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Veterans' Benefits

In keeping with the federal guidelines regarding VA Benefits, TSAC will follow the new federal policy, and those benefits will be excluded as financial assistance for all state programs including the Tennessee Student Assistance Award (TSAA) and the Tennessee Education Lottery Scholarship (TELS) programs.

TSAC is updating the policy and procedure manual for each program. These should be updated in the near future, and we will provide notification when they are available through

e*GRandS. If you have questions, contact Tim Phelps at (615) 253-7441 or via e-mail at tim.phelps@tn.gov.



TSAC Road Show

During the month of July, TSAC training workshops were offered across the state. Six workshops were held beginning in East Tennessee on July 14 and ending July 30 in Nashville. Six Tennessee institutions graciously agreed to serve as our host including: Walters State Community College in Morristown, Johnson Bible College in Knoxville, Chattanooga State Community College in Chattanooga, Memphis College of Art in Memphis, Union University in Jackson, and Tennessee State University in Nashville. Our thanks to them for welcoming us to their campuses. Workshop topics included: Bankruptcy, Cohort Default Rates, July 1 Changes, New Professional Judgment Guidance, Lottery Scholarships, State Grants, e*GRandS changes, and College Access Programs. More than 200 of our financial aid partners attended this workshop series, and the evaluation comments have been very positive.

TSAC 2009-10 Financial Aid Brochure

This Fall, the updated 2009-2010 TSAC Financial Aid Information brochure will be available for distribution statewide. As we did last year, we would like to get an estimate for each college or university as to the quantity your school will need. We hope to distribute the brochures near the end of August and throughout September. As always, you can request additional copies at any time. The cases will contain 600 brochures each. You can either contact the Outreach Specialist for your territory or simply send an order via fax to: 615.253.3867.

Please include:

School Name	Phone Number
Contact Name	Email Address
Address	Quantity Needed
City, ST, Zip	Date Needed By

If you have questions, please contact your Outreach Specialist listed below or Jason Seay in the Nashville Office at 615.253.7459.

Outreach Specialist

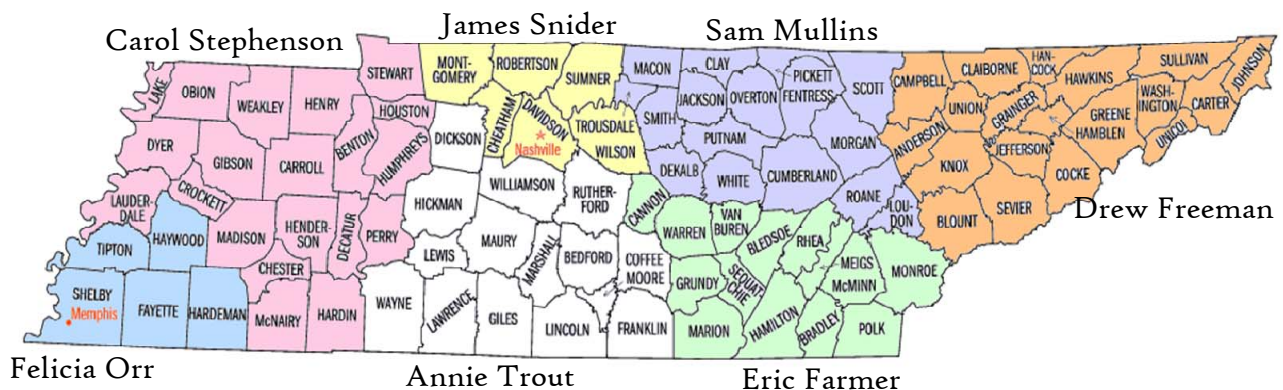
Cell Number

Annie Trout	615.604.0119
Carol Stephenson	615.714.5861
Drew Freeman	615.417.0355
Eric Farmer	423.326.7198
Felicia Orr	615.390.4461
James Snider	615.517.1033
Sam Mullins	931.303.3296

Financial Aid Information



TN.GOV/COLLEGEPAYS
COLLEGEFORTN.ORG



TSAC LOAN ADMINISTRATION

Just last week I finished my first round of visits to Tennessee schools, lenders, and collection agencies by spending 3 days in beautiful East Tennessee. It was so good meeting new folks and catching up with some old friends. I was overwhelmed with the support from most of you for the student loan program here in Tennessee.

While the FFEL program is undergoing a heavy duty siege, it is not over at this point. The TSAC loan staff is committed to continuing to provide to you the best possible service – just as if we were going to be here for another 40 years or so.

We will endeavor to keep you informed as we progress through the upcoming changes over the next few months. Please, do not hesitate to give us a call if you need additional information or just want to talk.

Jane Pennington

Associate Executive Director, TSAC Loan Administration

Student Aid and Fiscal Responsibility Act

Last week the House Committee on Education and Labor completed their “mark up” of H.R. 3221, the Student Aid and Fiscal Responsibility Act of 2009. This Bill will now move to the full House for debate.

On July 27, 2009, the Congressional Budget Office offered clarification of its initial cost estimate (contained as part of H.R. 3221 when the Bill was introduced) of the savings that would result from eliminating FFELP. In the original cost estimate, the CBO concluded eliminating student loans under the FFEL program and shifting the loan volume to the Direct Student Loan program beginning July 1, 2010 would save a total of \$86.8 billion over the 2010-2019 period.

More recently, after taking into account the added administrative costs the Department would incur and adjusting for risk, the CBO indicated the projected savings would be substantially less. Upon applying a set of risk-adjusted discount rates to the cash flows for the two programs, CBO now estimates savings from eliminating FFELP would actually be \$47 billion over the 2010-2019 period, not \$86.8 billion as predicted in its original cost estimate for H.R. 3221.

Supporters of the current FFEL program have been saying all along the budget scoring is biased against FFELP, sighting this scoring does not take into account the administrative cost or the risk associated with the administration of the programs.

After the Congressional August recess, the Senate Committee on Health, Education, Labor, and Pensions will introduce its own student loan reform legislation, debating and completing the “mark up” process on their side. The final vote on the budget bill could take place as late as December when Congress adjourns for their holiday recess.

NASFAA Update

As many of you are aware, in the Thursday morning NASFAA news update, there was reference made to an article from the July 30 edition of *The Chronicle of Higher Education*. The article reported that according to research released on Monday, the majority of colleges and universities plan to continue processing their student loans using a bank-based student-loan process. The report was released by Student Lending Analytics, an independent research and advisory firm.



TENNESSEE STUDENT ASSISTANCE CORPORATION

Richard G. Rhoda
Executive Director

2008-2009 TSAC PROFILE

LOTTERY FUNDED PROGRAMS ADMINISTERED BY TSAC

HOPE Scholarship	General Assembly Merit Scholarship (GAMS)
# of students awarded: 41,516	# of students awarded: 5,232
Total \$ awarded: \$142.7 million	Total \$ awarded: \$25.4 million
HOPE Aspire Award	HOPE Access Grant
# of students awarded: 14,450	# of students awarded: 411
Total \$ awarded: \$67.8 million	Total \$ awarded: \$877,014
Wilder-Naifeh Technical Skills Grant	HOPE Scholarship for Non-Traditional Students
# of students awarded: 11,604	# of students awarded: 1,463
Total \$ awarded: \$13.3 million	Total \$ awarded: \$3.2 million
Dual Enrollment Grant	HOPE Foster Child Tuition Grant
# of students awarded: 13,384	# of students awarded: 24
Total \$ awarded: \$5.8 million	Total \$ awarded: \$83,508
TN Math & Science Teacher Loan Forgiveness Program	Helping Heroes Grant
# of students awarded: 27	# of students awarded: 259
Total \$ awarded: \$54,000	Total \$ awarded: \$364,614
Rural Health Loan Forgiveness Program	
# of students awarded: 25	
Total \$ awarded: \$273,806	

STATE OF TENNESSEE FUNDED PROGRAMS ADMINISTERED BY TSAC

Tennessee Student Assistance Award (TSAA)	Ned McWherter Scholars Program
# of students awarded: 26,851	# of students awarded: 177
Total \$ awarded: \$55.6 million	Total \$ awarded: \$514,500
Dependent Children Scholarship Program	Minority Teaching Fellows Loan Forgiveness Program
# of students awarded: 32	# of students awarded: 115
Total \$ awarded: \$183,223	Total \$ awarded: \$538,516
Graduate Nursing Loan Forgiveness Program	Tennessee Teacher Scholars Program
# of students awarded: 101	# of students awarded: 177
Total \$ awarded: \$497,000	Total \$ awarded: \$706,499

FEDERALLY FUNDED PROGRAMS ADMINISTERED BY TSAC

Robert C. Byrd Honors Scholarship Program	Federal Family Education Loan Program
# of students awarded: 532	# of loans guaranteed: 186,138
Total \$ awarded: \$762,625	Total \$ borrowed: \$784 million

TSAC OUTREACH EVENTS

College Fairs	Courtesy Visits to Administrators
# of college fairs: 164	# of courtesy visits: 1,663
Attendance: 29,502 parents/students	Administrators reached: 2,578
Financial Aid Presentations	Number of Visits
# of presentations: 421	High Schools: 1,172
Attendance: 33,654 parents/students	Middle Schools: 415
	Postsecondary: 388
	Other: 273
Call Center – calls received: 59,380	Live Chat conversations: 1,540

New Compliance Coordinator

The Compliance and Legal Affairs Division is pleased to welcome Karen Myers back to TSAC as the Compliance Coordinator. Karen is filling the position vacated by Martin McGirt upon his retirement. Please take a minute to e-mail her at karen.myers@tn.gov with welcome back greetings.

Special Interest Item for Aid Officers

Many school aid offices may not be aware of specific wording from the Federal Stafford Loan Master Promissory Note (MPN).

In the **Borrower Certifications and Authorizations** section of the MPN, Item G, you will find the wording: "I authorize the release of information pertinent to my loan(s): (i) by the school(s), the lender, and the guarantor(s), or their agents to the references on the applicable loan(s) and to members of my immediate family unless I submit written directions otherwise; and (ii) by and among my school(s), lender(s) guarantor(s), the Department, and their agents."

This may or may not be good news for your offices. TSAC does recommend extreme caution in sharing of student loan information. Schools should have clear written policies and procedures for such disclosure.

This is only effective for Stafford loans guaranteed on or after the academic year 1999-2000.

Similar wording can be found in the Federal PLUS Loan Application and Master Promissory Note (MPN) Borrower Request, Certifications, and Authorizations section. **This is only effective for PLUS loans guaranteed on or after the academic year 2003-2004.**

Please contact the TSAC Loan Administration Division if you have additional questions or concerns.

Employee Spotlight: Annie Trout

Ms. Annie Trout is a Tennessee native who has worked as an Outreach Specialist for TSAC for the past two years. She was initially the representative to the Southeast region, but upon the expansion of the Outreach staff has, this year, been assigned to the southern section of Middle Tennessee.

She was born in Cornersville, TN and graduated from Middle Tennessee State University in 2007; she earned a Master's Degree in Education with an emphasis in Higher Education Administration. Initially, she began working in higher education in the MTSU Admissions office while she was still a student.

She loves MTSU football and playing the mandolin. She also enjoys reading classical literature in her spare time.



Comments From Annie:

“ I enjoy working at TSAC and building relationships with school personnel as well as with people in the communities of Tennessee. I like sharing with students and parents about the TSAC programs which, I believe, are making Tennessee a stronger state. ”