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TSAC Asked to Expand LLR Process

TSAC recently received a letter from the Secretary of the U.S. Department of Education requesting the anticipated funding needs in the event that Tennessee schools experience a funding deficiency. The Secretary is requiring TSAC to update its procedures and policies in anticipation of an expanded Lender of Last Resorts (LLR) program.

There have been a number of ongoing capital issues experienced by lenders in the financial aid community. The Department of

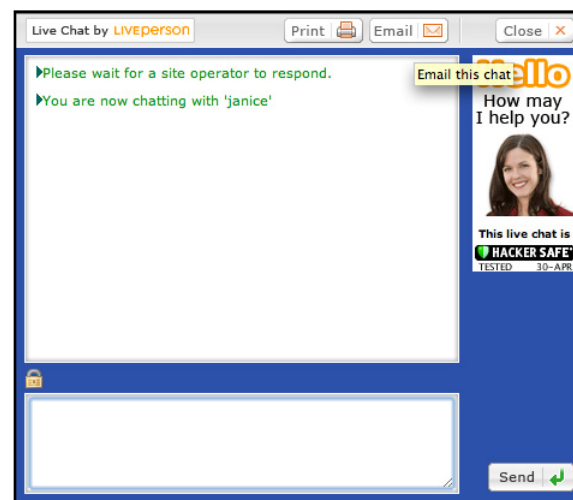
Education seems to be aware of these issues and is working to ease concerns. Within the past two months, nearly 15 smaller lenders have notified TSAC that they do not plan to originate loans for the 2008-09 academic year.

TSAC will continue to monitor the situation and update the financial aid community on the program’s status. As an organization, TSAC is preparing to submit a plan to the Department of Education that will allow ongoing funding to be available to students in the state of Tennessee.

TSAC “Live Chat” Back Online

After a brief reconstruction, the “live chat” function offered by TSAC, will be available for

students, parents and members of the financial aid community on June 1. The system is similar to instant messaging in that it allows financial aid administrators, parents and students the get a quick re- sponse to their various questions directly from a TSAC counselor. In order to access “live chat” log on to TSAC’s website at www.CollegePaysTN.com and click on the “live chat” icon.



UPCOMING EVENTS & CONFERENCES

06/18/08 - 06/20/08
MASFAA Annual
Conference
Biloxi, MS

TSAC Website Gets Revamped

The website for the Tennessee Student Assistance Corporation will soon appear quite different following a state-wide initiative to revamp the websites currently active for all state agencies. Following a request by Governor Bredesen, TSAC staff members have been actively redesigning the website's home page in an attempt to complete the face lift by January 2009.

Governor Bredesen submitted the proposal for the website redesign in order for each agency to contain common links that could be easily updated by the governor's office. The new home page for TSAC is expected to be launched at the beginning of this month with the complete redesign following close behind. Members of the TSAC staff anticipate the redesign to enhance the experience for all visitors accessing the site, especially students and financial aid administrators seeking information on the numerous programs offered by

TSAC.

The new website is expected to ease the navigation process and help users to locate information quickly and effectively. The content and information presented on the updated website will be similar to the previous website; however, the format and appearance will be changed to match other agencies across the state.

Students who are interested primarily in basic college needs aside from the financial aid programs offered by TSAC can visit the XAP/Gear Up website at www.collegefortn.org. The Gear Up website focuses primarily on the requirements and needs students will face upon entering college. The site can be accessed by clicking on the College for TN link on TSAC's website.

The website rejuvenation for TSAC will continue throughout the 2008 year in an attempt to be completed by January 2009. The address for the TSAC website will continue to be www.CollegePaysTN.com.

Attorney General Opinion on 120 Hour Program

A request was recently made to the Attorney General's Office by a state legislator regarding an opinion encompassing TSAC rule 1640-1-19.12(4) as it relates to Tennessee Code Annotated (T.C.A) 49-4-913(b), which deals specifically with terminating events for students who receive the HOPE Scholarship and are enrolled in undergraduate degree programs

requiring more than 120 semester hours.

The language in T.C.A 49-4-913(b) states, "eligibility for the award terminates when the student attempts 136 semester hours, earns a baccalaureate degree, or the date of initial enrollment for the student has exceeded five years.

TSAC rule 1640-1-19.12(4) is designed to place a greater restriction on the code and states, "students enrolled in

programs of study for more than 120 semester hours are eligible to receive the award for up to 136 semester hours or the number of hours required for graduation, whichever is less." The opinion from the Attorney General has determined that this portion of the TSAC rule is inconsistent with T.C.A 49-4-913(b) and that the statute be used to determine student eligibility.

... Continued on page 4

Financial Aid Question & Answer

Q: I have a HOPE eligible student who is enrolled in only one-three hour course this spring. Knowing a student must be at least half-time in order to receive payment, has this student maintained continuous enrollment?

A: Yes, taking one-three hour course during the fall or spring semester constitutes maintaining continuous enrollment for HOPE purposes. The student will NOT receive a prorated award due to being less than half-time; however, assuming the student meets all other continuing eligibility requirements, he or she will be eligible to receive HOPE the following semester.

Legislative Update

The Senate Education Committee concluded its final calendar last month. Early in the calendar, the Committee had adopted a \$22 million target maximum for all lottery recurring dollar expansions. Senate Bill 0611, the omnibus bill that proposes many changes to the Tennessee Education Lottery Scholarship (TELS) Program, reflects the Committee's effort to remain fiscally responsible. The proposed changes for the program include:

- Lowering the GPA requirement from 3.0 to 2.75 through the 48-hour benchmark
- Changing the income eligibility requirement for receipt of need-based ASPIRE Award, HOPE Access Grant, and HOPE Scholarship for nontraditional students from incomes not exceeding \$36,000 to incomes not exceeding \$39,000
- Creating new lottery scholarship programs for students preparing to become teachers
- Changing the eligibility requirements for lottery scholarships from 120 hours to a student earning a baccalaureate degree or five full years of attendance

Several bills pertaining to postsecondary education programs that would receive money from the lottery reserve include Senate Bill 2397 (Helping Heroes Grant), the grant designed to provide postsecondary financial assistance to honorably discharged Iraq and Afghanistan veterans. Senate Bill 4197 (lead bill HB4212) would also receive money from the reserve in the amount of \$10 million for the need-based Tennessee Student Assistance Award (TSAA) program for the 2008-09 academic year as well as a \$190 million endowment designed to allow TSAC to draw on funds in excess of the principal amount for that program.

The House Education Committee has not concluded its business at the present time, as both the House Education Committee and the Senate Finance Ways and Means Committee are awaiting a revised lottery forecast to be released by the State Funding Board before taking any action on the bills related to the lottery, including House Bill 0653. It appears that lottery funds may be lower than initially reported due to a decrease in lottery revenue and lower investment returns as a result of current economic conditions.

As reported in the fall, TSAC presented the proposed rule changes for the Minority Teaching Fellows Program (MTFP) and Tennessee Teaching Scholarship Loan Forgiveness Program (TTSP) to the Attorney General's Office and Secretary of State. The changes addressed the removal of rule language that duplicated statutory language. Additionally, the changes addressed the revision of the TTSP and MTFP rules in order to clarify the language and produce uniformity between each program. The proposed rules became effective Apr. 29 and should facilitate administration by postsecondary institutions and TSAC. The program rules can be accessed online at <http://www.tennessee.gov/sos/rules/1640/1640.htm>.

Meet TSAC's New AED of Communication Services

Diane LeJeune began employment with TSAC on Apr. 1 as the new Associate Executive Director of Communication Services and has hit the ground running. For some people, a career change means uncertainty and doubt, but for Diane her new job is simply an opportunity to help even more students attend college.

Over the years, Diane has become very familiar with the higher education field. For twelve years, she has worked at various colleges in Tennessee and California helping students in the college arena. Most recently, she was employed at Aquinas College in Nashville as the Director of Admissions. She has also received her Master's Degree in Administration and Supervision in Higher Education from Middle Tennessee State University.



Diane moved to Nashville from Orange County, CA with her family 10 years ago and said she has really enjoyed her time in Tennessee. Her husband Billy is a

sixth-grade teacher in Williamson County. She also has three children, Beau (22), Sarah (17), and Jesse (12).

In her spare time, Diane is a sports enthusiast to the fullest. The majority of her time outside of work is spent attending sports events for all of her children. She is also a youth sponsor for the Junior High group at her church.

Her primary responsibilities at TSAC include working to ensure effective communication between the TSAC staff and middle schools, high schools and colleges across the state. She oversees every aspect of communication at TSAC including web design, publications, outreach, contracts, and the call center. Although the field of Communication Services can be challenging, Diane said she is excited about putting in place new ideas that will help students across the state finance their education.

In regard to future goals, Diane said she is planning for TSAC to use innovative technologies and interactive connections to help provide information to students about financial aid opportunities. She also said she would like to find unique ways to communicate to students about financial aid opportunities in order to encourage more students to feel confident about attending college.

In short, Diane said her life has not been changed completely upon her arrival at TSAC. "My life is not too different," she said. "The focus and passion I had working at a local college to help students attend college remains a constant in my life; it's just that now there are so many more students I have the opportunity to assist."

Attorney General Opinion on 120 Hour Program

(continued)

As a result, students enrolled in undergraduate degree programs requiring more than 120 semester hours are eligible to receive the award for up to 136 semester hours as long as they have not earned their baccalaureate degree and five years have not passed since the date of their initial enrollment.

If you have students who have appealed to your institution on this issue during the current academic year, you should review the appeal. If you determine that the students are eligible, please certify them for payment through e*GRandS. If you have questions about certification, please contact Robert Biggers at 615-253-7453 or robert.biggers@state.tn.us.

TSAC anticipates making updates to the TELS rules in the fall based on changes that will occur during this year's session of the General Assembly. For questions regarding the opinion contact Tim Phelps directly at 615-253-7441 or tim.phelps@state.tn.us.

TSAC Hires New Fiscal Director

TSAC recently added a new employee to occupy the Fiscal Director position in the Business Affairs department. Wendy Farmer began her first day at TSAC on Apr. 16 and is excited about the potential of her new job.

Although Wendy just recently began her employment at TSAC, she is very familiar with the organization as a whole. Prior to coming to TSAC, she was employed by the state of Tennessee as a Payroll Manager for the Department of Finance and Administration.

Originally from Fort Wayne, IN, Wendy received her bachelor's degree from Austin Peay State University in 2001 and her Certified Public Accountant (CPA) license in March of this year. In the near future, she will obtain her Master's Degree in Communi-

cations from APSU.

Wendy is a retired army veteran with 20 years of service including her last assignment at Fort Campbell, KY. During her time in the military she was stationed in a variety of locations across the world including Texas, Germany, Massachusetts, Turkey, and Korea.



On a personal note, Wendy enjoys to cook, socialize with family, and read. She also enjoys spending time with her son Byron, who is 27 years old.

Her primary job responsibilities at TSAC include planning and coordinating business management activities such as reimbursement and procurement. She will also assist in preparing the TSAC Budget as well as coordinate grants and contracts to insure proper funding.

Although Wendy has been employed in a variety of places throughout her career, she said she considers TSAC to be a very unique organization.

"The atmosphere at TSAC is welcoming and everyone seems very friendly and helpful," she said. "I feel very comfortable and I hope to create long-term working relationships with everyone at the organization."

TSAC as a Guarantor with Bank of America

Bank of America recently informed the financial aid community of their move to a new servicing platform beginning with the 2008-09 academic cycle. In an effort to limit the amount of systematic programming, the company has decided to limit its number of guarantors to three for new borrowers in Tennessee. The Tennessee Student Assistance Corporation along with schools across the state were initially told that TSAC would no longer be considered a guarantee agency for Bank of America.

Many institutions have voiced their concern to TSAC. Contrary to initial notices and although Bank of America has limited its

number of guarantors, new borrowers can still use TSAC as their guarantee agency. TSAC recently approached Bank of America in order to receive clarification as a result of schools being confused by the approach. The result of the discussion indicated that if schools chose to use TSAC as their guarantor for first-time borrowers, these borrowers would not receive repayment benefits that had previously been offered to students while using TSAC as a guarantee agency.

Generally, most first-time borrowers prefer to receive student loan benefits upfront, such as the one percent federal

default fee TSAC is currently paying on behalf of student borrowers. Many lenders are in the process of reducing benefits previously committed to borrowers. Additionally, repayment benefits offered to students may not accrue because of the stringent rules that eliminate qualifying.

TSAC will continue to monitor the situation and update the financial aid community on the developments.

TSAC Monitors Lender Participation in FFEL Program

The Federal Family Education Loan (FFEL) program has experienced a variety of changes due to individual lenders modifying their participation in the program. In order to account for these changes and better inform the financial aid community, TSAC has constructed a chart detailing the participation of each lender.

The current classification for each lender is detailed in the chart below. If you have information regarding a lender that needs to be updated contact Bill Heath at bill.heath@state.tn.us or Marea Herrington at marea.herrington@state.tn.us. An updated copy of this chart will be displayed each month in the TSAC Update newsletter. If you have any questions on this process contact Levis Hughes at levis.hughes@state.tn.us.

LENDER NAME	CODE	DATE	ACTION
SunTrust	810691	06/01/08	FFEL Lending Restricted to Certain Schools
Chase	803000	05/01/08	Cease Consolidation Lending
Chase	821087	05/01/08	Cease Consolidation Lending
Chase	834059	05/01/08	Cease Consolidation Lending
Chase	ALL	05/01/08	FFEL Lending Restricted to Certain Schools
Citibank	ALL	05/01/08	FFEL Lending Restricted to Certain Schools
The Student Loan People/KHEAA	826688	05/01/08	Suspend Lending to New Borrowers
Sallie Mae	834072	04/11/08	Cease Consolidation Lending
Bank of Lake Mills	823584	04/03/08	Cease FFEL Lending
Bank of Lake Mills	834263	04/03/08	Cease FFEL Lending
Student Loan Xpress	834011	04/03/08	Cease FFEL Lending
Student Loan Xpress	833890	04/03/08	Cease FFEL Lending
Student Loan Xpress	834160	04/03/08	Cease FFEL Lending
Capital One	805090	04/01/08	Cease FFEL Lending
Capital One	829030	04/01/08	Cease FFEL Lending
Capital One	831946	04/01/08	Cease FFEL Lending
Brazos	833770	03/01/08	Cease FFEL Lending
EdAmerica	831453	02/21/08	Restricted Consolidation Lending
Edsouth	833948	02/20/08	Cease Consolidation Lending
Brazos	833962	02/15/08	Cease FFEL Lending
Security Bank of Kansas City	804657	02/15/08	Cease FFEL Lending
Nelnet	ALL	01/23/08	Cease Consolidation Lending
National Education	803143	01/09/08	Suspend FFEL Lending
National Education	824697	01/09/08	Suspend FFEL Lending
National Education	827954	01/09/08	Suspend FFEL Lending
National Education	830628	01/09/08	Suspend FFEL Lending
National Education	834378	01/09/08	Suspend FFEL Lending
Citibank	807743	01/01/08	Cease FFEL Lending
Citibank	822904	01/01/08	Cease FFEL Lending
Citibank	828154	01/01/08	Cease FFEL Lending

Meet TSAC's Information Specialist, Janise Powell

If you were to ask Janise Powell, TSAC's Information Specialist, what she would love to have more of, she would probably say "time." Jokingly, Janise frequently says she has four different lives combined in one as a result of her role as a student, employee, church member, and parent. Although a majority of her day is spent at TSAC assisting parents and

students with financial aid questions, Janise is also currently striving to obtain a degree in Human Resource Management from Aquinas College. On top of all of that, she and her family are also actively involved in church activities throughout the year.

Janise has been employed at TSAC for a year and a half and has made it her mission to help people become more familiar with the financial aid programs intended to help students attend college. Prior to her employment at TSAC, Janise was employed in the medical field. She said her career at TSAC began as a result of mere curiosity for the financial aid

field, but turned into something she really enjoyed.

In her spare time, Janise enjoys playing basketball, swimming, water skiing, and deep sea diving. When she is not out on the water, she enjoys sitting at home reading a book.

Janise says her outlook on life seems to make her unique to most people. "I have a unique way of looking at things," she said. "My perspective is usually different than everybody else, which can strengthen the diversity gap in most situations."

Originally from Erin Tennessee, Janise currently resides in Dickson, Tennessee with her two kids, Payton and Nyca.



Comments from Janice:

I love the independence TSAC allows me to have, as long as I stay within the rules and regulations. Freedom to exercise my skills and knowledge is very important to me right now as I am transitioning into a career field.

TSAC Customer Service Survey

TSAC wants your feedback! The latest addition to the TSAC website is a "customer service survey" designed to allow students, parents, and members of the financial aid community the opportunity to determine if TSAC is adequately meeting the service needs of its customers. As part of this effort, we are asking you to take a few moments to complete this survey in order



The screenshot shows the 'Customer Service Survey' form on the College Pays website. The form includes fields for First Name, Last Name, Last 4 digits of your Social Security Number, Phone #, and E-mail Address. It also has a dropdown menu for 'Reason/Issue for contact with TSAC' and a field for 'With whom did you speak?'. At the bottom, there is a dropdown menu for 'Please choose the department you spoke with from the following list: TSAC Departments'. The website header includes 'COLLEGE PAYS We can get you there.' and navigation links for HOME, ABOUT TSAC, NEWSROOM, CONTACT US, and HELP/FAQ.

to provide feedback for TSAC to become more effective through communication. To access the "customer service survey", log on to TSAC's website at www.CollegePaysTN.com and click on the contact us icon.