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Smart Solutions

TG’s *College Advising 101 Worksheet: Planning Your Transition to College* poses a series of questions to help students prepare for college, including building an academic plan, tracking financial aid, learning about a college’s financial aid process, and anticipating campus life. The worksheet is available now in both Spanish and English.

Industry Update

ED releases 2-year draft cohort default rate data

On Monday, February 14, 2011, ED released the fiscal year (FY) 2009 draft 2-year cohort default rate (CDR) data. For schools enrolled in the Electronic Cohort Default Rate (eCDR) process, ED provided the data to the Student Aid Internet Gateway (SAIG) mailbox of the designated destination point. Other schools were instructed to download the data from the National Student Loan Data System (NSLDS) via the [NSLDS Professional Access website](#).

Issues with draft CDR data release

A number of schools identified obvious issues with correctly receiving and accessing the data last week. Other, less obvious issues were identified by schools upon a closer inspection of the data. A careful review of the files provided by ED is needed to detect the latter type of errors.

Reviewing the data and submitting a challenge

Schools have five business days after ED's release date to examine their CDR data and determine if there appear to be any technical problems caused by ED that prevent them from receiving and accessing the data correctly. If there is a data issue caused by ED, schools may preserve their full 45-day opportunity to prepare an incorrect data challenge or participation rate index challenge, if warranted, by notifying ED of the problem within the five business-day period. In that case, the 45-day challenge period does not begin until ED provides correct and accessible data. Otherwise, the 45-day challenge period begins on the sixth business day following ED's release of the CDR data.

In this case, the five business-day review period ends today, February 22, 2011. Unless otherwise notified by ED, the 45-day challenge period for schools begins tomorrow on Wednesday, February 23, 2011, and ends on Friday, April 8, 2011.

Schools are advised to closely examine their draft CDR data as soon as possible to determine if the data appears to have been successfully transmitted and received in the appropriate format. Any issues need to be reported to ED via [e-mail](#).

To learn more

TG's *Shoptalk* edition 591 includes an [article](#) that provides information regarding CDR challenges and helpful resources for schools. Schools are also encouraged to view TG's recent webinar entitled, "[Challenging Your Draft Cohort Default Rate](#)."

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.

ED's G5 website unavailable March 4 through March 14

On February 18, 2011, ED provided an [e-announcement](#) to remind schools that the G5 web site will be unavailable beginning 3 p.m. Eastern Time on Friday, March 4, through 6 a.m. Eastern Time on Monday, March 14, 2011. This downtime is necessary to implement Phase 3 of G5, as previously announced.

Schools will not be able to access G5 or draw down funds during this period. All disbursements scheduled for March 4, 2011, through March 10, 2011, must be received by ED's COD System no later than 9 a.m. Eastern Time on Friday, March 4, 2011, and subsequently accepted by the COD System, in order to be included in the funds available for drawdown prior to the shutdown period. These drawdowns include funds for the Pell Grant, FSEOG, FDLP, Federal Work-Study, ACG, National SMART Grant, TEACH Grant, and Iraq and Afghanistan Service Grant programs. COD will remain available during this period and will accept records for these programs during the service outage.

To learn more

For more information, see the [e-announcement](#). ED's [January 7, 2011](#), letter to grantees and payees also provides guidance on drawdown of funds during the G5 Phase 3 transition.

Legislative report

President Obama unveiled his FY 2012 budget proposal, which lays out a \$3.73 trillion spending proposal. The budget proposes a five-year freeze on domestic discretionary spending, including all Title IV student financial aid, except Pell Grants. The Republican leadership has already made a counter-proposal, which would cut further from entitlement programs. Read more about the [latest legislative developments online](#).

TG Report

TG adds industry resource to Web page for Program Integrity final rules

To help schools understand and prepare to implement the recently published final rules, a new industry resource has been added to the [TG Online Program Integrity Final Rules](#) Web page. The National Council of Higher Education Loan Programs (NCHELP) Regulations Committee has developed a simplified analysis document ("side-by-side") for use as a resource tool. This resource provides a regulation-by-regulation approach for schools to review the Program Integrity final rules that were published on October 29, 2010. Schools can search for a particular topic and view the corresponding regulatory cites, a summary of the final rule changes, the

provision's effective date, and insights and comments based on ED's discussion in the preamble of the final rules.

The final rules affect public, nonprofit, and for-profit schools in a number of significant ways. It is important for all schools to carefully review the rules to determine if changes need to be made to institutional policies, procedures, and systems. Most rules will become effective July 1, 2011.

To learn more

For more information on revised regulations, please refer to the resources on the [TG Online Program Integrity Final Rules](#) Web page. For additional questions, please contact TG Customer Assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

2011 TG Annual Training Conference to feature extensive default aversion sessions

In early February, ED released trial 3-year cohort default rates (CDR) for fiscal year 2008 to individual schools, noting that the national average, 13.8 percent, was almost double the draft 2-year rate. The announcement throws a spotlight on a topic of growing concern to many schools — student loan default. The upcoming TG Annual Training Conference offers a series of workshops designed to help schools understand key default aversion concepts and strategies. These sessions also provide a great opportunity for learning what other colleges are doing to support borrowers and enhance campus default prevention efforts.

The 2011 TG Annual Training Conference — "Solid Foundation for Student Success" — will be held April 26-29, at the AT&T Executive Education and Conference Center in Austin, and features an agenda tailored to the needs of a broad audience of higher education professionals, including those working in financial aid and student services.

Here's a preview of particular default aversion sessions, which can help you as you plan for trainings to attend.

• Tuesday's Workshops

- *Default Aversion Bootcamp* — Designed for those with a year or less experience in default aversion — or those who need a refresher — this series of workshops will cover topics, including a primer on the life of the loan, cohort default rate basics, and counseling delinquent borrowers. Participants will leave with a better understanding of a variety of default aversion strategies and some proven best practices.

- *Campus Collaboration Workshop* — Attendees will consider how collaboration can enhance efforts in the areas of student retention, default prevention, and financial literacy. They will also explore how to better engage campus departments; how each department fits into the big picture of retention, financial literacy, and default prevention; what impacts and outcomes can be expected; and some best practices to foster student success.
- **Wednesday's Default Aversion track** – including topics such as:
 - Ins and Outs of Student Loan Repayment
 - Reinforcing Entrance and Exit Loan Counseling Concepts
 - Default Aversion Best Practices (featuring representatives from various school sectors)
 - Cohort Default Rate Cycles, Challenges, Appeals, and Adjustments
 - How to Graduate High-Risk Students
 - Exploring New Dimensions in Default Prevention — a dialogue with members of the Council for the Management of Educational Finance
 - TG's Integrated Default AssistantSM (IDASM) — One-on-one sessions with a TG default aversion consultant in a lab setting. Appointments for Tuesday through Thursday must be scheduled at the registration desk.

Conference registration

The 2011 TG Annual Training Conference offers flexible registration choices, including options to attend half-day workshops, one or two full days at special discounted rates, or the full four-day agenda for \$139.

Visit [TG Online to register](#). Register before April 8 to avoid late registration fees. 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 sets key dates for retirement of loan management and disbursement services

In early December 2010, TG announced that it would retire AdvanTG Web™, its loan management system, and Electronic Funds Transfer (EFT), its electronic disbursement tool for federal and private loans. TG set June 30, 2011, as the retirement date and prompted customers to begin planning for any transition needs.

Since this announcement, TG has established several key timeframes that customers should keep in mind as they plan. By product, these dates include:

- **EFT** — The last funding day for TG's EFT services will be *May 31, 2011*. However, schools, lenders, and servicers will be able to access and download reports on the EFT website through *June 30, 2011*.
- **AdvanTG Web** — All services, including change transactions, will be available through *June 30, 2011*.
- **Real Time Access (RTA)** — Schools, lenders, and servicers will be able to access RTA through *October 31, 2011*. RTA provides online access to FFELP loan data as it currently exists on TG's servers.

On another note, TG will continue to provide life-of-the-loan support for TG-guaranteed loans in its FFELP student loan portfolio.

TG made the decision to retire AdvanTG Web and EFT after considering various factors, including the end of FFELP originations. The retirement of AdvanTG Web and EFT will not affect TG's growth as a company or its commitment to providing a diverse and growing set of resources in areas important to schools, such as default prevention and financial literacy.

Over the coming months, TG will continue to provide updates via *Shoptalk* and other communication tools about the transition process for AdvanTG Web and EFT. These updates will offer more specific information regarding a school's access to loan data.

For help

If you have questions about the retirement of EFT, AdvanTG Web, and RTA, or need assistance in your efforts to convert to another private loan origination and/or disbursing agent, please contact your TG account executive at (800) 252-9743, or send an e-mail message to relationship.management@tgsdc.org.

TG Financial Literacy Program module explains compensation to novice job-seekers

That first job offer can be an exhilarating moment for a young graduate. It can also open up a whole series of questions about compensation. Questions like — what is my take-home pay given the salary? How will the cost of living affect my purchasing power? Is pension part of my compensation package? Will I be paid for overtime? Should I negotiate for higher pay?

A TG Financial Literacy Program module — *Employee Compensation: Beyond Salary* — demystifies compensation, explaining the elements that make up compensation and helping students determine whether a salary offer is adequate for their needs.

Among other things, the module describes what taxes can be withheld and by what percent; details what it means to be an "exempt" employee; computes overtime pay; and much more.

By the end of this presentation, students should understand:

- What base pay means and the value of negotiating a good starting wage
- How the cost of living varies by location, which affects the value of earnings
- Why managing money well can increase spending power and help students establish financial security even given a relatively low salary

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.

To learn more

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.

Policy Resources

Ask the policy expert — Program Integrity issues

Verification

Q.: Will the new verification rules affect schools that are currently allowed to establish their own verification criteria under the Quality Assurance (QA) Program?

A.: No. In the preamble to the [final rule](#) (p. 66904), ED clarified that the changes made to the verification regulations will not diminish the importance of the QA Program. In fact, ED indicated that it is currently in the process of developing a plan to expand the number of schools that participate in the QA Program.

To learn more

For more information on this Program Integrity final rules topic, please refer to TG's article in *Shoptalk* edition 583. To access *Shoptalk* articles and helpful resources and tools on other new regulations, please visit TG's [Program Integrity Final Rules Web page](#). You can also contact TG Customer Assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgsllc.org.

News Briefs

Some 19 million students enrolled for the fall 2010 semester can't be wrong — higher education pays, right? Definitely, according to the College Board's "Education Pays 2010" report that details earnings potential and a list of social benefits that may cascade from a college degree. Findings from the report show that individuals with a higher education degree, or even with some higher education, have access to more job opportunities, higher rates of pay, and better health care. (Median earnings of bachelor's degree recipients working full-time year-round in 2008 were \$55,700, more than \$21,000 more than median earnings of high school graduates.) College graduates also tend to be healthier, to vote more often, volunteer with civic organizations, and prepare their children for college. The report included facts on enrollment disparities by income level and ethnicity. Review the [complete report online](#).



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To ask questions about *Shoptalk*, please contact Communications at (800) 252-9743, ext. 4732, or send an e-mail message to communications@tgsllc.org.

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