



Inside this issue

TG Report 2

- Register for TG’s June financial literacy symposium in Ohio 2
- TG’s director of financial literacy operations brings a seasoned professional’s insight to a growing field 3
- TG webinar series to focus on cohort default rates, veteran issues, and the latest regulatory changes 5

Industry Update 7

- ED provides recorded training sessions of year-round Pell Grant provisions..... 7
- A few resources for writing a policy for summer Pell awards 7
- NCHELP offers free webinar for schools regarding consumer credit laws and regulations 10
- Closed school corner..... 11

Policy Resources..... 11

- Ask the Policy Expert 11

News Briefs 12

Smart Solutions

As students line up the funds for next fall’s enrollment, many may be weighing the benefits against the disadvantages of borrowing for college. TG’s *Adventures In Education* website offers an overview of borrowing, including the differences between federal and private loans. Offer the [resource](#) to your new or returning students.

TG Report

Register for TG's June financial literacy symposium in Ohio

On June 8, TG will hold a free, one-day financial literacy symposium at Ohio State University. The symposium is designed to help colleges and universities design and promote their campus financial literacy efforts.

Presenters from the Ohio State University, Tally Hart, senior advisor of Economic Access Initiative, and Kate Trombitas, assistant director of the Student Wellness Center, will offer their insights on building an effective on-campus financial literacy program.

The symposium, which will run from 9 a.m.-3:30 p.m. Eastern Time, will offer the following sessions:

- **A financial literacy case study** — Learn about real-world examples of programs that demonstrate results for families and students.
- **Roundtable discussion** — Discuss the case study, ask questions, and share your insights with peers.
- **Program debrief** — Consider some best practices in financial literacy, share lessons learned from your program experience, and address common concerns about implementing a financial literacy program.
- **Building a community** — Learn about TG's Positive+Balance CommunitySM, a social networking site created to motivate dialogue on financial literacy among financial aid professionals.
- **TG resources** — Explore TG's financial literacy offerings and share your suggestions on future resources.

To register

Join TG for its Ohio [financial literacy symposium](#), or register for another symposium event through *TG Online*.

To learn more

For questions about the 2010 TG Financial Literacy Symposia, please contact Margie Harvey at (800) 252-9743, or send an e-mail message to margery.harvey@tgsllc.org.

TG's director of financial literacy operations brings a seasoned professional's insight to a growing field

TG's director of financial literacy operations, Sharon Cabeen, has worked for more than 25 years in management and program development. She takes a practical approach to teaching students money management skills. She believes in the "teachable moment," those times when students are more receptive to key concepts of money management because their experience makes them so. She also advocates educating adults as much as students in financial literacy skills. Adults often provide students with their first model for handling money.



In a recent interview with *Shoptalk*, Cabeen shared some of her thoughts on the value and importance of financially literate students.

Q.: Why do you think financial literacy is so important for students in this day and age?

A.: As I get older, I hope the people who are going to be running our world know how to manage money. The current generation of parents may have bought in to assumptions about free-flowing money and the hype of easy and inexpensive credit. Financial literacy is, among other things, a way to keep that attitude from carrying over. It behooves us to educate young people about this.

Q.: What are the three most important skills and concepts students should know regarding financial literacy?

A.: First is to assess your own value system. You want to give some thought and time and attention to who you want to be and to what matters to you.

Second is setting financial goals. We go from values to goals. When you're clear on what matters, you can move forward on what you want to do to enact those values.

Third involves the specifics of how to spend, save, invest, and plan, based on the first two things, that is, your values and goals. Skill sets matter, but clarity of the internal issues, your purpose, who you are ... that's the foundation. That's where it starts and that's what we have to get students to put in place.

Q.: What is the best way to teach students to do that?

A.: That's the hardest part, because it sounds to them more conceptual than real. But we talk to them and challenge them. And there are activities — like card-

sorting values and that kind of thing — that can wake up the part of the mind that will understand how money affects the different parts of a life. And one of the best ways to get students engaged in all this is to also engage the adults in their lives. One of my favorite sayings is that, “when the pupil is ready, the teacher will appear.” There are going to be moments when students are ready to learn about a particular skill. They’ve decided it’s important based on what’s happening in their lives. We want them to have people they can turn to for wisdom on spending, saving, investment, and so on.

Q.: What are the biggest challenges to students who need to learn these skills?

A.: My view is that the current generation of students has been very protected by very involved parents. You’ve heard that phrase “helicopter parents,” kind of hovering parents, eager to help save the day. I’ve even heard of parents calling to check back on jobs their children have interviewed for! It’s not always easy to let go, but adults need to let the kids out from under all that, let them learn hard lessons, including letting them learn about money. So there is well-intentioned, but overly protective, parenting. And then there’s also the school system, which doesn’t have a good, solid, practical, real-world curriculum on money. There isn’t much room made in schools for things like home economics — budgeting, shopping, and paying bills. It’s crucial that students get these basic skills.

Q.: What’s your vision of how best to prepare students to manage money?

A.: My view on this has changed. Of course, it’s critical to reach students, to get their attention focused on their choices and how money fits into their lives, to teach them the skills they’ll need. But the best connections will occur when life makes the lesson directly relevant to the student. So I’ve become more impassioned about hitting financial literacy at every level, including the adults in the students’ lives. Often, those are the people the student will approach with a question, or who will be available to the student.

Q.: Have you had an experience with a student that illustrates the difficulties and/or rewards of this kind of work?

A.: My niece gives me permission to use this story, and it’s exactly the kind of thing I think makes the best impact. This was years ago, but she had gone to college, gotten a credit card, and run it up to the limit, all without the knowledge of her parents who are excellent money managers. When her freshman year ended and her mail got forwarded home, her father saw the credit card bill, and was livid! He asked my advice, and I said that she should have to work to pay it off — and it was a hefty amount. She got two jobs, went through the pain of paying it down, and learned the hard lesson. To this day, she points to that experience as being a big life lesson for her.

Q.: In what ways can TG help students in the area of financial literacy?

A.: There are several ways, but I think one of the more important ways is actually a bit indirect. Through train-the-trainer activities, and through online content, we can provide organizations and administrators and parents and teachers of high school students, and other adults, with the tools and knowledge to help young adults when the teachable moments occur. Better yet, we'll help these groups and individuals develop some passion for teaching financial literacy skills — and that passion to teach can be contagious.

Q.: Can you talk about the importance of credentials and certifications?

A.: In doing training, it is so important to be sure that the information being presented is effective, productive, and useful. There are laws and requirements that people have to have some kind of credential to do this work. And the laws are getting stronger, getting more specific. For those of us who are top-tier service providers, it is critical to be credentialed, not least because credential programs provide an ongoing avenue to learn more, and to be immersed in the field. Further, there's the issue of credibility. You need to be assured that the trainer has expertise in the field. By the way, that doesn't mean trainers know everything, but it should mean that they know how and where to find answers to questions.

To learn more

To find out more about TG's financial literacy services and products, visit the [Managing Your Money](#) resource page on TG's *Adventures In Education* (AIE™) website. AIE is a public service website designed to help students plan for college and career.

TG webinar series to focus on cohort default rates, veteran issues, and the latest regulatory changes

TG's free webinar series on industry topics continues over the next few months.

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. Webinars are posted in an [online archive](#) within a day or two of the broadcast.

Join TG for the following webinars:

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

Learn more about the latest activities that affect federal student aid programs. Updates will be provided on various issues including final rules that become effective July 1 and recent ED 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

Find out more about 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

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. Participants will also identify internal and external customers, define the principles of great customer service, and develop 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

In light of the recent release of official FY 2008 CDRs, explore the 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*.

Industry Update

ED provides recorded training sessions of year-round Pell Grant provisions

In *Dear Colleague Letter* (DCL) [ANN-10-21](#), ED announced the availability of Federal Student Aid's recording of the online, instructor-led training sessions on implementation of the year-round Pell Grant provisions. You may access the "[Year-Round Pell Grant for Term-Based Schools](#)" session and the "[Year-Round Pell Grant for Clock-Hour/Non-Term Schools](#)" session at your convenience to learn important information about year-round Pell Grant provisions.

Corresponding [slides and transcripts](#) are also available.

No recording key is required to view these sessions; however, school users must enter a name to access the recording. No registration is required to view the recorded training sessions.

More information

If you have questions about the recorded training session, please contact Jamie Malone at jamie.malone@ed.gov.

A few resources for writing a policy for summer Pell awards

Since July 1, 2009, provisions of the Higher Education Act (HEA), as amended by the Higher Education Opportunity Act of 2008 (HEOA), have been in effect that an otherwise Pell-eligible student may qualify for a Pell Grant amount that is up to 200 percent of the "Scheduled Award" via two Pell awards within one award year. Since that time, schools have been obligated to put forth a "good faith effort" to comply with these statutory requirements.

Additional rules promulgated by negotiated rulemaking that took place last spring were published last fall and become effective July 1, 2010. Provisions of this final rule must be used for the 2010-2011 award year and any cross-over payment period (i.e., a payment period that includes June 30 and July 1) assigned to the 2010-2011 award year. As part of a school's "good faith effort," ED contends that a school has some flexibility — before July 1, 2010, when the new rules take effect — in writing a school policy for summer 2010 Pell awards that are assigned to the 2009-2010 award year.

Provisions applicable to the 2009-2010 award year

Before writing a summer policy, a review of the basic provisions may be helpful. The 2009-10 *Federal Student Aid Handbook* defines the "Scheduled Award" as "the

maximum amount the student can receive during the award year, if he or she attends full-time for a full academic year” — not to be confused with an annual award, which “is the maximum amount a student would receive during a full academic year for a given enrollment status, expected family contribution (EFC), and cost of attendance (COA).” Note that for a full-time student, the “annual award” amount will be the same as the “Scheduled Award” amount.

For the 2009-2010 award year, a student who is enrolled in a certificate program or a program leading to an associate or baccalaureate degree may receive up to two Scheduled Awards in a given award year, under criteria outlined below (more details are provided in *Shoptalk* edition 533):

- First Scheduled Award
 - The student must:
 - Be otherwise Pell Grant eligible
 - Be enrolled at any enrollment status
- Second Scheduled Award
 - The student must:
 - Be otherwise Pell Grant eligible
 - Be enrolled at least half time
 - Must have been paid the full amount of a first Scheduled Award (or will be paid the balance of a first Scheduled Award along with initial funds from a second Scheduled Award)

Additional provisions effective for the 2010-2011 award year

Beginning with the 2010-2011 award year, to be eligible for a second Scheduled Award, the student must also demonstrate academic year acceleration, which means that at least one credit or clock hour for which the student is enrolled must be attributed to the student’s next academic year. If the student drops these qualifying credit or clock hours, the school must recalculate for a change in enrollment status to determine if the student is still eligible for a second Scheduled Award. Also, on a case-by-case basis, the school may waive this acceleration requirement if the student was unable to meet the requirement due to circumstances beyond his or her control.

Another important change established by the final rule is that a school must assign a crossover payment period to the award year from which the student derives the higher payment. In addition, a school may be required to reassign the crossover payment period, if, by September 10 (as announced in the [May 26, 2010, Federal](#)

Register), the school receives subsequent information that changes the award year under which a higher grant would be paid. According to the *Federal Register* notice, if the school receives such information after September 10, 2010, but not later than February 2, 2011, the school may establish a policy in regard to the reassignment of the 2010 crossover payment period.

The *Federal Register* notice also states

that for the 2010 transition crossover payment period only, an institution is not required to award a Federal Pell Grant to a student from the award year that will provide the greater payment if the institution established a written crossover payment period policy prior to July 1, 2010, and under that policy a student would be awarded a Federal Pell Grant from the 2009-2010 award year without applying the regulations as amended on October 29, 2009.

Resources for a school's summer Pell policy

Per Fred Sellers' presentation at the TG Annual Training Conference, *Two Pell Grants in One Award Year*, a school's "good faith" 2009-2010 implementation and/or summer 2010 policy must be "legally supportable" by guidance from ED presentations, the *Federal Student Aid Handbook*, and the new final rules.

In its April 2010 presentation at the WASFAA (Western) conference, ED noted the following:

"For most flexibility, set your Pell cross-over term policy BEFORE July 1, 2010.

- Policy may provide for—
 - Awarding students from 2009-10
 - Don't review 2010-2011 ISIRs
 - No review of academic year progression for 2009-10"

In other words, if written before July 1, 2010, a school's summer policy may include the school's definition of "acceleration" (also known as "academic year progression"), rather than the one stated above, for summer 2010 Pell awards that are assigned to the 2009-2010 award year and need not include the requirement that the school compare Pell grant amounts from both the 2009-2010 and 2010-2011 award years.

Sellers' notes the differences for term and nonterm programs for 2009-2010 award year:

Term-based programs — There is no requirement that a student complete the hours of the first academic year to be eligible or currently be taking

hours attributable to the second academic year to be eligible for the second scheduled award.

Nonterm, or clock-hour, programs — The student must complete the hours of an academic year to be eligible for a second scheduled award due to payment period definition.

Additional resources include:

- The [Higher Education Act](#) as amended by the Higher Education Opportunity Act of 2008, specifically Section 401(b)(5)
- *Dear Colleague Letter* [GEN-08-12](#), pages 103–104
- [ED summary of the issue](#) for the negotiated rulemaking meetings for Team V, March through May 2009, page 2, Issue Paper #1
- [2009-2010 Federal Student Aid Handbook](#), Volume 3 - Calculating Awards and Packaging, Chapter 3 — Calculating Pell Grant Awards, page 3-44 (released October 9, 2009)
- *Federal Register*: [August 21, 2009, Proposed Rule](#) discussion, pages 42406–42407
- *Federal Register*: [October 29, 2009, Final Rule](#) discussion, pages 55919–55921; final regulations, effective July 1, 2010, pages 55951–55952
- *Federal Register*: [May 26, 2010, Notice of Deadline Dates](#), includes Table C which provides the deadline dates regarding when the receipt of information requires a school to assign a student’s 2010 crossover payment period that occurs in the 2009–2010 and 2010–2011 award years to the award year in which the student would receive a greater Federal Pell Grant payment for the payment period.

More information

For questions, contact TG’s customer assistance at (800) 845-6267 or send an e-mail message to cust.assist@tgslc.org.

NCHelp offers free webinar for schools regarding consumer credit laws and regulations

The NCHelp Private Loan Committee has scheduled a 90-minute webinar for schools on June 30, 2010, at 1 p.m. Central Time and 2 p.m. Eastern Time on the challenges schools face in providing school-funded loans to students. The webinar will include a presentation by Walter Witthoff of Iowa Student Loan on how to determine whether the school must comply with the federal Truth in Lending Act

(TILA), and a discussion of school operational issues by Tom Sakos (DeVry, Inc.) and Melissa Bassett (First Marblehead).

This important training webinar also will include a review of relevant consumer lending laws beyond what is required by TILA. Dino Tsibouris, a consumer credit expert and accomplished speaker on this topic, will present this portion of the webinar.

To register

Register for this free webinar by visiting [NCHELP's website](#).

Closed school corner

The following table provides a list of newly reported school closures and corrections from the Postsecondary Educational Participants System (PEPS) and from the June 2010 *Closed School Monthly Report* supplied by ED. Schools listed are those with which TG has done business or to which TG has otherwise provided services.

Newly reported closures

OPE School ID	School Name and Address	Unofficial Closure Date	ED's Official Closure Date
01169600	National Polytechnic College of Science Berth 183 Pier A Wilmington, CA 90744 6399	N/A	05/15/2010

Policy Resources

Ask the Policy Expert

Q.: Can a student receive the second-level Academic Competiveness Grant (ACG) amount of \$1,300 without having previously received the first-level ACG amount of \$750?

A.: There is no requirement that the student must have received an ACG for his first year of undergraduate study in order to qualify for an ACG during his second year of undergraduate study. If the student is enrolled in his second year of undergraduate study in an eligible program, the student's maximum Scheduled Award amount is \$1,300, even if the student has never before received an ACG. Similarly, a student's eligibility for a National SMART Grant (third, fourth, or fifth year of study) is not dependent on the prior receipt of an ACG award (2009-10 *Federal Student Aid Handbook*, page 3-81).

According to *Handbook* pages 3-79 and 3-80:

"A student's ACG/SMART Grant Scheduled Award is based only on completing the respective grade-level ...

The maximum ACG/SMART Grant Scheduled Award for a particular student depends on the grade level in which the student is enrolled during the student's enrollment at a school in eligible programs of study and the availability of funds for all eligible students during the award year. For the ACG Program, the Scheduled Award may be up to the authorized maximum awards of:

- \$750 during the first year of undergraduate education that an eligible student is enrolled in any ACG eligible program at any school; and
- \$1,300 during the second year of undergraduate education that an eligible student is enrolled in any ACG eligible program at any school."

This is a new concept. Previously, the school had to track the student's progression through an academic year. The sidebar on *Handbook* page 3-81 explains:

"The student's grade level for ACG/SMART purposes must be the same grade level as you use for determining annual loan limits for the FFEL and Direct Loan programs."

More information about grade level in regard to ACG and National SMART is on *Handbook* page 3-81.

Do you have a question?

Feel free to Ask *TG*TM. 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

The College Board's *Student Poll* conducted a survey of 1,607 high school seniors from late November 2009 to early January 2010 regarding college costs. The survey found that many students and parents rule out colleges based on a school's published sticker price without taking into account financial aid. These findings suggest that parents and students are making decisions about college affordability without accurate or complete information. The survey also found that only about

one-third of students or their parents actually used an online financial aid calculator, which can help estimate costs.



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@tgsic.org.

Contributors to this edition: Michelle Anderson, Felicia Anthony, Rob Davenport, Sarah Faszholz, Jeff Knight, and Art Martinez. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

©2010 Texas Guaranteed Student Loan Corporation.
AIE, Ask TG, Positive+Balance Community, and the TG logo are trademarks or service marks of Texas Guaranteed Student Loan Corporation.