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Smart Solutions

Teach your students a valuable lesson about using credit with *Adventures In Education's credit card repayment tables*. These tables illustrate how only paying the minimum balance on credit cards can prolong payment and end up costing borrowers more.

TG Report

New TG video spotlights IBR resources and support

More than a year after its inception, Income-Based Repayment, or IBR, continues to be one of the best options for borrowers who find themselves struggling with high student debt and limited resources to repay that debt.

IBR has some unique features that can provide relief to borrowers with a high ratio of debt to income, including monthly payments based on outstanding loan balance, income, and family size. Schools play a vital role in educating borrowers about IBR, both before graduation and after. TG spotlights some of the ways that schools can inform borrowers about this repayment option in a new video.

Available through *TG Online*, the video outlines eligibility requirements and details of IBR, recommends how to make students aware of the repayment plan, and then offers talking points on what to emphasize with borrowers as they explore IBR.

About TG

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 \$26 billion FFELP portfolio, as well as to 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 so that borrowers have stronger support on the path to repayment.

Watch TG's IBR video

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

Philadelphia Futures: Program expands reach through TG Public Benefit grant

Now in its 20th year, Philadelphia Futures' college access and college success program, Sponsor-A-Scholar, prepares low-income, first-generation-to-college students attending Philadelphia's most underperforming high schools to enter and succeed in college by providing a proven model of mentoring, academic enrichment, college guidance, financial incentives and staff support. Students are recruited into the SAS Program in ninth grade and receive services through the attainment of their college degree – a minimum of eight years.

The SAS staff collaborates with students, mentors, parents, and high school and college personnel to give students the skills they need to meet academic goals, the personal support to overcome the challenges facing families living in poverty, and the team necessary to break down the institutional barriers which traditionally exclude minority and first-generation-to-college students from achieving college success.

Shoptalk recently sat down with Joan C. Mazzotti, executive director for Philadelphia Futures, to learn more about their award-winning program.

One of the greatest challenges faced by Philadelphia Futures is to get students, and their parents, to focus on educational and economic opportunities that are long-term, given their short term social challenges. What are some ways that you accomplish this?

We are persistent and relentless in our efforts to get our message out in a manner that will appeal to students and their families. We use a variety of recruitment methods to expose students to our program and what it has to offer, including repeated staff presence in the schools, teen-friendly recruitment materials, and advertising in community publications.

The school guidance counselors play a pivotal role in reinforcing the message and helping us identify promising applicants. We also give students small incentives or “takeaways” as tangible positive reinforcement.

This year an alumna of our program served as a recruitment intern. She followed up with every potential applicant, and was able to use her own story and experiences to help students understand the benefits of the program, and make it personal. Many of our efforts this past year were funded by our grant from TG, for which we are very grateful.

Once students are enrolled in our program, the focus of the ninth grade curriculum is to help students develop an understanding of the linkages between academic study and professional careers. Students have a chance to complete personal inventories and skill assessments, and go on to participate in fun, but educational, career exploration trips.

We also work closely with their parents to develop a positive identification with the goals of the program. TG also made it possible for us to develop a formal “new” parent orientation that was extremely helpful to us, and much appreciated by the parents.

Gender parity of the cohort seems to be a challenge (more females than males in a group). Can you elaborate on why males struggle more, and what you are doing to bring a greater gender balance to the pool of participants?

We all know the statistics. Males of color raised in urban poverty are acutely at risk in today’s society. In Philadelphia, 60 percent of high school dropouts are boys, and African-American boys are more likely to be enrolled in special education classes than any other group. Causes for our boys’ greater problems stem from the inability to imagine a future in an environment where incarceration and premature death are prevalent; alienation from school; gang violence; a culture of masculine posturing in which academic achievement can be a liability; and the lack of positive male role models to reinforce the importance of staying in school, planning for college, and pursuing a successful career.

While recruiting boys to our program remains a challenge, reaching gender parity is a core goal of our recruitment efforts. We actively seek promising male applicants and utilize male staff to reach out and make connections with the boys. Recruiting boys is only the first step. We must also retain them in the program, and support their educational and life goals.

In 2006, in response to the special needs of urban boys of color, we launched our Young Men's Initiative (YMI). In addition to our traditional program activities, YMI offers boys a targeted series of gender-specific programs and services designed to provide them with the support, resources, and opportunities necessary to overcome the overwhelming obstacles facing boys of color living in urban poverty. YMI activities are designed to recruit more boys and strong male mentors into the Program; develop boys' leadership skills and sense of personal responsibility; expose boys to positive male role models and professional opportunities; reward scholarship and provide academic support; and create a positive peer group with similar goals.

YMI, however, is more than a series of activities; it is a commitment to doing "whatever it takes" to keep our young men on a positive path to college.

Has your program been modeled, either in whole or in part, in other regions or states? What recognitions have you received for your efforts in the community?

About 15 years ago, we received a grant to fund a replication project that launched similar programs in Chester, Pa., Albany, N.Y., Milwaukee, Wis. and a number of other locations. Many of these programs remain active.

Our work has been recognized in many different ways over the years: In 2005, we were recognized by the Manhattan Institute with its Social Entrepreneurship Award for providing "innovative, private solutions for America's most pressing social problems." The Philadelphia Commission on Human Relations presented its highly prestigious 2006 Award to a Nonprofit Organization to the Sponsor-A-Scholar Program for promoting inter-group harmony, cooperation and understanding in the community. In March of 2009, Philadelphia Futures was featured in the Urban Advocate, a national newsletter for urban school district educators, as a "best practice" in college access and retention programs for low-income youth. In May 2010, the academic achievements of our SAS students were recognized by an invitation to the White House from the Office of Public Engagement. Most recently, Philadelphia Futures was honored before a Philadelphia Phillies game at Citizens Bank Park by State Farm Insurance with its Good Neighbor Award.

Do you have an example of a positive comment or story from a student in the program in reaction to the program's activities and mentoring?

As a youngster raised by her grandmother in North Philadelphia, Gwendolyn Bell always knew she wanted to go to college. In her freshman year at William Penn High School, Gwendolyn approached her guidance counselor to ask how to find the resources she would need to make her dream a reality. The counselor gave her an application for the SAS Program.

Since that moment, Gwendolyn has taken full advantage of every opportunity available. During high school, she was completely committed to the SAS Program, attending after-school classes, workshops and club activities. She forged an extraordinarily close relationship with her mentor. Gwendolyn was admitted to Bloomsburg University, traveled to Austria, Germany, Hungary and the Czech Republic through the university's study abroad program, and was a Board of Governors Scholar and a member of the Financial Management Association, the Black Cultural Society and the International Economic Society.

Gwendolyn's involvement with Philadelphia Futures has fostered in her a tremendous passion to give back — she dreams of helping students with limited resources to find their way to education and independence. In May 2009, Gwendolyn graduated from Bloomsburg with a BA in Business Economics.

While she ultimately hopes to carve out a career in urban planning, she took a position with The Hertz Corporation. She has her own apartment outside of Philadelphia, and is thrilled to be living independently, working in a job she enjoys, and paying her own bills. "It's hard," she says, "but it's wonderful." Philadelphia Futures and the Diederiches remain a big part of Gwendolyn's life. "Having Philadelphia Futures by my side every step of the way through high school and college inspires me to some day do the same for someone else," says Gwendolyn.

To learn more

Please visit [TG Online](#) to learn more about [TG's Public Benefit Grant program](#). TG's Public Benefit Grant Program is administered based solely on merit and need, and without regard to the business of TG or any form of *quid pro quo* consideration.

Advising Corps will help low-income Texas students with college preparation

Texas high school students most in need of help planning for and enrolling in college soon will be getting assistance, thanks to funds from a public-private partnership between Bank of America, TG, the Texas Higher Education Coordinating Board, the College for All Texans Foundation, National College Advising Corps (NCAC) and The University of Texas at Austin's Institute for Public School Initiatives (IPSI).



Pictured from left: State Rep. Joaquin Castro, San Antonio mayor Julian Castro, and Dr. Nicole Hurd, Executive Dir. of the National College Advising Corps, with student members.

These grants will support creation of the Texas College Advising Corps (TCAC), a program modeled on the very successful National College Advising Corps, which is headquartered at the University of North Carolina at Chapel Hill. The Advising Corps will be aligned with state and national priorities to increase college enrollment and completion among low-income, first-generation, and underrepresented students.

Expanding support as program grows

Bank of America, TG, and the Texas Higher Education Coordinating Board are contributing \$821,703 this year to support 16 advisers. A \$1.5 million grant from the Texas Higher Education Coordinating Board through the federal College Access Challenge Grant program will allow the program to expand next year and trigger a four-year award of around \$5 million a year.

"With high school guidance counselor caseloads nearing 500 students per counselor nationwide," said Dr. Nicole Farmer Hurd, executive director of the National College Advising Corps, "there's a critical need for advisers to assist in high schools, where students lack the resources and information to successfully navigate the college admissions process.

"By placing recent university graduates in underserved Texas high schools, students who might forego college because the entire process is too daunting will get help completing college applications, filling out financial aid forms and selecting appropriate universities. Because the advisers are 'near-peer,' which just means they are close in age and circumstance to the students they serve, they can connect in ways that others often cannot."

TCAC advisers will be full-time, receive high-quality training and serve for one or two years.

Addressing an unmet need

According to Matt Orem, TCAC director, the average amount of time a Texas high school counselor gets to spend with a senior, advising for college, is about 20 minutes. The effects of this deficit in guidance for students are profound, with a 2004 study finding that half of the eight million undergraduates enrolled in

universities didn't complete financial aid paperwork. More than 20 percent would have been eligible for the need-based Federal Pell Grant.

"Department of Education data indicate that 99 percent of the fastest-growing jobs require education beyond high school, yet nearly a quarter of low-income students who score in the top quartile on standardized tests never go to college, and many of the remaining 75 percent never obtain a bachelor's degree," said Kenny Wilson, Central/South Texas market president, Bank of America. "A strong economy is only as good as a well educated workforce. Our support of the Texas College Advising Corps will ensure that students are matched with the right resources to enable them to go to college."

Engaging students to become advisers

TCAC is a cost-effective model, Orem said, that uses human capital from universities to supplement and support counselors. It's anticipated that the Advising Corps will be an attractive opportunity for the same kinds of graduates who elect to "give back" through programs like the Peace Corps and will be scalable to a statewide level.

"The Texas College Advising Corps is a key part of The University of Texas at Austin's efforts to keep the doors of college open to all," said William Powers Jr., president of The University of Texas at Austin. "Just as Teach for America taps recent graduates for the classroom, the Advising Corps taps recent graduates for advising in our high schools. We expect these alumni will benefit long-term through their civic engagement and will be more active members of their communities."

Texas pilot sites that will receive advisers during this first year of the grant include 16 high-need high schools in Houston, the Rio Grande Valley and San Antonio. Sixteen advisers will be placed this year and the program has the ambitious goal of expanding to 120 advisers in 2011.

Bringing services to Texas

"Having supported the National College Advising Corps programs in other states and at the national level, TG celebrates this opportunity to help bring these services to Texas students," said Jacob Fraire, TG's assistant vice president for educational alliances. "We know that having reliable information and personal support can make the difference in navigating the road to higher education. This program will provide those key elements for thousands of students, improving the future for them, for Texas and the nation as a whole."

The Institute for Public School Initiatives, which was created in 2004, IPSI recently transferred from the University of Texas System to The University of Texas at Austin's College of Education.

IPSI focuses on improving student performance from preschool through high school via strategic partnerships with University of Texas System institutions, community colleges, school districts and state agencies. With \$56 million in grant funds last year, IPSI introduced a number of programs that will prepare students to enter and move through the educational pipeline with the appropriate prerequisite skills and knowledge, regardless of race, socioeconomic status or school location. IPSI focuses on the most powerful influence on access to high-quality instruction such as educator quality, new program models, early college preparation and financial support for college.

Industry Update

Proposed rules on gainful employment: A closer look at the measures

On July 26, 2010, ED published a proposed rule in the *Federal Register* to establish measures for determining if educational programs designed to prepare students for gainful employment in a recognized occupation should qualify for Title IV funding. In [Edition 567](#) of Shoptalk, we provided a high-level synopsis of the proposed rule.

In this article, we will examine the financial measures that ED is proposing to use to evaluate these types of programs at public, private non-profit, and for-profit postsecondary schools. The two measures include Loan Repayment Rate and Debt to Earnings ratios.

Loan Repayment Rate measure

The Loan Repayment Rate focuses on the following question: Have former students who entered repayment during the past 4 years on FFELP or FDLP loans obtained for the program made sufficient payments during the most recent year to reduce the outstanding principal balance on those loans?

Former students include both program completers and non-completers whose FFELP or FDLP loans entered repayment during the 4 most recently completed federal fiscal years (prior to the current year). Loans included in the calculation include both FFELP and FDLP loans for student borrowers (Stafford and grad PLUS). Parent PLUS loans are not part of the calculation.

Loan Repayment Rate calculation and definitions

In order to understand the Loan Repayment Rate calculation, one must first be cognizant of certain terminology that the proposed rules introduce:

- Federal fiscal year (FFY): A period ending on September 30 of the specified year and beginning on October 1 of the previous year

- Loans Paid in Full (LPF): Loans paid in full except via a consolidation loan, unless the consolidation loan is also paid in full
- Original Outstanding Principal Balance (OOPB): Includes all FFELP and FDLP Stafford and grad PLUS loans that entered repayment in the 4 most recently completed FFYs. The OOPB reflects the principal loan balance at the time repayment began, and includes capitalized interest. OOPB does not include loan balances for borrowers on in-school or military deferments, or those whose loans entered repayment after March 31st of the most recently completed FFY.
- Reduced Principal Loan (RPL): A loan on which borrower payments made during the most recently completed FFY reduced the outstanding principal balance during that year. Loans for borrowers whose payments during the most recently completed FFY qualify for the Public Service Loan Forgiveness program are treated as RPLs, even if there is no principal balance reduction during that year.

The Loan Repayment Rate calculation is as follows:

$$\frac{\text{Original Outstanding Principal Balance (OOPB) of Loans Paid in Full (LPF) + OOPB of Reduced Principal Loan (RPL)}}{\text{OOPB of all FFELP and FDLP loans for students who enrolled in the program * As outlined above}}$$

Debt to earnings measure

The second measure focuses on two separate, but related, debt to earnings ratios. These ratios address the following question: What is the average percentage of a graduate's salary and discretionary income that is consumed by loan repayment?

The two ratios compare graduates' **average annual earnings** and **discretionary income** to their median annual loan payment as a group. It is important to understand that the school's program can satisfy this measure using either of the ratios.

Average Annual Earnings ratio and definitions

In taking a closer look at the Average Annual Earnings ratio, one must first understand the following terminology:

- Award Year (AY): A period ending on June 30 of the specified year and beginning on July 1 of the previous year

- Earnings Year (EY): The most recent calendar year for which wage data on program completers is available to ED
- Three-Year Period (3YP): The 3 most recently completed AYs preceding the EY
- Prior Three-Year Period (P3YP): The 3 most recently completed AYs preceding the 3YP
- Annual Loan Payment (ALP): Median loan debt of completers in the 3YP (or P3YP) is used to compute this amount based on a 10-year repayment schedule and the current FDLP interest rate on unsubsidized Stafford loans (currently 6.8%). Loan debt used to determine the median includes Title IV loans (except parent PLUS loans), private educational loans, and debts from a school financing plan. Loan debt excludes loans obtained at other schools unrelated to the school from which the borrower graduated.
- Average Annual Earnings (AAE): The most recent wage data available to ED from another federal agency is used to calculate the Average Annual Earnings of program completers during the 3YP (and P3YP, in certain cases).

The Average Annual Earnings (AAE) calculation is:

$$\frac{\text{Annual Loan Payment of program completers}}{\text{Average Annual Earnings of program completers}}$$

Discretionary Income ratio and definitions

The Discretionary Income ratio provides another way for the school's program to satisfy the debt to earnings measure. The terminology listed above for Average Annual Earnings is also essential to understanding this calculation. However, an additional term is also introduced here:

- Discretionary Income (DI): The difference between the Average Annual Earnings and 150% of current federal Poverty Guideline amount for a single person living in the continental U.S.

The Discretionary Income (DI) calculation is as follows:

$$\frac{\text{Annual Loan Payment of program completers}}{\text{Average Annual Earnings of program completers} - 150\% \text{ of Poverty Guideline}}$$

Proposed thresholds for Title IV eligibility of programs

Once the program-level measures (the loan repayment and the debt to earnings ratios) have been computed by ED, there are a number of possible outcomes. The program may be: eligible with no restrictions or additional requirements, eligible with required disclosures, eligible with restrictions, or ineligible.

- o The proposed thresholds that a program would have to meet in order to be considered *eligible with no restrictions or additional requirements* are as follows:

- Loan Repayment Rate $\geq 45\%$

AND

- Average Annual Earnings $\leq 8\%$ and/or Discretionary Income $\leq 20\%$

- o The proposed thresholds that a program would have to meet in order to be considered *eligible with required disclosures* are as follows:

- Loan Repayment Rate $\geq 45\%$

OR

- Average Annual Earnings $\leq 8\%$ and/or Discretionary Income $\leq 20\%$

In this instance, for a program that meets only one of the measures (either the Loan Repayment Rate or the debt to earnings ratios), the school must inform prospective and current students, on the school's website and in its other materials, that they may have difficulty repaying loans obtained for enrolling in the program.

- o The proposed thresholds that a program would have to meet in order to be considered *eligible with restrictions* are as follows:

- Loan Repayment Rate < 45%

AND

- Average Annual Earnings > 8% **and** Discretionary Income > 20%
- But *at least* one of the following applies: Loan Repayment Rate \geq 35%, Average Annual Earnings \leq 12%, **and/or** Discretionary Income \leq 30%

In the instance described above, the restrictions would include:

- Debt warning disclosures informing prospective and current students that they may have difficulty repaying loans obtained for enrolling in the program
 - Limited enrollment of Title IV recipients to the average number enrolled during the prior three AYs
 - Annual affirmations from employers
- o Lastly, programs that meet the following proposed thresholds would be considered ineligible for Title IV funds:
 - Loan Repayment Rate < 35%

AND

- Average Annual Earnings > 12% and Discretionary Income > 30%

When these rules are implemented effective July 1, 2012, ED plans to provide a one-year transition period in which ED will limit the designation of Title IV ineligible programs to impact no more than 5% of students per program category at a particular school. Programs are categorized by educational credentials awarded: certificate programs, and, at for-profit schools, associate degree, baccalaureate degree, professional degree, and graduate degree programs. Currently enrolled students in the programs deemed ineligible for Title IV funding would continue to be eligible to receive federal student aid for the rest of that AY and one additional AY.

Deadline and method for public comment

ED invites schools and other interested individuals and parties to submit comments to the proposed rules on or before **September 9, 2010**. As a reminder, ED suggests that responders arrange comments in the order of the proposed language and clearly identify the specific section(s) of the proposed rules referenced by the

comments. While comments can be delivered by mail or in person, ED encourages commenters to use the Federal eRulemaking Portal for this purpose. It can be accessed at www.regulations.gov.

New guidance for Title IV participants affected by a major disaster

On August 23, 2010, ED announced in [DCL GEN-10-16/FP-10-6](#) new guidance to help Title IV student financial aid participants that are impacted by a federally declared major disaster. This guidance supplements all information in the Federal Student Aid Handbook and supersedes guidance included in previous Dear Colleague Letters.

For the purpose of this guidance, the term “major disaster” is defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act as “. . .any natural catastrophe (including any hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this chapter to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.”

Unless stated otherwise, the regulatory relief described in this letter applies to all recipients of Title IV aid and their families who at the time of a disaster were residing in, employed in, or attending an institution located in a federally declared disaster area in the United States. (An institution that experiences a more localized disaster or an institution with a large number of eligible non-citizens who are from a country that experiences a significant natural disaster may seek relief from the institution’s School Participation Team at Federal Student Aid.)

In addition, the regulatory relief applies to institutions, lenders, guaranty agencies and their servicers that are located in such areas. Although the Federal Emergency Management Agency's Web site (www.fema.gov/disasters) lists numerous Federal disaster declarations annually, only the subset of disasters designated for “Individual Assistance” are eligible for the relief described in the attachment.

The attachment to [DCL GEN-10-16/FP-10-6](#), General Guidance for Disasters, provides specific topics under each general heading and includes regulatory references. A Title IV program participant that does not carry out an otherwise required action in administering the Title IV programs on the basis of this guidance must document that fact and indicate which alternative procedures, if any, were used. Refer to the [General Guidance for Disasters](#) for detailed regulatory relief for the following subjects:

General Provisions (all Title IV Programs)

- Institutional Participation
- Length of Academic Year
- Agreements to Permit Study at Another Institution
- Campus Security Reporting and Equity in Athletics Disclosures
- Cash Management
- Late Disbursements
- Lost Student Records
- Need Analysis
- Professional Judgment
- Satisfactory Academic Progress
- Verification

Institutional Charges, Refunds, and Return of Title IV Funds Calculations

- Deadlines and Time Frames
- Institutional Charges and Refunds
- Leaves of Absence
- Post-Withdrawal Disbursements
- Waiver of Title IV Grant Overpayments

Pell Grant, ACG, National SMART Grant, and TEACH Grant Programs

- Deadline for Reporting Initial Disbursement Records
- Final Federal Reporting Deadlines

General Campus-Based Program Issues

- Allocation Reduction Due to Under-Utilization
- Filing Deadline for Fiscal Operations Report and Application to Participate

Federal Work-Study Program

- Community Service Requirements
- Community Services

- Flexibility in Making Certain FWS Payments

Federal Perkins Loan Program

- Reporting Student Enrollment Status
- A Borrower's Loan Status
- Borrowers in Initial or Post-Deferment Grace Periods
- Borrowers in Repayment
- Collection of Defaulted Loans
- Satisfactory Repayment Arrangements on Defaulted Loans
- Payments to Rehabilitate Defaulted Loans

Direct Loan and FFEL Programs: Institutions

- Reporting Student Enrollment Status
- Submission of Direct Loan Promissory Note, and Loan Origination and Disbursement Records

Direct Loan Program: Department of Education

- Borrowers in In-School Loan Status (§685.207) and In-School Deferment Status
- Borrowers in Repayment
- Collection of Defaulted Loans
- Satisfactory Repayment Arrangements
- Payments to Rehabilitate Defaulted Loans

FFEL Program: Lenders and Guaranty Agencies and FFEL Purchased Loans held by the Department

- Borrowers in In-School Loan Status and In-School Deferment Status
- Borrowers in Repayment
- Collection of Defaulted Loans
- Satisfactory Repayment Arrangements
- Payments to Rehabilitate Defaulted Loans

More information

If you have any questions concerning the relief provided in the DCL and the General Guidance for Disasters attachment, or need additional information, contact ED as follows:

- An institution should contact its School Participation Team representative. For a list of contacts, go to <http://www.ifap.ed.gov/ifap/disaster.jsp> and choose the link to “School Participation Team Contacts” under the “Postsecondary Schools” listing.
- A lender or guaranty agency in the Federal Family Education Loan (FFEL) Program should contact its regional Financial Partners representative. For a list of regional Financial Partners representatives, go to the financial partners’ portal at <http://www.fp.ed.gov/PORTALSWebApp/fp/index.jsp>. Locate the “Contact Resources” button at the top of the page, and then choose the “Financial Partners Eligibility & Oversight” link to get a listing of the regional office representatives.
- In the event of an emergency or an instance that impacts the ability of an institution to operate routinely, that institution should contact Federal Student Aid at 1-800-433-7327 (toll-free) or by e-mail at fsa.customer.support@ed.gov.

Volumes 1 and 5 of 2010-11 Federal Student Aid Handbook now available

Recently, ED released both Volumes 1 and 5 of the 2010-11 FSA Handbook. Volume 1 covers student eligibility and Volume 5 provides guidance on handling overawards, overpayments, and withdrawal calculations. Listed below are the applicable volumes and chapters along with a brief summary of the changes for 2010-11.

Summary of changes by volume and chapter

Volume 1, Chapter 1—School Determined Requirements

This chapter now contains:

- A definition on college diploma mill, and
- Information about an alternate method for a student with drug convictions to regain Title IV eligibility. Specifically, the student must pass two unannounced drug tests administered by an authorized rehabilitation program.

Volume 1, Chapter 2—Citizenship

This chapter now contains:

- Guidance that indicates a parent’s signature may sometimes appear in place of a minor child’s signature on citizenship documents.
- Additional information on the Child Citizenship Act of 2000.
- A section on battered immigrants as affected by the Violence Against Women Act.
- A statement noting that citizens of the Freely Associated States, who are Pell eligible, are also eligible for ACG/SMART grants.

Volume 1, Chapter 3—NSLDS Financial Aid History

This chapter now contains:

- Information about the new Total and Permanent Disability Discharges that became effective July 1, 2010.

Volume 1, Chapter 5—Selective Service

This chapter now contains:

- Clarification that indicates that students who are clearly not required to register with Selective Service System (SSS) do not have to request a status letter from SSS.
- Guidance on the types of documentation a school should consider when the student is an eligible noncitizen.
- Guidance that discusses awarding and disbursing aid to a student in the case SSS has not yet responded to the information request.

Volume 1, Chapter 7—Other Program-Related Eligibility Requirements

This chapter now contains:

- A new section on the student eligibility requirements for receiving a second Pell in an award year.
- A new section on the Iraq and Afghanistan Service Grant.
- Clarification about the TEACH grant agreement to serve.

Volume 5, Chapter 1 — Overpayments and Overawards

This chapter now contains:

- Sections on the treatment of Iraq and Afghanistan Service (IAS) Grants.

- Instructions on handling a student who has lost eligibility because he or she has exceeded the undergraduate aggregate maximum loan limit. It is important to note that the student does not automatically regain eligibility if he or she advances to the graduate level.

Volume 5, Chapter 2 — Withdrawals and the Return of Title IV Funds

This chapter now contains:

- Clarification indicating that a school may not establish an earlier deadline for verification than that established by the Department in its annual notice. This guidance is specific to the Pell, ACG/SMART, and IAS Grant programs.
- Additional R2T4 guidance on reentry within 180 days.
- A section on changing or correcting Return calculations.

Download Volumes 1 and 5 from *TG Online*

Volumes 1 and 5 of the [2010-11 FSA Handbook](#) are now available for download from TG's website. Once ED releases all of the 2010-11 volumes, TG will compile them into a single PDF file with bookmarks and post them to the TG website. In the meantime, the complete 2009-10 Handbook is still available online so users have access to the information in the as-yet-unpublished 2010-11 chapters.

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.

Common origination and disbursement

- [2010-08-20](#) — COD Processing Update

Federal Register

- [2010-08-20](#) — Jacob K. Javits Fellowship Program Final Performance Report

Federal Pell Grant

- [2010-08-23](#) — Second Pell Grant Administrative Cost Allowance Payment for 2009-10 Award Year

Federal Student Aid Handbook

- [2010-08-18](#) — Volume 5 - Overawards, Overpayments, & Withdrawal Calculations; 2010-2011 FSA Handbook

Title IV Administration

- [2010-08-23](#) — Guidance for Helping Title IV participants affected by a major disaster (DCL-GEN-10-16)
- [2010-08-23](#) — Letter from Federal Student Aid's Chief Operating Officer to School Presidents

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@tgsic.org.

News Briefs

Separation anxiety—it's one of those life challenges that is played again and again each fall. Parents bring students to resident campuses and go through the variety of emotions and feelings of having to let go of their children as they move forward to pursue their education and develop their independence. For parents, its often one of the struggles they begin thinking about even from the first day that they leave their children at pre-school or elementary school.

A recent [New York Times article](#) explores how parents and students are dealing with separation at college today, and provides perspectives on how some campuses are helping both cope with this critical stage of a parent-child relationship.



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