

IN THIS ISSUE

- ⇒ July Legislative Update 1
- ⇒ TSAA Awarding 2
- ⇒ TSAC/TASFAA Road Show Success 2
- ⇒ New FFEL Program IBR Forms 2
- ⇒ Mark Your Calendar 2
- ⇒ A Heartfelt Thanks 3
- ⇒ Reinstatement Letters, Title IV Letters, and Clearance Letters 3

July Legislative Update

The 2010 session of the 106th General Assembly adjourned on Thursday, June 10th with little action related to student financial aid.

One item of significance that did pass was an additional \$3.2 million appropriation for the Tennessee Student Assistance Awards (TSAA) program, although on a non-recurring basis. This means that an additional \$3.2 million will be available for the 2010-11 academic year, which keeps the funding level consistent from 2009-10 to 2010-11. The funds will have to be requested again for the 2011-12 academic year.

On the lottery side, Senate Bill 2899/ House Bill 3479 was the only bill that passed and became law. It expands the definition of an “eligible independent postsecondary institution.” Those institutions that become eligible under this bill will be phased in to the lottery program by only allowing incoming freshmen to receive the award, who then may qualify for eligibility in succeeding years.

Other financial aid bills which did not pass included one to create an alternate application for the HOPE Scholarship, one to expand eligibility for the Minority Teaching Fellows program to graduate students, and one to broaden the license revocation program.

There will be a Lottery Study Committee consisting of legislators, constitutional officers, and representatives from higher education entities which will meet over the next several months to discuss the TELS programs. The committee will review the sustainability of the current programs with a goal of making recommendations to the legislature later in the year.



TSAA Awarding

The 2010-11 budget has been signed by the Governor and TSAC is pleased to announce that the Tennessee Student Assistance Award (TSAA) will receive an additional \$3.2 million to award to students. The \$3.2 million maintains the TSAA funding level from 2009-10 to 2010-11. Additionally, we have received notification that TSAA will receive funds from the federal LEAP and SLEAP programs totaling \$1.1 million.



TSAC will be making additional awards to students in the next week to ten days. Institutions will be notified once awards have been made. However, award notifications will not be sent to the students. If you have questions about the award process or the TSAA program, please contact Naomi Derryberry at (615) 253-7478 or naomi.derryberry@tn.gov.

TSAC/TASFAA Road Show Success

TSAC and TASFAA's combined efforts to provide a training workshop opportunity were well received. Based on the evaluation results, the workshop provided helpful information and the attendees appreciated the locations not requiring much travel for them to participate. Some of the suggestions that we received for future training topics were Verification, Federal College Work Study, e*GRands (hands on demonstration), professional judgment, FERPA policies, and year round Pell. As we plan for future training workshops, we will take those requests into consideration.

We had 196 pre-registrants for the workshops and 165 attended. TSAC and TASFAA plan to partner together to provide training opportunities again this fall.



New FFEL Program IBR Plan Forms

Effective July 1, 2010 the Department of Education has released the new FFELP Income-Based Repayment (IBR) Plan Request form and IBR Plan Alternative Documentation of Income form for use in the Federal Family Education Loan (FFEL) Program.

These forms will serve as the means by which FFEL loan borrowers may request the IBR Plan for repayment of their eligible FFELP loans through their loan holder.

Additional information and the forms are available for download on the Department's website at: <http://www.ifap.ed.gov/dpccletters/GEN1011FFELIBRForms.html>



MARK YOUR CALENDAR

The 2010-11 Financial Aid Information Brochure developed annually by the Communication Services Division of TSAC will be available for distribution to your students and prospective students by the end of the summer. Information on how to place your order for the upcoming year will be included in the August TSAC Update newsletter.

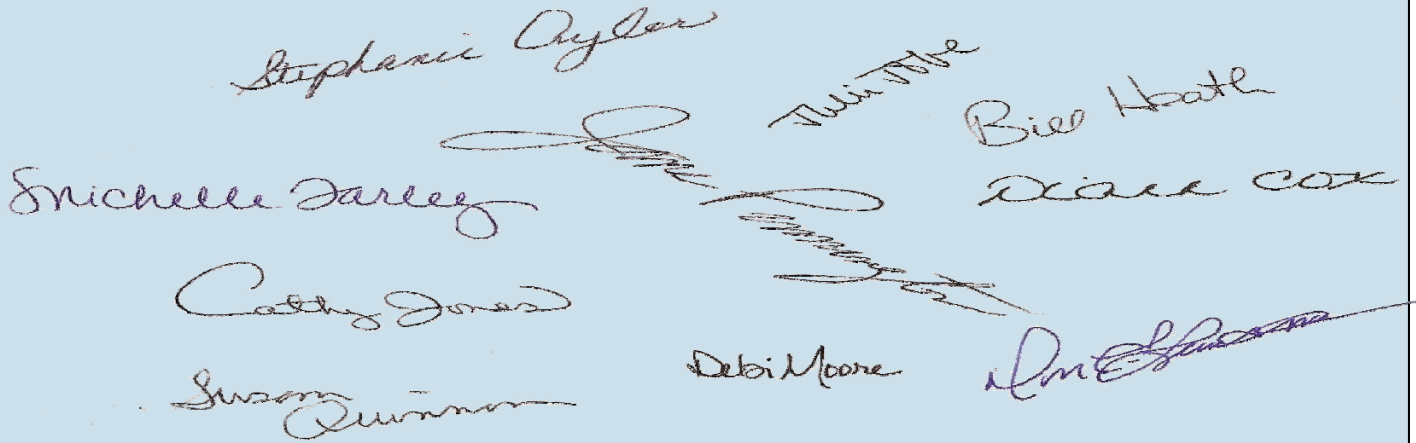
A Heartfelt Thanks

The loan staff wants to thank each of you for your support in allowing us to guarantee your student loans via the FFEL Program all these many years. Together we did a great job in providing loan assistance for over 40 years to our student borrowers. We truly could not have done it without your constant and loyal support.

We are still committed to sponsoring TASFAA, providing training throughout the year including the annual Road Show, and meeting your needs in areas such as default prevention and financial literacy.

As stated during the TASFAA conference in April, we are not going away. We are working on a number of possibilities for future services to Tennessee students and Tennessee schools. You will be hearing a great deal more on these services in the very near future. We are excited about new opportunities that will allow us to assist you in helping your students obtain their educational goals.

Our Many Thanks,



A collection of handwritten signatures in blue ink, arranged in a roughly circular pattern. The signatures include: Stephanie Ayler, Michelle Jarley, Cathy Jones, Susan Quinlan, Debbie Moore, Julie Miller, Bill Heath, and Diane Cox.

Reinstatement Letters, Title IV Letters, Clearance Letters: We Need Your Help!

The Loan Staff receives a number of calls from borrowers requesting that we send a letter to the school they are attending, or are planning to attend, which basically states that they have made satisfactory payment arrangements on their defaulted student loan held by TSAC.

This means that they have made at least 6 consecutive on time monthly payments toward their defaulted loan.

- ◆ They must continue making these monthly payments (on time) even when they return to school.
- ◆ For each enrollment period they are going to need a new letter from TSAC confirming that they are still eligible.

The Loan Staff is requesting assistance from schools to streamline and improve this process. From this point forward, we will require that a written request be submitted by the borrower. The school may, of course, submit the request if so desired on behalf of the borrower.

We have placed a temporary form on the TSAC website at www.tn.gov/CollegePays/ under the *Students and Parents* section. For a borrower to receive a Reinstatement letter, this form must be completed and faxed to the number indicated on the form. Responses to these requests will be completed in the order that they are received. In the very near future we plan to have a secure electronic version available on the website.

This process will also include paid-in-full and other loan-related letters.