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### Smart Solutions

The first semester on campus ushers in change for both students and their parents. Students may be absorbed in new routines and surroundings. For their part, parents may experience a sense of absence, often referred to as “the empty nest.” TG’s *Adventures In Education* offers parents a few tips on adjusting to the change and adopting behavior that can prove supportive for both student and parent.

## TG Report

### TG to offer sessions on cohort default rates and student loan repayment at this year’s TASFAA Conference

As the industry shifts from a 2- to a 3-year cohort default rate in the midst of an economic downturn, many schools are focused on enhancing their default

prevention efforts. TG will present two sessions on default prevention topics at this year's Texas Association of Student Financial Aid Administrators (TASFAA) Fall Conference, which will be held in Galveston, Texas, from October 6–8. Join TG's presenters for these interactive seminars and learn how to better support your borrowers in repayment.

- **Transitioning to a 3-year cohort default rate:** In this session, participants will explore the details of the cohort default rate (CDR) calculation; the effect of the Higher Education Opportunity Act (HEOA) on CDRs, including the shift from a 2- to a 3-year calculation; and the benefits of lower default rates and consequences of higher default rates. The session will also highlight default prevention best practices that may help schools better manage their CDRs.
- **The ins and outs of student loan repayment:** This session describes the repayment options available to students as they prepare to enter the workforce. Topics include taking student loan inventory; understanding the details and benefits of each repayment plan (including Income-Based Repayment); reviewing the basics of consolidation; and learning about deferment and forbearance.

### Find out more

To learn more about TG's industry training, contact your account executive at (800) 252-9743, or send an e-mail message to [relationship.management@tgsfc.org](mailto:relationship.management@tgsfc.org).

## Join TG for new financial literacy train-the-trainer program at upcoming RMASFAA Conference

Given double-digit unemployment and high levels of education debt, many colleges are worried about their students' prospects after graduation. Offering students more tools to manage money, including education debt, is becoming an even greater priority for schools, and for TG. Later this year, TG will unveil an enhanced version of its Financial Literacy Program, which includes ten 15-minute modules on financial literacy topics. TG can provide these financial literacy resources and training to students directly. Even better, TG can train schools so that they can in turn offer these financial literacy trainings to their students. TG will showcase its "train-the-trainer" program during an upcoming session offered at the Rocky Mountain Association of Student Financial Aid Administrators (RMASFAA) Conference to be held October 10-13 in Grand Forks, North Dakota.

TG's new Financial Literacy Program works to capture a student's attention through an interactive series of mini-modules that cover a wide range of core topics, including sorting needs from wants, setting goals, budgeting, navigating credit and debt, saving and investing, and comparing employment opportunities. The mini-modules engage students in learning about financial literacy by offering

information, games, and activities. TG's session at RMASFAA prepares schools to deliver one of TG's mini-modules and its related activity to students. The session also provides a preview of TG's complete Financial Literacy Program.

### **About the presenter**

Brenda Vaughn has been teaching financial literacy since 2006. She is an accredited financial counselor and a certified credit report reviewer. Vaughn has worked as a loan counselor at the University of Georgia (UGA); she also advised two student organizations at UGA for two years, including Students In Free Enterprise (SIFE) and Peer Financial Counseling (PFC). Vaughn holds a master's degree in adult education with a certificate in nonprofit organizations.

### **Find out more**

To learn more about TG's industry training, contact your account executive at (800) 252-9743, or send an e-mail message to [relationship.management@tgsic.org](mailto:relationship.management@tgsic.org).

## **TG discontinues Student Loan Inquiry utility**

On August 31, TG will remove access to Student Loan Inquiry via AdvanTG Web™. TG's Student Loan Inquiry is a self-service resource provided to schools and lenders seeking information on their borrowers' TG-guaranteed loans, including data on loan balances and current loan holders.

After August 31, customers attempting to access Student Loan Inquiry will be presented an outage page. The outage page will contain a link to the [National Student Loan Data System's](#) (NSLDS) website so that schools can view the history of their students' Title IV loans and/or grant data. TG updates NSLDS bi-weekly with current data on TG-guaranteed loans.

### **To learn more**

If you have questions about the change, please contact TG's product support at (800) 332-1455, or send an e-mail message to [product.support@tgsic.org](mailto:product.support@tgsic.org).

## **Industry Update**

### **Comment deadline quickly approaching for proposed rules on gainful employment**

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. *Shoptalk* editions [567](#) and [568](#) provided an overview of the proposed rules and a detailed synopsis of the loan repayment rate and debt-to-earnings measures. In

this article, readers will find general information on the deadline as well as some tips to consider when providing comments to the proposed rule.

### **Deadline and method**

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.

### **Tips to consider**

Here are some tips that may be helpful as you put together your comments on the proposed rule:

- Include the Docket ID (ED-2010-OPE-0012) and name the proposed rule (Gainful Employment).
- Offer a brief description of your institution or association by size and the constituents represented.
- Indicate support for, or opposition to, the proposed rule either in part or whole.
- Consider the originality and structure of your comments; standard or form post cards and standardized language may detract from your case.
- Provide constructive feedback on the proposed rule; general complaints may diminish the value of your comments.
- Include specific feedback about the impact of the proposed regulation on your institution and your students. As an example, it would be appropriate to provide costs associated with implementation as well as the number of hours of staff time required to implement the proposed rule.
- Use examples of how the proposed rule may or may not work at your school.
- Suggest alternatives to solve the problem presented.
- Be courteous even if you are strongly opposed to the proposed rule.
- Make sure the introduction and closing paragraphs state the main point, thank the agency for the opportunity to comment, and include individual or association contact information.

## For more information

Visit [ED's Negotiated Rulemaking page](#) for additional information on the proposed rule.

## New functionality in NSLDS supports information on delinquent loans

ED recently announced enhancements to the [National Student Loan Data System \(NSLDS\)](#) to better support school default aversion efforts. The enhancements, which enable schools to retrieve certain delinquent loan data from NSLDS, are described in the August 2010 edition of the [NSLDS Newsletter](#). This article provides a high-level summary of the changes and provides guidance on the delinquent loan data available in NSLDS.

### Source of delinquent loan data

The delinquent loan data available under this new functionality is specific to those borrowers with federally owned loans serviced by one of the four servicers — Fed Loan Servicing (PHEAA), Great Lakes Educational Loan Services, Nelnet, and Sallie Mae. Federally owned loans include both FFELP-purchased loans and federal Direct loans. It is important to understand that the information provided does not include regular FFELP loans or FDLP loans serviced by the Direct Loan Servicing Center (ACS). ED's plan is to consolidate delinquent FDLP loan data managed by ACS in the future.

### Two new NSLDS enhancements

The two new changes to help schools with default aversion efforts include:

- A "Delinquent Borrowers Page" is now available under the Aid Tab. It also can be accessed from the Menu page under the Financial Aid section of NSLDS. This new page provides a wide range of parameters and criteria that can be used to obtain a listing of borrowers with delinquent loans at risk of default. Schools can sort the borrowers by last name or Social Security Number and have the option to filter the data by school branch code, federal loan servicer code, cohort year, and days delinquent.

Once sorted and filtered, the borrower results will include the following information: loan type, cohort year, number of days delinquent, the name of the federal loan servicer, and the outstanding principal balance of the delinquent loan. In addition, the results will include contact information for each borrower such as mail and e-mail addresses, and phone numbers. The ED servicer reports this contact information.

- The "Delinquent Borrower Report" is also available to help schools gain more information on borrowers with delinquent loans at risk of default. This report is

referenced as the (DELQ01) report and can be accessed under the Report Tab on NSLDS. The report can also be delivered to the school by the Student Aid Internet Gateway (SAIG). It is available in the following formats: comma-delimited, standard fixed-length, or preformatted. In a separate [electronic announcement](#) published on August 26, ED provided the extract record layouts associated with this new report.

### **For more information**

For assistance with understanding this new functionality, schools may contact NSLDS customer support by email at [nslds@ed.gov](mailto:nslds@ed.gov), or by phone at (800) 999-8219. The support center is available Monday to Friday from 8 p.m.–9 p.m. Eastern Time.

For help in enhancing your default aversion efforts, contact your TG account executive at (800) 252-9743, or send an e-mail message to [relationship.management@tgsic.org](mailto:relationship.management@tgsic.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.

#### **Common origination and disbursement**

- [2010-08-27](#) — COD processing update

#### ***Federal Register***

- [2010-08-25](#) — FDLP-Direct PLUS Loan Master Promissory Note and Endorser Addendum
- [2010-08-25](#) — FDLP -Repayment Plan Selection Form

#### **NSLDS reference materials**

- [2010-08-26](#) — NSLDS Delinquent Borrower Report Extract Record Layouts for Schools
- [2010-08-26](#) — New NSLDS Delinquent Borrower Report and Web Page for Schools

## Title IV administration

- [2010-08-30](#) — Deadline for Submitting FISAP, October 1, 2010

## 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](mailto:cust.assist@tgslc.org).

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## News Briefs

Given the shift from bank- to government-based lending, you might think few if any private loans for college would be available. Actually, the number of banks and credit unions offering private education loans is on the rise. [A recent article posted on SmartMoney.com](#) notes that private lenders are estimated to make between \$8 billion and \$10 billion in college loans this academic year. Of course, these loans often come with less favorable terms than federal student loans, including higher overall costs, stricter forms of deferment, and few loan discharge or forgiveness options. Schools should keep these facts in mind when discussing repayment options with students and parents, and emphasize the benefit of borrowing federal over private loans.

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