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Smart Solutions

Help your new and continuing students stay on track to applying for financial aid and planning for college with *Adventures In Education's "Financial Aid Calendar."*

Industry Update

Changes announced to NSLDS cohort default rate process

On January 12, 2011, ED announced new enhancements to the National Student Loan Data System (NSLDS) cohort default rate (CDR) process. The file of NSLDS-reported data on borrowers who entered repayment in a given federal fiscal year (FY), and on those who subsequently defaulted during the CDR monitoring period,

has been revised to include additional data. The new data will assist schools, guarantors, lenders, servicers, and school third-party servicers in researching and verifying CDRs.

The data modifications were made to the Loan Record Detail Report (LRDR) layout. The LRDR file supports the annual calculation and release of draft and official CDRs. The newly-included data will increase the length of the LRDR extract file, effective January 31, 2011. Details are provided in the documents accompanying [NSLDS Newsletter #30](#).

ED's announcement also provides a reminder that for FY 2009, FY 2010, and FY 2011, ED will calculate 3-year draft and official CDRs in addition to 2-year CDRs. For FY 2012 and beyond, ED will calculate only 3-year CDRs. To assist schools in monitoring and managing their new 3-year CDRs, ED has developed a "36-Month School Repayment Information Loan Record Detail Report (DRC016)" in addition to the current 24-month version of the data. The file layout for this report is also available at the link provided above.

To help schools prepare for the impact of the longer default monitoring period in the 3-year CDRs, ED also plans to provide "trial" 3-year draft and official CDRs for FY 2008, calculated in the same manner as the actual draft and official 3-year CDRs for FY 2009 and subsequent years. The "trial" draft and official 3-year CDRs for FY 2008 are informational only; they will not be used to determine eligibility sanctions and benefits for schools, so challenge, adjustment, and appeal processes will not apply. ED intends for these "trial" rates to give schools a realistic preview of their actual 3-year CDRs, which begin with the FY 2009 rate to be published in September 2012. Although no eligibility sanctions will be implemented until the third official 3-year CDR (for FY 2011) is issued in September 2014, each 3-year CDR beginning with FY 2009 counts toward that outcome.

ED's complete announcement is available in [NSLDS Newsletter #30](#).

To learn more

For more information, contact TG Default Aversion at defaultaversion@tgsic.org. Additionally, helpful resources and tools on CDR-related topics are available through [TG Online](#).

Next week's *Shoptalk* edition will also provide an announcement regarding an upcoming webinar in early February on CDR basics and how to challenge a draft CDR.

2011 poverty guidelines released

The Department of Health and Human Services (HHS) has updated the United States federal poverty guidelines in the *Federal Register* dated January 20, 2011.

The poverty guideline is one qualifier that may be used in determining a borrower's eligibility for an economic hardship deferment. Lenders must use the new poverty guideline figures when determining eligibility on or after January 20, 2011. The chart on the economic hardship deferment form will soon be updated with the new figures provided below.

| These monthly figures represent 150% of the Poverty Line | | | |
|--|---|------------|------------|
| Borrower's Family Size | 48 Contiguous States and District of Columbia | Alaska | Hawaii |
| 1 | \$1,361.25 | \$1,700.00 | \$1,567.50 |
| 2 | \$1,838.75 | \$2,297.50 | \$2,116.25 |
| 3 | \$2,316.25 | \$2,895.00 | \$2,665.00 |
| 4 | \$2,793.75 | \$3,492.50 | \$3,213.75 |
| For each additional person add | \$477.50 | \$597.50 | \$548.75 |

More information and questions

For more information about the updated poverty guidelines, visit [the HHS website](#).

TG Report

TG Annual Training Conference to feature flexible scheduling, varied industry topics

Training has become more, not less, essential in today's world of complex regulations and shrinking budgets. The TG Annual Training Conference offers a round of training on such important topics as the changing cohort default rate and college retention, as well as valuable networking and professional development opportunities. This year's conference, "Solid Foundation for Student Success," will be held April 26-29, at the AT&T Executive Education and Conference Center in Austin.

Varied, budget-minded training

The [agenda for the 2011 TG Annual Training Conference](#) has been tailored to provide value to a broad audience, including financial aid professionals, student services professionals, high school and financial counselors, employees of nonprofit organizations, and others dedicated to helping students and families in their educational endeavors. Attendees have their choice of a variety of learning tracks on Wednesday and Thursday, including:

- Financial literacy (Participants can qualify for up to 10 CEU credits from the Association for Financial Counseling and Planning Education (AFCPE)),
- Default aversion,
- Higher education policy, regulations, and legislation, and
- College access and success.

Pre- and post-conference workshops on Tuesday and Friday are designed to facilitate discussion and to complement Wednesday and Thursday's concurrent session tracks.

The agenda also offers various professional development opportunities, including a 3-day [Student Services Leadership Symposium](#), concurrent sessions on Thursday, and a post-conference workshop on presentation skills.

To meet training needs and travel budgets, TG offers various registration options, including attendance for half-day workshops, one or two full days, or the full four days for just \$139.

Conference registration

Visit [TG Online](#) to register. To speak with someone directly, contact TG's event planning coordinator Judith Cunningham at (800) 252-9743, ext. 2905, or send an e-mail message to judith.cunningham@tgslc.org.



TG trainers to present sessions on IBR and office management at SASFAA Conference

Join TG experts for several training sessions at the upcoming Southern Association of Student Financial Aid Administrators (SASFAA) Conference to be held February 13-16 in Jacksonville, Florida. TG trainers will explore the mechanics of the newest repayment plan available to student loan borrowers — Income-Based Repayment (IBR). In a separate session, trainers will describe how to add efficiency to office practice — a great benefit to financial aid offices, many of which are being asked to do more with less.

- **IBR — a tool to help students manage repayment** — Learn more about this flexible repayment plan, which can minimize monthly payments for qualifying borrowers. Educating borrowers about IBR 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, benefits the plan provides, and ideas for informing borrowers about IBR.

- **Ducks in a row** — Improve your organizational skills and learn a streamlining formula that will make your work more efficient. This session also offers advice on how to maintain a better work/life balance.

Find out more

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

TG's TFAIC offers another resource to students during Financial Aid Awareness Month

During February, a.k.a. Financial Aid Awareness Month, students and families across Texas will be preparing and submitting the Free Application for Federal Student Aid (FAFSA). For those with questions about the process, the [Texas Financial Aid Information Center](#) (TFAIC) offers help.

Created in 1999 as a collaborative effort of the Texas Higher Education Coordinating Board and TG, TFAIC is a free resource to Texas students and families. TFAIC representatives can provide assistance in English and Spanish.

"In Texas, more than 80 percent of direct student aid comes from federal programs," said Sue McMillin, TG's President and CEO. "Given the current economy, TFAIC is a great resource, offering expertise and information that can help students explore their options."

TFAIC representatives can provide information about eligibility requirements and applying for federal and state financial aid programs.

To learn more

TFAIC representatives are available by phone at (888) 311-8881 from 8:00 a.m. to 6:00 p.m. Central Time, Monday – Thursday, and 8:00 a.m. to 5:00 p.m. Central Time on Friday.

Policy Resources

Ask the policy expert — Program Integrity Issues

Disbursement of Title IV funds – provisions for books and supplies

Q.: Does a school have any discretion in determining the disbursement schedule for a Pell grant-eligible student's Title IV credit balance?

A.: A school has limited flexibility to determine the disbursement schedule for Title IV funds in this case. However, a school must disburse a Title IV credit balance amount sufficient to cover the student's purchase of books and supplies by the seventh day of the payment period. This is explained further below.

For any Pell grant-eligible student, a school determines the total amount of Title IV aid the student is eligible to receive at least 10 days before the start of a payment period. This includes all types of Title IV aid, provided there are no outstanding verification requirements, unresolved "C" codes on the Institutional Student Information Record (ISIR), or conflicting information issues to prevent the student from being eligible to receive Title IV aid at that time. Stafford loan funds are included unless the student is subject to the federal 30-day delayed disbursement rule applicable to first-time, first-year undergraduate borrowers.

Next, the school deducts institutional charges that the student owes at that time. If the student's total Title IV aid exceeds his or her institutional charges, the student is considered to have a Title IV credit balance. If this is the case, the school must make available by the seventh day of the payment period the lesser of the total Title IV credit balance or the amount needed to purchase books and supplies (which may be the actual cost or the allowance in the student's cost of attendance). The school may disburse the student's remaining Title IV credit balance, if any, according to its own disbursement schedule.

To learn more

For more information on this Program Integrity final rules topic, please refer to TG's article in [Shoptalk edition 581](#). To access *Shoptalk* articles and helpful resources and tools on other new regulations, please visit [TG's Program Integrity final rules page](#). You may also contact TG's Customer Assistance team at (800) 845-6267, or send an e-mail message to cust.assist@tgsic.org.

News Briefs

Students of every age grapple with how best to learn a subject. Does it help to study in pairs or groups? How about concept mapping where the learner diagrams central ideas and then adds branches that describe attributes of those ideas? A recent study published in the journal *Science* suggests that perhaps the best way to learn is the simplest — taking a test right after reading about the topic. Think of the verbal sections of the SAT or GRE. According to the study, students in these situations are engaged in a simple retrieval of information from memory. In fact, in the very act of trying to recall something, the student makes it easier to retrieve that data later. Read more about [how test-taking can boost learning](#).



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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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