the recipient e-mail gateway, so the message reaches the user's inbox as though it were plain-text.

March enhancement

TG has been using encryption products for several years; however, TG has only been able to use TLS on a limited basis until recently. Enhancements have been made to TG's e-mail gateway and encryption services so that TLS can be used more often.

Starting March 1, more customers may receive e-mail from TG that has been encrypted but which appears as regular e-mail. Customers need do nothing more to read the e-mail than select and open it. Customers will be able to identify encrypted messages by text running across the bottom of the e-mail below the signature line. This text reads: "This e-mail was encrypted either through Cisco Registered Envelope Service®, or using Transport Layer Security, a transparent point-to-point encryption method."

Questions

For questions about the latest enhancements to TG's encryption software, contact TG customer assistance at (800) 845-6267, or send an e-mail message to

cust.assist@tgscl.org. Customers will also find information about TG's encryption service through TG Online at www.tgscl.org/security/securemail.cfm.

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Industry Update

Borrowers supporting relief efforts in Haiti may be eligible for military service deferments

Borrowers of Title IV loans (FFELP, FDLP, and/or Perkins) who are serving on active duty in support of relief efforts in Haiti (aka Operation Unified Response), or performing qualifying national guard duty in support of Operation Unified Response, may qualify for [military service deferments](#).

On January 16, 2010, President Obama signed an [executive order](#) authorizing a call to active duty under 10 U.S.C. 12304 for members of the Reserves to conduct operational missions related to relief efforts in Haiti. The U.S. Army posted a notice on January 24, 2010, stating that "Operation Unified Response Haiti has been declared a Contingency Operation." A "military operation" is a contingency operation as defined in 10 U.S.C. 101(a)(13). Contingency operations may include "major humanitarian assistance efforts" as per [Department of the Army Personnel Policy Guidance for Overseas Contingency Operations](#), Chapter 1, Section 1-1.

More information

For questions about military service deferment, contact TG customer assistance at (800) 845-6267, or send an e-mail to cust.assist@tgscl.org.

Credit CARD Act rules now in effect

The Credit Card Accountability Responsibility and Disclosure Act of 2009, aka "the Credit CARD Act," primarily amends the Truth in Lending Act (TILA) and establishes a number of new substantive and disclosure requirements to establish fair and transparent practices pertaining to open-end (not home-secured) consumer credit plans. A majority of the requirements under the Credit CARD Act for which the Federal Reserve Board has rulemaking authority, including, among other things, provisions regarding interest rate increases (revised TILA Section 171), over-the-limit transactions (new TILA Section 127(k)), and student cards (new TILA Sections 127(c)(8), 127(p), and 140(f)) became effective on Monday, February 22, 2010.

More information

Schools are encouraged to review the [final rules](#) issued by the Federal Reserve Board implementing these provisions.

For questions or more information, [visit the Federal Reserve Board Web site](#) on the act.

USDA begins education loan repayment program to address veterinary shortages

Veterinarians are critical to the national food safety and food security infrastructures, and to the health and well-being of both animals and humans. However, major studies indicate significant and growing shortages of food supply veterinarians and veterinarians serving in certain other high priority specialty areas. A leading cause for this shortage is the heavy cost of four years of professional veterinary medical training, which can average between \$130,000 and \$140,000.

With the National Veterinary Medical Services Act of 2003, Congress established the Veterinary Medicine Loan Repayment Program (VMLRP), as a way to remedy this growing need. In return for a commitment of three years of veterinary services in a designated veterinary shortage area, [USDA's National Institute of Food and Agriculture \(NIFA\)](#), which administers the VMLRP, may repay up to \$25,000 of student loan debt per year. Loan repayment benefits are limited to payments of the principal and interest on government and commercial loans received for the attendance at an accredited college of veterinary medicine resulting in a degree of Doctor of Veterinary Medicine or the equivalent.

More information

NIFA issued an [interim rule](#) for the program on July 9, 2009. Implementation of the program began on January 22, 2010, when NIFA released a *Federal Register* [notice](#) asking health officials to nominate shortage situations within 45 days. NIFA will convene a panel of federal and state animal health experts to recommend submitted nomination packages for official designation as a veterinary shortage situation. The public will be able to review designated veterinary shortage situations in list and/or map form, along with information describing the nature of the shortage situation.

NIFA will accept applications from veterinarians wishing to participate in the program from April 30 until June 30, 2010; offers will be made by September 30.

Questions?

For questions about loan forgiveness programs and other repayment options, please contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Policy Resources

Understanding Public Service Loan Forgiveness

Through the College Cost Reduction and Access Act of 2007, Congress established Public Service Loan Forgiveness (PSLF) to encourage individuals to work full-time in public service jobs. Under this program, borrowers of eligible loans may qualify for forgiveness of the remaining balance due after they have made 120 payments, after October 1, 2007, under certain repayment plans while employed full time by certain public service employers.

Eligible loans

Any non-defaulted William D. Ford Federal Direct Loan Program (FDLP) loan is eligible for loan forgiveness, including:

- Federal Direct Stafford/Ford Loans (Direct Subsidized Loans)
- Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans)
- Federal Direct PLUS Loans (Direct PLUS Loans) — for parents and students
- Federal Direct Consolidation Loans (Direct Consolidation Loans)

A borrower with a defaulted loan may be eligible for PSLF by [consolidating the defaulted loan](#) or by [rehabilitating the defaulted loan](#).

Loans made under other federal student loan programs may qualify for forgiveness if they are consolidated into a Direct Consolidation Loan. However, only payments made on the Direct Consolidation Loan will count toward the required 120 monthly payments. The following types of loans may be consolidated into FDLP:

- Federal Family Education Loan Program (FFELP) loans, which include –
 - Subsidized Stafford Loans
 - Unsubsidized Stafford Loans
 - Federal PLUS Loans – for parents and students
 - Federal Consolidation Loans (excluding joint spousal consolidation loans)
- Federal Perkins Loans*
- Certain Health Professions and Nursing Loans*

*To consolidate a Federal Perkins Loan or Health Professions or Nursing Loan into FDLP, the borrower must also consolidate at least one FFELP or FDLP loan.

ED's [National Student Loan Data System](#) (NSLDS) can help a borrower determine what types of federal student loans he or she has received. Non-federal student loans (aka alternative or private loans) are not eligible either for consolidation into FDLP or for PSLF.

Payment requirement

The borrower must make 120 separate, on-time, full monthly payments, after October 1, 2007, while employed by an eligible public service organization. Payments made prior to October 1, 2007, do not count toward the 120-payment requirement. Payments do not have to be consecutive. Each of the monthly payments must have been made for the full scheduled installment amount within 15 days of the due date. Lump sum payments, that is, paying more than the required monthly amount, are counted as one payment unless the borrower is a Peace Corps or AmeriCorps volunteer using some or all of his or her Peace Corps transition payment or AmeriCorps Segal Education Award to make a lump sum payment. In this case, the Peace Corps or AmeriCorps volunteer will receive credit for up to 12 qualifying payments for PSLF.

To have a balance eligible for forgiveness, the 120 qualifying payments must be made under one or more of the following FDLP repayment plans:

- [Income Based Repayment \(IBR\) Plan](#)
- [Income Contingent Repayment \(ICR\) Plan](#)
- [Standard Repayment Plan](#) with a 10-year repayment period
- Any other FDLP repayment plan, but only payments that are at least equal to the monthly payment amount that would have been required under the Standard Repayment Plan with a 10-year repayment period may be counted toward the required 120 payments.

It is important to understand that a borrower will not have any remaining balance to be forgiven after 120 payments unless, at some point, the borrower's payments were reduced through selection of IBR or ICR. The Standard Repayment Plan is included because a borrower may have made payments under the Standard Repayment Plan for a portion of the 120 months and made the remaining payments under either IBR or ICR, resulting in a remaining balance after 120 payments have been made. While payments made under these other FDLP repayment plans may be counted toward the required 120 payments for PSLF, IBR will generally provide a borrower with a lower monthly payment than would be required under any of the other plans.

Any month when the calculated payment under IBR or ICR is zero counts toward a borrower's required 120 monthly payments. However, the months when a borrower

is in a deferment or forbearance do not count toward the 120 payments required for PSLF.

While a Grad PLUS borrower can benefit from PSLF by working in public service employment and making at least some of the required 120 payments under IBR or ICR, parent PLUS loans are not eligible to be repaid under IBR or ICR. However, a parent PLUS borrower could consolidate the PLUS loans and then choose ICR for the new Direct Consolidation Loan. A Direct Consolidation Loan that repaid a parent PLUS loan may not be repaid under IBR, but it can be repaid under ICR.

Employment requirement

The specific job that a borrower performs does not matter, as long as the borrower is directly employed by a public service organization. For example, if a borrower is a full-time employee of a public school system, he or she would meet the requirements for PSLF, regardless of his or her position (teacher, administrator, support staff, etc.). A borrower who works for another entity under contract with a public service organization is not eligible for PSLF. The borrower must be directly employed, full time, by an eligible public service organization —

- when making each of the required 120 payments;
- at the time the borrower applies for loan forgiveness; and
- at the time the remaining balance on the borrower's eligible loans is forgiven.

The term "public service organization" covers a broad range of employers, including any federal, state, or local government organization or agency and most charitable non-profit organizations. Any federal government, state government, local government, or tribal government entity (including the military, public schools and colleges, public child and family services agencies, and special governmental districts) is a PSLF-eligible public service employer.

Eligible non-profit employers include those that have received a 501(c)(3) designation from the Internal Revenue Service (IRS), which has a searchable [501\(c\)\(3\) organization database](#). These include most private schools, colleges, and universities, as well as thousands of other organizations, agencies, and charities.

A private employer is defined as a nonprofit organization, not a labor union, a partisan political organization, or an organization that is engaged in religious activities (unless the qualifying public services it provides are unrelated to religious instruction, worship services, or proselytizing). The private employer provides one or more of the following public services:

- emergency management,
- military service,

- public safety,
- law enforcement,
- public interest law services,
- early childhood education (including licensed or regulated childcare, Head Start, and state-funded pre-kindergarten),
- public service for individuals with disabilities and the elderly,
- public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations),
- public education,
- public library services, and
- school library or other school-based services.

Full-time employment generally means working an average of at least 30 hours per week, or the number of hours the employer considers full-time. A borrower may qualify for PSLF by working full time at a combination of public service organizations. To benefit from PSLF, a parent PLUS borrower must be employed by an eligible public service employer; the employment of the student on whose behalf the parent borrowed the PLUS loan does not qualify the parent for PSLF.

Documentation and applying for forgiveness

It is a borrower's responsibility to have documentation that supports a PSLF request. This includes documentation from the borrower's employer or employers. Based on this employment documentation, ED will identify qualifying employment and payments. ED is developing a PSLF application that a borrower may use to document his or her qualifying employment while making the required 120 payments. Until the form becomes available, a borrower should keep records that clearly identify his or her employer, show that the employer meets the definition of a public service organization, indicates the borrower's dates of employment, and demonstrate that the borrower is a full-time employee.

More information

For more detailed information about PSLF, see [ED's PSLF Web page](#), including [frequently asked questions](#) and [fact sheet](#). More details are also available in the PSLF regulations at [34 CFR 685.219\(b\)](#).

For more information about FDLP Direct Consolidation Loans see [ED's Loan Consolidation Web page](#) and [checklist tool for consolidation](#).

More information about IBR is available on [TG's Repaying Your Student Loan — Income-Based Repayment pages](#) and *Shoptalk's* IBR [special edition](#). And TG offers an [IBR calculator](#), which can help borrowers determine if they may be eligible for IBR.

For questions about PSLF, IBR, or consolidation, contact TG customer assistance at (800) 845-6267, or send an e-mail to cust.assist@tgsllc.org.

Ask the Policy Expert

Q.: For the Teacher Loan Forgiveness Program, a borrower must teach for five consecutive years. Are there any breaks allowed that will not disqualify the borrower?

A.: Yes. Regulations allow for breaks in qualifying teaching service due to:

- A return to postsecondary education related to teaching service (on at least a half-time basis)
- A condition covered under FMLA
- A call or order to active duty status for more than 30 days as member of Armed Forces reserve

In addition, [GEN-06-07](#) provides a waiver for interrupted teaching service due to Hurricane Katrina.

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 tgsllc.custhelp.com.

News Briefs

More students are getting an early start on college thanks to dual-credit programs offered jointly by high schools and colleges. SandHoke Early College High School in North Carolina is one example. Participating SandHoke seniors attend classes at a local community college earning credit for both their high school diploma and a potential college degree. Programs like these are especially helpful when offered to at-risk students, that is, students who are more likely to drop out of high school. Dual-credit programs can promote college enrollment and retention, both potential issues for at-risk youth. [Learn more about the SandHoke program.](#)



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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.

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

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