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Smart Solutions

With spring graduation approaching, your office is probably considering its default aversion materials for graduates. TG provides schools a variety of products for managing default including training on the 3-year cohort default rate, an online assessment tool for your default aversion program, consulting and training services, and various other offerings. You'll find a complete listing of [TG's default aversion resources](#) on *TG Online*.

TG Report

TG makes \$7 million available for students to help pay for college

TG has designated an additional \$5 million to its Charley Wootan Grant Program to assist more students in paying for higher education during the 2010-11 academic year. The additional allocation, made on a one-time basis, will be added to the \$2 million already funded by the TG Board for the upcoming academic year. Of the total amount, \$6 million dollars of program funds for this year will be allocated for students from Texas, and \$1 million allocated for students residing in other states.

From now till May 22, 2010, students may access the application for the need-based [Charley Wootan Grant Program](#) through TG's [Adventures In Education](#) Web site. The grant funds must be used to pay for postsecondary education.

Awards are made to eligible recipients on a first-come, first served basis, and will provide for an applicant's unmet need up to \$4,394 (the average unmet need for a Texas public, four-year university student). The total amount allocated for Texas will be distributed equally among Texas' 20 Educational Service Center regions, affecting approximately 1,800 students.

"TG understands that, particularly in today's economic environment, more students and families need help to pay for their college dreams," said TG President and CEO Sue McMillin. "We believe the additional funding will help students who would otherwise be unable to pay for college."

For the 2010-11 academic year, TG will offer one-year grants ranging from \$1,000 to \$4,394 to qualified undergraduate students. The grant program is open to students who meet all of the following criteria:

- Are high school seniors or graduates who plan to enroll, or are already enrolled, at least half-time in an undergraduate course of study for the fall of 2010 at a Title IV-eligible, 2- or 4-year college or university, or vocational-technical school;
- Demonstrate financial need by completing the Free Application for Federal Student Aid (FAFSA); and
- Are eligible to receive Title IV funds.

The Charley Wootan Grant Program is independently managed by Scholarship Management Services, a program of Scholarship America, the nation's largest nonprofit, private-sector scholarship and educational support organization. There is no correlation or connection between TG's selection of recipients for grant awards and an institution's or individual's business relationship or potential business

relationship with TG. Participation in TG's Charley Wootan Grant Program does not require, impose, or permit any *quid pro quo* condition in any respect of any grant under the program.

To learn more

Questions about the program can be directed to the TG Charley Wootan Grant Program manager at Wootan@Scholarshipamerica.org, or by calling (800) 537-4180.

TG posts ED's FDLP transition presentation and video from TG conference on resources page

As reported in last week's *Shoptalk* edition 549, Department of Education (ED) representatives David Bergeron and Patrick Kennedy opened the second day of the TG Annual Training Conference, held April 7-9, with a federal update and a high-level summary of the steps involved in transitioning to the Federal Direct Loan Program (FDLP).

To assist schools that are in the process of converting to the FDLP, TG has posted the handout provided to attendees, as well as the video of the session, to its [Federal Direct Loan Program resources](#) page on *TG Online*.

These FDLP transition resources join many others offered on the page, including:

- An FDLP transition checklist that TG developed titled "Preparing for Participation in the Federal Direct Loan Program: A Support Resource for Schools"
- Templates for communicating with students, parents, and public about transition
- A [Shoptalk Special Edition](#) on the passage of the Health Care and Education Reconciliation Act of 2010 (HCERA, Public Law 111-152)
- TG-developed Direct loan Q&As
- A letter from ED's Bill Taggart (released April 12) on the importance of timely FDLP transition
- Numerous ED, Information for Financial Aid Professionals (IFAP), and National Direct Student Loan Coalition links

More transition support

If you have a question about your school's efforts to convert to the FDLP, contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

In observance of National Financial Literacy Month, TG offers resources and training

When President Obama recently declared April as National Financial Literacy Month, he made an explicit connection between preventing future recessions with the need to educate the young in money management skills and concepts. He said in part, "Ensuring this crisis never happens again will require new rules to protect consumers and better information to empower them."

Nonprofits such as TG join with the president in his message of empowerment, offering workshops and a variety of resources to help teach young adults the fundamentals of smart money management.

Creating an effective financial foundation

TG's financial literacy tools include a set of online interactive resources; training that can be customized for your campus; and various printed pieces that are easy to order for students.

- **Interactive tools** — Credit card statements are filled with terms, numbers, and percentages that can mystify even a savvy money manager. TG offers an interactive tool for understanding these terms and calculations — an [interactive credit card statement](#) available through the *Adventures In Education* (AIE™) Web site. Users move their cursor over each part of the statement and pop-up text appears which concisely defines a term or explains a calculation. Along with this tool, TG offers a [Credit Card Skills Builder](#), which demonstrates the cost of credit card purchases after finance and interest charges are added. The tool guides users through a simulated credit card spending spree and then calculates a virtual bill totaling up amounts and available credit.
- **An online community** — TG's [Positive+Balance Community](#)SM harnesses the power of social media to foster a dialogue among financial aid professionals and educators about financial literacy. The Web site's extensive set of offerings include free training presentations, an online chat room, blogs of fellow members, and a posting of the latest news on financial literacy. In addition, the Web site features educational resources from other sources such as the Federal Trade Commission (FTC) and the Federal Deposit Insurance Corporation's (FDIC) Money Smart program.
- **Customizable training** — TG's extensive financial literacy training program, Positive+Balance™, focuses on key concepts in money management for both financial aid professionals and students. TG's consultants offer "train the trainer" type courses to financial aid administrators who can, in turn, train students in concepts such as credit card use and budgeting. Consultants also work directly with students. TG's workshops can be adapted to the student needs of a particular campus.

- **Printed materials** — TG's brochures and envelope stuffers, available at no cost to schools, focus on repayment options but also educate students on budgeting for life after school. TG's brochures also answer common questions about deferment, forbearance, and consolidation. And they help to keep debt management on the minds of recent graduates with loans entering repayment. Many of these materials are available in English or Spanish; all are easy to order through [TG Online](#).

To learn more

Find out more about TG's financial literacy trainings and resources by contacting your account executive at (800) 252-9743, or by sending an e-mail message to positivebalance@tgscl.org.

TG offers timely topics for April and May online and teleconference training sessions

Register now for TG's free trainings that focus on financial aid industry trends and issues. A recording of each session is posted to [TG's online archive](#) within a day or two of the broadcast.

Remaining April sessions include:

- **Rescheduled: IBR — a tool to help students manage repayment** — Thursday, April 22, 10 a.m.-11 a.m. Central Time, and 3 p.m.-4 p.m. Central Time (via telephone conference)

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.

- **Speaking of Financial Literacy** — Thursday, April 29, 10 a.m.-11 a.m. Central Time, and 3 p.m.-4 p.m. Central Time

Meet TG's new director of financial literacy operations, Sharon Cabeen, and learn how TG is enhancing its financial literacy offerings, including its social networking site, the [Positive+Balance CommunitySM](#). Discover tools that foster dialogue among professionals who are developing and managing financial literacy initiatives. Focus on leveraging credible statewide and national resources

in order to teach young people to manage their money wisely. And learn how to expand the reach of effective and efficient financial literacy messaging to students.

May sessions include:

- **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

More student borrowers are likely to contend with multiple loan holders (a.k.a. split-loan servicing) as a result of ED's student loan liquidity programs and the industry shift to the Federal Direct Loan Program (FDLP). This training will help financial aid administrators understand split-loan servicing 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 leave even the most experienced aid administrator up in the air. This session 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 TG trainings online](#). Click each session link to begin the registration process. Schedules for additional training will be published regularly and announced in *Shoptalk*.

TG hosts forum on college persistence and completion

Studies of college-going trends reveal a sobering fact: while today's college freshman class fairly represents the diversity of America, today's college graduating class does not. According to the Education Trust, a nonprofit organization devoted to promoting higher education among low-income and minority populations, more than 60 percent of nonminority students earn a bachelors' degree within six years, while only about 40 percent of minority students do so. The higher education community works hard to get more students — especially students from underrepresented groups— into college; however, enrollment is not enough. Too many students do not complete their programs of study, with potential

consequences for them in the form of reduced job prospects, debt, and a vulnerability to default.

To help address this issue, TG sponsored a forum on April 14 titled “The Completion Challenge: Helping Students Succeed in Higher Education.” The forum gathered representatives from various organizations — including P–16, higher education, and community-based nonprofit and philanthropic organizations — to discuss how to improve student retention and completion rates. The forum provided an overview of current research and policy trends, described an effective program from the perspective of a student and a practitioner, and suggested how to build partnerships with other like-minded institutions.

Participants also focused on crisis intervention and support, examined financial aid policies that affected students at the sophomore grade level and above, and explored various pilot projects for promoting persistence.

Jacob Fraire, TG assistant vice president for educational alliances, remarked during the session, “The challenges to college persistence are critical, but the solutions are plentiful.”

More information

TG will publish a white paper this summer summarizing the forum discussion, including points of agreement and ideas for further exploration. Watch for a notice about the white paper in a future edition of *Shoptalk*.

Bankruptcy Claim Reminder

For purposes of bankruptcy claim submittal, TG claims requires that all Proofs of Claim (POC) filed on TG’s behalf include the correct mailing address as listed below. Additionally, claims from trading partners that do not file a POC on TG’s behalf must include a properly completed original Assignment of Proof of Claim (APOC) as well as a copy of the POC. The APOC must be notarized.

The correct mailing address for all bankruptcy correspondence is:

Texas Guaranteed Student Loan Corporation
P O Box 83100
Round Rock, TX 78683-3100

Have questions?

For questions concerning bankruptcy claim filing procedures, please contact TG claims examiner Beth Valdez at (800) 252-9743, or send an e-mail to beth.valdez@tgs lc.org.

Industry Update

ED posts Q&A about servicing federally owned loans

ED owns and services two categories of loans —

- Loans originated under the William D. Ford Federal Direct Loan Program (FDLP) and
- Federal Family Education Loan Program (FFELP) loans that ED has purchased under the authority granted in the Ensuring Continued Access to Student Loans Act (ECASLA) — commonly referred to as Put loans. Put loans remain FFELP loans but are serviced by ED’s federal loan servicers.

Before September 2009, ED used two federal loan servicers — Direct Loan Servicing Center (ACS) and Department of Education Student Loan Servicing Center (ACS). In a series of electronic announcements, ED has [introduced four new servicers](#) — FedLoan Servicing (PHEAA), Great Lakes Educational Loan Services, Inc., Nelnet, and Sallie Mae — and [released the National Student Loan Data System \(NSLDS\) identifiers](#) for each servicer.

ED’s recent announcement, "[Questions and Answers About Servicing Federally-Owned Loans](#)," provides an up-to-date overview of current servicing practices. In response to frequent questions about what delinquency and default prevention services the four new servicers offer, ED’s announcement also includes four resource documents, generally titled "School Support Services," which detail the delinquency and default prevention services that each of the new servicers provides.

In addition, ED is developing a new NSLDS report that will consolidate delinquency information reported by the new federal loan servicers.

The table below offers details of ED’s servicers, including the category of loans they service, and their NSLDS identifiers.

Loan Category	Servicer Name	NSLDS Servicer Name	Guaranty Agency (GA) Code	NSLDS Servicer Code
Direct loans	Direct Loan Servicing Center	Direct Loan Servicing Center	—	00100
FFELP PUT loans	Department of Education Student Loan Servicing	Dept of ED/ACS	577	700577

Loan Category	Servicer Name	NSLDS Servicer Name	Guaranty Agency (GA) Code	NLSDS Servicer Code
	Center (ACS)			
FFELP PUT loans*	FedLoan Servicing (PHEAA)	Dept of ED/FedLoan Servicing (PHEAA)	579	700579
FFELP PUT loans*	Great Lakes Educational Loan Services, Inc.	Dept of ED/Great Lakes	581	700581
FFELP PUT loans*	Nelnet	Dept of ED/Nelnet	580	700580
FFELP PUT loans*	Sallie Mae	Dept of ED/Sallie Mae	578	700578

* ED expects to begin assigning Direct loans to the four new servicers by August 31, 2010.

The goal of ED’s “multi-servicer, borrower-centric approach” is to assign all of a borrower’s ED-owned loans to the same servicer, which means that schools may need to work with more than one servicer. Over time, the assignment of borrower’s ED-owned loans to the same servicer will become a standard operating procedure. When this assignment does not occur automatically, ED will resolve such situations by transferring the borrower’s ED-owned loans from one servicer to another.

If a borrower has FFELP Put loans and Direct loans, he or she will still have two federal loan servicers for the time being — one of the new federal loan servicers for the FFELP Put loans and the Direct Loan Servicing Center (ACS) for the Direct loans. ED is evaluating options for resolving these situations.

Keeping track of who owns what

Perhaps the best, currently available option for schools to obtain federal loan servicer information is to use the NSLDS Transfer Student Monitoring/Financial Aid History (TSM/FAH) Process. Through the TSM/FAH Process, a school can submit a file of student identifiers to the NSLDS via the Student Aid Internet Gateway (SAIG) and then receive in its SAIG mailbox a response file that contains all loan and grant data in the NSLDS for each identified borrower. The data elements returned in the response file will include the current holders and servicers of each borrower’s loans. In order to use this batch service, schools must sign up via the [SAIG Enrollment Web site](#).

For more information about this option, refer to the NSLDS Transfer Student Monitoring/Financial Aid Processes and [Batch File Layouts for 2010-2011](#) posted on the [IFAP Web site](#).

Payments for borrowers with more than one servicer

A student or parent borrower who has more than one servicer of his or her FFELP Put loans must send a separate payment coupon and check, or arrange for separate electronic payment, to each servicer. Federal law does not allow payment across servicers.

If a borrower has FFELP Put loans and FFELP loans that have not been purchased by ED with the same servicer, the borrower must send a separate payment coupon and check, or arrange for separate electronic payment, for each loan category to the servicer. Federal law requires federally owned loans to be processed through a federal payment lockbox, and prohibits the processing of payments on loans that are not federally owned through this lockbox.

If a borrower has FFELP loans that have not been purchased by ED, in addition to FFELP Put loans and/or Direct loans, and wants to the convenience of one servicer for all of his or her loans with one servicer, the borrower must consolidate his or her loans to achieve this result.

For more information

[ED's complete announcement](#), [Q&A document](#), and [the accompanying resources](#) are available on the Information for Financial Aid Professionals (IFAP) Web site.

For complete information about all services offered by each of the new federal loan servicers, a school should refer to the servicer's Web site or contact the servicer directly. Servicer contact information for schools is available on the [IFAP Web site's Loan Servicing Centers for Schools page](#).

For complete information about NSLDS identification information for FFEL Purchased Loans on NSLDS Web pages and options related to the new report, refer to [NSLDS Newsletter 25: NSLDS Identification Information and New School Report for FFEL Purchased Loans](#) on the IFAP Web site.

ED announces release of new exit counseling tool

In a recent [electronic announcement](#) dated March 29, 2010, ED introduced a new exit counseling tool that is available for borrowers with FFELP loans, FDLP loans, or combinations of both. Schools may take a tour of the tool by visiting the [NSLDS Student Access Web site](#). The tool can be found under the Exit Counseling tab and then clicking the "tour" button.

Key features within the tool that will help borrowers include but are not limited to:

- The integration of the student's current loan balance and repayment information into the exit counseling;

- Estimated repayment schedules for each repayment plan based on the student's current loan information in NSLDS;
- Quizzes specific to the types of loans the borrower may have (these quizzes are completed at the end of each section to ensure comprehension of the information presented);
- Collection of the student reference information electronically; and
- The ability to view exit counseling content in English or Spanish.

Key features within the tool that will help schools include but are not limited to:

- Additional reporting functionality available to financial aid administrations under the [NSLDS Professional Access Web site](#); and
- The option to upload to NSLDS exit counseling data received when the counseling was conducted by another method (i.e., in-person or other electronic means).

Schools and lenders will find the announcement to be helpful as it contains information pertaining to the tool's record layouts and technical updates. It also instructs schools to review [NSLDS Newsletter #26](#) as this newsletter includes more detailed instructions about the new features and future enhancements.

Lastly, ED does note that use of the new exit counseling tool is optional. It is the school's responsibility to ensure exit counseling is conducted in accordance with regulatory requirements.

To learn more

For questions about the new tool, schools may contact the NSLDS Customer Support Center by phone at (800) 999-8219 or by e-mail at nslds@ed.gov.

An overview of the exit requirements can be found in Volume 2, Chapter 6 of the 2009-10 *Federal Student Aid Handbook* and on [TG's Web site](#).

ED corrects Pell payment calculation in 2009-10 *Federal Student Aid Handbook*

On April 8, 2010, ED posted an additional item to its [errata and updates for the 2009-10 Federal Student Aid Handbook \(FSA Handbook\)](#). The original list, reported by *Shoptalk* (545), was released by ED on March 18. Per ED's errata announcement, the errata and updates are items that were amended after the initial PDF files were posted to the Web and before the FSA Handbook went to print.

The additional item is a correction to Volume 3: Calculating Awards & Packaging and reads:

THIS CORRECTION IS NOT REFLECTED IN THE PDF: Page 3-56 — The first fraction (of 2) for calculating a Pell payment for a payment period under formula 4 is incorrect. It should read:

$$\frac{\text{Number of credit or clock hours in the payment period}}{\text{Number of credit or clock hours in the program's academic year}}$$

To assist financial aid professionals in quickly referencing the FSA Handbook, TG provides a bookmarked version of ED's revised PDF. This file includes bookmarks of all the individual volumes, as well as bookmarks of the chapters and appendices within each volume.

Accessing the revised FSA Handbook

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

For questions about the 2009-10 FSA Handbook, contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgsic.org.

ED announces FSA Assessments podcast series

In *Dear Colleague Letter* (DCL) [ANN-10-11](#), ED announced the launch of a series of five podcasts on the [FSA Assessments](#). The podcasts are modules designed to help Title IV schools evaluate and enhance their operations and services by completing self-evaluations on selected areas. Each assessment also contains links to applicable laws and regulations.

The podcasts provide an overview of the FSA Assessment topic and include:

- Introduction to the FSA Assessments — Advantages for the school, access to the tool, format, and links
- FSA Assessments: Students Module — Verification, conflicting data
- FSA Assessments: Schools Module — Consumer information
- FSA Assessments: Managing Funds Module — Fiscal management
- FSA Assessments: Innovations Module — Policies and procedures template, developing a policies and procedures guide

To access the FSA Assessments podcast series

The podcasts are available for download in MP3 format from ED's "Federal Student Aid Media Files (Podcast)" Web page at <http://ifap.ed.gov/ifap/ifapMedia.jsp>. A link to the transcript of each presentation is provided as well.

You may use a portable media player or a computer to listen to or view these audio and video clips. Computer-users may need to access the links provided on the [Download Plug-ins and Viewers](#) page to access the required audio and video software.

More information

For questions about the FSA Assessments or the podcast series, contact Holly Langer-Evans at holly.langer-evans@ed.gov or Michael Cagle at michael.cagle@ed.gov.

Policy Resources

Ask the Policy Expert

Q.: I understand from *Shoptalk's* special edition (546) regarding the Health Care and Education Reconciliation Act of 2010 (HCERA), that “[i]f the loan's first disbursement occurs before July 1, 2010, the first disbursement and all subsequent disbursements may be made under the FFELP. If a loan's first disbursement occurs on or after July 1, 2010, the loan must be originated and fully disbursed under the FDLP.”

But what is a “first disbursement”?

A.: A FFELP loan is first disbursed when the lender releases funds to the school. The *Common Manual* defines disbursement as “the transfer of loan proceeds by individual check, master check, or electronic funds transfer (EFT) by a lender to a borrower, a school, or an escrow agent. [...] For a Consolidation loan, disbursement is the transfer of borrower loan proceeds from the consolidating lender to the current holder of the loan being consolidated.” A Direct loan is first disbursed when the school draws down funds from ED.

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

Despite a beleaguered market, college students tend to gravitate to the field of business at twice the rate of other fields of study, according to figures reported by

the National Center for Education Statistics (NCES). More than 300,000 degree-seekers obtained an undergraduate in a business program in 2006-07. Students in social science, education, and health sciences followed at a distant second, third, and fourth. The trend was reversed slightly at a master's level with more than 170,000 students receiving a degree in education versus 150,000 in business. At the doctorate level, health professions, education, and engineering were the most popular fields. [Learn more about the latest graduation trends by major.](#)



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