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Designing a default prevention program for your campus? TG’s default aversion consultants can answer your questions about what to include, how to implement a program, and what measures of success to consider. To learn more, call (800) 252-9743, or send an [e-mail message](#) to TG’s default aversion consultants.

Industry Update

ED updates Loan Purchase Programs Electronic Announcement #81

On May 11, 2010, ED updated the Loan Purchase Programs Electronic Announcement (E-ANN) #81, to provide clarification on information needed for the Loan Sale File Layouts, specifically Record 07–Disbursement Data Record. To properly report to NSLDS, Record 07 must be sent for each disbursement, including those that are cancelled prior to disbursement. Loans that have been fully cancelled (zero balance loans) should not be included on the conversion transfer file. Attached to this announcement are updates to the Loan Conversion Transfer File, a summary of the Changes to Loan Conversion Transfer File and the Imaging Transfer File for loans to be sold to the Department and subsequently serviced by one of the Department servicers. The updated file formats will be used by all four of the new servicers effective June 1, 2010.

More Information

The complete updated announcement and attachments are available on ED's [ECASLA website](#).

Advanced Payment information posted for Pell, ACG and National SMART Grant programs for 2010-11 Award Year

On May 13, 2010, ED [announced](#) that it has begun processing the Federal Pell Grant Initial Authorization for the 2010-11 Award Year for schools that receive Pell Grant funds under the advanced payment method. In general, a school using the advanced payment method may use the federal cash it draws down for any eligible student. A school's Initial Authorization, known in the Common Origination and Disbursement (COD) System as Current Funding Level (CFL), is determined based on a percentage of the disbursement data submitted and accepted during the 2009-10 Award Year. Advanced Funded schools that had less than \$15,400 in accepted disbursements for the 2009-10 Award Year will not receive an Initial CFL. These schools will receive a CFL once the COD System has accepted and posted actual disbursement records for the 2010-11 Award Year. A new ESOA will be sent to a school each time its Pell Grant CFL amount changes.

According to the *2009-10 Federal Student Aid Handbook*, "under the advance payment method, a school may submit a request for Pell Grant, Direct Loan, and Campus-Based program funds through G5 at any time — prior to or after disbursing aid to eligible students and parents. If G5 accepts a school's request for funds, it will make an electronic funds transfer (EFT) of the amount requested to a bank account designated by the school."

The school will receive an initial CFL against which it can draw funds. As the school submits disbursement records that substantiate the school's draw-downs in a timely manner (within 30 days of the disbursement date), the school's CFL will increase to a level that should allow the school to request the funds it needs to make its scheduled FSA disbursements.

When requesting funds with which to make FSA disbursements, a school must comply with excess cash regulations and not draw down more cash than it can disburse over the next three days. [pages 4-25, 4-33 through 4-35]

2010-11 Pell Grant appropriations

For the 2010-11 Award Year, the Pell Grant appropriation has been supplemented with funds from the American Recovery and Reinvestment Act of 2009 (ARRA, Public Law 111-5). To comply with federal financial and accounting requirements of the ARRA, the funding of the Initial Authorization will be done in two parts as follows:

- On May 11, 2010, ED generated an Electronic Statement of Account (ESOA) that lists the amount of a school's Initial CFL for the 2010-11 Award Year and sent it to the school's Student Aid Information Gateway (SAIG) mailbox (Message Class PGAS11OP).
- Subsequent to the May 11, 2010, Initial CFL processing, ED generated a second CFL increase; a second ESOA was sent to the school's SAIG mailbox (Message Class PGAS11OP).

2010-11 Pell Grant Initial Authorization Information

On Tuesday, May 25, 2010, an Advanced Pay school can view its Initial CFL on the [COD website's](#) Funding Information screen and draw down 2010-11 Pell Grant Initial funds in G5. These funds are available earlier than in previous years to accommodate a school's need to make actual disbursements of a second Scheduled Award to eligible Pell Grant recipients.

As an Advanced Pay school submits actual Pell Grant disbursements, the COD System will apply the total accepted and posted amount for each disbursement to the amount of the school's Initial CFL. Only after the Initial CFL amount has been reached will the school's CFL be increased to cover additional accepted and posted disbursements. A new ESOA will be sent to the school each time its Pell Grant CFL amount changes.

2010-11 Pell Grant Disbursement Information

The earliest date on which an institution may disburse a Pell Grant for the 2010-11 Award Year (either with federal funds or its own funds) is April 8, 2010, the date the revised Pell Grant Payment Schedules were published. However, the COD

System will not be able to accept 2010-11 actual disbursement data (Disbursement Release Indicator (DRI) value equals "True") until May 26, 2010.

- Prior to May 26, 2010, the COD System will reject all actual disbursements.
- Beginning May 26, 2010, the COD System will accept actual disbursements.

As a reminder, beginning with the 2010-11 Award Year, actual disbursements can be submitted only up to seven days before the disbursement date.

2010-11 ACG and National SMART Grant Funding and Disbursement Information

Unlike the Pell Grant Program, there will be no Initial Authorizations for the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs for the 2010-11 Award Year. A school will be able to view and draw down 2010-11 ACG and National SMART Grant funds in G5 once the COD System has accepted and posted actual disbursement records for the 2010-11 Award Year. The COD System will accept actual disbursements (DRI value equals "True") for 2010-11 ACG and National SMART Grant awards beginning May 26, 2010.

More information

ED's May 13 [announcement](#) also includes information for schools that receive funds under the Reimbursement, Heightened Cash Monitoring 1, or Heightened Cash Monitoring 2 funding methods as well as operational changes for the 2011-12 award year.

For questions about this announcement, contact the COD School Relations Center at (800) 474-7268, or send an e-mail message to CODSupport@acs-inc.com.

ED to reprocess 2010-11 ISIRs to identify eligible students based on revised Pell schedules

On May 18, 2010, ED will [reprocess](#) about 250,000 Institutional Student Information Records (ISIRs) for applicants who applied for the 2010-11 award year before May 6, 2010 (the date ED implemented revised eligibility changes in its Central Processing System or CPS), and who may now be eligible for a Federal Pell Grant (Pell Grant) according to the revised 2010-11 payment and disbursement schedules published in [Dear Colleague Letter \(DCL\) P-10-03](#).

Background

- On January 13, 2010, the 2010-11 Pell Grant Payment and Disbursement Schedules were published in DCL P-10-01.

- Signed into law on March 30, 2010, by President Obama, the Health Care and Education Reconciliation Act of 2010 (HCERA, Public Law 111-152) modified the calculation for determining a student's Federal Pell Grant award. More about this is provided in [DCL GEN-10-5/P-10-02](#), which is dated April 2, 2010.
- On April 8, 2010, in [DCL P-10-03](#), ED provided schools with revised payment and disbursement schedules for determining Pell Grant awards for the 2010-11 Award Year and noted that these revised schedules replace those that were published on January 13, 2010, and must be used for all 2010-11 Pell Grant award calculations, including those for students who may have already been awarded.
- On May 5, 2010, in an [electronic announcement](#), ED provided information on how modifications to its systems affect the CPS, the ISIR Analysis Tool, the Common Origination and Disbursement (COD) System, and the EExpress for Windows software. This implementation information is summarized in *Shoptalk* edition [553](#). In this May 5 announcement, ED also noted the need for reprocessing student applications that were submitted before the CPS changes were completed on May 6, 2010.

Identifying reprocessed ISIRs

Several methods exist for identifying the records resulting from the May 18, 2010, reprocessing:

- Reprocessed ISIRs will be sent under the IGSG11OP message class.
- Paper Student Aid Reports (SARs) and ISIRs will include SAR comment code 172, which states "This SAR was produced because we have processed a change to your information based on information reported to us by another agency or as a result of a processing system change. Please review your SAR to see what effect, if any, this change has had on your application."
- ISIRs produced as a result of the May 18, 2010, reprocessing will include a value of "01" for the Reprocessed Reason Code (ISIR field #217). The Reprocessed Reason Code value of "01" will also be displayed on the FAA Info page in Student Inquiry on the [FAA Access to CPS Online website](#).

More information

ED's May 18 [electronic announcement](#) and other resources listed in this article are available in their entirety for download from the [IFAP website](#).

For questions, contact CPS/SAIG Technical Support at (800) 330-5947 — TDD/TTY at (800) 511-5806 — or send an e-mail message to CPSSAIG@ed.gov.

If your students have questions, ask them to contact the Federal Student Aid Information Center at (800) 4-FEDAID or (800) 433-3243, or send an e-mail message to FederalStudentAidCustomerService@ed.gov. TDD/TTY service is also available at (800) 730-8913.

Additional corrections released for 2009-10 *Federal Student Aid Handbook*

On May 14, 2010, ED posted additional items to its [errata and updates for the 2009-10 *Federal Student Aid Handbook* \(FSA Handbook\)](#). The original list, reported by *Shoptalk* edition 545, was released by ED on March 18. A correction to a Pell calculation under Formula 4 was released on April 8; see *Shoptalk* edition 550. 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.

- *This correction is not reflected in the PDF:* Page 3-144 — The first paragraph under “Veterans and Americorps benefits” incorrectly states that Americorps benefits are no longer counted as EFA, as does the second sidebar note. In fact, Americorps benefits are included as EFA when determining eligibility for unsubsidized Stafford loans. However, no Americorps benefits are included as EFA when determining eligibility for subsidized Stafford loans. For awarding Campus-Based aid and/or ACG, National SMART and TEACH grants, a school may exclude as EFA a portion of any subsidized FFELP or Direct loan that is equal to or less than the amount of the student's Americorps benefits for the cost of attendance.
- *This correction is not reflected in the PDF:* Page 3-57 — In the credit-hour nonterm example, the scheduled award listed in the first paragraph as \$3,900 should read \$4,190. In the clock-hour program example, the scheduled award listed in the first sentence as \$2,190 should read \$2,640.

Accessing the revised FSA Handbook

To help 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.

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@tgslc.org.

Guidelines updated for aid to students whose parents died in Iraq or Afghanistan

On May 13, 2010, ED provided an update on the operational implementation of increased Title IV student assistance to children of certain deceased members of the U.S. Military.

According to the Higher Education Opportunity Act (HEOA) of 2008, an otherwise Pell-eligible student whose parent or guardian was a member of the Armed Forces and died as a result of performing military service in Iraq or Afghanistan after September 11, 2001, and who was less than 24 years of age or was enrolled in college at the time of the parent or guardian's death, may receive Title IV aid based on a zero EFC, without regard to the student's calculated EFC. Beginning with the 2010-11 Award Year, this increased aid may include assistance from the new Iraq and Afghanistan Service Grant Program.

ED provided initial information about this new provision in a November 6, 2009, announcement, which is available on the [Information for Financial Aid Professionals website](#).

In April 2010, ED received the first file from the Department of Defense (DoD) that contains the names of individuals who have lost a parent or guardian as a result of military service in Iraq or Afghanistan. The purpose of the May 13, 2010, announcement is to provide updated information about the process ED is using to identify eligible students under these provisions and to announce process enhancements for FY 2010-11 and beyond.

More information

The complete May 13 announcement may be accessed at ED's [Information for Financial Aid Professionals \(IFAP\)](#) website.

TG Report

TG's upcoming webinars focus on timely industry topics

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

TG will provide presentation materials for each session, which can be downloaded, viewed, or printed. A Q&A will follow the presentation portion of each session.

Generally, TG's industry webinars will be offered twice on the third Thursday of each month, at 10 a.m. and 3 p.m. Central Time. Webinars are posted in an [online archive](#) within a day or two of the broadcast.

Join TG for the following webinars:

- **Professional judgment – It's your call** — Thursday, May 20, 10 a.m.-11 a.m. 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 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.

- **Federal update** — Thursday, June 17, 10 a.m.-11 a.m. and 3 p.m.-4 p.m. Central Time

This session will provide information on recent activities that affect federal student aid programs. Updates will be provided on various issues including final rules that become effective July 1 and recent Department of Education guidance announcements.

- **Veteran issues and servicemember benefits** — Thursday, July 15, 10 a.m.-11 a.m. and 3 p.m.-4 p.m. Central Time

This session will address federal loan benefits for military borrowers, including the Servicemembers Civil Relief Act, military deferments, HEROES Act Waivers, and Veterans Disability Discharge.

- **Crafting the keys to customer service** — Thursday, August 19, 10 a.m.-11 a.m. and 3 p.m.-4 p.m. Central Time

In this session, participants develop an understanding of how to build a customer-focused financial aid office (FAO) by reviewing current research on customer service in business and higher education, identifying internal and external customers, defining the principles of great customer service, and developing specific steps that can be taken to improve customer service in the FAO and on campus.

- **Cohort default rate (CDR)** — Thursday, September 9, 10 a.m.-11 a.m. and 3 p.m.-4 p.m. Central Time

Scheduled to coincide with the release of the official FY 2008 CDRs, this webinar will primarily focus on enhanced capabilities of TG's Integrated Default Assistant™ (IDA™) — TG's Web-based default management tool. Some of these key enhancements, which are scheduled to be released in September 2010, will enable:

- IDA to support default aversion for both FFELP and Direct loans;
- Schools to load delinquency data from multiple sources; and
- TG to provide more extensive CDR reporting and analysis by using National Student Loan Data System (NSLDS) data.

Specific examples of how these and other IDA enhancements can help a school manage its CDR will be provided. Also this session will review the transition from a 2-year to a 3-year CDR, how the new calculation may affect a school's CDR, the benefits for schools with low default rates, and the consequences of higher default rates.

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*.

Join TG at upcoming association conferences

Association conferences offer a great forum by which to examine regulatory and legislative developments — such as Income-Based Repayment, the newest repayment plan — as well as consider trends in industry issues such as financial literacy and office practice. TG offers sessions on all these topics at upcoming conferences in Virginia, Florida, and Mississippi.

To learn more about these trainings, read through the following short session descriptions. A [complete listing of TG conference sessions](#) and other events is available online.

Virginia Association of Student Financial Aid Administrators (VASFAA), Hampton Roads, Virginia, May 23-36

- **Building a successful financial literacy program:** This interactive workshop will provide participants with critical information and skills they need to create and sustain a campus-based financial literacy program. Attendees will discuss lessons learned from case studies, share their own experiences in implementing a program, and learn about TG's financial literacy tools and solutions.

Florida Association of Student Financial Aid Administrators (FASFAA) 2010 Annual Conference, Miami, Florida, June 1-4

- **IBR basics:** Find out how Income-Based Repayment (IBR), the new student loan repayment plan, can benefit certain borrowers by minimizing monthly payments. This session presents a high-level introduction to the IBR plan and covers eligibility requirements, the plan's forgiveness component, the benefits

IBR provides to the borrower and the school, and ideas for educating borrowers about IBR.

Mississippi Association of Student Financial Aid Administrators (MASFAA), Bay St. Louis, Mississippi, June 16-18

- **Best practices in customer service:** Participants will share specific steps and procedures that have proven successful in serving students. They will also learn how best to implement many of these customer service tips.
- **R2T4 — Basics and beyond:** The Return of Title IV funds (R2T4) calculation is one of the most challenging tasks that a financial aid officer must perform. This session will help demystify the R2T4 calculation for new and seasoned financial aid officers. The course provides some general principles of the R2T4 process, explains the elements of an R2T4 calculation, and provides recommendations on how to avoid some of the more common R2T4 findings in a program review.

To learn more

TG offers free industry training and professional development through its Speakers Bureau. Review the [online catalog](#) to find out about specific topics and sessions. TG can adapt a particular training session to meet the needs of your financial aid office. To find out how, contact your account executive at (800) 252-9743, or send an e-mail message to relationship.management@tgsllc.org.

Enhance your default prevention efforts with TG's trainings

In a tough economy, your borrowers need information to make the right decisions if difficulties should arise in their student loan repayment. Campus-based default prevention offers one way of supplying that information. Through trainings and awareness campaigns, you can educate borrowers on their obligations, advise them on effective money management, and guide them to resources that help for the long term. To help you in your work, TG offers workshops on repayment as well as trainings on the newest regulatory developments affecting default prevention, including the 3-year cohort default rate. Read over the short descriptions of TG's trainings and contact your account executive to learn more.

- **Managing student loan repayment:** While students receive information during loan counseling, they often have questions about how loan repayment works. Designed for students as well as financial aid administrators, this session describes repayment options available to students; compares each plan's advantages; reviews the basics of consolidation; and explores deferment and forbearance.
- **Transitioning to a 3-year cohort default rate:** In this session, participants will learn how a school's cohort default rate (CDR) is calculated. They will also

discuss effects of the Higher Education Opportunity Act (HEOA) on CDRs, in particular, the shift from a 2-year to a 3-year calculation. Participants will also discuss the benefits of low default rates and the consequences of higher rates. Session presenters will review particular default prevention initiatives as a way to help schools manage their CDRs.

To learn more

If you would like TG's assistance in developing, implementing, or improving your default prevention efforts, contact your account executive at (800) 252-9743, or send an e-mail message to positivebalance@tgsllc.org.

News Briefs

Colleges have their traditions. In some cases, you can see those traditions embodied in campus landmarks — walls, park benches, or other notable spots often decorated by a graduating class of seniors. The [New York Times recently invited student photographers](#) to snap pictures of some of these landmarks, which can feature student signatures, general messages to the campus, or an image designed and created by seniors to commemorate their class graduation.



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

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