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Smart Solutions

TG’s account management tool, myTGSM, provides borrowers with secure access to information for their TG loans. While online, users can use the utility to update personal information and check payment history, among other things. Find out more through TG’s corporate website, [TG Online](#).

Industry Update

ED releases official FY 2008 cohort default rates

On September 13, ED released the official cohort default rates (CDRs) for FY 2008. Domestic and foreign schools enrolled in the Electronic Cohort Default Rate (eCDR) process will receive their FY 2008 Official Cohort Default Rate and accompanying documentation via the Student Aid Internet Gateway (SAIG). Any school not enrolled in the eCDR process may download its CDR and accompanying Loan Record Detail Report (LRDR) from the National Student Loan Data System (NSLDS) via the NSLDS Professionals website.

Consequences of high cohort default rates

A school with an official FY 2008 CDR that is greater than 40 percent may lose its eligibility to participate in the Federal Direct Loan Program, unless the school successfully appeals the loss of eligibility.

A school with official CDRs of 25 percent or greater for the three most recent fiscal years (FY 2006, FY 2007, and FY 2008) is subject to loss of eligibility to participate in the FDLP and Federal Pell Grant Program, unless the school successfully appeals the eligibility loss. A school with high CDRs that was not participating in the FFELP or FDLP on October 7, 1998, and has not participated in either of those programs since that time, is exempt from the loss of Pell Grant Program eligibility.

Additionally, a school with a single official CDR of 25 percent or greater will be subject to provisional certification by ED.

Appeals and adjustments

As shown in the chart below, a school’s ability to submit a particular type of appeal or request for adjustment following the release of its official CDR depends on the school’s circumstances. Some appeals and requests for adjustment are available only to schools facing potential sanctions, while others are available to all schools, if applicable.

School may submit...	... if subject to ...		
	No sanction?	Loss of eligibility?	Provisional certification?
Uncorrected Data Adjustment (34 CFR 668.190)	Yes	Yes	Yes
New Data Adjustment (34 CFR 668.191)	Yes	Yes	Yes

School may submit...	... if subject to ...		
	No sanction?	Loss of eligibility?	Provisional certification?
Erroneous Data Appeal (34 CFR 668.192)	No	Yes	Yes
Loan Servicing Appeal (34 CFR 668.193)	Yes	Yes	Yes
Economically Disadvantaged Appeal (34 CFR 668.194)	No	Yes	No
Participation Rate Index Appeal (34 CFR 668.195)	No	Yes	No
Average Rates Appeal (34 CFR 668.196)	No	Yes	No
Thirty or Fewer Borrowers Appeal (34 CFR 668.197)	No	Yes	No

Requests for adjustments and appeals

The time frame to initiate the appeal process begins on September 21, 2010, by which time all schools are expected to have verified successful receipt of their LRDR data.

Appeals based on new data adjustments, erroneous data, and improper loan servicing of FFELP loans must be submitted to the school's guarantor(s) within specified time frames to permit the school's continued eligibility while the appeal is pending. All other appeal types, as well as appeals pertaining to Direct Loans are submitted to ED. The *Cohort Default Rate Guide* and federal regulations cited above provide more details.

A school that is not subject to loss of eligibility may also be eligible to submit an uncorrected data adjustment, new data adjustment, or loan servicing appeal based on its official FY 2008 CDR. The *Cohort Default Rate Guide* explains the procedures, time frames, and other requirements for submitting these requests for adjustments or appeals.

Submitting appeals

For adjustments and appeals that are to be sent directly to TG, schools are advised to send them to TG's Compliance Administrative Operations at the corporate mailing or overnight shipping address, as appropriate:

Mailing address

TG
Attn: Compliance Specialist, Felicia Anthony

P.O. Box 83100
Round Rock, Texas 78683-3100

Overnight delivery services

TG Distribution Center
Attn: Compliance Specialist Felicia Anthony
3500 Wadley Place, Building C, Suite 303
Austin, Texas 78728-1244

Need help?

Schools are strongly encouraged to review ED's *Cohort Default Rate Guide*. You can download the latest version of the [Guide](#). Note that updates to this publication will be reflected [online](#) only. Therefore, periodic review of this site is recommended for maintaining an up-to-date version of the *Guide*.

In addition to the *Guide*, there are two other ED publications schools may find helpful:

- the [Cohort Default Rate Guide Quick Reference](#) and
- the [eCDR Appeals User Guides](#).

TG's [Default Prevention resources](#) page also provides a number of CDR and default prevention resources, including other ED publications, online student loan debt management resources for borrowers, personal finance organizations, research reports, fact sheets, and more.

Questions?

For questions about FY 2008 official CDRs and appeal procedures, contact Felicia Anthony in TG's compliance administrative operations at (800) 252-9743, ext. 4572, or send an e-mail message to felicia.anthony@tgsic.org.

TG Report

TG to launch enhanced Integrated Default AssistantSM

On September 26, TG will make available a new version of the Integrated Default AssistantSM (IDASM), a Web-based tool for managing a school's cohort default rate. With this version of IDA, TG implements a key change, allowing schools to import delinquency data from multiple sources, including both loans guaranteed under the FFELP and loans made under the FDLP. This new feature helps schools to create a more comprehensive picture of a given cohort of borrowers. It also makes tracking and communicating with borrowers who have delinquent loans easier.

The information below describes other IDA enhancements and offers an overview of the process for transitioning current users to the new IDA.

IDA enhancements in detail

IDA features have been added or expanded to make managing cohort default rates simpler and more efficient. Here's a preview of application changes.

- **Importing data and creating reports:** Schools will be able to import records of delinquent loans made under the FDLP, guaranteed by TG, or put to the Department under the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA). In addition, schools can generate reports to track the status of loans for borrowers with delinquent loans, and evaluate FDLP servicer performance using IDA's reporting and analysis features.
- **Communicating with borrowers:** IDA offers two ways to communicate with borrowers at risk of default — letters and e-mails. These e-mail and letter templates are now available in both Spanish and English. In addition, IDA will allow schools to identify borrowers by such characteristics as delinquency level and enrollment status, and then create custom letters for these borrowers.
- **Managing borrower data:** Schools will be able to update contact information for borrowers as needed. They will also have the ability to document the most recent actions taken on a borrower's account, such as calls made and letters or e-mails sent.
- **Accessing IDA through new school portal:** Users will now be able to view IDA and other TG resources through myTGSM, TG's new Web-based portal for schools. The myTG portal will simplify navigation for users, presenting resources and information by category such as "Default Prevention" and "Financial Literacy." New self-service features will allow users to view and update account data, including contact information. Schools will also be able to update passwords and view user access permissions. Note that current IDA users will have myTG password information e-mailed to them by Sunday, September 26.

Transitioning current IDA users to new system

TG will manage the transfer of all data and information from the previous version of IDA. A password to access the new version of IDA will be e-mailed to users on September 26.

Existing school users will be able to access the revised application at myTG.tgslc.org/school beginning Monday, September 27.

School users will log in using their current user IDs and passwords e-mailed on September 26. IDA will then prompt users to change their passwords and create identity verification, or challenge, questions for the password. Schools can continue

to access IDA through AdvanTG Web™; however, users will be required to log in twice, once to AdvanTG Web and then to IDA.

Training to use the revised IDA will be available via a pre-recorded webinar, which will be made available to users by Sunday, September 26. *Shoptalk* will notify readers about the webinar when it becomes available. Note that online help will be accessible from each Web page of the IDA application. Users can also request IDA training by contacting their account executive at (800) 252-9743.

A note about data loads to IDA — Because of the release, there will not be a data load to IDA on Saturday, September 18. Regular data loads will resume on Saturday, September 25.

For questions about using IDA

If you have questions about using the enhanced IDA, please contact TG's product support group at (800) 332-1455, or send an e-mail message to product.support@tgscl.org. TG offers IDA at no cost to Texas schools and schools outside of Texas that have borrowers with TG-guaranteed loans. A school's TG account executive can provide more details.

For more information

To learn more about IDA, contact your TG account executive at (800) 252-9743, or send an e-mail message to relationship.management@tgscl.org.

“Know who you owe” — TG offers printed materials to help keep borrowers on top of repayment

As students transition from college to career, it's vital to keep them aware of any federal student loan obligations they take with them. Among other materials, TG offers a brochure on Income-Based Repayment (IBR) and two statement stuffers, one on IBR and another on using NSLDS. Order these printed materials for your office lobby or provide them directly to students as mailings or handouts.

IBR brochure

TG's *Income-Based Repayment* brochure describes the newest repayment plan, which could potentially benefit a variety of borrowers of federal student loans, including those experiencing difficulties in meeting their student loan payments. For borrowers who qualify, IBR sets an affordable monthly payment based on income, federal student loan debt, and family size. TG's brochure defines IBR and offers a number of repayment examples that illustrate the possible payment amount reduction under the IBR plan. The brochure also describes how borrowers can apply for IBR



and lists the types of loans that are eligible to include under an IBR plan. To help borrowers learn more, the brochure's back panel offers a list of TG's resources, including information about TG's IBR calculator, online help, and phone support.

NSLDS and IBR statement stuffers



TG offers a new statement stuffer to borrowers on using NSLDS — “Know who you oweSM.” Many students have student loans with various lenders. NSLDS offers a principal source of information for these borrowers who will need to monitor outstanding loan balances, loan statuses, and loan holders. TG also offers “What is IBR?,” which outlines the latest repayment plan option for borrowers.

To order printed materials

You can order the *Income-Based Repayment* brochure and two statement stuffers online by visiting [TG Online](#).

For questions about repayment

If you have questions about information available in the brochures, please call TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

TG's default aversion experts work one-on-one with schools

Preventing and reducing default is a collaborative effort. Schools often form committees from various campus departments, which work together to spearhead default initiatives. In the same vein, TG offers its own expertise via default aversion consultants who meet with financial aid and student service professionals, providing an outside perspective on what schools can do to enhance their default management efforts.

Here's how TG's consultants offer help.

- **Consulting on current campus programs** — Consultants bring years of experience to their craft, often working with both schools and students in the effort to manage repayment. They provide insight about how to educate students and communicate with borrowers, what strategies schools can follow in enlisting campus buy-in, and building communicative relationships with other institutions such as servicers and lenders.

- **Default prevention plan expertise** — TG's consultants offer help in designing a default prevention plan that considers technology, strategic enrollment, and student needs, among other things.
- **Staff training** — Consultants lead "train-the-trainer" sessions so that schools can educate students on smart debt management. They also provide seminars on such industry topics as the transition to the 3-year cohort default rate.

Meet TG's default aversion consultants

TG Online offers a short bio of each of TG's default aversion consultants. Refer to the information for each consultant to contact an individual.

Create a more effective default management plan with TG's default aversion self-assessment tool

A tough economy and climbing default rates are causing many schools to examine their default management plan with an eye to building in new or more effective strategies. If you're enhancing your campus default prevention program, you'll find some ready support in TG's default aversion self-assessment tool.

Details and advantages

TG's self-assessment tool provides a series of questions on various aspects of default prevention to help schools evaluate processes and goals; compare recent CDRs with other similar types of institutions; and learn more about strategies designed to improve a school's default aversion effectiveness.

The self-assessment offers a number of advantages to schools. Schools can use the tool whenever they need it. Sections have been expanded to help consider aspects of default prevention, including a school's default aversion committee, enrollment management committee, latest CDRs, campus environment for students, and borrower interactions. At the end of the evaluation, schools have the opportunity to schedule an in-person consultation with one of TG's default aversion consultants, who will use the results of the self-assessment as a blueprint for recommending various strategies and tools to help improve a school's default prevention initiatives.

Get started

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's archived default prevention webinars offer one more tool for managing default

TG's policy experts offer webinars on various industry issues throughout the year, including several in FY 2010 on default prevention-related topics. A recording of each session is posted to TG's online archive within a day or two of the broadcast. Schools will also be able to view session handouts and, in some cases, a copy of the Q&A that followed the session. Here's a summary of this year's default prevention webinars.

- **IBR — a tool to help students manage repayment** — Available to FFELP and FDLP borrowers, Income-Based Repayment (IBR) can benefit eligible borrowers by minimizing monthly payments and providing loan forgiveness in some cases. Educating borrowers about this repayment plan and its benefits — whether through the loan counseling process or other communication — is key to realizing IBR's potential to help in a tough economy. This session presents a high-level introduction to the IBR plan, including how borrowers qualify for IBR, the forgiveness component of IBR, the benefits IBR provides to the borrower and the school, and ideas for educating borrowers about IBR.
- **Know who you owe: Helping students manage split-loan servicing** — More student borrowers are likely to contend with multiple loan holders (a.k.a. split-loan servicing) as a result of ED's student loan liquidity programs and the industry shift to the FDLP. This training will help financial aid administrators understand split-loan servicing from both the school's and the borrower's perspective, and explore strategies that can serve students as they repay their federal student loans.
- **How to challenge your draft cohort default rate** — The webinar focuses on the release of the rates and why it is important for schools to verify that data used to calculate the rate is accurate. Participants will consider the different types of draft CDR challenges and the associated timelines. They will also learn what to look for in verifying CDR data. This webinar is intended for school staff directly responsible for monitoring and verifying the accuracy of a school's CDR.

To view

Visit *TG Online* to view the complete webinar archive along with the [default prevention webinars](#) listed above.

Policy Resources

Latest IFAP postings

For the convenience of the 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 aid

- [2010-09-07](#) — 2010-2011 Supplemental Campus-Based Awards

Cohort default rates

- [2010-09-13](#) — Briefing on National Default Rates
- [2010-09-13](#) — FY 2008 Official Cohort Default Rates
- [2010-09-13](#) — Cohort Default Rate Guide for Lenders and Guaranty Agencies for FY 2008

Common origination and disbursement

- [2010-09-10](#) – COD Processing Update

Data analysis

- [2010-09-09](#) — Release of the 2008-2009 Experimental Sites Initiative Data Analysis Report

EDEXpress training

- [2010-09-13](#) — Final Release of EDEXpress Online Training for 2010-2011

Federal Register

- [2010-09-10](#) — Advisory Committee on Student Financial Assistance-Meeting

Total and Permanent Disability Discharge

- [2010-09-10](#) — Perkins Assignment Procedures Effective 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.

News Briefs

You've probably seen the numbers about rising student loan debt — \$23,000 on average for new graduates, and climbing. You very likely have seen the proof in the volume of loans your own students are borrowing. Still, students can be prone to "student loan mistakes" that leave them deeper in debt or vulnerable to repayment difficulties after graduation. Remind your students before they spend their financial aid check on a spring break trip or take on too much debt about some of the more common mistakes in taking out student loans. The online version of the *San Francisco Chronicle* offers a [handy reminder of some of these mistakes](#).



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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@tgslc.org.

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