

Student loans will increase by **2.1% on July 1**, a 45% increase. In addition, parents with **PLUS loans** will see an increase of **2.4%**, a 39% increase.



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Personal Info for Over 1 Million Student Loan Borrowers Lost

No evidence so far of information being misused

Thursday, June 1, 2006 — AUSTIN (AP) - The personal information of 1.3 million Texas Guaranteed Student Loan Corp. borrowers was lost while in possession of a contractor, the company said. Texas Guaranteed said Wednesday that a piece of equipment containing the borrowers' names and Social Security numbers was lost May 24. The company learned about the loss Friday and spent the weekend identifying the affected borrowers. "It was not a security breach where someone hacked into our system," said Sue McMillin, Texas Guaranteed's president and chief executive. "At this point, we are not aware of any impact." Round Rock-based Texas Guaranteed said it will notify the affected borrowers by mail starting this week. The missing equipment contains information on about 10 percent of the company's total number of borrowers. The piece of equipment, which has not been identified by the company, included only the borrowers' names and Social Security numbers, and not other personal information. Company officials said it had sent encrypted electronic files containing the data to an office for Toronto-based Hummingbird Ltd., which helps companies manage large amounts of information. A Hummingbird employee downloaded, decrypted and stored the files on a piece of equipment that was later lost. Hummingbird is still searching for the missing equipment, company president and chief executive Barry Litwin said. The company employs 1,400 people in 40 offices around the world, including U.S. offices in such places as Dallas and Los Angeles. The companies would not identify where the equipment was lost or which law enforcement authorities were notified other than to say it was city police in the United States. "I don't want to give out any information that could make it easier for anybody to do anything," Litwin said. He said it is "extremely unlikely" that someone would use the information inappropriately because it's password-protected "many times over." Jay Foley, executive director of the Identify Theft Resource Center in San Diego, said the companies appear to be taking the right steps to remedy the problem. But the information was made more vulnerable when it was decrypted, he said. Encrypted data jumbles the information to make it virtually impossible for most thieves to break the code. "It comes down to whether the bad guys can break down the password," Foley said. "It's not as good as having two layers of protection (with encrypted data), but it's better than not having any." Texas Guaranteed borrowers can find out whether their names and Social Security numbers were lost by calling (800) 530-0626 or going to the company's Web site: www.tgslc.org/resources/customerdata.cfm.

Information from: *Austin American-Statesman*,
<http://www.statesman.com>

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