



[TG Online](#) | [AIE™](#) | [TG Training](#) | [Positive+Balance Community<sup>SM</sup>](#) | [Contact TG](#) | [Shoptalk Archive](#)

## Inside this issue

**TG Report .....2**

- TG prepared to provide support services to schools transitioning to the FDLP.....2
- Have DL transition questions? Get your answers at the TG Annual Training Conference held this week.....3
- Updated integrated HEA available on *TG Online*.....4
- Register for TG’s April industry webinars on HCERA and IBR.....6
- TG’s “Speaking of Financial Literacy” webinar to offer insight on financial literacy strategies.....7
- TG schedules regional trainings for April .....8

**Industry Update .....9**

- ED releases DCL on reconciliation bill.....9
- Loan Purchase Programs update ..... 10
- ED’s follow-up on resolution of 2010-11 FAFSA Web site technical error ..... 10
- ED encourages schools to help promote the FSA “I’m going” outreach campaign ..... 11
- Current special allowance rates: quarter ending March 31, 2010 ..... 12

**Policy Resources.....12**

- Common Manual* Updates..... 12
- Ask the Policy Expert ..... 12

**News Briefs .....13**

## Smart Solutions

The [Graduation Planning Calculator](#) on TG’s *Adventures In Education* Web site offers graduating college students a multi-purpose tool for preparing for graduation. The calculator helps students budget their time during the last semester and offers a resource for estimating post-college living expenses.

# TG Report

## TG prepared to provide support services to schools transitioning to the FDLP

Enactment of the Health Care and Education Reconciliation Act of 2010 (HCERA, Public Law 111-152) has been a call to action for many schools that are in the early stages of conversion to the FDLP. TG wants to be a resource for schools that may have concerns about their FDLP readiness. Toward that end, TG has engaged individual schools, their associations, and the Department of Education (ED) in discussions on how TG can assist schools in transitioning to the FDLP.

### Background

TG's preparations are the result of a collaborative effort between the Texas Council of Public University Presidents and Chancellors (CPUPC), the Independent Colleges and Universities of Texas (ICUT), the Texas Association of Community Colleges (TACC), and TG, to solicit information from Texas' public and private postsecondary educational institutions concerning their FDLP readiness. The information showed that many Texas institutions were concerned about conversion to the FDLP within the required time frame. Subsequently, TG, in collaboration with CPUPC, ICUT, and TACC, sent a proposal to ED detailing targeted services to schools at various stages of FDLP preparedness. The proposal creates a model of service for the State of Texas that could also be replicated for schools that TG serves nationally. ED expressed appreciation for TG's proactive approach to ensure uninterrupted access to federal student loan funds for students and schools.

### Reminder of effective date of legislation

The HCERA mandates that all Stafford, PLUS, and Consolidation loans be made under the FDLP effective for loans first disbursed on or after July 1, 2010. Consequently, schools currently participating in the Federal Family Education Loan Program (FFELP) must transition fully to the FDLP as soon as possible, but at least by this implementation date.

### TG's services

In keeping with TG's tradition of providing customized services to schools, TG's FDLP transition services will be tailored to fit individual school circumstances. TG will issue more information about its available transition services in a forthcoming edition of *Shoptalk*.

If you have a question about your school's efforts to convert to the FDLP, contact your TG account executive or contact TG customer assistance. Customer assistance may be reached by phone at (800) 845-6267 or by e-mail at [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

### Resource page on TG Online

TG has assembled a collection of tools and resources to assist schools in the transition to the FDLP. The page, [Federal Direct Loan Program resources](#), contains a TG-

developed checklist entitled “Preparing for Participation in the Federal Direct Loan Program: A Support Guide for Schools,” a link to a collection of TG-developed Q&As, and numerous ED Web-based resources. TG will continue to add to this page as the effective date of the legislation approaches.

### **ED contact information**

Schools transitioning or preparing to transition to the FDLP should call the Common Origination and Disbursement (COD) School Relations Center at (800) 848-0978 or send an e-mail message to [CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com) for FSA Onboarding Team support.

## **Have DL transition questions? Get your answers at the TG Annual Training Conference held this week**



The 2010 TG Annual Training Conference kicks off tomorrow, April 7, at the AT&T Executive Education and Conference Center in Austin. This year's event features more than 40 sessions on important topics designed to help you manage some of the most dramatic changes in the financial aid industry of the last 25 years, such as the transition to the FDLP and the shift to a 3-year cohort default rate.

Given the variety of seminars and trainings, conference attendees will be able to explore financial aid issues that matter to them, including creating an effective campus default prevention program, developing and implementing financial literacy strategies for students, and much more.

### **Opening and closing highlights**

Participants can learn tips for getting the most from their conference experience at a special session offered on Wednesday, April 7 at 9:30 a.m. The conference overview session will be held in classroom 101 on the M1 level of the conference center.

The conference officially begins at 11:30 a.m. on Wednesday, when Sue McMillin, TG president and CEO, and Dora Ann Verde, TG Board chair, welcome attendees. Lunch at noon will be followed by keynote speaker Dan Thurmond, who will talk about using focus and decisive action to manage multiple priorities.

Motivational speaker Kathryn Childers will close the conference on Friday, April 9, with an address titled "Do It Scared!" Childers' presentation demonstrates to audiences how they can harness the energy of fear to break through psychological and emotional barriers.

### **Conference logistics**

In attending this year's conference, here are a few logistical details to keep in mind.

- **Registration:** Conference registration is located on the M2 level. Registration will open Wednesday, April 7, and Thursday, April 8, at 8 a.m. General conference

information will be available as well as directions, entertainment information, conference agendas, and more. Information desks will be located on M1 and M3 of the conference center to help attendees with directions and general conference information. Remember to keep your registration badge with you throughout the conference. The badge offers you entry to TG activities.

- **Feedback opportunity:** Join TG for a roundtable discussion on default prevention and training services that can make a difference for your students. Offer your thoughts at this special focus group, which will meet on Friday, April 9, at 10:50 a.m.–11:50 a.m. Central Time, in room 107, level M1. Seating is limited, so reserve your spot. Reservations can be made at the registration desk on level M2.
- **Conference attire:** Austin's April weather is typically mild. Dress business casual, but keep in mind that meeting room temperatures vary.
- **Driving directions:** Specific directions for driving in to Austin can be found [online](#).
- **AT&T Conference Center details:** To navigate between the hotel and conference center and to locate conference sessions, refer to the AT&T Conference Center maps provided during check-in or registration at the conference.

### Agenda online

The conference agenda is available online and offers a day-by-day rundown of sessions according to subject and time. The agenda provides a tool for choosing sessions, learning more about keynote speakers, and planning for evening events.

Find out more about this year's varied agenda by visiting [TG Online](#).

### Updated integrated HEA available on [TG Online](#)

TG is pleased to announce the availability of updated integrated portions of the Higher Education Act (HEA) that incorporate changes from the Health Care and Education Reconciliation Act of 2010 (HCERA, H.R. 4872). The reconciliation bill was signed into law by President Obama on March 30, 2010. The NCHELP Program Regulations Committee contributed to this resource.

Updated titles of the HEA have been compiled in easy-to-use portable document format (PDF) files. Each PDF shows the language that has been stricken, as well as language that has been added. Additionally, each part and section has been bookmarked for easy navigation.

Updated titles include:

- Integrated HEA Title IV, Parts B, D, G, and I
  - Title IV - Student Assistance
    - Part B - Federal Family Education Loan Program
    - Part D - Federal Direct Loan Program

- Part G - General Provisions Relating To Student Assistance
- Part I - Competitive Loan Auction Pilot Program
- Integrated HEA Title IV, Parts A, C, E, F, H, I, and J, Title VII, Part E, and Title VII, Parts T and Y
  - Title IV - Student Assistance
    - Part A - Grants To Students In Attendance At Institutions Of Higher Education
    - Part C - Federal Work-Study
    - Part E - Federal Perkins Loans
    - Part F - Need Analysis
    - Part H - Program Integrity
    - Part J - Strengthening Historically Black Colleges And Universities And Other Minority-Serving Institutions
  - Title VII - Graduate and Postsecondary Improvement Programs
    - Part E - College Access Challenge Grant Program
  - Title VIII - Additional Programs
    - Part T – Centers of Excellence for Veteran Student Success
    - Part Y — Early Federal Pell Grant Commitment Demonstration Program
- Integrated HEA Title I
  - Title I - General Provisions
    - Part A - Definitions
    - Part B - Additional General Provisions
    - Part C - Cost of Higher Education
    - Part D - Administrative Provisions for Delivery of Student Financial Assistance
    - Part E - Lender and Institution Requirements Relating to Education Loans

To access this practical tool, visit [TG Online](#).

## More information

For more information about the HCERA, see [Shoptalk's special edition](#). Also, see ED's *Dear Colleague Letter* GEN-10-05, which is available on the Information for Financial Aid Professionals Web site at <http://ifap.ed.gov/dpclletters/GEN1005.html>.

The text of the [reconciliation bill](#) is available online.

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

## Register for TG's April industry webinars on HCERA and IBR

In April, TG's policy and regulatory experts continue a free webinar series on two current issues in the financial aid industry — the Health Care and Education Reconciliation Act of 2010, and Income-Based Repayment (IBR).

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](#) shortly after the broadcast.

Join TG for the following webinars.

- **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 FFELP and FDLP borrowers. IBR will benefit eligible 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.

- **Health Care and Education Reconciliation Act of 2010** — Friday, April 16; 10 a.m.–11 a.m. Central Time, and 3 p.m.–4 p.m. Central Time

On March 30, President Barack Obama signed into law H.R. 4872, the Health Care and Education Reconciliation Act of 2010. This law enacts the administration's health care proposal and makes significant changes to higher education policy. This session will highlight the reconciliation bill's provisions, including:

- Establishing the federal government as sole originator of all Stafford, PLUS, and Consolidations loans that are first disbursed on or after July 1, 2010;
- Expanding and strengthening the Federal Pell Grant;

- Providing temporary authority to originate Consolidation loans for students who are not yet in repayment and meet certain other criteria;
- Improving federal student loan repayment options;
- Providing more money to community colleges and Historically Black Colleges and Universities; and
- Extending and expanding funding for the College Access Challenge Grant Program to provide information and services to students and families to increase access to postsecondary education.

### **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's "Speaking of Financial Literacy" webinar to offer insight on financial literacy strategies**

Registration is open for the next in TG's series of webinar training events that focus on various issues in the financial aid industry.

In this webinar, "Speaking of Financial Literacy," participants will learn how TG is focusing efforts on financial literacy. They will also have an opportunity to weigh in on money management topics of interest to professionals and students alike.

The webinar will consider TG's social networking site, [Positive+Balance Community<sup>SM</sup>](#), as well as other tools that foster dialogue among professionals developing and managing financial literacy initiatives. Focus will be placed on leveraging credible statewide and national resources in order to teach young people to manage their money wisely, and on expanding the reach of effective and efficient financial literacy messages to students.

Participants will meet TG's new director of financial literacy operations, Sharon Cabeen, who will present TG's plans for enhancing the Positive+Balance Community, making it an even more helpful tool for financial literacy practitioners and educators. Cabeen, who is an Accredited Financial Counselor with the Association for Financial Counseling and Planning Education (AFCPE) as well as President Elect of the AFCPE Board of Directors for 2011, began her career in the nonprofit world working as an advocate for underserved populations. This work led to the field of nonprofit credit counseling management and financial education. A major part of Cabeen's work has been in the development of partnerships, both local and national, to include counseling, education, marketing, community outreach, and funding activities.

### **To register**

To accommodate the schedules of TG's coast-to-coast customers, the one-hour webinar is scheduled for Thursday, April 29, at 10 a.m. and, again, at 3 p.m. Central

Time. Registration is available [online](#). If you are unable to attend the scheduled broadcast, a recording will be available for viewing shortly after the event in TG's [archived webinars](#).

## TG schedules regional trainings for April

TG's regional trainings offer a forum in which to examine regulatory and legislative changes — such as the transition to the FDLP — as well as review some of the latest industry trends in default prevention and office practice. TG has scheduled a number of trainings for the month of April at locations in Colorado, Georgia, Michigan, and Missouri. Here's a short list of dates and locations. Refer to the online [TG Regional Training page](#) for exact training times.

- **April 13:** Denver, Colorado; Embassy Suites Tech Center
- **April 21:** Southeast Georgia, College of Coastal Georgia; Southeast Georgia Conference Center
- **April 22:** Northwest Georgia, Berry College
- **April 27:** Detroit, Michigan, Wayne State University
- **April 27:** Kansas City, Missouri, University of Missouri - Kansas City

### Training topics

Regional trainings offer information on a diverse array of topics, including such subjects as:

- **Federal update** — Learn about recent activities that may affect 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.
- **Life of the loan** — Review the life of the loan and learn more about TG's default prevention process. Participants will hear about the activities that occur during each phase of delinquency and discover more about the consequences of default.
- **Best practices in customer service** — Based on years of research with financial aid administrators, TG has developed a list of customer service principles geared for financial aid offices. In this interactive workshop, participants will discuss customer service practices that have proven successful with students. Attendees will also take away a copy of TG's publication, *Customer Service in Financial Aid*.
- **IBR basics** — Learn how Income-Based Repayment (IBR), the new student loan repayment plan, could benefit certain borrowers by minimizing monthly payments. 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.

## Register

To register for a TG regional training, visit [TG Online](#).

## To learn more

Visit the [TG Speakers Bureau training catalog](#) online to browse other training offerings. Keep in mind that TG can adapt training sessions to meet the needs of your campus. To find out how, contact your account executive at (800) 252-9743.

# Industry Update

## ED releases DCL on reconciliation bill

On April 2, 2010, ED published *Dear Colleague Letter* (DCL) [GEN-10-05/P-10-02](#) regarding the enactment of two major federal student aid provisions of the Health Care and Education Reconciliation Act of 2010 (HCERA or H.R. 4872), which was signed into law on March 30, 2010, by President Obama. Over the next weeks and months, ED will provide more details on HCERA provisions; however, this DCL discusses the provisions that affect the Federal Pell Grant Program and those that end the authority to originate new loans under the Federal Family Education Loan Program (FFELP).

### Federal Pell Grant Program

The HCERA amends the HEA to provide for more stable and predictable funding for the Federal Pell Grant Program. It also modifies, beginning with the 2010-2011 Award Year, the calculation for determining an individual student's Pell Grant award. The HCERA increases the maximum Expected Family Contribution (EFC) for Pell Grant eligibility for the 2010-2011 Award Year to 5273. Note that the 2010-2011 Pell Grant Payment and Disbursement Schedules published on January 13, 2010, (see DCL P-10-01) established 4617 as the maximum EFC for Pell Grant eligibility. ED expects to post revised 2010-2011 Pell Grant Payment and Disbursement Schedules sometime next week. Schools may wish to defer packaging students' financial aid until the revised schedules are available.

### Title IV Federal Student Loan Programs

The HCERA provides that no new loans with first disbursements on or after July 1, 2010, may be originated under the Federal Direct Loan Program (FDLP). The Federal Perkins Loan Program is not affected by the HCERA.

ED notes that if the first disbursement of a FFELP loan is made by the lender on or before June 30, 2010, the second and any subsequent disbursements of that loan, even if the subsequent disbursement(s) will be made after June 30, 2010, must be made by the FFELP lender. FFELP lenders that make a first disbursement are obligated to make the subsequent disbursement(s) as provided in the loan certification provided by the school.

ED advised schools to confirm with FFELP lenders who have made loans to their students in the past whether those lenders intend to make loans that will be first disbursed before July 1, 2010, but which may have a subsequent disbursement dates after June 30, 2010.

ED encourages schools that are not currently participating in the FDLP and that have not begun making preparations to do so to contact the ED's Federal Student Aid (FSA) office as soon as possible in order to avoid disruption in the delivery of needed student loan funds to students and their families. Contacts should be directed to ED's School Relations Team at (800) 848-0978, or by e-mail at [DLEnrollment\\_FSA@ed.gov](mailto:DLEnrollment_FSA@ed.gov).

Note: The HCERA makes special provisions for foreign schools to participate in the FDLP. These institutions should contact ED's Foreign Schools Team at [FSA.Foreign.Schools.Team@ed.gov](mailto:FSA.Foreign.Schools.Team@ed.gov) or by calling (202) 377-3168.

### **TG assistance**

For questions about this DCL, contact TG customer assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgsic.org](mailto:cust.assist@tgsic.org).

## **Loan Purchase Programs update**

On April 2, ED published Ensuring Continued Access to Student Loans (ECASLA) announcement #83, which announces a 0.71 percent participant yield rate for the quarter ending June 30, 2010. This rate should be used when calculating participant (i.e., ED's) yield on Participation principal balances that have been funded by ED during the quarter of April 1, 2010, through June 30, 2010.

### **More information**

The complete announcement is available on ED's ECASLA Web site at <http://federalstudentaid.ed.gov/ffelp/library/EA83.doc>.

## **ED's follow-up on resolution of 2010-11 FAFSA Web site technical error**

An article in *Shoptalk* edition 547 reported on ED's March 25, 2010, announcement regarding a technical error with the FAFSA Web site. Some 2010-11 applicants of the online FAFSA were misdirected to the 2009-10 FAFSA form; the error occurred because these applicants were using a browser which the Web site did not recognize. Consequently, some applicants may have submitted the wrong FAFSA.

ED believes fewer than 5,000 students were affected by the error, which occurred between February 23, 2010, when the Web site was updated, and March 16, 2010, when ED resolved the error. In ED's [April 1, 2010, follow-up announcement](#), ED reports that it has notified potentially affected applicants and advised them to contact ED's Federal Student Aid Information Center (FSAIC) at (800) 4-FED-AID.

Beginning Monday, April 5, ED will send to schools and state agencies weekly rosters of students who called FSAIC in response to the notifications via the entity's Student Aid Internet Gateway (SAIG) mailbox.

The remainder of ED's announcement provides technical guidance for schools and state agencies including:

- Production of roster files of students
- Roster File Message Class and Record Layout
- Instructions for Downloading and Viewing the Roster; and
- Contact Information (for technical assistance)

### **More information**

If you have any questions on this issue, please contact ED's Research and Customer Care Center staff at (800) 433-7327, Monday through Friday between the hours of 9 a.m. and 5 p.m. Eastern Time. After-hours calls will be accepted by an automated voice response system and returned the next business day. You may also reach the Customer Care Center staff by fax at (202) 275-5532, or by e-mail at [fsa.customer.support@ed.gov](mailto:fsa.customer.support@ed.gov).

[ED's complete April 1 announcement](#) is available from the Information for Financial Aid Professionals Web site.

## **ED encourages schools to help promote the FSA "I'm going" outreach campaign**

Federal Student Aid (FSA) has launched a public service campaign, "I'm Going," available through the [college.gov](http://college.gov) Web site. In this campaign, high school and college students talk about their dreams and goals for the future and deliver the message to other students and their families that money is available to help pay for college.

The public service announcements (PSAs) direct students to [www.college.gov](http://www.college.gov), the Web site created by ED in collaboration with students across the country. The Web site is designed to inspire students to continue their education after high school and guide them through the steps to plan and pay for college. The campaign, including television, radio, mall, billboard and Web PSAs, was distributed nationally, with the mall and billboard PSAs targeted to lower-income areas. A video is also running on gas station pumptops and elevator monitors in many major urban markets.

ED encourages schools to post the Web banners to school Web sites and other social media outlets. Schools may use the television, radio, and print PSAs at financial aid events and other college planning activities. Campaign material can be accessed at <http://federalstudentaid.ed.gov/psa2010>. Refer to [ED's March 29, 2010, announcement](#) for more information.

## Current special allowance rates: quarter ending March 31, 2010

The following rates apply for the quarter ending March 31, 2010:

For the quarter ending March 31, 2010, the average rate for three-month commercial paper (financial) was 0.21 percent. This rate is also used to compute the Participant Yield paid to the Department on loans subject to the loan participation purchase program. For loans where the special allowance payment is based on the bond equivalent rate of 91-day Treasury Bills, the average rate during the quarter ending March 31, 2010, for 91-day Treasury Bills was 0.11 percent.

The FFELP special allowance rates for the most recent quarter are available at [www.tgslc.org/policy](http://www.tgslc.org/policy).

### Questions

For questions about special allowance rates, contact your TG lender consultant 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](mailto:cust.assist@tgslc.org).

### Ask the Policy Expert

**Q.:** So, since President Obama signed the reconciliation bill into law (H.R. 4872), does that mean that all outstanding FFELP loans convert to Direct loans?

**A.:** No. The [Health Care and Education Reconciliation Act of 2010](#) (HCERA) revokes the authority to originate or insure new Stafford, PLUS, and Consolidation loans under the FFELP effective for loans first disbursed on or after July 1, 2010. This legislation does not convert a FFELP loan that was first disbursed before July 1, 2010.

## 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).

---

## News Briefs

Many colleges and universities monitor their energy use in order to ensure efficiency and cut excess costs. The University of California at San Diego has gone a step further and made this monitoring activity a public Web site, called the [Energy Dashboard](#). The Web site offers a daily accounting of energy consumption at many of the major campus buildings. Site visitors can even compare energy used by electrical outlet, server room, and lighting fixture. Creators of the dashboard hope to add elements to the site that will educate students about their campus energy consumption and how they might help in curbing use, a practice which could benefit the environment.

---



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

*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](mailto:communications@tgslc.org).

**Contributors to this edition:** Michelle Anderson, Rob Davenport, Sarah Faszholz, Laura Kowalski, and Art Martinez. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

©2010 Texas Guaranteed Student Loan Corporation.  
Ask TG and the TG logo are trademarks or service marks of Texas Guaranteed Student Loan Corporation.