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TSAC Executive Director Named

Last year's Appropriations Bill directed THEC and TSAC to begin working together "to achieve cost savings resulting from a consolidation of administrative functions and other measures... to include... consolidation of divisions and activities within each agency." Additionally, Governor Bredesen's 2009-10 Budget Document proposed that legislation would be introduced for the consolidation of both THEC and TSAC.

SB 2357/HB 2389 brings about a change in TSAC's administrative structure. Section 52 represents that effort to consolidate and create efficiencies between TSAC and THEC. It includes a provision to make the executive director of the Tennessee Higher Education Commission the executive director of TSAC. While leaving the TSAC board of directors in place, this provision gives the director full responsibility of the day-to-day operations over TSAC.

As efforts move forward to bring the agencies closer together, TSAC will continue to fully service all loan, scholarship, and grant program activities as usual, as well as work hard to make improvements in operations and customer service.

Dr. Richard Rhoda, Executive Director of the Tennessee Higher Education Commission stated, "We look forward to working closely with TSAC in making financial aid an important part of the higher education landscape. Overall, we don't see any major changes in the way TSAC will be doing business, but we hope to bring our experience to the table to help add to what TSAC is already doing well and continually develop a better financial aid product."



Tennessee Legislative Update

The 2009 session of the 106th General Assembly adjourned on Thursday June 18 with the budget capturing the attention of most of this year's work. As part of the overall state reductions, the legislature enacted Governor Bredesen's recommended \$121,400 in recurring cuts for fiscal year 2009-10 to TSAC's administrative budget. These cuts will be absorbed in our budget through reductions in administration. The good news, however, is the legislature approved the \$3.2 million increase for the Tennessee Student Assistance Awards (TSAA) program, although on a non-recurring basis. This means the \$3.2 million will be available for the 2009-10 fiscal year, but will have to be requested and appropriated again for funding to be continued in 2010-11. TSAC did not receive funding from the federal stimulus package released earlier this year. Federal stimulus funds which the state did receive allowed the UT and Board of Regents systems and some other departments to delay the impact of budget cuts, but ultimately only slightly alleviated the fiscal crisis.

TSAC's sunset provision was approved, which extends TSAC for five years as a result of passage of SB 1037/HB 1095.

Of note, SB 336/HB 994 was passed, which extends the BEST Board of Trustees for six years. This board oversees the state pre-paid tuition program.

SB 37/HB 839 – This is one of only two lottery bills which passed. This will expand eligibility for the Helping Heroes Grant Scholarship to include current members of a Reserve or Tennessee National Guard unit. Current program requirements allow only former members of the Guard or Reserve to participate. The program is statutorily capped at \$750,000, which continues under this bill, but has historically been under-spent.

HB 1143/SB 771 – This is a technical correction bill which clarifies language in the lottery scholarship program regarding summer enrollment and requirements for provisional receipt of a HOPE scholarship. Specifically, the bill clarifies that a student attending summer school does not need to attend full time in order to maintain eligibility for the HOPE scholarship at the next GPA checkpoint.

College Goal Sunday Sites Needed

Planning for Tennessee's College Goal Sunday (CGS) event to be held on February 14, 2010 is well underway. Most of our 2009 CGS sites are returning in 2010; however, we are still on the lookout for a few more sites to add to our list. If you are interested in having your institution serve as a CGS site, please contact Sarah Quinlan at sarah.milam@tn.gov or by phone 615.253.7461. Our goal is to finalize our sites by July 31st so we can develop our marketing materials and have them to you sooner.

TSAC Email Address Change

All Tennessee State employee email addresses have changed. The new email address is the employee's first name, then a period, then their last name followed by @TN.gov. Example: john.doe@TN.gov.

Students, parents, and financial aid administrators who use the old email address will be automatically directed to the employee's new address. However, this will only be temporary. Please make changes in your email address lists and email address books of the change for TSAC staff members.

U.S. Department of Education Announces Streamlined College Aid Application

The U.S. Department of Education announced a shorter, simpler, and more user friendly Free Application for Federal Student Aid (FAFSA) that will make it easier to apply for college financial aid. The changes—some of which are already in place while others will be phased in over the next few months—are designed to increase postsecondary enrollment, particularly among low- and middle-income students.

According to Arne Duncan, U.S. Secretary of Education, "We need to make the college-going process easier and more convenient, and to send a clear message to young people as well as adults that college is within their reach. Simplifying the financial aid process is an important step toward reaching that goal." At his first White House press corps briefing, Secretary Duncan outlined the Administration's plan for streamlining the FAFSA.

- Since May 2009, the Education Department has provided instant estimates of Pell Grant and student loan eligibility, rather than forcing applicants to wait weeks. Links to graduation rates and other college information are also provided;
- Available summer 2009, enhanced skip-logic used in the new web-based FAFSA will reduce user navigation for many applicants by more than half;
- Starting in January 2010, students applying for financial aid for the spring semester will be able to seamlessly retrieve their relevant tax information from the IRS for easy completion of the online FAFSA. The Department of Education and the IRS will be working together to examine the possibility of expanding this option to all students in the future.
- The Administration will also introduce legislation seeking statutory authority from Congress to eliminate financial information from the aid calculation formula that is not available from the Internal Revenue Service (IRS). This will remove 26 financial questions from the FAFSA form that have little impact on aid awards and can be difficult to complete. Only questions that rely upon information that applicants must already provide to the IRS would remain.

"Simplifying the FAFSA is another significant action in our quest to keep a college degree within the reach of every person who aspires to higher education," Duncan said.

You can read the entire press release on the U.S. Department of Education's website at: <http://www.ed.gov/news/pressreleases/2009/06/06242009.html>.

TSAC Road Show Reminder



Registration for the TSAC Road Show is now open at our website www.TN.gov/collegepays and we already have 120 participants registered to attend. It is important that you pre-register so we will have the appropriate number of workbooks, materials, and food for everyone. Please register by July 9th if you are planning to attend one of the workshops on July 13th, 14th, or 15th and by July 23rd if you are attending on July 28th, July 29th, or 30th.

You may register and view a copy of the agenda by clicking on the TSAC Road Show box on the front page of the website. The workshops are designed for all levels of financial aid administrators. The workshop will open at 8:00 am with a continental breakfast and the first session beginning at 8:30 am. A light lunch will be served at 11:30 am. The conference will conclude at 3:00 pm. If you have any questions, please contact Darolyn Porter at 615.253.7472.

TSAC LOAN ADMINISTRATION

Since returning to TSAC in April, I have been visiting with schools, lenders, and collection agencies around the state to get a feel for what the TSAC Loan Staff can do to improve the quality of service our colleagues are currently receiving. If I have not yet been to see you, please know I will be visiting shortly.

One of the main items of concern has been the need for better communication with you, our colleagues. We are going to make a special efforts over the next few months to do just that. Providing you with more detailed information and answering your questions in the July issue of the TSAC Newsletter is our first endeavor to accomplish this.

Please share with me your questions and concerns via email, phone call, or during one of my visits to your institutions. We will share our responses in the monthly newsletter format.

Thank you again for your loyalty to the TSAC loan program. I, and the TSAC Loan staff, look forward to working with you as we all work our way through the changes taking place in the Loan programs.

Jane Pennington
Associate Executive Director, TSAC Loan Administration

What is “PUT?”

In May 7, 2008, the President signed the Ensuring Continued Access to Student Loans Act of 2008 (Pub. Law 110-227) into law. The legislation authorizes the U.S. Department of Education to purchase federal student loans from lenders to ensure ongoing liquidity and availability of funds for student loans. The lender “PUTS” the loan to the Department of Education.

Borrowers and schools can reach Department of Education Student Loan Servicing Center customer service representatives for assistance with the servicing of purchased FFEL Program loans through three toll-free phone numbers. Customer service representatives are available at these phone numbers as follows:

	Toll-Free Phone Number	Hours of Operation
For Borrowers	800.508.1378	Monday through Friday 8:00 A.M. - 11:00 P.M. (ET)
For Collections	866.938.4749	Monday through Friday 8:00 A.M. - 11:00 P.M. (ET)
For Schools	866.938.4750	Monday through Friday 8:00 A.M. - 8:30 P.M. (ET)

FFEL Program Loan Rates (effective July 1, 2009)

LOAN TYPE	GRADE LEVEL	First Disbursed July 1, 2006 through June 30, 2008	First Disbursed July 1, 2008 through June 30, 2009	First Disbursed July 1, 2009 through June 30, 2010
Subsidized Stafford	Undergraduate	6.80	6.00	5.60
	Graduate	6.80	6.80	6.80
Unsubsidized Stafford	Undergraduate	6.80	6.80	6.80
	Graduate	6.80	6.80	6.80
PLUS Loans	Parent and Grad Student (CH/CM)	8.50	8.50	8.50

Loans First Disbursed on or After July 1, 2006 have Fixed Rates

TSAC Loan Staff Contact Information

Jane Pennington	Associate Executive Director	615.253.7487	jane.pennington@tn.gov
	Responsible for the overall processes of the TSAC Loan Programs		
	-Policy and Procedures	-NGS Servicer issues	
	-School related issues		
Stephanie Aylor	Loan Program Administrator	615.253.7485	stephanie.aylor@tn.gov
	-Lender Issues	-Averted Claim Refunds	
	-Fee Bill Refunds	-Tax Offset Appeals	
Diann Cox	Administrative Assistant	615.253.7469	diann.cox@tn.gov
Michelle Farley	Client Services Representative	615.532.9520	michelle.farley@tn.gov
	-Lending, servicing & eligibility issues for schools, lenders, and borrowers		
	-Special research projects for A.E.D and Program Administrator		
	-Customer Service working with TSAC borrowers		
Bill Heath	Business Development Specialist	615.532.3497	bill.heath@tn.gov
	-School contact for loan issues		
	-Responsible for loan publications		
	-Responsible for Product/Service Development		
Marea Herrington	Client Services Representative	615.532.3498	marea.herrington@tn.gov
	-Customer Service working with TSAC borrowers		
	-Responds to phone calls received via eSignature Hotline		
	-Respond to emails sent to the Information Request email on the TSAC website		
Cathy Jones	Account Executive	615.428.5741	cathy.l.jones@tn.gov
	-School visits	-Marketing Reports	
	-Contacts with schools to establish needs of schools		
	-TSAC Product Development	-School Training	
	-Monthly Loan Volume Reports	-Dollar Sensei	
	-Research new enhancements for TSAC		
Don Lewis	Lender Relations Specialist	615.532.3511	don.lewis@tn.gov
	-Responsible for generating monthly, quarterly, and annual (calendar & fiscal) reports to lenders reporting loan activity and school participation		
	-Administers the Federal Teacher Loan Forgiveness program		
	-Customer Service working with TSAC borrowers		
Debi Moore	License Revocation/Collections Manager	615.253.7475	debi.moore@tn.gov
	-Responsible for the newly enacted License Revocation process for TSAC		
	-Customer contact to arrange repayment for defaulted loans		
	-TSAC Liaison to the Office of the Ombudsman		
Susan Quinnan	Financial Aid Program Specialist	615.253.7486	susan.quinnan@tn.gov
	-Responsible for Disability, Ineligible Borrower and Death Claims		
	-Special research projects for A.E.D and Program Administrator		
	-Customer Service working with TSAC borrowers		

Income-Based Repayment (IBR) Offers Borrowers a Manageable Repayment Option

IBR will potentially help thousands of borrowers who may be facing tough financial times. TSAC is developing a statewide plan to reach as many of our borrowers as possible, in order to make sure they are aware of this new payment plan.

Watch for additional resources on the TSAC website in the very near future. We will also be providing information which you can provide to your students so they can access their TSAC guaranteed loans.

Students and their families, as well as financial aid professionals, will benefit from a new Income-Based Repayment (IBR) calculator introduced by Mapping Your Future on June 12. The calculator is online at: mappingyourfuture.org/paying/ibrcalculator.cfm. The IBR application will be added to TSAC's website.

The IBR plan was created by Congress under The College Cost Reduction and Access Act of 2007. A key requirement of IBR is borrowers must initially demonstrate a "partial financial hardship."

IBR establishes a monthly payment amount taking a borrower's unique situation into account by considering income, family size, and federal student loan debt.

A borrower who makes 300 payments (25-year term) under the IBR plan can have the remaining loan balance, if any, forgiven.

All 300 payments must be made on or after July 1, 2009. No loan forgiveness will be granted prior to July 1, 2034.

If a borrower's AGI is below 150 percent of the poverty line amount for the borrower's family size, the required loan payment will be \$0.

If a borrower's AGI is more than 150 percent of the poverty line amount for the borrower's family size, loan payment is capped at 15 percent of earnings above that amount. That usually equals less than 10 percent of a borrower's AGI.

Effective July 1, 2009

Employee Spotlight: Marea Herrington

Ms. Marea Herrington works at TSAC as part of the collaboration between TSAC and our servicer, Nelnet Guarantor Solutions (NGS). She has been with TSAC since August 2007 and handles many tasks within the loan division. Marea has been a part of all areas of student financial aid starting her career at EdSouth. She moved to a school financial aid office and then to TSAC. Marea's family is from Nashville and she is a graduate of McGavock High School, Mississippi State University, and the University of Tennessee at Knoxville. Marea has interacted with Tennessee's youth for almost 20 years as a counselor and staff member for Volunteer Girls State. She enjoys traveling, reading, cooking, and watching SEC sports.



Comments From Marea:

Working at TSAC, gives me an opportunity to interact with the future of Tennessee and to help students and parents navigate the complexities of financial aid.