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Smart Solutions

Interested in hearing industry experts discuss regulatory and policy issues critical to you? TG offers an [archive of webinars on industry issues](#) which you can instantly access from *TG Online*, TG’s corporate website. The webinars cover a spectrum of timely issues, from Income-Based Repayment and cohort default rates to professional judgment and the verification process. You can also download presentation materials and a Q&A document on each topic.

TG Report

TG debuts video on default prevention services

Many industry eyes have turned to default prevention and what schools can do to support borrowers in a tough economy. TG offers both schools and borrowers repayment support, including technological tools for managing default, in-person consulting, and communications tailored to the needs of borrowers. A new TG video featuring two of TG’s default prevention experts — assistant vice president of default prevention Shelia Dunlap and default aversion consultant Cindy Marrs — spotlights these resources.

As the federal student loan industry makes a historic shift from bank-based to government lending, TG remains dedicated to supporting schools and borrowers. TG continues to provide life-of-the-loan support for its \$32 billion FFELP portfolio, as well as help ensure the success of the federal student aid programs. TG is also working to add to its default prevention tools, trainings, and resources so that schools can better prevent and reduce default and so that borrowers have stronger support on the path to repayment.

Watch the TG video

To view the video, visit the [Default Prevention area of TG Online](#) and click the link in the right column.

TG's NASFAA Conference sessions on default prevention and policy draw enthusiastic attendees

As one of the premier industry events, the National Association of Student Financial Aid Administrators (NASFAA) Annual Conference serves as a magnet for financial aid professionals, bringing together several thousand each year. The 2010 NASFAA conference, which wrapped up in Denver last week, was of special interest to administrators, occurring on the heels of one of the largest shifts in the federal student loan program in the last quarter century — the transition to the Federal Direct Loan Program (FDLP). Presenters from the Department of Education (ED) led sessions designed to answer questions on the transition process and supply guidance on a variety of related topics, from private education loans to Pell Grant Program changes. Other sessions, including TG's on policy and regulations and another on default prevention, provided forums for considering how to manage aspects of the transition.

A regulatory hit — “Show What You Know”

Each higher education-related law and regulation adds scale to the already massive amount of rules. TG's “Show What You Know” helps to break down the complexity of rules and makes it fun to learn them, thanks to the presentation's interactive format.

During the NASFAA conference, TG offered two “Show What You Know” sessions, one geared for a general audience, and the other for graduate and professional aid administrators; both were well attended and enthusiastically received. Participants enjoyed the game style of these sessions, which is not a standard update to changes in federal regulations. Instead, using remote control devices, attendees clicked answers to a variety of questions on the federal student aid programs, allowing them to learn as they played. While each session grew collegially competitive at times, participants cheered the winners of each session, who received “diplomas” for their achievements. Attendees also appreciated the answer

keys, which contain a summary and basis for the answers to the questions asked during the sessions.

Default prevention tools for the 21st century

A gloomy economy and the adoption of a 3-year cohort default rate industry-wide have many schools examining their default management plans. TG offered a Financial Aid Business Solutions (FABS) Seminar that spotlighted two unique default prevention products — TG's Default Aversion Self-Assessment Tool and the Integrated Default AssistantSM (IDASM).

The Default Aversion Self-Assessment Tool guides schools through an online review process. Users consider their current processes and goals; evaluate recent cohort default rates and compare them to the rates for institutions in the same school segment; and learn strategies to improve default aversion effectiveness. Results from the self-assessment can serve as a stepping stone for creating or enhancing a default management plan or for talking with a TG default aversion consultant about crafting a plan.

TG's FABS session also covered IDA, TG's loan management product, which is undergoing an enhancement. Originally created to manage TG-guaranteed loans, IDA's scope is being expanded so that schools can use it to manage all loans in their borrower portfolios, regardless of originator. Among other things, IDA will allow schools to import data from multiple sources and create reports to better track and monitor delinquency as well as communicate with borrowers with loans at risk of default. Audience response to both IDA and the self-assessment was very positive.

More about TG's default prevention services

Access TG's [Default Aversion Self-Assessment Tool](#) through *TG Online*. You can learn more about TG's extensive set of default aversion products and services by contacting a TG account executive at (800) 252-9743, or sending an e-mail message to relationship.management@tgslc.org.

TG moderates IBR panel at NASFAA conference

A year after its implementation, Income-Based Repayment (IBR) remains one of the best options for student loan borrowers with a high ratio of debt to income. During last week's NASFAA conference, TG provided a "profile" of the repayment plan with the help of a panel of industry experts. The panelists included Melet Leafgreen, assistant director of Loan Programs of Texas Christian University; Bob Sandlin, director of policy and compliance at North Texas Higher Education Authority; and Rinn Harper, vice president of operations from TG.

As part of the session, the panelists covered a wide range of IBR-related topics including eligible loans that qualify for the plan, the definition of partial financial hardship (PFH), recent rules that took effect July 1, 2010, and recent changes under the Health Care Education and Reconciliation Act that will affect new borrowers with loans first disbursed on or after July 1, 2014.

Eligible loans

In his presentation, TG's Rinn Harper noted that loans eligible for the IBR plan include FFELP/FDLP Stafford loans, FFEL/Direct Grad PLUS loans, Supplemental Loans for Students (SLS), Federally Insured Student Loans, and FFELP/FDLP consolidation loans that do not include parent PLUS loans.

In contrast, he reminded session attendees that loans that are **not** eligible for IBR include parent PLUS loans, Consolidation loans that repaid any parent PLUS loans, private loans, and defaulted FFELP/FDLP loans.

Rules effective July 1, 2010

As part of his discussion, Sandlin reminded session participants that [recent rules that became effective July 1, 2010](#), expanded the definition of PFH for the purpose of determining a borrower's eligibility to repay under the IBR plan. According to the revised definition, the annual amount due on a borrower's eligible loans — under a standard repayment plan with a 10-year repayment period — 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.

This is a benefit to borrowers seeking IBR given that the lender will now use the larger outstanding balance to determine if the borrower is eligible for the IBR plan.

Lenders will still be required to use the adjusted gross income (AGI) reported on the borrower's federal tax return. However, for married borrowers who file a joint federal tax return, lenders may now use both the borrower's and spouse's eligible loan balances in determining whether the borrower has a PFH. It's important to note that this change is allowed even if only one spouse applies for IBR.

Borrower rights and responsibilities

While the panelists provided [guidance on the IBR forms](#) that FFELP borrowers use to apply for the plan, Melet reminded the audience that borrowers have specific rights and responsibilities associated with repayment plans, including the IBR plan. As stated on a Stafford loan Master Promissory Note, borrowers have the right to select a repayment plan and change that repayment plan at least once per year if they wish.

Melet also emphasized that borrowers have a responsibility to select the right repayment plan for themselves. In the case of IBR, they must submit the appropriate paperwork to initially qualify for IBR, as well as the yearly paperwork necessary to reassess their payment amounts.

Borrower resources

Many IBR resources and calculators are available to borrowers, including those offered by ED and TG. For more information on IBR, visit [TG Online](#).

Register for TG's September financial literacy symposium

On September 14, TG will hold a free, one-day financial literacy symposium at the TG Campus in Round Rock, Texas, just outside Austin. The symposium is designed to help colleges and universities design and promote their campus financial literacy efforts.

Presenters from the Office of Student Financial Services at the University of Texas at Austin will be presenting.

The symposium, which will run from 9 a.m.–3:30 p.m. Central 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 Texas financial literacy symposium.](#)

To learn more

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

Policy Resources

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.

Campus-Based Programs

- [2010-07-23](#) — eCampus-Based Application for the Fiscal Operations Report for 2009-2010 and Application to Participate for 2011-2012 (FISAP) Now Available

Common origination and disbursement

- [2010-07-23](#) — COD processing update

ED notices in *Federal Register*

- [2010-07-26](#) — Gainful Employment Proposed Rule
- [2010-07-26](#) — Financial Education for College Access and Success Program

EDE Suite

- [2010-07-26](#) — EDEExpress for Windows 2010-2011, Release 4.0 Software Reposted to FSA download Web Site to Resolve Installation Issue

Federal Student Aid Customer Service Center Information

- [2010-07-23](#) — FSA Customer Service Center resources

Federal Student Aid Information Technology Services

- [2010-07-22](#) — Beta Test Volunteers Needed for New TDClient Versions

FDLP processing

- [2010-07-23](#) — Updated Guidance on Making Direct Loan Refunds of Cash

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

When it comes to organizing workspace, are you a Right Angler, Nothing Out, Everything Out, Total Slob, or Pack Rat? How about organizing your time? Are you a Hopper, Perfectionist Plus, Fence Sitter, Cliff Hanger, or Allergic to Detail? If you've ever walked through an office observing with a sociologist's eye the various personal work styles of colleagues, you may have wondered what differentiates us from one another. Why do some people adopt certain organizational styles that work for them but that would be anathema to others? A book titled *How to be Organized in Spite of Yourself: Time and Space Management that Works with Your Personal Style* by Sunny Schlenger and Roberta Roesch offers some answers as well as help in understanding how the stamp of personality shows in just about everything we do at work. The book, recently profiled in *The Chronicle of Higher Education*, defines the typology listed above and considers the pros and cons of each organizational or time management style. In making us aware of how our own styles succeed or not, the authors try to offer behavioral alternatives that can make work a better experience.



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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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