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### Smart Solutions

On July 1, federal interest rates for Stafford, SLS, and PLUS loans were revised for the 2011-12 fiscal year. TG offers [a chart showing interest rates by qualifying condition for each federal loan type](#). To access and print the chart, click the link in the upper right corner of the "Interest Rates" page on *TG Online*.

## Industry Update

### ED provides gainful employment guidance regarding degree programs that include certificates

In *Dear Colleague Letter* (DCL) [GEN-11-10](#), ED provided guidance to assist schools in identifying gainful employment (GE) programs. ED stated that for public and private nonprofit schools, awarding students one or more certificates as part of a degree program does not create a GE program based upon the awarding of the certificates. However, nearly all degree programs offered by for-profit schools are GE programs. The only exception is a program that leads to a bachelor's degree in liberal arts, provided the school has been regionally accredited since October 2007, and has offered the program since January 2009.

In a new [electronic announcement #12](#) published July 8, 2011, ED provides supplemental guidance regarding a student who is enrolled in a degree program in which the student may also receive a certificate during the program. The announcement provides guidance, as follows:

- If students are enrolled in a certificate program, even if the enrollment is concurrent with enrollment in a degree program, these students must be included in the certificate GE program's reporting and disclosures. If the degree program itself is considered a GE program (i.e., the degree program is being offered by a for-profit school), these students must also be included in the GE degree program's reporting and disclosures as noted in [electronic announcement #11](#).
- If a "significant number" of the students enrolled in the degree program are awarded only a certificate and not the degree, the students enrolled in the degree program must be included in the disclosures and reporting for students enrolled in the certificate program. This means that degree program students will be reported as certificate program students for this purpose.

ED did not define a "significant number" of students. A school will need to make a reasonable determination as to what constitutes a significant number of students for this purpose.

- If the degree and the certificate programs are not separate programs, and a significant number of the students enrolled in the degree program are awarded only the certificate, the school must treat the degree program as a GE certificate program for which the school must comply with the gainful employment regulatory requirements.

## Learn more

In addition to TG's flowchart, "[Identifying a Gainful Employment \(GE\) Program](#)," you'll find a variety of other resources for understanding the new requirements through [TG's Program Integrity Final Rules Web page](#) and [ED's Gainful Employment Information page](#). For specific questions, please contact TG's Customer Assistance team at (800) 845-6267, or send an email message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## Current special allowance rates: quarter ending June 30, 2011

For the quarter ending June 30, 2011, the average rate for three-month commercial paper (financial) was 0.19 percent. This rate is also used to compute the Participant Yield paid to ED on loans subject to the loan participation purchase program. For loans where the special allowance payment is based on the bond equivalent rate of 91-day Treasury Bills, the average rate during the quarter ending June 30, 2011, for 91-day Treasury Bills was 0.05 percent.

The [FFELP special allowance rates for the most recent quarter](#) are available on *TG Online*.

## Questions

If you have any questions, please contact TG Customer Assistance at (800) 845-6267, or send an email message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.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 July 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
00349800	<b>Lambuth University</b> 705 Lambuth Blvd. Jackson, TN 38301-5296	N/A	06/30/2011

## TG Report

### Upcoming TG webinar focuses on recent credit card legislation

The Credit Card Accountability, Responsibility, and Disclosure (CARD) Act of 2009 provides more reliable financial protections for all consumers, especially young adults. Since the law's passage, consumers have seen changes to their credit card statements in terms of clarity and amount of information. However, there have also been a variety of important repercussions, including fee changes and new credit card rules.

To help you understand how these changes affect you and your students, TG will host a webinar, "The Credit Card Accountability, Responsibility, and Disclosure (CARD) Act of 2009," on Thursday, July 21. Dr. Jeanne Hogarth, a representative from the Division of Consumer and Community Affairs at the Federal Reserve Board (FRB), will lead discussion, focusing her presentation on the new rules affecting credit cards, gift cards, and overdraft, ATM, and debit fees. Hogarth will also consider risk-based pricing rules and the Dodd-Frank Act, and highlight the consumer information available from the FRB to help students and families.

#### To register

To accommodate the schedules of TG's coast-to-coast customers, the 60-minute webinar is scheduled for Thursday, July 21, at 10 a.m. Central Time, with a repeat of the webinar on the same day at 3 p.m. Central Time. [Registration is available online](#). If you are unable to attend the scheduled broadcast, a recording will be available for viewing shortly after the event through [TG's archived webinars](#).

### Get a read on your school's default aversion effort at TG's booth during the 2011 NASFAA Conference

If you're designing or enhancing a default aversion program for your campus, you'll find ready assistance at Booth #320 of this year's National Association of Student Financial Aid Administrators (NASFAA) Conference, to be held July 17-20 in Boston.

Staff will be on hand at TG's booth to offer you a short default aversion questionnaire. After completing the questionnaire, you'll be emailed the results, which will provide links to other resources, including TG's full Default Aversion Self-assessment Tool. You'll also have the opportunity to learn more about TG's consulting and services related to default aversion.

## To learn more

Visit Booth #320 at the 2011 NASFAA Conference and talk with a TG representative about how you might improve your campus default aversion initiatives.

## TG sessions for next week's NASFAA conference focus on financial literacy and regulatory change

TG's workshops for this year's NASFAA Conference cover a range of industry-critical issues, including changes in the cohort default rate calculation, financial literacy training, issues in student persistence, and new regulatory developments.

Plan your NASFAA Conference experience with these sessions in mind.

- **Show what you know** — Learn more about some of the recent changes in federal student aid policy, regulations, and law. During TG's "Show what you know" sessions, attendees use a remote device to click, i.e., select, answers to questions flashed on a screen. At the end, players receive a handout of questions and answers, along with the applicable federal basis to share with campus colleagues after the conference.
- **Improve student engagement through the TG Financial Literacy Program curriculum** — Explore how to put the TG Financial Literacy Program to work for you and your students. The TG Financial Literacy Program uses a variety of engaging teaching methods to help students learn such key skills as sorting needs and wants, setting goals, budgeting, navigating credit and debt, saving and investing, and analyzing employment opportunities.
- **Show what you know — the CDR edition** — Learn about the cohort default rate (CDR) calculation and process. Questions will range in subject from transitioning to a 3-year CDR to the CDR challenges and appeals procedures.
- **IBR — a tool to help students manage repayment** — Find out how Income-Based Repayment (IBR) can benefit eligible borrowers by minimizing monthly payments. Attendees will learn how borrowers qualify for IBR and gather ideas for educating borrowers about the newest repayment plan.
- **Enhancing the power of need-based aid to improve student persistence** — Consider the value to retention efforts of combining need-based aid with other campus initiatives. This session will provide specific examples of programs that can serve as promising models for campuses looking to improve retention and student engagement.

## Access the mobile NASFAA conference agenda

Have a smartphone? Bookmark [TG's mobile NASFAA 2011 agenda](#) using the web browser on your mobile device to keep track of sessions, workshops, special events, speakers, and more.

## Are you a new supervisor? Hone your leadership skills and strengthen your team at the same time

By Darron Grussendorf, TG senior corporate trainer

Doing more with less is the norm for many financial aid offices. Looked at more positively, fiscal austerity offers a great argument for developing leadership skills and team strengths. A team that works well with its leader can offer a multitude of benefits to a college or university, including lower costs in training and added efficiency in key areas such as financial aid counseling. If you've been recently promoted or just need some tips on polishing your leadership skills, consider these general principles which I've gleaned from my experience in mentoring others over the years.

### Know thyself

Effective leaders are vigilant in determining what they do well, where they need improvement, and what their blind spots are. However, honest feedback can be hard to obtain as you move up the organizational ladder. A "360-degree" assessment tool, which anonymously gathers feedback from colleagues and staff at all levels, can be helpful in this regard. You can also informally approach peers and colleagues and simply ask their opinion about your strengths, weaknesses, and general demeanor. If you take this route, start by expressing your genuine desire to obtain frank and honest feedback about the way you manage and lead your team. Socrates was right — to "know thyself" is imperative to effectively leading and influencing others.



### Talk to your staff about their strengths

Part of your job as a team leader is to align employee strengths with tasks so that your people can perform at their best. When people can spend the majority of their time at work playing to their strengths, this directly benefits both the organization and its customers. Also, helping your staff grow professionally offers a great way to broaden your repertoire of leadership skills. Sit down with each member of your staff and have a candid conversation about strengths. To provide a basis for discussion, consider any number of printed or online instruments for evaluating strengths. I recommend *StrengthsFinder 2.0*, a book and online assessment tool from the Gallup Organization. This tool can help staff members identify areas where they have the greatest potential to develop strengths.

## **Develop and hone your coaching skills**

One of the most challenging aspects of the job for new supervisors is providing performance feedback, especially when the employee's performance is subpar. Performance coaching is not just about the hard stuff like confronting negative performance issues and holding people accountable for results. It is also about helping people realize their potential in terms of setting career and performance goals and reaching them. Performance coaching is not a single event — it should not be limited to the annual performance review. Effective leaders provide continuous support through a variety of methods, for example, constructive feedback, praise and recognition, and by communicating clear expectations.

### **The take-away**

These are just a few of the areas that new supervisors can focus on in order to integrate leadership practices into their management style. While managing people is never easy, a commitment to developing greater self-awareness, holding strengths-based conversations, and developing performance coaching skills will guarantee a smoother transition for new supervisors.

### **About Darron Grussendorf**

Grussendorf has more than 17 years experience in the student financial aid industry, having worked as both a school financial aid director and as a policy advisor on TG's Policy and Regulatory Affairs team. Grussendorf joined TG's training team in 2001 and is a graduate of TG's Leadership Development Program, a program he now manages.

### **More about TG training**

For more details on TG's training events, including webinars and workshops, please visit "[Training Opportunities and Events For Schools](#)" on *TG Online*.

## **News Briefs**

Pell grants do the most good for those students who may be least likely to graduate, according to a new University of Wisconsin-Madison study. Over a period of years, university researchers tracked a group of Pell grant recipients, documenting when these students graduated and how they adjusted their workload in response to receiving aid. Researchers categorized these students by "likelihood of persistence," placing each person into one of three levels of likelihood depending on various factors, including parents' education level, standardized-test scores, and parents' help applying for financial aid. They found that students who were classified as least likely to persist benefited most from their Pell award, graduating at a much higher rate than students in the other categories. Family support may have been a key factor for these students, according to researchers. "Least likely to persist" students turned more often to family for advice, which made for better

decision-making with regard to taking classes and completing on time. Read [the complete \*Chronicle of Higher Education\* article on the study](#). Note that some *Chronicle* content is available to subscribers only.



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