



<a href="#">TG Online</a>	<a href="#">AIE™</a>	<a href="#">Default Prevention Services</a>	<a href="#">Financial Literacy</a>	<a href="#">Contact TG</a>	<a href="#">Shoptalk Archive</a>	<a href="#">Subscribe</a>
---------------------------	----------------------	---	------------------------------------	----------------------------	----------------------------------	---------------------------

### Inside this issue

- Industry Update ..... 1**
  - FY 2009 draft cohort default rates released ..... 1
  - Closed school corner ..... 1
- TG Report ..... 4**
  - TG enhances letter creation tool of the Integrated Default Assistant<sup>SM</sup> ..... 4
  - TG offers College Access and Affordability Telethons during Financial Aid Awareness Month ..... 6
  - Before they get into trouble: Educating students about handling debt ..... 7
  - TG closed on Presidents Day ..... 9
- News Briefs ..... 9**

### Smart Solutions

Looking for a varied, budget-minded training experience that gives you a grounding in the latest regulatory developments as well as tools and trends in default prevention, financial literacy, and professional development? Register for the [2011 TG Annual Training Conference](#) today.

## Industry Update

### FY 2009 draft 2-year cohort default rates released

On Monday, February 14, [ED released](#) a fiscal year (FY) 2009 draft 2-year cohort default rate (CDR) to every school to which the rate applies. Each school enrolled in the Electronic Cohort Default Rate (eCDR) process received its draft CDR notification and accompanying documentation via its Student Aid Internet Gateway (SAIG) mailbox. Any school not enrolled in the eCDR process may download its CDR and accompanying documentation from the National Student Loan Data System

(NSLDS) via the [NSLDS Professional Access website](#). A school's draft CDR is found on the last page of the Loan Record Detail Report.

## Challenges

If a school identifies any data it believes to be inaccurate, it may challenge its draft CDR and request a correction of errors. The challenge period will begin on February 23, 2011, and end on April 8, 2011, for domestic schools. An Incorrect Data Challenge (IDC) must be submitted via ED's eCDR Appeals application.

ED also provides a 45-day opportunity for a qualified school to submit a Participation Rate Index (PRI) challenge to ED's Operations Performance Division. This type of challenge is based on a low number of loan borrowers in a school's student population, rather than an allegation of inaccurate data, and is designed to prevent anticipated eligibility sanctions based on a high official CDR. A PRI challenge is submitted to ED via hard copy (rather than via the eCDR Appeals application).

## eCDR Appeals

The eCDR Appeals Web-based application enables a school to electronically submit certain types of challenges and requests for adjustment during specified timeframes. It also enables data managers (guarantors or federal loan servicers) and Federal Student Aid personnel to electronically view and respond to the challenges or adjustment requests. The application tracks the life cycle of each such request from the time it is submitted until the time a decision is made and the case is closed.

Challenges made via the eCDR Appeals process will automatically be directed to the entity responsible for managing that data.

Complete information, including *User Guides*, recorded demonstration sessions, and frequently-asked questions about the eCDR Appeals application, may be accessed on the [eCDR Appeals website](#).

## Cohort Default Rate Guide

For more information on CDR-related topics, ED's Web-based [Cohort Default Rate Guide](#) (*Guide*) is available on ED's website. Additionally, the [Cohort Default Rate Guide Quick Reference](#) (*Quick Reference*) provides an easy-to-understand, online resource that includes a high-level overview of the CDR process.

## How TG can help

TG considers default prevention a top priority. The ever-changing environment in the financial aid industry and current economic conditions make default prevention a critical activity. TG's default prevention team works with the financial aid community in developing strategies to more effectively prevent student loan

default. The team also works with borrowers by offering information about default avoidance and successful repayment. The team can help schools in a number of ways, including:

- Understanding the CDR and its calculation, as well as its positive or negative impact;
- Helping to develop a campus-based default prevention plan;
- Providing on-site consulting in the areas of financial literacy and default aversion;
- Offering training on TG's Integrated Default Assistant<sup>SM</sup> (IDA<sup>SM</sup>), an online tool for tracking and managing CDRs for both FFEL and Direct loans; and
- Explaining CDR challenges as well as answering policy questions regarding default aversion.

### **To learn more**

For questions about the FY 2009 draft CDR challenge process, contact TG compliance specialist Felicia Anthony at (800) 252-9743, ext. 4572, or send an e-mail message to [felicia.anthony@tgsllc.org](mailto:felicia.anthony@tgsllc.org).

Schools are also encouraged to view TG's recent webinar, "[Challenging Your Draft Cohort Default Rate.](#)"

For questions about how schools can benefit from TG's Default Prevention team services, contact TG's default aversion consultants Joe Braxton at (800) 252-9743, ext. 4696 or Cindy Marrs at (800) 252-9743, ext. 4874. You can also send an e-mail message to [defaultaversion@tgsllc.org](mailto:defaultaversion@tgsllc.org).

### **Closed school corner**

The following table provides a list of newly reported school closures and corrections from the Postsecondary Educational Participants System (PEPS) and from the February 2011 *Closed School Monthly Report* supplied by ED. Schools listed are those with which TG has done business or to which TG has otherwise provided services.

## Newly reported closures

OPE School ID	School Name and Address	Unofficial Closure Date	ED's Official Closure Date
02113601	<b>American Intercontinental University — Los Angeles</b> 5550 Prairie Stone Hoffman Estates, IL 60192-3713	N/A	12/13/10

---

## TG Report

### TG enhances letter creation tool of the Integrated Default Assistant<sup>SM</sup>

In late February, TG will release enhancements to its Integrated Default Assistant<sup>SM</sup> (IDA<sup>SM</sup>), a multipurpose tool that helps schools track their cohort default rates (CDRs) and communicate with borrowers who have delinquent student loans.

These IDA enhancements will allow users to:

- Import data using the new NSLDS Delinquency File,
- Use both “Defaulted Loans” and “Cured Loans” reports to track loan status,
- Create and use customized letter templates based on user-defined timing options, and
- Review notes providing additional historical information on templates and reports used.

To help users understand how these new features will benefit them, *Shoptalk* will publish a series of articles highlighting improvements. This week’s article focuses on how IDA helps users to better create, manage, and track the usage of letter templates.

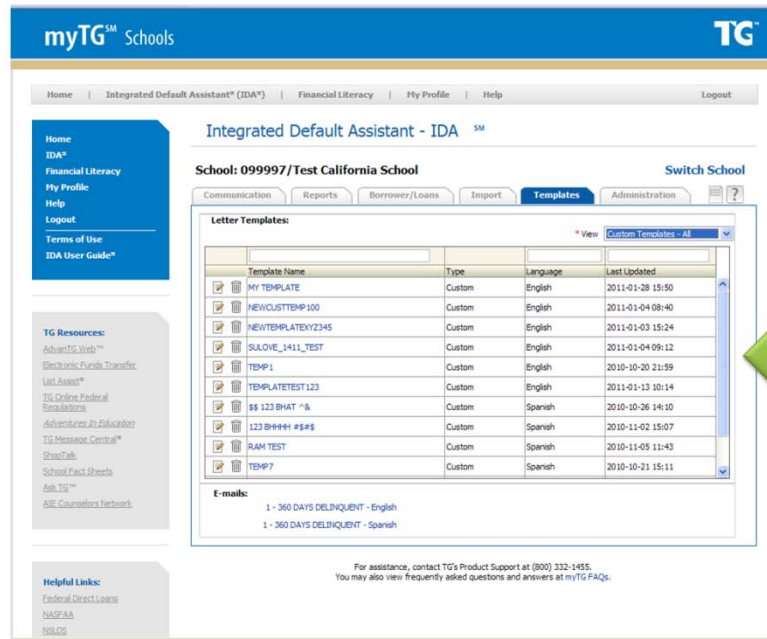
#### **Create your own templates, customize usage periods**

Upcoming enhancements will allow users to create additional custom templates of letters sent to borrowers. Currently, IDA allows one custom letter to be created per pre-defined delinquency period, allowing the user to send either the standard template, or one customized template, to all borrowers within that pre-defined delinquency period.

With the February release, a user will be able to create multiple custom template letters that do not need to be assigned to a specific delinquency period.

IDA will also offer more choice in selecting the letter type for given borrowers. Currently, when a user prepares to send a letter to a pre-defined group of borrowers with delinquent loans, IDA automatically selects the custom template letter, if one exists, or else the standard letter for that pre-defined delinquency period. With the enhancement, the user will be required to select a specific letter to be used for that borrower group.

The addition of the user-defined delinquency period greatly enhances the ability for the institution to fine-tune its communication efforts for borrowers with delinquent loans. For example, institutions will now be able to create additional delinquency periods, or otherwise add custom template letters to refine messages sent during the delinquency period, including defining the period for use by specific days.



### Review enhanced information on communication results screen

IDA allows users to create and deliver a “communication campaign,” which may consist of e-mails and other communications. With each campaign launched, IDA displays a results screen, which itemizes criteria used to determine the borrowers who received the communication. Enhancements for the February release will offer more information on this screen, including the specific template used to communicate with each borrower, and the number of days delinquent for each of the borrower’s loans at the time of communication.

Results can be viewed on-screen, or printed for documentation purposes.

### Review and generate reports of templates sent, by borrower

To help users in ongoing default prevention efforts, IDA records all completed actions in a “Completed Actions” list for later retrieval. Users are able to access the Completed Actions list to review communications sent, reports generated, and other actions taken with data.

In terms of Completed Actions that involve templates, IDA will now document the specific template used to communicate with each borrower. As a result, users will

be able to review a Completed Action involving a template, browse the list of borrowers who received the communication related to that Completed Action, and identify the specific custom template sent to that borrower. Results will also be downloadable for printing and/or archiving purposes.

### **About IDA**

TG offers IDA at no cost to Texas schools, and to schools outside of Texas that have borrowers with TG-guaranteed loans.

### **To learn more**

For current IDA users, TG will soon provide additional information on training available for these enhancements. If you have questions about using IDA, please contact TG's Product Support Group at (800) 332-1455, or send an e-mail message to [product.support@tgslc.org](mailto:product.support@tgslc.org). A school's TG account executive can also provide details. Contact your TG account executive at (800) 252-9743, or send an e-mail message to [relationship.management@tgslc.org](mailto:relationship.management@tgslc.org).

## **TG offers College Access and Affordability Telethons during Financial Aid Awareness Month**

Throughout February, TG and the Texas Higher Education Coordinating Board (THECB) will host a series of College Access and Affordability Telethons, an annual event that provides viewers information about student financial aid, including help with understanding and applying for federal and state financial aid.

During the telethons, representatives from TG, THECB, and other organizations answer questions related to completing the Free Application for Federal Student Aid (FAFSA) and the Texas Application for State Financial Aid (TASFA). Students must complete the FAFSA to apply for federal, most state, and some college financial aid. The TASFA is required for undocumented students seeking aid who have lived in Texas for three years prior to graduating from high school. These students are not eligible for federal financial aid, but may qualify for certain types of state financial aid.

The College Access and Affordability Telethons will be broadcast throughout Texas cities. Dates and participating broadcast stations include:

February 16 — San Antonio, KSAT

February 17 — Beaumont, KFDM

February 22 — Lubbock, KCBD

February 23 — Tyler/Longview/Lufkin/Nacogdoches, KLTN and KTRE

February 24 — Austin, KTBC

March 1 — Houston, KXLN

March 2 — El Paso, KINT

### **Learn more**

For more information about the College Access and Affordability Telethons, contact the Texas Financial Aid Information Center at (888) 311-8881. The [College For All Texans website](#) also offers resources and information on applying for federal and state financial aid.

## **Before they get into trouble: Educating students about handling debt**

### **By Sharon Cabeen, TG's director of Financial Literacy Operations**

Having debt problems can feel so overwhelming that people avoid thinking about it. In my work, I teach consumers that, instead of avoiding debt issues, they should get educated about their options and make a plan. That's as true for students as it is for anyone else.



You might think students in college or headed to college aren't too worried about debt. How much could they owe at this stage in the game? Truth is most students are nervous about the cost of a higher education, and many are interested in being prepared should debt get out of control.

Luckily, there's help available, including training like TG's "Solving Debt Problems: Strategies and Solutions," a presentation from the TG Financial Literacy Program. This training spotlights two approaches to paying down debt that many financial educators recommend and that could benefit your students.

### **Two ways plus a variation**

The first method of reducing debt makes perfect sense for those focused on dollars and cents — pay off the debt with the highest interest rate first. Of course, minimum payments on all other debts must be made on time every time to assure that credit scores don't fall. However, this method does have a drawback if the highest debt comes with the highest interest rate. The combination often means a lengthy repayment term, which can seem discouraging.

The second method makes sense to those who need the emotional nudge of seeing debts start to fall off the list. This approach involves paying off the debt with the

lowest balance first. With this method, a consumer will see the list start to evaporate more quickly, and — so the theory goes — have that emotional boost needed to keep on keeping on. Once again though, debtors must make minimum payments on all other debts to keep credit intact.

There is a third way, or, rather, a variation which can be combined with the two described above. This approach is called “planning,” or, more popularly, “budgeting.” By using a spending plan to establish and execute a debt repayment regimen, consumers may find that other debt remedies come to light, such as increasing income and reducing expenses. The end result for either of these approaches is that more money is available to throw at debt.

In terms of increasing income, young adults can play a part and even be responsible for certain expenses, as long as job work does not affect schoolwork. There are lessons to be learned for young consumers in earning money to buy gas, entertainment, or even clothing.

In the area of reducing expenses, itemizing monthly household purchases can help consumers pinpoint unnecessary costs. Consumers using the “step down” model of spending — which is described in the “Solving Debt Problems” module — determine where they are comfortable cutting spending until repayment goals are met.

Blending the “increase income” and “reduce expenses” approaches can double the benefit, producing even more money to pay down debt. Although it may seem intuitive, many consumers may not think to do both simultaneously.

However, no matter what the approach, help is available should it be needed — an important point to stress with novice consumers. Many lenders and nonprofit organizations can provide information, including guidance on how to reduce debt. Training like the TG Financial Literacy Training Program can provide students and borrowers a foundation in the fundamentals of managing money. The key is to get educated and plan ahead before debt becomes an issue.

### **About Sharon Cabeen**

With more than 25 years of management and program development experience, Sharon Cabeen manages TG's financial literacy program, including the development of new financial literacy services and products. Cabeen has been a certified credit counselor since 1985. She also holds the designation of Accredited Financial Counselor with the Association for Financial Counseling and Planning Education (AFCPE).

### **Learn more about the TG Financial Literacy Program**

The [TG Financial Literacy Program](#) is comprised of ten 15-minute presentations with accompanying activities, workbooks, and speaker's scripts. Modules cover a range of topics, such as managing credit and saving and investing. Illustrations, content,

and format for each module are tailored to appeal to students from high school through college. The entire program places an emphasis on teaching by interaction, the better to gain and keep attention on such important topics as budgeting and saving. Session participants will receive workbooks that contain glossaries, FAQs, suggested resources for further study, and information on key concepts.

Browse a list of [TG Financial Literacy Program modules](#) to learn more about TG's program or to request a "Train-the-Trainer" session for your staff who can then train students on a given topic.

## TG closed on Presidents Day

TG will be closed next Monday, February 21, for Presidents Day. TG will resume normal hours of business operation on Tuesday, February 22.

## News Briefs

Visiting the campus computer lab — and praying for a vacant workstation — is a weekly, if not daily, ritual for many students. More colleges are saving students the time of making the trip and the cost of buying any software required for particular classes by “virtualizing” their computer labs. These schools are placing access to their computer lab software and hardware on the Web. Students can then log in remotely and begin using applications like Microsoft Word® without even having the software on their desktops or laptops. Learn more about the [virtualization of the campus computer lab](#).



P.O. Box 83100  
Round Rock, TX 78683-3100  
(800) 252-9743  
(512) 219-5700  
(512) 219-4560 TDD

*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@tgscl.org](mailto:communications@tgscl.org).

**Contributors to this edition:** Felicia Anthony, Sharon Cabeen, Andrés Cordero, Rob Davenport, Art Martinez, Kristina Tirloni, and James Wingard. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

©2011 Texas Guaranteed Student Loan Corporation.  
IDA, the Integrated Default Assistant, and the TG logo are trademarks or service marks of Texas Guaranteed Student Loan Corporation.