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Smart Solutions

College-bound students in high school often use the summer to explore college possibilities. As part of your outreach efforts, offer these students and their families some guidance on making an informed choice about college. [TG's Adventures In Education](#) offers tips on what questions to ask in evaluating college options and how to begin a college search.

TG Report

Learn the latest about industry change, IBR, and default prevention at TG's NASFAA sessions

Two topics are stirring up much discussion in the student aid industry — the recent shift in federal student lending and default prevention. TG presenters will offer sessions that touch on both topics at this year's National Association of Student Financial Aid Administrators (NASFAA) Annual Conference, to be held in the Mile High City of Denver from July 18-21.

Given the transition in federal student loans from bank-based to government-lending, many financial aid offices are working hard to make sure staff have a firm grounding in regulation and policy. At the same time, schools are looking more closely at their default prevention efforts as graduates enter a difficult job market. TG offers a session on the latest regulatory changes and two other sessions: one being a Financial Aid Business Solutions (FABS) Seminar on TG default prevention tools; the other on Income-Based Repayment (IBR), the newest FFELP and FDLR repayment plan.

Here's a short summary of each session.

- **Show what you know:** Learn more about some of the most recent changes in federal student aid policy, regulations, and law in this interactive session designed in a game format. Questions on a variety of student aid issues are presented on a screen. Attendees "click" or choose answers using remote control devices and then learn the answer in real time. The experience is fun and, even better, leaves attendees with valuable, practical information.

Times

- Monday, July 19, 1:30 p.m.-2:45 p.m. (for all financial aid administrators)
- Tuesday, July 20, 3:30 p.m.-4:45 p.m. (for graduate and professional financial aid administrators)
- **IBR — A tool to help students manage repayment:** A panel of industry experts will offer a high-level overview of the features of the Income-Based Repayment (IBR) plan and discuss how it can help borrowers manage their student loan repayment. Comprised of representatives from a school, a lender, and a guarantor, the group will describe how it has implemented IBR in business operations, processes, and communications. Panelists will also speak about their efforts to educate borrowers about the value of this new repayment plan and answer questions from the audience.

Time

- Tuesday, July 20, 2 p.m.-3:15 p.m.
- **Default aversion effectiveness and the Integrated Default Assistant™**
(Financial Aid Business Solutions (FABS) Seminar)

Assessing and managing your school's default prevention needs can be a complicated task. TG offers help with two online tools: a Default Aversion Self-Assessment Tool and the Integrated Default Assistant (updated version scheduled for release in fall 2010). Attend TG's session to find out how these online tools may help you better manage your default aversion efforts.

Times

- Monday, July 19, 10:30 a.m.–11:45 a.m.
- Tuesday, July 20, 10:30 a.m.–11:45 a.m.

NASFAA's agenda for mobile devices

To access the 2010 NASFAA Conference schedule on your mobile phone, point your mobile device to www.tgslc.org/NASFAA10/agenda/index.cfm.

TG's Jeff Webster participates on panel during ACSFA hearing

Think of them as conversations — the formal and informal talks that go on between the federal government and the student aid industry on issues both practical and policy-related — from managing federal student loans to motivating underrepresented students to go to college. The objective? Gather feedback from practitioners and those in the field in order to make the college experience a better one available to more students. These talks happen in many ways, including official correspondence, negotiated rulemaking sessions (NegReg), and committee hearings. Jeff Webster, TG's assistant vice president of research and analytical services, along with a few other researchers from around the country, recently took part in such a conversation with the Advisory Committee on Student Financial Assistance, or ACSFA.

Created in the mid-80s as part of a reauthorization of the Higher Education Act, ACFSFA is tasked by Congress to consider student aid issues — such as simplifying the Free Application for Federal Student Aid (FAFSA) — and report back, often in the form of a study or review with recommendations. Recently, the committee produced such a report, *The Rising Price of Inequality: How Inadequate Grant Aid Limits College Access and Persistence*, which examined longitudinal studies conducted by the National Center for Education Statistics (NCES) on the college experiences of low- and moderate-income high school graduates.

The committee invited a panel of five experts to comment on the report during a hearing held June 25 in Washington, D.C. Webster was one of these experts, which also included Donald Heller of the Pennsylvania State University, Mark Kantrowitz of FinAid.org, Donald Norris of Strategic Initiatives Inc., and ED's Zakiya Smith.

Ready, willing, and unable

Among other things, the ACSFA report determined that, from 1992 to 2004, low- and moderate-income students' attendance at community colleges and other 2-year institutions rose. Apparently, more families were concerned about the cost of a higher education and chose a less expensive option. This had a potentially negative effect on graduation rates. Students who attend community colleges tend to graduate less, partly because they often attend part time and may have jobs, which prolongs the degree process.

Each panelist offered a response to the report in a short presentation and then, as a group, fielded questions from the committee. In his comments, Webster said that *The Rising Price of Inequality* report mirrored TG's own findings in similar research. Webster referred to TG's *Ready, willing, and unable: How financial barriers obstruct bachelor-degree attainment in Texas*, a study which used NCES data to project how many degrees were lost in Texas because of financial barriers. TG's report offered this sobering conclusion: each year, financial issues prevent more than 52,000 students from applying for or completing a bachelor's degree.

The committee showed interest in TG's findings and its report, which makes a case for offering more grant aid to low-income families as a way to bridge the gap to college.

"The committee thought TG's report laid out the issues in a straightforward way," said Webster.

Webster has worked on TG's research team for more than two decades and has lent his expertise to TG research studies on a diverse set of subjects, from college outreach to borrower repayment. This is not Webster's first experience with ACSFA. TG's first CEO, Joe McCormick, was appointed as a member of the committee when it was first formed. ACSFA was charged early on with examining the federal student aid application, which later became the FAFSA. Webster did research on the usability and potential enhancement to the application.

With latest *TG Connection*, TG offers help to you and your borrowers in winning the default prevention game

Borrowing for college is expected to grow substantially over the next decade, which means students will graduate with more average debt. Many of these graduates will enter one of the toughest job markets on record. This scenario has many financial aid administrators considering how best to serve the needs of their borrowers. To

be effective, schools are adopting both a statistical perspective in order to pinpoint need by student population (who borrows more? when and why?); and a form of personal intervention, including in-person coaching or counseling, workshops on financial literacy, and e-mail and letter communications.

The latest edition of *TG Connection*, TG's quarterly magazine on industry issues, showcases both these approaches and offers examples that schools can use to help devise a campus default prevention game plan or to enhance one already in place. Here's a short review of each article.



- **Play by play — Designing a strategy of success for your default prevention needs:** According to ED's projections using cohort data for FY 2004 as an example, the overall 3-year cohort default rate for the nation could jump by as much as 69 percent. As a result, many schools are reviewing their default prevention initiatives with an eye to enhancing what's there with new or better tools. They're also forming dedicated teams that can pool expertise and draft a strong default prevention plan.
- **Slam dunk! The ACCESS College Foundation helps underrepresented students build long-term success with a winning college career:** Studies show that students from underrepresented groups are more likely to have difficulties adjusting to college life, to leave before obtaining a degree, and to subsequently default on their student loans. To address this issue, more education organizations, including the Virginia-based ACCESS College Foundation, are providing help to students once they cross the bridge from high school into college.
- **Going the distance — Income-Based Repayment offers hope to borrowers with high student debt:** Nearly a year after implementation, Income-Based Repayment (IBR) continues to be one of the strongest contenders for helping students successfully pay back their federal student loans, especially given the difficult economy.
- **Curveball — Debunking some common myths about default:** On the surface, default may seem like a simple enough issue — the more that a student borrows, the greater the likelihood that the student will default. However, research throws a curveball at this and other theories. Referencing studies and analysis conducted by TG's research and analytical services team, this article poses a series of questions to determine whether some common assumptions about default hold up or whether more research is needed to cover all the bases.

- **From gutterballs to strikes — Clearing a path to a postgraduate career:** Given a mixed job outlook, it is important that college seniors make good decisions in managing their job hunts. That might entail mastering the latest job search 2.0 practices (such as tweeting job search updates, posting video résumés on YouTube™, or even conducting job interviews on Skype™). It definitely entails following old-school fundamentals (like sharing business cards, making lots of contacts, and doing practice interviews). This article highlights tips to pass along to your graduating seniors as they enter a fast-changing job market.

Order your free issue

If you would like to request one or more copies of this issue of *TG Connection*, please send an e-mail message to TG [marketing communications](#). Please allow one to two weeks for delivery.

TG's IBR calculator incorporates latest regulatory changes

Income-Based Repayment (IBR) was created to support borrowers having difficulty meeting their loan payments because of a high ratio of debt to income. A year after implementation, the repayment plan remains an important option for borrowers in need. TG provides a simple calculator tool for helping to determine whether a borrower qualifies for IBR, and then estimating a monthly payment based on factors that include income, total federal student loan debt, and family size.

July 1 changes

TG's calculator now incorporates the latest regulatory changes to IBR, which took effect July 1, 2010. Among other things, the new rules expand the definition of partial financial hardship. The definition now specifies that IBR eligibility is calculated based on the greater of either:

- The amount owed on the eligible loans when the borrower initially entered repayment; or
- The amount owed when the borrower selected the IBR plan.

The calculator will now use the larger outstanding balance to determine if the borrower is eligible for the IBR plan. This change potentially expands the number of people who may qualify for IBR.

Other rules benefit married couples who both have eligible loans and file a joint federal tax return. Under the new rules, the calculator now takes into account a couple's total federal student loan debt, as well as their total income, to calculate payments. Formerly, while the calculation considered a couple's total income under a federal tax return filed jointly, it only considered the IBR applicant's eligible loan debt and not the spouse's when estimating eligibility. This change may help more

married couples qualify for the IBR plan and reduce payments for those couples paying off student loans.

To learn more

Visit TG's *Adventures In Education* to use the [IBR calculator](#).

As industry changes, TG modifies its lender survey tool

TG's List AssistSM is an online tool for managing surveys used in creating a recommended lender list. Formerly, schools could use List Assist to create and manage surveys for lenders of FFELP loans. Recently, TG removed the FFELP survey component. Schools can still use List Assist to create surveys for lenders making private student loans.

For schools, List Assist simplifies information-gathering and helps document lender list creation. For lenders, it streamlines the survey response process. As the federal student loan industry changes, TG is committed to providing the services and tools that hundreds of schools have come to value. List Assist is one such tool, offering schools a more automated way of collecting and managing survey data.

For help

If you have questions, or would like to suggest additions to the library of private loan questions, please contact TG's product support at (800) 332-1455, or send an e-mail message to product.support@tgslc.org.

Industry Update

Civil Legal Assistance Attorney Student Loan Repayment Program applications available — borrowers need to apply quickly!

The 2010 Civil Legal Assistance Attorney Student Loan Repayment Program Application To Participate and Service Agreement is now available. Qualified civil legal assistance attorneys are encouraged to apply as soon as possible.

The Civil Legal Assistance Attorney Student Loan Repayment Program was established to encourage qualified individuals to enter and continue employment as civil legal assistance attorneys. Under the program, an eligible student loan borrower, with one or more eligible loans, may receive up to \$6,000 in student loan repayment for each year of completed service up to an aggregate of \$40,000.

Shoptalk edition [555](#) provided a notice about Congress' appropriation of \$5 million for this program for FY 2009-10. Loan repayment commitments are limited to the amount appropriated for the program for a given fiscal year by the Congress and

are only available to eligible applicants until those funds are fully committed. Therefore, awards under this program will be available to eligible borrowers on a first-come, first-served basis.

Determination of first-come, first-served will be based on the date and time the borrower's application is received by ED. Given available funding for fiscal year 2010, ED estimates that fewer than 1,000 eligible applicants will ultimately receive awards. Applicants are strongly encouraged to submit their applications at the earliest possible date; applications must be received by ED no later than August 16, 2010.

In a *Federal Register* published July 7, 2010, ED announced detailed information regarding eligibility criteria and procedures for the implementation of this repayment program. The *Federal Register* also refers readers to www.studentaid.ed.gov to access the application form and to learn more about the program. The following questions and answers are provided on the website that relates to the Civil Legal Assistance Attorney Student Loan Repayment Program.

Q.: Are loan amounts repaid under the program considered taxable income?

A.: No. According to the IRS, student loan amounts forgiven under the program are not considered income for tax purposes.

Q.: Is income a factor in determining eligibility for the program?

A.: No. Income is not a factor in determining a borrower's eligibility for loan repayment under the program.

More information

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

Policy Resources

2010 *Common Manual* update available

The 2010 annual update to the *Common Manual* is now available. This update includes all of the policies approved since July 1, 2009.

The *Electronic Common Manual* (ECM) has been posted to *TG Online*. The ECM is the basis for the *Integrated Common Manual* (ICM), which shows strikeouts and underlines to identify changes to the text that occur throughout the year. Program participants use the ECM until the first ICM is available near the end of September, when the Governing Board approves the first *Common Manual* policies for the new fiscal year.

The e-Collection CD is also available upon request, and may be ordered through [TG Online](#). It includes the latest edition of the *Common Manual* and other resource documents related to student financial assistance (e.g., *Dear Colleague/Partner Letters*, common forms, federal regulations, etc.).

Download the 2010 update

To view and download the latest update, visit [TG Online](#).

Latest IFAP postings

For the convenience of the entire financial aid community, ED assembles Title IV federal student aid guidance, resources, and information on its [Information for Financial Aid Professionals](#) (IFAP) website. Recent postings, listed by topic, include the following, presented alphabetically by category.

Common origination and disbursement

- [2010-07-09](#) — COD processing update

ED Notices in *Federal Register*

- [2010-07-13](#) — Electronic Submission of Financial Statements and Compliance Audits
- [2010-07-12](#) — Student Assistance General Provisions – Subpart A – General. OMB #: Pending

EDE Suite updates

- [2010-07-12](#) — Availability of EDEExpress for Windows 2010-2011, Release 4.0
- [2010-07-09](#) — Availability of Direct Loan (DL) Tools for Windows, Release 10.0

FDLP processing

- [2010-07-08](#) — Additional 2008-2009 Direct Loan Program Year Closeout Information

FDLP loan servicing

- [2010-07-07](#) — Great Lakes Educational Loan Services, Inc. begins servicing Direct loans

FFELP special allowance rates

- [2010-07-07](#) — Special allowance rates for the quarter ending June 30, 2010

Training on proposed regulatory changes

- [2010-07-09](#) — Live Internet Webinar – Program Integrity Notice of Proposed Rulemaking

For more information

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

News Briefs

Smart phones and other digital devices are becoming tools of the trade for instructors teaching history, botany, ethnography, and other subjects. Learning consultants and developers are teaming up to produce special teaching applications that live on devices with a GPS component. These applications link images, video, and audio to a physical location, or GPS anchor. College students using a smart device with such an application can then explore the environment around campus and locate — as an example — historical sites or other points of interest. Once located, these sites trigger images or video on the GPS-enabled device. The experience offers a different, often more vivid way of learning than reading a textbook. Applications can be designed to teach a variety of other topics, from plant life to languages. [Learn more about this technology-enhanced form of pedagogy.](#)



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