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High School Peer Counseling

The High School Peer Counselor Program sponsored by TSAC is accepting applications to participate in the program. This program enables high schools to use college students during the academic year to serve as resource personnel for school counselors. Institutions that choose to participate in the program must offer a training workshop covering the basics of student financial aid before

students begin working at the high school(s). The institution pays the peer counselors per the instructions of the state contract and then applies for reimbursement from the state (TSAC). The deadline to submit your application is October 31, 2009. If you have questions or are interested in participating in the program, please contact Tanaka Vercher at tanaka.vercher@tn.gov or 615.253.7444.

Board Adopts Changes to the TSAA Program

On September 17th, the TSAC board met and passed a new payment table for TSAA funds. Also, the EFC cutoff will now be a flat amount of 2100. Students who fall below the EFC cutoff will be awarded the same amount based on their institution choice. Below is the payment table which will take effect with the 2010-11 academic year.

<u>Institution Type</u>	<u>Full-time</u>	<u>Prorated (3/4 time)</u>	<u>Prorated (1/2 time)</u>
Four-year/two-year private	\$4,000	\$3,000	\$2,000
Four-year public/Career	\$2,000	\$1,500	\$1,000
Two-year public	\$1,300	\$975	\$650
TN Tech Center	\$1,000	\$750	\$500

By making these changes, TSAC is confident that a greater number of financially-needy students will be served by the TSAA program. This will also allow for easier administration of the program and make it easier to explain to students and parents. If you have questions regarding these changes, please contact Tim Phelps at 615.253.7441 or Naomi Derryberry at 615.253.7478.

TSAC LOAN ADMINISTRATION

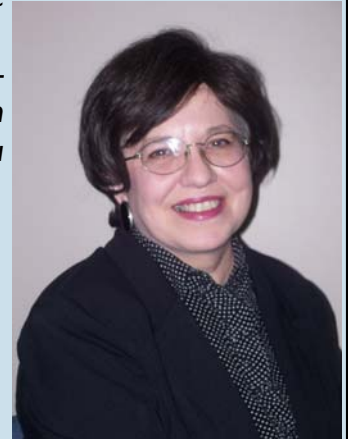
Well, here is hoping that most of you have survived another Fall registration. I know that our phones have been very busy here in the Loan Division. That is a very good thing these days. I put my travels around the state on hold because of this, but hope to start getting back out on the road to visit the rest of you very shortly.

There is still a great deal of uncertainty as things move forward in Washington, but the Loan staff and I want you to be aware that we continue our commitment to you. Please, let us know if there is anything we can do to assist you.

In response to a number of requests from schools, we are reviving the Default Prevention Advisory Committee (DPAC). The staff and I will be working with schools on ways to prevent students from defaulting. Please, feel free to give me a call if you would like to be a part of this group.

Hope to see you soon,

Jane Pennington
Associate Executive Director
Loan Programs



Cohort Default Rates

Most of you are aware, the U.S. Department of Education recently released the FY2007 student loan cohort default rates. There was a significant increase to 6.7 percent from the FY2006 rate of 5.2 percent. Much of this is blamed on the current state of our economy.

The TSAC Loan staff is currently reviewing the default information for TSAC to see if we need to submit an appeal. Cathy Jones and Bill Heath will actively review the defaults, and challenge all errors on the draft. We encourage all schools to consider doing the same. On September 18, the Department announced the availability of the Federal Student Aid's Electronic Cohort Default Rate (eCDR) Appeals Release 2.2 demonstration sessions. These sessions are available on the <https://ecdrappeals.ed.gov/ecdra/index.html>.

Remember, TSAC offers schools, Dollar Sensei, an innovative tool to assist in helping students or former students in resolving delinquencies on their student loans. Dollar Sensei will be a major tool for schools to actively work to reduce their cohort default rates.



It is a web-based program connecting schools to real-time information on delinquent borrowers. Managing delinquencies will help borrowers avoid going into default. Schools have the ability to search electronically for current data on borrowers based upon criteria determined by the institution. Contact Cathy Jones at 615.428.5741 or via email at Cathy.L.Jones@tn.gov. Cathy has been traveling around Tennessee since March introducing schools to Dol-

lar Sensei and will devote specialized training on Dollar Sensei to institutions with a high cohort default rate or any over eight percent.

NOTE: Dollar Sensei is available to ALL Tennessee schools.

Default Aversion and Prevention

The Default Prevention Advisory Committee (DPAC) organized in late 2006 will be revived. DPAC members included volunteers from colleges, TSAC personnel, and Cathy Jones. The original initiatives of DPAC were completed in 2007/2008. New ideas will be formulated and surveyed amongst the colleges to value which are the most beneficial. We will ask new volunteers to serve on DPAC. The volunteers will act as our advisors with the work being performed by TSAC/Cathy Jones.

Loan Rehabilitation



In October, TSAC will have its first Rehabilitation Loan sale since September 2008. The sale is being coordinated through our Rehabilitation lender, Edsouth. There are 154 eligible borrowers that currently meet the rehabilitation criteria. After these loans have been sold, these students will no longer be in default.

The TSAC staff is also working on a Request For Proposal (RFP) which will be going out shortly to seek a lender to purchase our remaining Rehabilitation volume. We will keep you informed on this process.

Happenings in Washington

In September 17, 2009 members of the U.S. House of Representatives approved H.R. 3221, the Student Aid and Fiscal Responsibility Act (SAFRA) of 2009. Among the student loan amendments that were adopted were:

- ◆ An amendment that clarifies borrower services including delinquency prevention, default aversion, and loan counseling are allowed uses of grant funds. The amendment also explicitly authorizes the Department of Education to contract directly with guaranty agencies for funded services.
- ◆ An amendment that requires the Secretary of Education to conduct outreach activities to educate students and their families about the transition to Federal Direct Lending.

We have also seen considerable activity recently with schools and various associations communicating with their Congressional delegations with a focus toward the Senate. At this time, it appears that the Senate HELP Committee markup will not occur until the week of October 12th. This provides additional time for schools and associations to express their views. Most of the letters this week have stressed the importance of having sufficient time for transition.



Loans/Defaulted Loans with Other Holders

Loan staff has received several recent calls from students and borrowers regarding their Perkins loan or Direct Loan. Because they have no TSAC loans we cannot help them. We always try to direct them to NSLDS and give instructions on how to get to their information as best we can, but because they have no loans with TSAC we cannot access their information on NSLDS. We try to help as much as we can but are often not able to give the callers the information they are seeking.

State Aid Eligibility for Defaulted Students

Effective with the fall 2009 semester, students who make six consecutive payments and become eligible for reinstatement will no longer be eligible for state aid. Previously, we have awarded funds to students who were going through the rehabilitation process.

State regulation 1640-1-1-.02(f), which governs the Tennessee Student Assistance Award (TSAA) states that a student cannot be in default on any loan received under provisions of Title IV of the Higher Education Act.

Additionally, Tennessee Code Annotated § 49-4-904(3) states that a student is ineligible for a Tennessee Education Lottery Scholarship (TELS) award if he/she is in default on a federal Title IV educational loan or Tennessee educational loan. When the student completes the rehabilitation process and brings the loan out of default, then he/she will be eligible for state aid.

TSAC has been very careful to not send TSAA or TELS award notifications to students who were still in default. However, if there are students who were incorrectly notified by TSAC that they were eligible for state aid via a reinstatement letter, we will honor the award made to the student.

If you have a student who has been impacted or have questions, please feel free to contact Tim Phelps at 615.253.7441 or tim.phelps@tn.gov.

TSAC Outreach Schedule for October

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| Oct. 1 Clinton High School College Fair | Oct. 14 Bedford Countywide College Fair |
| Oct. 1 Anderson County High School College Fair | Oct. 19 Macon County College Fair |
| Oct. 1 Father Ryan High School College Fair | Oct. 19 Bolton High School College Fair |
| Oct. 1 Rhea County College Fair | Oct. 19 Memphis Agri-Center College Fair |
| Oct. 1 Williamson Countywide College Fair | Oct. 20 Bolivar Central High School College Fair |
| Oct. 2 Lenoir City High School College Fair | Oct. 20 Bartlett High School College Fair |
| Oct. 2 Father Ryan High School College Fair | Oct. 21 Northwest TN College Fair |
| Oct. 5 Halls High School College Fair | Oct. 21 Southwind High School College Fair |
| Oct. 5 Hardin Valley Academy College Fair | Oct. 22 Upper Cumberland College Fair |
| Oct. 5 Oak Ridge High School College Fair | Oct. 22 Tipton Countywide College Fair |
| Oct. 5 NSSFNS – Memphis Citywide College Fair | Oct. 23 Tipton-Rosemark Academy College Fair |
| Oct. 6 Carson Newman College Fair | Oct. 26 Rossville Christian Academy College Fair |
| Oct. 6 Knox Catholic College Fair | Oct. 26 Millington Central High School College Fair |
| Oct. 6 Webb School College Fair | Oct. 27 Fayette-Ware High School College Fair |
| Oct. 6 Bearden/Farragut High School College Fair | Oct. 28 Harding Academy College Fair |
| Oct. 6 NSSFNS – Memphis Citywide College Fair | Oct. 29 Jackson Area College Fair |
| Oct. 7 Powell High School College Fair | |
| Oct. 7 Karns High School College Fair | Nov. 2 Pellissippi State, Magnolia Campus |
| Oct. 8 Sevier Countywide College Fair | Nov. 3 Pellissippi State, Main Campus |
| Oct. 8 Arlington High School College Fair | Nov. 4 Roane State, Oak Ridge Campus |
| Oct. 9 Grainger County College Fair | Nov. 5 Roane State, Main Campus |
| Oct. 12 Rutherford Countywide College Fair | Nov. 10 Northeast State |
| Oct. 13 Nashville – Metro Schools College Fair | Nov. 17 Chattanooga State |



Employee Spotlight: Frances Saylor

Mrs. Frances Saylor has been a staff member in the compliance division as an administrative assistant at TSAC for nearly 7 years. She finds that her favorite part about working at TSAC is the really nice people with whom she gets to interact. She believes that makes all the difference in the world. She has been impressed with the role TSAC plays in helping students to get grants and loans so that they can receive an education.

Originally, Frances is from Sterling Heights, Michigan. She moved to Smithville, Tennessee 17 years ago and loves it. She is married to her husband, Michael, and they have one daughter, Laura, as well as three granddaughters: Kayla, Savanna, and Ashley. Frances enjoys spending time with her grandchildren, going to yard sales with her daughter, participating at the downtown Y, attending church, and spending vacation time each year with her husband in Florida. She keeps busy with 3 dogs and 10 cats.

She attended Motlow State Community College before working for the state and received an Associate's degree in Applied Science (Business with Computer Applications). She is currently attending Regents Online Degree Program to further her education.



Comments From Frances:

“ I enjoy working at TSAC because it is an important part of helping students in Tennessee fulfill their dreams through education. We really have a direct role in being of assistance to people. I enjoy working with so many friendly people at TSAC. I feel at home. ”

License Suspension

TSAC has recently implemented a license suspension program in conjunction with the Tennessee Department of Commerce and Insurance and the Tennessee Department of Health. Under this program, TSAC is directed by statute to request the appropriate licensing board to suspend the professional license or certificate of individuals who have defaulted on their federal student loans.

TSAC has been sending notices to defaulted borrowers encouraging them to contact TSAC to make payment arrangements or face the possibility of license suspension. To prevent suspension, the notice offers the borrower the opportunity to pay their balance in full, establish a reasonable payment plan, or request a hearing. The program has only been operating for a couple of months but seems to be successful in the early stages. Thus far, TSAC has contacted only those defaulted borrowers who have never made a voluntary payment on their loan(s).

For questions regarding this program, please call Peter Abernathy at 615.532.6065 or Jane Pennington at 615.253.7487.

Quality Quest Program Reviews

You might wonder why you would volunteer to participate in Quality Quest Program Review, and we can provide the answer. The Quality Quest Assessment Program is a TSAC sponsored program that offers an assessment of how your financial aid office is administering Federal Title IV and state student aid programs. Because this program review is voluntary, any findings are non-punitive and TSAC provides this service at no charge to our school partners. If you have questions or need additional information about the Quality Quest Program Review, contact Karen Myers at 615.253.7473 or by e-mail at karen.myers@tn.gov.

Training for High School Counselors and Mentors

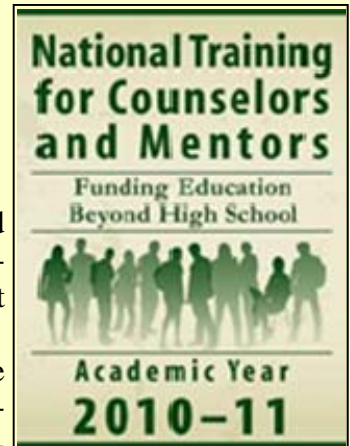
TSAC is once again sponsoring the National Training for Counselors and Mentors (NT4CM) workshop. Training sessions will start in late October. Please visit our website at <http://www.tn.gov/collegepays/> for a list of locations, an agenda, and registration information.

National Training for Counselors and Mentors (NT4CM) is a **FREE** one-day training program designed to provide counselors and mentors with comprehensive up-to-date information regarding federal and state aid programs. In addition to gaining up-to-date information, materials, and resources regarding federal and state student aid programs, participants will also have valuable opportunities to network and share knowledge and experiences with other peers in their profession. This training will provide information and materials that will help in effectively advising students and their families about how to prepare financially for college.

NT4CM is appropriate for any individual who advises students and their families about pursuing education beyond high school.

NT4CM was developed by Federal Student Aid (FSA), National Association of Student Financial Aid Administrators (NASFAA), and National Council of Higher Education Loan Programs (NCHELP), and also in partnership with National Association for College Admission Counseling (NACAC), National College Access Network (NCAN), and Council for Opportunity in Education (COE).

Thanks to all financial aid professionals and schools who are partnering with TSAC to provide this program.



TASFAA Financial Aid Training Opportunities

TASFAA New Aid Officers Workshop Dates

(Naomi Derryberry will be presenting for TSAC)

October 5 @ Union University
October 7 @ TTC in Nashville
October 13 @ Pellissippi State

TASFAA Fall Training

(Tim Phelps will be presenting for TSAC)

November 4 @ Chattanooga State
November 6 @ Walters State Comm. College
November 10 @ TTC in Nashville
November 12 @ Union University