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### Smart Solutions

What will a student loan cost with a standard 10-year repayment plan? TG's *Adventures In Education* offers an answer, depending on the amount, with its handy quick [reference repayment chart](#) for students.

# Industry Update

## Final rules focus: Satisfactory academic progress (SAP)

The Higher Education Act (HEA) requires that a student maintain satisfactory progress in the student's program of study to be eligible to receive Title IV funds. Under the HEA and current federal regulations, a school is required to periodically evaluate if the student is successfully meeting both qualitative and quantitative academic standards specified by the school. SAP evaluations must occur at least as frequently as the end of each academic year or halfway through the student's scheduled program completion timeframe, whichever is less, and a student enrolled in a program longer than two years must have at least a "C" average or academic standing consistent with graduation requirements at the end of the second year of the program.

Final rules published in the October 29, 2010, *Federal Register* revise current regulations, effective July 1, 2011, to clarify, standardize, and strengthen provisions on school evaluations of the qualitative (grades and academic standing) and quantitative (pace of completion) aspects of a student's progress in a program for Title IV funding purposes. The revised rules describe the elements a school's SAP policy must contain, but continue to provide significant flexibility for schools to establish their own specific standards (as long as those standards comply with the above rule for programs longer than two years and are at least as strict for students receiving Title IV funds as for other students).

The minimum required time intervals for evaluating SAP are unchanged from current rules. However, schools that elect to evaluate SAP after each payment period are afforded greater flexibility than other schools in dealing with a student who fails to maintain SAP, as described in more detail below.

A school must also notify a student of the results of any SAP evaluation that impacts Title IV eligibility.

### Consistent terminology

The regulations define several important terms to provide a more structured and consistent approach by schools in the application of SAP requirements. These terms include:

- Maximum timeframe:
  - For an undergraduate program, cannot exceed 150 percent of the published length of the program;
  - For a graduate program, is not subject to the 150 percent limit, but must be specified and consistently applied

- Pace: the rate at which a student is progressing toward program completion; pace = the total number of hours the student has successfully completed divided by the total number of hours the student has attempted
- Financial aid warning: a status assigned to a student who fails to maintain SAP at a school that evaluates SAP after each payment period, permitting the student to continue to receive Title IV funds for one additional payment period
- Appeal: a process for a student who fails to maintain SAP to petition the school for a reconsideration of eligibility to receive Title IV funds
- Financial aid probation: a status assigned to a student who fails to maintain SAP but who successfully appeals, permitting the student to receive Title IV funds for one additional payment period following the appeal

### **Loss of eligibility to receive Title IV funds**

Under the final rules, if a school evaluates SAP after each payment period, a student not making satisfactory progress may be automatically placed on “financial aid warning” status, as defined above, thereby remaining eligible to receive Title IV funds for the subsequent payment period *only*. This status may be assigned by the school with no required action by the student. A student who fails to make satisfactory progress by the end of the subsequent payment period will lose Title IV eligibility.

It is important to note that a school evaluating SAP after each payment period is not required to automatically grant financial aid warning status to a student not making satisfactory progress. The school may choose to require such a student to submit a successful appeal or re-establish satisfactory progress before receiving additional Title IV funds, provided the school is consistent in its approach.

If SAP is evaluated less frequently than at the end of each payment period, a student not making satisfactory progress at the end of an evaluation period will lose Title IV eligibility immediately—no financial aid warning status is permitted.

ED emphasizes in the preamble to the final rules that schools retain the flexibility to apply differing SAP requirements to various categories of students, provided the requirements are consistently applied to all students within a category. For example, a school may choose to evaluate freshmen and sophomores after each payment period, and juniors and seniors annually. However, in such cases, a financial aid warning status can be made available only to those students whose progress is evaluated after each payment period.

### **Appeals of loss of eligibility to receive Title IV funds**

A school must specify in its SAP policy whether a student may submit an appeal for reconsideration of Title IV eligibility, and if so, the policy must explain the appeal

process. Regardless of whether appeals are permitted, a school must explain in its SAP policy the requirements for a student to re-establish Title IV eligibility.

If permitted, a student may file an appeal for any of the following reasons:

- The death of a relative,
- An injury or illness of the student, or
- Other special circumstances.

An explanation of the reason(s) the student failed to maintain SAP, and what has changed in the student's situation to enable the student to demonstrate SAP at the next evaluation, must also be included in the appeal.

To approve an appeal, a school must either determine that the student should be able to comply with SAP requirements by the end of the next payment period, or must develop an academic plan with the student that, if followed, will ensure the student is able to comply with SAP requirements by a specified point in time. An academic plan may include interim progress accomplishments; this is left to the school's discretion. The purpose of the plan is to enable a school to work with a student to develop a sound approach to achieve satisfactory progress in a reasonable timeframe, and to hold the student responsible for making appropriate progress according to the plan.

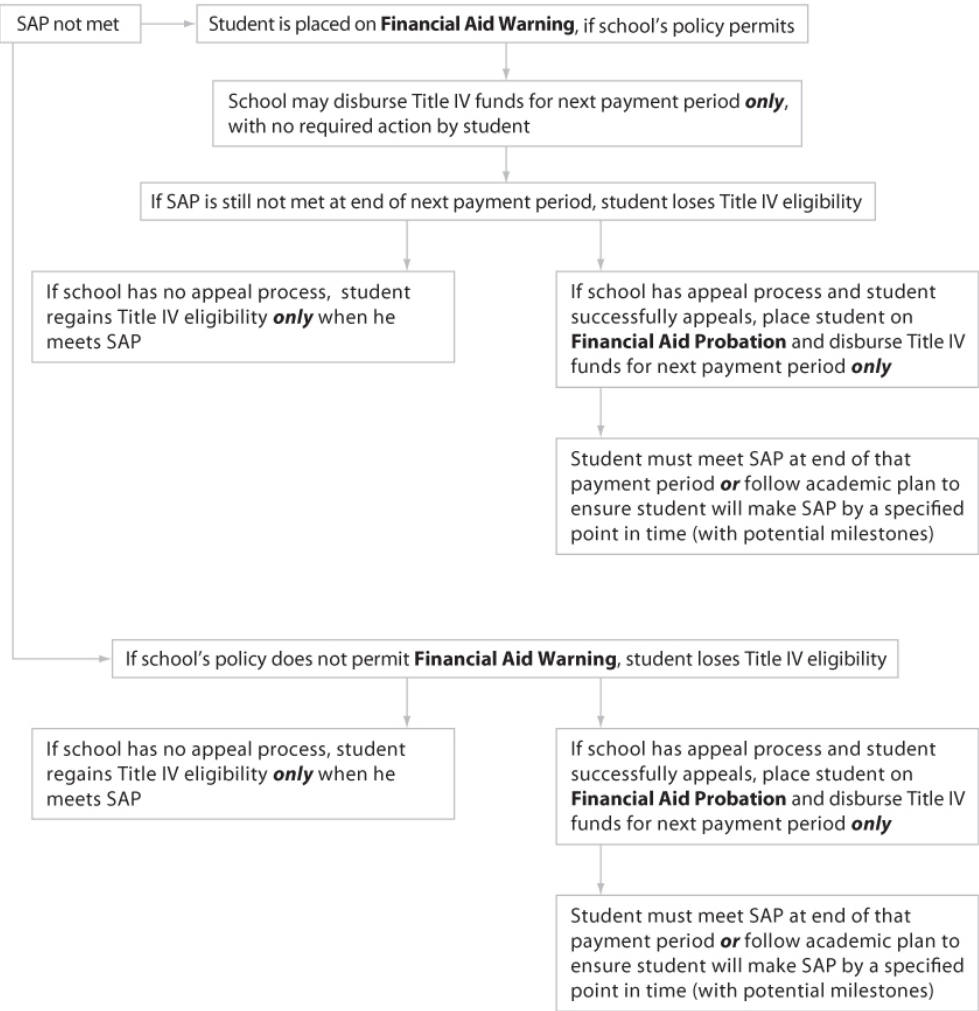
When an appeal is approved, a student is placed on "financial aid probation" status and Title IV eligibility is restored for the subsequent payment period *only*. During financial aid probation, the school may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. If the student does not make satisfactory progress or fulfill academic plan requirements by the end of that payment period, the student again loses Title IV eligibility.

A student whose Title IV eligibility has been reinstated under the terms of an academic plan is considered to be making satisfactory progress, if the student continues to fulfill the specified requirements of the plan.

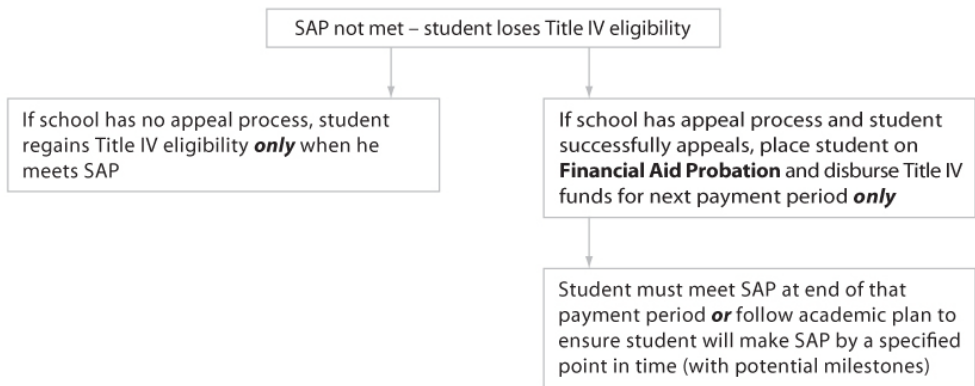
### **SAP process flow charts**

To help schools better understand the new SAP provisions, TG has provided the following flow charts to illustrate the process options available to schools that evaluate SAP after each payment period, as compared to process steps at schools that evaluate SAP annually or less frequently than at the end of each payment period. (You can also open and print or save a [PDF copy of the following two flowcharts.](#))

**School evaluates SAP after each payment period**



**School evaluates SAP annually or less frequently than each payment period**



## **Campus collaborations**

To closely monitor student progress toward program completion and provide more lead time for students to resolve deficiencies before losing Title IV eligibility, a school may be interested in evaluating SAP after each payment period. To do so, however, the school will need to ensure timely information flows between campus officials with relevant responsibilities.

For instance, student grades must be available soon after the end of a payment period to permit accurate SAP evaluations to be made in a timely manner. This is especially critical for students currently on a financial aid warning or probation status, since SAP must be evaluated for those students at the end of a single payment period to determine continued Title IV eligibility. Financial aid and business office personnel will need to coordinate approval of further disbursements of Title IV funds in such cases. Students also must be notified of SAP evaluations that result in a Title IV eligibility impact.

Student services and academic counseling personnel will also play an important role if a school's SAP policy permits students to submit appeals for reconsideration of Title IV eligibility. If the school is willing to work with students unable to correct SAP deficiencies in a single payment period to develop academic plans, financial aid and academic counseling professionals will need to coordinate efforts. If approval for a financial aid warning or probation status, appeal, or academic plan is conditioned upon certain coursework requirements or limitations, the registrar's office may need to be notified in some cases.

As indicated above, the final rules will become effective on July 1, 2011. This provides schools some time to consider how their current SAP policies and practices align with the new requirements, and to make adjustments and initiate campus collaborations in time to implement the new provisions.

## **For more information**

All schools participating in any of the Title IV programs are advised to carefully review the changes to SAP provisions in the final rules. For more information on the revised SAP regulations, as well as the other topics included in the Program Integrity final rules, please refer to the [November 4, 2010, Shoptalk Special Edition](#). That edition also includes a New Regulations Roadmap tool providing page references for preamble and regulatory language on each topic, for both proposed and final regulations. This will facilitate easier navigation of the NPRM and final rules publications.

For questions about the final regulations, please contact TG Customer Assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## A closer look at final rules for retaking coursework

The Program Integrity final rules clarify that, for students enrolled in term-based programs (using either standard or nonstandard terms), repeated coursework in a student's program of study generally may be counted toward the student's Title IV enrollment status.

A school may establish its own policy as to whether a student is permitted to retake previously-passed coursework, for instance to improve the student's overall grade point average. If permitted, a *single* repetition of previously-passed coursework may be counted in a student's enrollment status for Title IV funding purposes, provided that the coursework is not being retaken because the student failed other previous coursework.

This revised rule does not impact the current one-year academic limitation on students taking noncredit and reduced-credit remedial coursework.

Keep in mind that repeated coursework is included in the student's pace of completion and maximum timeframe calculations, so a student's ability to retake coursework may be limited by the quantitative measures of a school's SAP policy requirements. Conversely, if repeated coursework is prescribed by a school in the academic plan of a student who has successfully appealed a loss of Title IV eligibility, the school may provide Title IV funds for the required coursework subject to the conditions above.

### Campus collaborations

Financial aid officers should consult with their registrar colleagues to determine if any changes are needed to permit repetitions of program coursework as described above, or to monitor course repetitions to determine if they can be counted in a student's Title IV enrollment status.

### For more information

For questions about the changes to provisions for retaking coursework and other topics included in the Program Integrity final rules, please contact TG Customer Assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## How final rules affect written arrangements between two or more eligible schools

Under current regulations, an eligible school may enter into written arrangements or consortium agreements with other eligible schools to provide a portion of a student's program of study. Current rules do not specify a minimum percentage of the program that must be provided by the credential-granting school in such cases.

The final rules specify that in cases where eligible schools providing a student's program of study under a written arrangement share common ownership, the credential-granting school must provide more than 50 percent of the student's program. "Common ownership" is defined as ownership or control by the same individual, partnership, or corporation, and the rule applies to for-profit schools only (not to public schools that are a part of the same state "system," or to private nonprofit schools such as religious schools that are a part of the same religious order).

The 50-percent rule also does not apply to articulation agreements or other arrangements under which schools accept credits for individual transfer students who began their programs at other schools, even if those other schools are under common ownership with the credential-granting school.

ED specifies that the credential-granting school is responsible for ensuring that coursework taken by a student at other schools under common ownership constitutes less than half of the student's total program of study.

Additionally, if a school offers a program both on campus and online through a written arrangement with another school under common ownership, and if a student is permitted to take courses in either format, the school must ensure that each student completes more than 50 percent of the program on campus. If the credential-granting school offers more than 50 percent of an educational program through distance education, the school must possess approval from its Title IV accrediting agency to offer the program via distance education.

### **Requirements for arrangements between eligible schools and ineligible schools or organizations**

ED has expanded the list of circumstances in which an eligible school is not permitted to enter into an agreement with an ineligible school or entity to provide a portion of a program to students. The final rules include prohibitions against entering into such an arrangement with a school whose:

- Certification to participate in the Title IV programs has been revoked,
- Application for recertification to participate in the Title IV programs has been denied, or
- Application for initial certification has been denied.

### **Disclosures to students**

If a school enters into a written agreement with *any* other eligible school(s) to provide a portion of an educational program, the credential-granting school must provide information to prospective and current students regarding the portion of the program the school is not providing itself, the name, location, and educational

delivery method of the other school(s), and any additional costs for students enrolling in the program.

### **Campus collaborations**

A financial aid officer at a for-profit school should be sure his or her administration is aware of the 50 percent rule, if there is another school under common ownership or control that may enter into an agreement with the school to offer a portion of a program to students.

At any school offering an educational program through an arrangement with another eligible school(s), the financial aid officer should alert the school's administration about the new disclosure requirements for prospective and current students, well in advance of the July 1, 2011, effective date of the final rules.

### **For more information**

For questions about the changes to rules regarding agreements between schools and other topics included in the Program Integrity final rules, please contact TG customer Assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## **TG Report**

### **TG joins with THECB and TASFAA to present regional training in Lubbock**

In collaboration with the Texas Higher Education Coordinating Board (THECB) and the Texas Association of Student Financial Aid Administrators (TASFAA), TG will present a full-day workshop on a variety of industry topics at Lubbock Christian University in Lubbock, Texas. Scheduled for November 19, the training will offer an update on regulatory changes and requirements, guidance on calculating the cost of attendance, perspectives on financial literacy, and more.

Join TG at the November 19 regional training and come away with a stronger foundation in financial aid policy as well as useful insights for honing your campus financial literacy program. Here's a summary of sessions for this regional training.

- **Getting a handle on federal financial aid policy changes** — Learn more about changes to regulations from recently published final rules — one on Program Integrity and another on Gainful Employment. Federal financial aid policy changes will affect satisfactory academic progress, return of Title IV funds, verification, certain programs that lead to gainful employment, and more. Updates on *Dear Colleague/Partner* letters recently issued by ED will also be provided.

- **Cost of Attendance (COA)** — Examine the components that make up the cost of attendance (COA); discuss the importance of gathering and collecting accurate information about student costs; and learn how to use that information to formulate COAs for the various student segments of a school's population.
- **Financial literacy on your campus** — Explore the new TG Financial Literacy Program, a curriculum of ten 15-minute 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 analyzing employment opportunities. To better educate students, the modules engage them about every 90 seconds in activities such as quizzes or games. This session prepares you to deliver two of TG's modules and their related activities to your students, including the "Solving Debt Problems" module and the "Spending Plans" module.
- **Embracing change** — Find out how to assess and understand responses to change in the financial aid work environment. Learn skills to work effectively with peers, students, and families, and take actions to ensure a positive outcome from change. Embracing and not avoiding change is a great way to promote excellence at your higher education institution.

## Register

To register for the [TG's Lubbock regional training](#), visit *TG Online*.

## Four ways myTG<sup>SM</sup> can support TG borrowers in repayment

As your December graduates prepare for the next phase of their career, offer them online help for managing their TG-guaranteed student loans — [myTG<sup>SM</sup>](#). The myTG portal provides borrowers convenient access to loan data as well as a number of tools for monitoring and handling payments.

Here are four ways that registered borrowers can use myTG:

- **View information** on default prevention, deferments and forbearances, rehabilitation, and loan discharge and forgiveness, and download forms for deferment and forbearance.
- **Access a summary of TG-guaranteed loans**, which includes details on contacts for schools, lenders, and servicers.
- **Make payments for any TG-guaranteed loans in default.** Borrowers with defaulted loans can resume repayment on their student loans by making payments online, including single or recurring autodrafts from a checking or savings account. Borrowers can also receive notices about important due dates and online payments pending, or set a repayment schedule.

- **Update personal contact information** via a secure registration process that protects borrower information and helps maintain privacy.

### **To learn more**

For more information about myTG and how it can help borrowers stay in good standing, contact TG's customer assistance team at (800) 845-6267, or send an e-mail message to [cust.assist@tgsdc.org](mailto:cust.assist@tgsdc.org).

## **Do you have questions about IBR? TG video offers answers**

In a tough economy, the Income-Based Repayment (IBR) plan may be among the best alternatives for borrowers struggling with repayment. Why? The plan takes into account a borrower's income, outstanding loan balance, and family size. Such an approach especially benefits borrowers with relatively high debt and little pay.

Looking for a concise summary of IBR as well as tips on how you can educate borrowers about the plan? TG provides help with a video available through its corporate website, *TG Online*.

Titled "[IBR: Not just another repayment plan](#)," the video outlines eligibility requirements of IBR, recommends strategies for teaching students the IBR basics, and supplies talking points which you can use with borrowers exploring IBR.

### **Access TG's IBR video**

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

## **Educate your December graduates about repayment with TG's exit counseling resources**

TG and the Council for the Management of Educational Finance (Council) have put together a series of presentations and handouts, which can supplement the loan repayment information you offer departing students. These materials serve both FFELP and FDLP borrowers, providing guidance on borrower responsibilities, repayment plans and options, the consequences of default, and much more.

TG and the Council developed the curriculum to help postsecondary institutions train their staffs, who can, in turn, help borrowers manage their student loan debt. These presentations have been created to deliver a consistent message to students — that repayment is an obligation, that repayment plans are flexible and designed to meet borrower needs, and that help is available if necessary.

## Accessing the resources

The entrance and exit counseling materials, titled "[Creating Consistency in Educational Finance: A Training Curriculum](#)," are available through *TG Online*.

## More information

For questions about loan entrance and exit counseling, contact TG customer assistance at (800) 845-6267, or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## TG's Veterans Day hours

TG will be closed Thursday, November 11, in observance of Veterans Day. TG will resume normal business hours on Friday, November 12.

## Policy Resources

### *Common Manual updates*

Guarantor representatives who serve on the *Common Manual* Governing Board have approved several changes to the *Common Manual*. Details on these changes have been added as a PDF available on *TG Online*. Click the "*Common Manual Updates*" link in the right column to view the changes. An updated *Integrated Common Manual* incorporating the changes will be posted and made available through *TG Online*. These changes will also appear in the *Manual's* next annual update.

### Questions

Please note the effective date of each policy change. If you have questions about any of the changes, 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

Concerned about your institution's student dropout or transfer rate? Consider your students' level of satisfaction with the campus experience. Studies, including annual surveys conducted by the Higher Education Research Institute (HERI), suggest that students are more likely to be happy with their choice of school if they feel a sense of belonging. What does that mean? Generally, students who feel "connected" to campus life, including having more opportunity for interaction and discussion with instructors, tend to be content with their college or university. Find out more about the findings from [HERI's latest survey of freshman students](#).



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