



<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 ..... 2**
  - ED publishes update on lender/servicer access to NSLDS borrower information..... 2
  - Information on treatment of Consolidation loan underpayments and overpayments now available..... 3
  - ED releases revised 2011-12 variable interest rate information ..... 4
- TG Report ..... 5**
  - July 1 has arrived — need more help to implement the Program Integrity rules? ..... 5
  - Understand program reviews and prepare for the latest regulatory changes with help of upcoming TG webinars ..... 7
  - A financial literacy how-to: When spring break becomes a lesson on spending basics..... 8
- Policy Resources..... 10**
  - Ask the Policy Expert— Program Integrity Issues..... 10
- News Briefs ..... 10**

### Smart Solutions

Teach your students a lesson in credit card spending. TG offers a virtual shopping spree through the online [Credit Card Skills Builder](#) tool available through *Adventures In Education*. Among other things, the tool demonstrates how much more students spend by letting interest accrue on a credit card balance.

## Industry Update

### ED publishes update on lender/servicer access to NSLDS borrower information

On June 23, 2011, ED published a technical update, LLS-2011-03, that provides new information about lender and servicer access to borrower information through the National Student Loan Data System (NSLDS).

ED has modified the [NSLDS Professional Access website](#) to permit lenders and lender servicers access to borrowers only when there is an existing relationship between the organization and the borrower on NSLDS. Lenders and lender servicers can no longer have access to a borrower's information solely to determine if a relationship can be established.

ED will use current and historical data in NSLDS to determine whether the lender or lender servicer has a relationship with a borrower. If the organization code associated with the lender's or lender servicer's NSLDS User ID does not appear within the borrower's record, access to the data will be denied. If the NSLDS user enters student identifiers to retrieve borrower information and there is no existing relationship, the Borrower Lookup No Relationship page will be displayed.

#### **Establishing an organization relationship and organization relationship list**

There are situations where a single lender or lender servicer may have multiple, assigned federal identification codes, and need access to view loan recipient information for these other organizational codes. In this case, there is a process, described in [Lender/Lender Servicer Technical Update LLS-2009-01](#), to establish relationship links with the organization's additional codes. This process allows NSLDS users from an organization that has more than one financial management system (FMS)-assigned code to look up a loan recipient on NSLDS Professional Access with either the user's current primary code or with the established relationship code.

To establish the relationship between the organization's primary user ID code and an organization's other codes, the Primary Destination Point Administrator (PDPA) and chief executive officer or president of the organization must complete the [NSLDS Established Relationship Definitions and Access Certification for Lenders and Lender Servicers](#) form, posted on the Financial Partners Portal. After the request has been reviewed and approved by ED, the relationship will be established within NSLDS to allow online access to borrowers with these secondary codes for the organization.

The Organization Relationship List page under the ORG tab of the NSLDS Professional Access website displays approved established code relationships. The

list can be used to view the lender's or lender servicer's organization codes that an NSLDS user from the primary organization is allowed to view.

### **For more information**

If you have questions about this technical update, contact the NSLDS Customer Support Center at (800) 999-8219, or send an email message to [nslds@ed.gov](mailto:nslds@ed.gov).

## **Information on treatment of Consolidation loan underpayments and overpayments now available**

In an [electronic announcement](#) posted on June 28, 2011, ED reminds holders of loans eligible for consolidation into a Direct Consolidation loan of the long standing policy regarding underpayments and overpayments that may occur when ED pays off the underlying loans. This policy does not apply to payoffs of federally owned loans serviced by ED's federal loan servicers. The following tolerance procedures apply to the aggregate eligible balance of principal, interest, fees, and collection costs.

### **Underpayments**

- If a loan holder receives a payoff from the Direct Consolidation Loan Program that is less than the amount needed to fully pay off a borrower's underlying loans and that underpayment is less than \$25, the loan holder may write off the shortage.
- This underpayment tolerance amount of \$25 applies to the total of all of the borrower's loans by loan program type that were consolidated by the borrower. For example, a borrower with both subsidized Stafford and unsubsidized Stafford loans would have an underpayment tolerance of less than \$25 for the Subsidized Stafford loans, and a separate tolerance of less than \$25 for the unsubsidized Stafford loans.
- If the loan holder chooses not to write off the small balance, it may request the additional amount from the Direct Loan Consolidation Center.
- If a loan holder receives a payoff from the Direct Consolidation Loan Program that is less than the amount needed to fully retire a borrower's underlying loans and that underpayment is \$25 or more, the Direct Loan Consolidation Center will make the additional payment upon request of the loan holder. If the loan holder chooses instead to write off those higher balances, it may do so.
- All requests to the Direct Loan Consolidation Center for additional payoff funds must be made promptly and must include identifiers for each borrower and the specific loan type or types for which funds are being requested.

- Whether the balance is written off or the loan holder requests additional funds from the Direct Loan Consolidation Center, the loan holder may not bill the borrower for the underpayment amount. And, in both instances, the loan holder must notify the borrower that the loans are paid in full.

### Overpayments

- If a loan holder receives a payoff from the Direct Loan Consolidation Program that is more than the amount needed to fully retire a borrower's underlying loans and that overpayment is less than \$10, the loan holder may retain the overpayment. The Direct Loan Consolidation Center will not expect payment from the loan holder. As noted for underpayments, the \$10 overpayment tolerance applies to the total of all of the borrower's loans by loan program type that were consolidated by the borrower.
- If a loan holder receives a payoff from the Direct Loan Consolidation Program that is more than the amount needed to fully retire a borrower's underlying loans and that overpayment is \$10.00 or more, the loan holder must promptly return the full overpayment amount to the Direct Loan Consolidation Center. All returns of funds to the Direct Loan Consolidation Center must include identifiers for each borrower and the specific loan type or types for which funds are being returned.

### More information

For questions about Consolidation loan underpayment and overpayment information, contact TG Customer Assistance at (800) 845-6267, or send an email message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## ED releases revised 2011-12 variable interest rate information

ED previously released interest rates for older variable-rate FFELP Stafford and PLUS loans for 2011-12. (See *Shoptalk* edition [608](#).) On June, 28, 2011, ED published revised FFELP variable interest rates, which include information that was not available when the rates were originally published.

The revised interest rate charts show the variable interest rates applicable to the Federal Stafford, SLS, PLUS, and Consolidation loan programs for the period July 1, 2011 – June 30, 2012. Interest rates for variable-rate loans under these programs are determined annually, and are based on the following:

- **Stafford loans** — based on the bond equivalent rate of 91-day Treasury Bills auctioned at the final auction held before June 1 of each year. The bond equivalent rate for 91-day Treasury Bills auctioned on May 31, 2011 is 0.061 percent, which rounds to 0.06 percent.

- **PLUS/SLS loans** — based on either the bond equivalent rate of 91-day Treasury Bills auctioned at the final auction held before June 1 of each year, or the weekly average of the one-year constant maturity Treasury yield as published for the last calendar week ending on or before June 26 of each year. The bond equivalent rate for 91-day Treasury Bills auctioned on May 31, 2011, is 0.061 percent, which rounds to 0.06 percent. The weekly average of the one-year constant maturity Treasury yield for the last calendar week ending on or before June 26 is 0.17 percent.
- **Consolidation loans** — for which the loan application was received by an eligible lender on or after November 13, 1997, but prior to October 1, 1998, are based on the bond equivalent rate of 91-day Treasury Bills auctioned at the final auction held before June 1 of each year, or 0.06 percent.

### More information

For more information on the 2011-12 variable loan interest rates, access [ED's announcement](#). For questions about the interest rate changes, contact TG Customer Assistance at (800) 845-6267, or send an email message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## TG Report

### July 1 has arrived — need more help to implement the Program Integrity rules?

There's good news and bad news to report on implementation of the Program Integrity (PI) final rules.

The bad news is that most of the PI requirements need to be in place by now. It's a lot of work, but it's important to comply with the new provisions in a timely manner. The effective date for nearly all of these rules is July 1, 2011.

Now for the good news. Some of the provisions will affect operations later than others, depending on such things as academic calendars, implementation flexibility provided by ED, and available extensions if certain conditions are met. TG has developed a [chart](#) to identify PI requirements that may have a slightly delayed operational impact on your campus. If there is any remaining work to be done, this tool and its links may help you to prioritize tasks.

### I need more training and guidance!

We've got you covered on basic training and guidance with many informational tools and training webinars available on [TG's Program Integrity Final Rules page](#). These include a wealth of resources developed by TG or provided by ED to familiarize you with the new requirements. Browse the TG Resources and ED Resources pages to see if the help you need is available at your fingertips to get

you on your way. If not, let us know if you have questions or training needs that are not addressed there, and we'll do our best to assist you in successfully implementing these new rules.

We've included links to some of the resources on TG's Program Integrity Final Rules page in the chart to save you time in locating summaries of topics, training offerings, and ED guidance you may be seeking to clear up confusion or confirm your understanding of the new requirements.

### **I need more hours in the day!**

Sorry, we can't help you directly with that. However, we've tried to do the next best thing, which is to help you be more efficient and confident in your implementation efforts by saving you time as you search for the information you need. Please let us know if you need additional information.

### **It's hard to focus on any one thing while juggling so many things at once!**

Have you ever heard the riddle, "How do you eat an elephant?" Answer: "One bite at a time." The more you can focus on learning, planning, or implementing one set of requirements at a time efficiently, the more you can tackle in less time and with less stress. Here are some tips:

- Don't get distracted by requirements that take effect on July 1, 2012. These requirements are important, but there's more time to get ready for them. The two sets of rules that do not take effect until July 1, 2012, include Verification and Gainful Employment — Program Success Measures.

**Note:** A current point of confusion is that the Gainful Employment requirements as a whole do not take effect until July 1, 2012. This is not true. See TG's chart linked below for clarification.

- Redouble your efforts to seek helpful collaborations and campus advocates to help in your efforts to implement the PI rules. These may include colleagues you work with on a regular basis, or perhaps a campus compliance officer, internal auditor, or administrator who understands the importance of the requirements and can assist in facilitating inter-departmental efforts to get the job done.
- Develop a tracking tool to help you organize and monitor your progress on all fronts. You may be able to use [TG's New Regulations Roadmap](#) as a starting point — feel free to copy and adapt it to meet your needs. Even better, you may have a software tool that is well designed for this purpose. Whatever the tool, using a project management approach to help you stay on top of things will save you time and help you pinpoint where further action is most needed.
- Start meetings with a clear and focused agenda. Assign someone responsibility to assist you by drafting timely meeting notes. This doesn't have to be someone

who fully understands the rules, just someone who can follow the discussion well enough to provide a helpful recollection of key points. If you don't have to focus on talking, listening, and writing all at once, you may be more effective in identifying issues and solutions during a meeting discussion, rather than after the meeting is over. Be sure that someone takes time at the end of an important meeting or soon afterwards to reiterate the next steps and to assign individuals for accomplishing given tasks.

### **I need a handy reference tool to help me keep remember where I have more time to be ready!**

TG offers a [chart](#) exactly for that purpose. This linked document will help you prioritize and complete any outstanding implementation steps and monitor your progress as these post-July 1 dates approach.

### **For more information**

For other questions regarding the Program Integrity final rules, please contact TG Customer Assistance at (800) 845-6267, or send an email message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## **Understand program reviews and prepare for the latest regulatory changes with help of upcoming TG webinars**

Over the next several months, TG will offer a series of webinars designed to give schools insight into key industry topics, including program reviews, the Program Integrity final rules, regulatory developments, and legislation affecting how consumers, and students, can use credit cards.

TG will provide presentation materials for each session, which can be downloaded, viewed, or printed. Time for Q&As will follow the presentation portion of all sessions. Recordings of webinars are posted in an [online archive](#) within a day or two of the broadcast, so that school administrators can view webinars at their convenience.

Join TG for the following webinars:

- **The Credit Card Accountability, Responsibility, and Disclosure (CARD) Act of 2009** — Thursday, July 21, 2011, from 10 a.m.-11 a.m. and 3 p.m.-4 p.m. Central Time

Hear from Jeanne Hogarth, a representative from the Division of Consumer and Community Affairs at the Federal Reserve Board (FRB), as she discusses the Credit CARD Act of 2009. As part of the presentation, you'll learn more about the rules affecting credit cards, gift cards, and overdraft, ATM, and debit fees. The presentation will also provide a high-level overview of risk-based pricing rules and include highlights of the Dodd-Frank Act. Finally, you'll gain a better

understanding of consumer information that is available from the FRB to help students and families.

- **Program review success** — Thursday, August 18, 2011, from 10 a.m.-11 a.m. and 3 p.m.-4 p.m. Central Time

Explore why program reviews are performed and how the process works. You'll learn more about common program review findings and how to avoid them. The session will also highlight strategies and compliance resources that can help reduce risk of a finding.

- **Federal update** — Thursday, September 15, 2011, from 10 a.m.-11 a.m. and 3 p.m.-4 p.m. Central Time

Learn about recent activities that affect federal student aid programs, including final Program Integrity rules that become effective July 1, 2012, recent ED guidance, and potential future regulatory developments.

### To register

[Register for these TG training events online.](#) Click each session link to begin the registration process. Schedules for additional training will be published regularly and announced in *Shoptalk*.

## A financial literacy how-to: When spring break becomes a lesson on spending basics

By Brenda Vaughn, TG financial literacy consultant



Ever think you know something only to find you need a refresher on the basic concepts? Many people believe they understand how to set a spending plan or distinguish needs from wants. And the truth is, most of us *do* comprehend the principles that underlie these skills and get by fine with what we know — until things get complicated.

As an example: what happens when you want to save for buying a house but have a zillion competing priorities? Or perhaps you're a marathon runner and need to shell out quite a few dollars for strong, supportive shoes. In this case, what might seem like a splurge to most non-marathoning folks like me is a necessity for you.

Distinctions like this can get lost on all of us, but especially young adults new to managing their finances. Unfortunately, it's these very areas of complicatedness, if you will, that have to be taught in order to prepare students for the real world of managing their money.

How can we teach students these skills in a way they can absorb and are more likely to apply? I've found that the more you can draw from real life to illustrate your points, the more your students will understand and then, hopefully, put that information to work.

Let's consider college freshmen. Developing a spending plan for that first year of college may be low on their list of priorities. However, what about setting a spending plan for spring break? The example may seem facetious, but it has the virtue of being interesting and still effective in teaching the spending plan essentials.

Let's explore those essentials, posing questions that students would have to ask in order to plan well for their mid-semester vacation.

- **Housing** — What kind of hotel do you want? Two star? Three star? Will friends share the room? Hotels further from the beach tend to be less costly.
- **Food** — Will you buy food at the hotel or beach? Bring it? Go out to dinner for every meal or just once or twice? Perhaps you could find a hotel that provides breakfasts, and then eat out the rest of the time, or snack.
- **Transportation** — Is driving the best idea, or is flying essential? Will others share in the cost of gas? What about parking fees, toll roads?
- **Entertainment** — What money will you need for sights and souvenirs?
- **Income** — Given your list of vacation expenses, how much can you devote of your income to spring break without borrowing?

This series of questions just scratches the surface of setting an effective spending plan for spring break vacation. But it does help make the point: If we can make basic money management concepts like spending plans come alive for students, then they're more likely to see the value of them and put them into practice, whether for spring break or that first semester on campus.

### **About Brenda Vaughn**

Vaughn brings a wide range of credentials to her position at TG. She worked for four years with the National Student Loan Program (NSLP) as director of financial literacy. Before that, she spent seven years at the Office of Student Financial Aid of the University of Georgia, serving as a loan counselor. As a TG financial literacy consultant, Vaughn provides in-person training on financial literacy topics and offers her expertise in developing and enhancing TG's financial literacy services.

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

The [TG Financial Literacy Program](#) consists 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. 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.

## Policy Resources

### Ask the Policy Expert— Program Integrity Issues

#### Gainful Employment

**Q.:** I think I have a gainful employment (GE) program at my school, but I need some help convincing other colleagues on campus that this is the case. What resources are available to help explain what constitutes a GE program?

**A.:** One area of confusion for some schools has been determining whether an educational program is subject to the GE disclosure and reporting requirements that became effective July 1, 2011. To supplement ED guidance provided in *Dear Colleague Letter* (DCL) [GEN-11-10, Electronic Announcement #3 for teacher certification programs](#), and [Electronic Announcement #11](#) pertaining to GE program determinations, TG has created a flow chart — [Identifying a Gainful Employment \(GE\) program](#). These collective resources can help schools confirm which of their educational programs are considered GE programs.

#### To learn more

To access *Shoptalk* articles and helpful resources and tools on the Program Integrity regulations, please visit [TG's Program Integrity Final Rules Web page](#). You can also contact TG's Customer Assistance team at (800) 845-6267, or send an email message to [cust.assist@tgsdc.org](mailto:cust.assist@tgsdc.org).

---

## News Briefs

In a [recent \*New York Times\* column](#), Lynn F. Jacobs and Jeremy S. Hyman, authors of *The Secrets of College Success*, offer aspiring college students some practical information on making the most of their summer break before that first semester on campus. For starters, they suggest students "pre-orient" themselves for college orientation week, that is, browse the school's online course catalog, know course

requirements for given majors, and check into the possibility of credit for any advanced placement classes taken in high school. To brush up on foreign language skills, the authors recommend students consider Internet sites where they can chat with native speakers of a given language. They also suggest students commit to volunteer work or do something “life-changing,” such as traveling in a foreign country.



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* are TG's and may not reflect the practices of other guarantors or ED.

To ask questions about *Shoptalk*, please contact Communications at (800) 252-9743, ext. 4732, or send an email message to [communications@tgslc.org](mailto:communications@tgslc.org).

**Contributors to this edition:** Michelle Anderson, Rob Davenport, David Garza, Carol Lindsey, Art Martinez, and Brenda Vaughn. Edited by TG Communications and Policy and Regulatory Affairs. Designed by TG Communications.

©2011 Texas Guaranteed Student Loan Corporation.  
The TG logo is a trademark or service mark of Texas Guaranteed Student Loan Corporation.