President’s Update

Deb Barker-Garcia
CASFAA President
Corinthian Colleges

Summer Greetings!

First and foremost, I do hope that you have all survived the 11-12 academic year and are taking at least a day or two for some well needed relaxation! I always find this time of year interesting…we are all so exhausted from the school year and in some regards are so happy to see our students go home to visit friends and family. On the other hand, give us a couple of weeks and we’ll starting thinking that our campuses just aren’t quite right..that something is missing…and we’ll start to become excited and yearn for the return of those that we so gladly packed off for the summer just a mere week or so ago! My other greatest joy during this time of year is when we all get to walk outside of our offices and see the pomp and circumstance of the graduation ceremonies. We know how many obstacles were in the way of many of our students and as we watch them walk across that stage it feels like we have all graduated...we're proud parents who oftentimes stand there with tears streaming down our face as if they were our own children. This is why we do what we do....

CASFAA has been busy over the past several months. If you recall, in my opening remarks at the 2011 Conference, I discussed how my goals surrounded the desire to breathe life and energy back into our association with increased training attendance, new membership involvement, and increased participation by our members. I am so happy to report that we are well on our way to doing just that.

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Since our last newsletter, our Training Queen, Rhonda Mohr, and her amazing team have produced two workshop series and are well on their way to rolling out a new web series. I certainly would be remiss if I didn’t publicly acknowledge the hard work that Kim Thomas did in coordinating our 1040 Workshops and Natasha Kobrinsky in coordinating our Spring training. The entire team worked so hard to produce these events. We were able to secure amazing presenters – thank you’s to Cheryl Foster, Bruce Honer & Jim Briggs – our schools were so fortunate to hear from such experts. What I found extremely exciting though, was our increased membership and participation. Through these events we were able to bring several hundred new members into the fold. This summer look for another training announcement from Robin Thompson, our Independent Segmental Rep. She has worked closely with the College Board to develop a workshop that I know our members will find beneficial.

Our State Issues committee has also been hard at work. I know that we’ve all been monitoring the state funding issues as well as the finalization of the IPA and the SB 70 reporting requirements. Special thanks to both Melissa Moser and Craig Yamamoto for ensuring the success of the State Issues Committee. Melissa was integral in keeping the momentum going while we experienced a change of leadership and Craig once again, jumped in to save the day by agreeing to return to his role of VP State Issues.

I hope that you all enjoy this latest edition of the CASFAA news. Thank you to all of our contributors this month. Without your articles our schools wouldn’t be able to benefit from your insight and expertise. In addition – keep your eyes peeled for continuing news and updates about our annual conference. Our Conference Committee is working hard to develop an over the top training event. I can’t wait for all of you to join us in Anaheim this year as we receive up to date training from the Dept. of Education, CSAC, VA and our own experts in the schools. It will be a wonderful event and I’m so looking forward to having you all there.

**CASFAA Leadership – Nominations needed for 2013 Executive Council**

Being elected to a leadership role within the CASFAA organization is an wonderful opportunity for those of you who think of becoming more involved in the organization.

At this time we are seeking nominations for the 2013 Executive Council. Visit the [CASFAA.org](http://CASFAA.org) web page and select ABOUT CASFAA. Here is where you will find job descriptions for all of the elected CASFAA leadership positions.

If you are interested in running for an elected office, please complete the 2013 Nomination form which can be found on the CASFAA website. Click on the FORMS tab to find the 2013 CASFAA Nominations Form.

Please submit the form via email to Deb Barker-Garcia at dbarkergarcia@cci.edu and Melissa Moser at mmoser@mail.occ.cccd.edu.

Nominations are due by July 27, 2012. Elections will be held during the month of August.

If you have any questions, please contact Deb or Melissa at your earliest convenience. We are looking forward to receiving your nominations!

**Remember… there is No Place Like Home!**
Rebecca Levelle has joined the Financial Aid Office at Scripps College as the financial aid counselor. Rebecca has been involved in both student services and accounting with the Claremont Colleges. We are happy to welcome Rebecca back to financial aid.

Denise Pena, your 2012 Ethnic Diversity Representative, had a baby girl! Lily Annapmae Pena was born March 11, 2012 weighing 8 pounds 6 ounces.

Congratulations to Theatre Out on a sold out run of the musical Spring Awakening, which featured 3 of our very own! David Carnavale of Whittier College is the Managing Director and Co-Founder of Theatre Out as well as the Director of Spring Awakening. Anthony Galleran, Financial Aid Counselor at Cal State Long Beach was featured in a role comprising 3 different characters. Deb Barker-Garcia, CASFAA President and VP of Financial Aid at Corinthian Colleges was the Musical Director.

Sheryl Hayes will retire as Director of Financial Aid at UC Riverside on July 27, 2012. Sheryl has served as Director at UCR for 16 years. She previously spent 9 years at Caltech, 2 years at CSUF, and 5 previous years at UCR, for a total of 32 years in financial aid. Sheryl served CASFAA as UC Segmental Rep. and on various Conference Committees. Sheryl and her husband plan to split their time between their home in Riverside and their new home in the Rockies of Colorado.

Colleen MacDonald of SimpleTuition married Bob Krumwiede in a ceremony in Arizona in November.
2012 Conference Update

Click your heels and repeat after me…
There’s no place like Anaheim!

At least when it comes to training and networking opportunities, there’ll be no place like the Anaheim Marriott this December 9-11 for California’s financial aid administrators!

Jack and I, along with a fantastic conference committee, have already started organizing what we think will be this year’s must-attend conference event!

Rhonda Mohr, the 2012 Program Chair, had the opportunity recently to gather with her committee; they’ve already begun to craft a jam-packed schedule of sessions sure to have something that will appeal to everyone.

We are particularly excited to announce that the California State Conference has been selected for participation in Nasfaa’s Training Track! We’ll be joined by one of Nasfaa’s Training Specialists who will present on using Nasfaa tools and how to research questions. In addition, the Nasfaa trainer will be available to answer regulatory or general NASFAA membership questions and will be host to some Nasfaa Listening Sessions as well.

Those looking for Federal Updates and topics won’t be disappointed as we’ll also be joined by Department trainers – look forward to topics ranging from Gainful Employment, 600% Pell and Clock Hour to Verification and 2013-2014 FAFSA changes. Interested in learning more about Veteran’s Affairs? We’ll explore VA Certification, VA Audit and Compliance and have sessions focusing on working with returning Vets and ensuring Military-Friendly offices. All that in addition to several sessions on California state issues, loans and default management and I think you’ll agree that this is one conference you can’t afford to miss!

In addition to an amazing line-up of informative sessions, we’re planning to welcome you home to a bevy of activities and entertainment. Not content just to offer a bit of Pixie dust on Sunday as well as dinner and dancing on Monday, we’d like your suggestions for some fun, early Monday morn-
Campus Family Pics... What Talent!

David Shook singing the National Anthem and all the fun hard working people at Orange Coast College compliments of Melissa Moser and her camera. Way to go Melissa. Capturing all that fun while doing your work... Go Pirates!
California Student Aid Commission Update

As we face the prospect of State cuts and take on the challenges of new assignments, we at the California Student Aid Commission (CSAC) continue to do our best to serve the students who rely on our programs and to work with the institutions and financial aid professionals who are vital partners in achieving access, choice and success in higher education. Here are some of the latest developments:

May Revision

The Governor’s May Revision demonstrates the challenges confronting the state, and state financial aid in particular. As you may recall, facing an estimated $9.2-billion budget shortfall in 2012-13, the Governor’s January Budget proposed significant changes in financial aid. These included raising GPA requirements for Cal Grants, reducing the maximum Cal Grant awards to private non-profit and for-profit institutions, reducing the institutional cohort default rate (CDR) requirement from 30% to 24.6%, and reversing a change in policy adopted by the Commission that would have expanded eligibility for transfer entitlement awards. The Governor also proposed phasing out loan assumption programs.

With the shortfall increasing to $15.7 billion, the May Revision proposed more financial aid changes. The most dramatic change envisioned is a proposal to “decouple” the dollar amount of a student’s Cal Grant award from the mandatory system-wide tuition and fees charged by the University of California and California State University. Instead, a Cal Grant student’s award would depend on the student’s Pell grant award level. A student receiving the maximum Pell grant would receive the full Cal Grant award, i.e., full-fee funding at UC or CSU. However, a student receiving less than a full Pell Grant award would receive a pro-rated Cal Grant award based on the Pell grant award percentage.

The Pell-alignment proposal would take effect for students applying for Cal Grants after July 2012, so students with existing Cal Grant awards would not be subject to the reduction. The proposal would be phased-in, first applying to September 2, 2012 community college competitive applicants, then applying to first-year participants in the Cal Grant Program in 2013-14, first- and second-year participants in 2014-15, and so on, until reaching full implementation in 2016-17.

The May Revision also proposed to lower the institutional CDR requirement to 15% from the current 30% and require institutions to achieve a 30% graduation rate to be eligible for Cal Grant students. These requirements would not apply to institutions with 40% or less of undergraduate students borrowing federal student loans.

The Commission voted at its May 17, 2012 meeting to oppose the proposals to decouple Cal Grant awards through pro rata reductions based on Pell awards, to change GPA requirements, and to reduce the maximum awards at private institutions.

Check for budget updates on the Commission’s website – www.csac.ca.gov – as well as a Special Alert after the budget is passed and signed by Governor.

Senate Bill 70 Data Implementation

As part of our consultation process with the financial aid community, we recently released draft regulations for implementing the data-reporting provisions of Senate Bill (SB) 70 and are conducting webinars to familiarize everyone with their content. We are looking to the financial aid community to provide comments that will help us improve the draft regulations before we begin the formal rulemaking procedures.

SB 70 requires institutions to report annual data to CSAC on enrollment, persistence and graduation for all students, including aggregate data on Cal Grant recipients. SB 70 also requires annual reporting on job placement rates and salary and wage information for programs that are designed or advertised to lead to a particular type of job, or advertised or promoted with any claim regarding job placement.

We will soon begin the formal procedures for adopting the SB 70 regulations. The Office of Administrative Law will officially publish CSAC’s notice of proposed rulemaking, which kicks off a 45-day public comment period. We will also post the notice and other information about the proposed regulations on our website.

We encourage CASFAA members and all other institutional staff with areas of responsibility affected by SB 70, such as the Registrar, Information Technology, and Admissions, to provide comments within the public comment period so that ... continued on next page
we can be sure that the regulations ultimately adopted by the Commission provide the transparency and assistance to students and their families that the Legislature intended.

Cal Grant C

This is the initial year for implementing SB 451. SB 451 requires CSAC to give priority to Cal Grant C applicants pursuing occupational or technical training in areas that meet two of the three criteria: high employment need, high employment growth and high wage categories. We consulted with the Employment Development Department (EDD) and other workforce experts and developed thirteen priority occupations meeting the criteria, using analyses of occupational data and projections from the EDD Labor Market Information Data Library.

Students that select a priority occupation on the Cal Grant C Supplement (WebGrants for Students and paper) will receive 35 additional points, thereby increasing their chances of obtaining a Cal Grant C award. This year, we sent Cal Grant C Supplement notifications to approximately 82,500 students. These students will compete for the 7,761 authorized Cal Grant C awards during the selection process scheduled for mid-July. For more information on SB 451 and the Cal Grant C process, please refer to the Grant Operations Memo 2012-19, released on May 31, 2012.

California Dream Application

On May 7, 2012, the Commission’s Dream Act Committee held a public meeting to review the Dream Act Application and to discuss issues involving this year’s implementation of the application by public institutions for institutional aid. The Committee recommended that staff continue hosting webinars with student groups to identify issues and solutions related to the application.

In July, the Committee will hold a meeting to allow the public institutions to report out on their experiences with the Dream Application process. Check the Commission’s calendar for the Committee’s meeting date and time. So far, we have received 5,017 completed 2012-13 applications for public institutional aid.

The 2013-14 Dream Application is set to open on January 1, 2013. The 2013-14 application will continue as an application for public institutional aid, and will also be the application for Cal Grants for Dream Act students interested in attending all eligible Cal Grant schools, both public and private. We will also use the 2013-14 application to make Chafee program determinations for qualifying students.

We have added enhancements to the 2013-14 application, including Cal-ISIR update capability for participating schools, help-functionality in the application for each question, and an e-mail notification system to alert applicants to make changes or supply additional information needed to process the application.

Institutional Participation Agreements

The Commission approved the new 2012-16 Institutional Participation Agreement (IPA) at its April meeting.

We released Special Alert GSA 2012-10 on May 2, 2012 to inform institutions that wish to continue participating in the Cal Grant Programs to complete and submit the new IPA by June 30, 2012. We also released a reminder notification in Special Alert GSA 2012-17 on May 25, 2012, about the upcoming IPA deadline and the common errors that we have noticed.

To date, we have received approximately 290 IPAs. We are going to send e-mail reminders to institutions that still have not submitted their IPAs to make sure to do so by the June 30th deadline.

Legislation on Financial Aid

Finally, the Commission has taken support positions on a number of important financial aid bills, including:

- **AB 1501** (J. Pérez), which would establish a Middle Class Scholarship Program to provide scholarships, from funds created by a companion bill, of up to two-thirds of the tuition costs at UC and CSU for students with family incomes below $150,000;
- **SB 1103** (Wright), which would require CSAC to make SB 70 data available in a searchable database on its website, as well as other information and links that are useful for students and parents in the process of selecting a college or university;
- **SB 1289** (Corbett), which would require postsecondary institutions, except community colleges, to make specified disclosures related to private student loans in financial aid material and private loan applications, to distinguish private loans from federal loans in individual financial awards, and if the institution provides a private loan lender list, to provide information on loans available through the lender and the reason each lender is on the list; and
- **SB 1466** (De León), which would increase the Cal Grant Income Ceilings to $150,000 under certain circumstances, for a limited period of time – between the 2014-15 academic year and December 2018, or until the Higher Education Investment Tax Credit Program Special Fund created by a companion bill is depleted, whichever occurs later.
Committee Updates

CSU Segmental Update

Marcia Starcher
California State University
Segmental Representative

We are halfway through the year and it has been a busy time. March 13 was our Day at the Capitol. We attended panel discussions of the latest issues affecting the CSUs and visited several legislators and their representatives, sharing our stand on the proposed Cal Grant changes. I hope you are able to participate next year. Numbers make a difference when we are trying to get a point across at the capitol.

May 20 we met to plan the break-out sessions for the 2012 Annual Conference – There’s No Place Like Home. I received 23 ideas on session topics from you, our CSUs, and I thank you very much for all of your thoughts. When you come to the conference Dec. 9-11 you will find that almost all of your ideas were acted upon by the committee, resulting in a conference that meets your needs.

As a member of the State Issues Committee and the Federal Issues Committee, I continue to represent the CSUs. Please be sure to contact me with your opinions as I always want to be sure that what I say truly represents you.

Proprietary Update

Laura Bouche
Proprietary Segmental Representative

With the year nearly half over and the conference just six months away, the Proprietary sector volunteer committee is hard at work planning pre-conference sessions that will enrich our minds and expand our knowledge. The first planning meeting was held (both in-person and via conference call) on April 28th, 2012. After a few hours of brainstorming, a list of topics was constructed that seemed specifically relevant to members of our sector. Topics included VA, DL reconciliation, FERPA, clock hour/conversion/transfers, 600% Pell, SAP, Verification (12/13 transition, best practices, award notification), default prevention, research (resources for FA professionals), 90/10, scholarships, Cal-Grant, and managing the day to day. Please feel free to contact us (Laura Bouche at lbouche@brightstareducation.com) and provide any additional topic suggestions.

With some topics in mind, the next step is securing individuals that are willing to share their wealth of knowledge on these topics. Do you have someone in your office that can easily recite regulations and tell you everything there is to know about policy and updates? Are you a pro at DL Reconciliation with the ability to close out the year with your eyes closed? Do you have a passion for 90/10, scholarships, or default prevention, etc.? If any of these describe you, a member of your team, or someone you know, please contact us at the email address provided above and let us know as soon as possible.

Finally, it is important to remember what we are here for: “to provide adequate financial aid counseling to eligible students who apply for [Federal] student aid” (Section 668.16 (h)). Please remind the “decision making” staff at your schools that even though the certification requirement has been eliminated by the state, the conferences are much more than a certificate of attendance (which you will still be receiving). They provide an opportunity for FA staff to experience professional growth, to learn about and interpret new regulations/regulation changes, and network with those individuals that face similar challenges on a daily basis.

Save the Date

Plan on Attending Pre-Conference Sessions:
December 8th-9th, 2012
Committee Updates

Independent Update

Robin Thompson
Independent Segmental Representative

The summer is approaching and hopefully my fellow financial aid administrators are planning for some fun options to enjoy the season. Graduation season has arrived, and as students plan for their big farewell and welcome their friends and family to campus, we keep working hard in financial aid trying to wrap up exit interviews and find resources for students to cover the mysterious outstanding balances on their student accounts. And inevitably, as I meet with anxious students who wonder what their financial aid award will look like next year, the meetings tend to close with the student wishing me a good summer vacation. Some look bashful, others pitying, to know we administrators will be on campus, in the office, for the duration of the long hot summer.

Luckily, there are a few opportunities for us to get out. Many take these summer months to cash in on some long awaited vacation days. Some, like me who tend to hoard my vacation time, are instead planning summer work travel with a day or two on each end.

As the representative for the Independent Nonprofit segment, I’d like to take this opportunity to announce an exciting training opportunity right here in California in early August. Be sure to mark your calendars and plan your vacation accordingly, because you will not want to miss this in person training. I’ve been working with Eddie Arteaga from the College Board Western Region to bring a day long session on Institutional Methodology to both southern and northern California on August 7th and 8th, respectively. We will cover the fundamentals of Institutional Methodology, and how it differs from Federal Methodology, the options and flexibility associated with using IM to award funding to our well deserving students. We welcome anyone who is interested in learning more about IM, whether you are currently at a college that employs IM or at an FM school and want a better understanding about IM. And the best part, the training is free for all current CASFAA members, and just $75 for non-members. I look forward to seeing many of your out and about this summer, and would welcome the opportunity to catch up with colleagues at our very own back to basics IM Training session. Enjoy your summer!

Program Committee Update

Rhonda Mohr
Training Coordinator

CASFAA volunteers have been very busy since the beginning of the year to ensure that you are offered a number of CASFAA training opportunities throughout the year. Both the 1040 Workshops and the Spring Training Workshops were packed with great information and were well attended by returning and new members alike! Between these two events we had over 450 attendees. With in-person training opportunities getting harder and harder to come by CASFAA was very pleased to be able to offer these events.

The Graduate Professional Committee is working to put the final touches on an in-person training event in conjunction with the College Board. The events are scheduled for August 7th and 8th and by the time this newsletter comes out you will likely have more details on the agenda and registration. The Ethnic Diversity Committee is planning a free webinar training that will happen during the summer months also. Stay tuned for more information on that. In addition to these two summer events, the Web Training Committee has by now communicated to the membership about the new way CASFAA is teaming up with partners to promote web based training opportunities throughout the year. Keep your eyes open for continued announcements about web based training opportunities.

Finally, the Training Committee, which is staffed by all of your elected segmental representatives, had a great in person meeting at the end of May to begin planning for the annual CASFAA conference. Our brainstorming and sharing of ideas has resulted in a great tentative agenda for break-out sessions. We hope you will be able to join us for the premier California training event of the year.
Greetings CASFAA Members!

Yvonne Guitierrez
Senior Associate Director
of Financial Aid

I am pleased to announce that the Student Loan Negotiating Rulemaking Committee reached consensus on proposed regulatory language on March 30, 2012. This will result in two packages of proposed rules to be published in the Federal Register for public comment. Portions of the proposed rulemaking package were delayed by a technical issue, thus creating two rulemaking packages; one with a likely effective date of July 2013 and the other with an effective date of July 2014. The Department plans to make available the proposed rules for public comment and the final rules regarding Income-Based Repayment, Income-Contingent Repayment and Total and Permanent Disability by Nov. 1, 2012, to be effective in July 2013. Proposed rules related to those issues will be published first and separately from the others given their importance to the Obama administration’s mandated student loan initiatives.

Rulemaking Session Highlights

Reasonable and Affordable Payment Standard for Rehabilitation of Defaulted FFEL/DL Loans

Federal and non-federal negotiators reached agreement on regulatory language that provides for a form that guaranty agencies would use to determine a “reasonable and affordable” payment for borrowers rehabilitation of their defaulted FFEL or Direct Loans. The Department of Education initially found the negotiators’ proposed form too prescriptive, but both parties were able to reach a compromise.

Loan rehabilitation provides borrowers who have defaulted on a Direct Loan or FFEL program loan the opportunity to reaffirm their intention to repay the defaulted loan and to establish a successful voluntary repayment history sufficient to support returning the borrower to normal repayment, with its associated benefits, and to remove the record of the default from the borrower’s credit report.

Under this rehabilitation program, guaranty agencies must determine a “reasonable and affordable” payment amount...
based on the borrower’s financial situation. Consumer advocates expressed concern that there is a lot of inconsistency in the treatment of the practice of this determination and that in many cases the agencies neglected important expenses and other considerations. Current regulation provides guidance that consumer advocates say doesn’t always result in compliance by the servicers and agencies.

Negotiators proposed that regulatory language provide for a new form that lists criteria that guaranty agencies could use in determining what is “reasonable and affordable,” including disposable income, household costs and “relevant and necessary expenses.”

As proposed by the Department of Education, this issue paper would fall into the second rulemaking package, which would likely take effect July 2014. Consumer advocates said they remained concerned about the inconsistency and misrepresentation in this process in the interim. To address those immediate concerns, the Department of Education plans to issue Dear Colleague Letter to servicers to remind them of the existing regulations. The Department of Education said it will also work to get the proposed form ready as soon as possible, so that it is ready for release once the regulations take effect.

Changes to the Income-Based Repayment (IBR) Plan
IBR limits the borrower’s monthly loan payments to 15 percent of the difference between the borrower’s adjusted gross income (AGI) and 150 percent of the annual poverty guideline for the borrower’s family size, and forgives any loan amount remaining after 25 years of repayment made under the plan, including periods of economic hardship deferment. A borrower who would be required to repay monthly amounts higher than that difference under the standard 10-year repayment plan is considered to have a partial financial hardship and thereby qualifies for IBR. The Health Care and Education Reconciliation Act (HCERA) of 2010 amended the IBR plan for new borrowers on or after July 1, 2014 by reducing the 15 percent to 10 percent, and by reducing the 25-year repayment term to 20 years.

Borrowers must undergo an annual evaluation to demonstrate that they continue to qualify for IBR, by documenting AGI and family size. A borrower who no longer shows a partial financial hardship may remain under the umbrella of IBR, but must revert back to a 10-year standard repayment plan (fixed monthly payment plan for a loan term of up to 10 years) and interest capitalization (the addition of unpaid interest to the loan balance). Interest is not capitalized for borrowers under IBR, unless they leave the program or no longer show partial financial hardship. Consumer advocates argue that the interest capitalization can have dire consequences, in some cases increasing the borrower’s debt load by as much as $20,000.

The Department of Education and negotiators representing servicers proposed requiring servicers to send a notification letter, for each subsequent year that a borrower who currently has a partial financial hardship remains on the IBR plan, to specify the financial consequences of failure to meet the specified deadline and noncompliance in the annual review process (e.g. interest capitalization). The proposed language would require the letter go out no later than 60 days and no earlier than 90 days prior to the annual deadline for the submission of documentation.

Servicers had also originally proposed a 5-calendar day grace period for late submissions, but consumer advocates argued that because the consequences of failing to meet this deadline can be so severe, borrowers should be protected as much as regulatory authority can allow. Consumer advocates requested 10-calendar day grace period, which guaranty agencies agreed to on a condition that provides five more days for the agencies to process the documentation.

Conclusion
This, in a nutshell, was the “meat and potatoes” of the Student Loan Negotiated Rulemaking session in Washington, D.C. I am sincerely grateful to CASFAA, NASFAA, Pitzer College and The Department of Education for the opportunity to serve as a Primary Negotiator, representing Non-Profit Institutions.
4 Quick Tips to Share with Students

1. **Limit unwanted credit offers**
   Reduce clutter and unwanted offers in your mailbox. Visit [www.OptOutPrescreen](http://www.OptOutPrescreen) to prevent lenders from using your information to send you credit offers. By going to [www.DoNotCall.gov](http://www.DoNotCall.gov) students can register their phone numbers to limit the number of telemarketing calls.

2. **Check credit for free**
   Everyone can check their credit report once a year from each of the three credit reporting companies at [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com). Use one of two approaches: Obtain all credit reports at the same time once a year. Or, watch for ID theft or see the improvement of rebuilding credit by obtaining one report from each agency every four months.

3. **Determine realistic earnings after graduation**
   Most students are unaware how much they will actually earn after graduation. Visit [www.bls.gov/ooh](http://www.bls.gov/ooh). It’s the Occupational Outlook Handbook. The site lists over 1,500 careers with information about education needed, working conditions and the starting pay for most careers. The site shows what the bottom 10% of wage earners in each field make — most likely the starting wages for graduates.

4. **Affordable student load debt load**
   The department of education recommends student loan payments equal no more than 8% to 12% of someone’s total gross income. To determine a maximum student loan debt load follow these three steps:
   1) Determine your realistic starting pay
   2) Multiply the starting pay by 8%
   3) Divide the result above by $11.51 (which is the loan repayment amount per $1,000 borrowed at 6.8% interest over 10 years).

Here’s an example:
A $30,000 salary times 8% is $2,400.
$2,400 divided by 12 months is $200.
A $200 monthly payment divided by 11.51 is $17,376.
$17,376 is the most a borrower who anticipates earning $30,000 can comfortably repay.

Share these quick tips to help students understand their credit, earnings and debt.

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**STAY CONNECTED ON FACEBOOK**

Did you know that CASFAA has it’s very own Facebook page. Become a member of the CASFAA Facebook page to ensure that you get all of the latest updates! The conference is just around the corner and you don’t want to miss anything!

[https://www.facebook.com/#!/groups/169935263093/](https://www.facebook.com/#!/groups/169935263093/)
There's No Place Like Home

Get involved in association activities.
Discuss the latest financial aid policy issues.
Learn how to take a leadership role in the profession.
Network with peers, policy makers and other educational partners.

2012 CONFERENCE • Anaheim Marriott • Anaheim, California • December 9–11

The premier training and networking event for financial aid professionals in the Golden State.
The 1040 Workshops were a successful event. We were able to host 8 workshops this year at various college campuses across the state. We served over 250 CASFAA members! Jim Briggs not only made tax training fun but once again was able to educate us on the new tax transcripts and verification. It was awesome to see so many FA administrators take time out of their busy offices to attend the workshops this year. I would like to thank all the campuses who hosted these workshops this year:

Solano Community College,
Devry University-Fremont,
Samuel Merritt University,
Heald College Fresno,
Pepperdine Graziado School of Business,
Pomona College,
Cal Baptist,
University of San Diego.
CASFAA Announces Web Training Opportunities

Tight budgets, short-staffing in your office, and an overload of work all make it hard to get away for a day or two and attend offsite training or conferences. CASFAA is committed to providing and promoting timely and valuable training to the membership. 2012 President Deb Barker-Garcia and Training Chair Rhonda Mohr have promised to bring training to the membership in a variety of new ways, one of which will be to support, promote and further develop web-based education. I have been asked to assist with the promotion and development of web based training initiatives available to the CASFAA Membership.

The first phase in this initiative is to enhance awareness and promotion of existing education being provided by our various industry partners. Going forward, you can look forward to receiving a monthly membership announcement with complete information about available training for CASFAA members. The calendar on the CASFAA website will also be updated as new session information is provided.

We are pleased to announce web based training and information sessions available to CASFAA Members for the remainder of June. To register for any of the web sessions listed, please go to www.CASFAA.org, click on the Calendar, then on the specific event in which you are interested, and the registration link will pop up. Or you can refer to the attachment in the email announcement that was sent out to the membership via the listserv earlier this week. Note: All times are Pacific Time Zone.

Orientation Week Financial Literacy Workshop
Brought to you by ECMC
Start your students on the right path. Join us as we offer tips for hosting a financial literacy workshop during orientation week this fall. It’s never too late, or too early, to reach out to your students with this important information. Whether you’re thinking of setting up a table with helpful materials or planning a workshop, let us help you get started.
Monday, June 18 @ 1:00 pm and Wednesday, June 20 at 10:00 am

Student Loan Rights & Responsibilities – Jeopardy Style!
Brought to you by ECMC
Struggling with ideas on how to deliver boring loan terminology to your students? Why not try Jeopardy style? This is a unique answer-and-question format in which contestants (your staff and/or students) are presented with clues in the form of answers. Join us for this interactive webinar, where your participation will drive the presentation!
Monday, June 25 @ 1:00 pm and Wednesday, June 27 @ 10:00 am

Getting Started with Great Lakes
If your institution is new to working with Great Lakes, this webinar will help you take advantage of the support and services we have to offer. Topics include gaining access to the Financial Aid Professionals portal, accessing borrower and loan information, reporting functionality, and contacting Great Lakes support staff.
Wednesday, June 20 @ 12:00 pm

Private Education Loans – Options for Educating Borrowers and Families
Brought to you by Great Lakes
Learn the options your financial aid office has in communicating private loan options to students and families. With regulations in place and planning on the horizon for a new award year, you may be wondering whether your financial aid office should have a Preferred Lender Agreement (PLA) in place.
Thursday, June 21 @ 11:00 am

ScholarNet Features And Functionality
Brought to you by Great Lakes
Whether you’re new to ScholarNet or just need a refresher course, this webinar provides valuable information about this comprehensive online application and loan processing tool. Learn basic information about ScholarNet and how to use its main features.
Friday, June 29 @ 11:00 am

WEB TRAINING AHEAD!
continued on next page
Verification: Four Simple Steps to Completion  
_Brought to you by Great Lakes_  
Get the right dollars to the right students, on time. We’ll show you the easiest steps to completing verification based on recent policy changes and review common issues that arise.  
Specific topics covered include:  
- Determining who needs to be verified  
- The impact of the Data Retrieval Tool on the verification process  
- Reviewing required documentation  
- Resolving conflicting information  
- Making corrections  
_Thursday, June 21 @ 9:00 am_

Verification: Understanding the New Policy  
_Brought to you by Great Lakes_  
Remaining compliant when faced with new verification requirements can be challenging. Join this session to gain new insights on what’s changed and to get help making sense of recent verification changes.  
Specific topics covered include:  
- New verification regulations  
- Impact of the Data Retrieval Tool on verification processes  
- Applicant selection process  
- Required verification items  
- Acceptable documentation  
- How to understand IRS transcripts—and when to ask for more information  
_Tuesday, June 19 @ 12:00 pm_

Your Students Are Asking: Loan Forgiveness and Discharge  
_Brought to you by Great Lakes_  
Loan forgiveness and discharge programs can be a part of your default prevention toolkit. Help student loan borrowers discover if they qualify for these options. The more you know, the more they’ll know—which is an important ingredient in successful default prevention.  
Specific topics covered include:  
- Teacher Loan Forgiveness  
- Public Service Loan Forgiveness  
- Total and Permanent Disability  
- The current conversation about student loans and bankruptcy rights  
_Friday, June 15 @ 9:00 am
Tuesday, June 26 @ 12:00 pm_

Eating the Frog First and Other Key Principles of Time Management  
_Brought to you by Great Lakes_  
You can’t change aid processing deadlines, but you can change how you approach your work. Learn to make the most effective and efficient use of your time and get the most out of your workday. Spend an hour now to save time later. Learn about methods and tools, including eating the frog first, that can help you make the most effective and efficient use of your time.  
Specific topics covered include:  
- Analyzing your behaviors and habits  
- Top five time management mistakes  
- Developing a personal plan  
_Tuesday, June 19 @ 9:00 am
Thursday, June 21 @ 12:00 pm_

A Guide to Great Lakes Default Prevention Tools  
_Brought to you by Great Lakes_  
This session provides an overview of the Great Lakes tools available to help you reach out to delinquent borrowers and manage your cohort default rate.  
_Friday, June 22 @ 11:00 am_

7 Ways to Get Someone Else to Pay Down Your Student Loan: Loan Forgiveness, Cancellation, and More  
_Brought to you by SimpleTuition_  
Discover how you can qualify to have all or some of your student loan payments made by someone else. We'll help you understand these opportunities so you can get out of debt faster. This session will discuss the Public Service Loan Forgiveness program, other loan repayment assistance programs, loan cancellation, and more. This session is geared to actual borrowers, but may offer ideas on communicating to students about their options.  
_Wednesday, June 20 @ 4:00 pm_

Choosing the Smart Repayment Option For You  
_Brought to you by SimpleTuition_  
Need to understand the best repayment option for you? SimpleTuition will host this interactive session to outline the repayment options, show monthly calculations, and offer tips and advice to ensure you pay back your loan smarter. By using free web-based tool, calculators and other resources, learn if consolidation is a good choice for you. Find out if you qualify for income based repayment. Discover the power of prepayment. This session is geared to actual borrowers, but may offer ideas on communicating to students about their options.  
_Wednesday, June 27 @ 1:00 pm_

_continued on next page_
Create Successful Financial Literacy on Campus
Brought to you by California Lenders for Education (CLFE)
Description: The more a campus helps students understand debt and financial responsibility, the better the outcome for all parties involved. Find out how to make a case for promoting financial literacy and where to look for partners on campus. Learn methods of delivery, student needs identification, funding sources, evaluation techniques, and marketing ideas for launching a customized plan on your campus. Hear the details of current best practices of California schools.
Thursday, June 28 @ 2:00 pm

Federal Update: Gainful Employment
Brought to you by TG
Gainful employment (GE) continues to be a topic of substantial interest for schools, taxpayers, and the Department of Education. There are now many significant requirements for schools offering educational programs that are intended to prepare students for gainful employment in a recognized occupation. While this topic most directly impacts for-profit schools, public and private nonprofit schools that offer certificate or other non-degree programs are also affected. This webinar provides a comprehensive look at the GE debt measures, discusses recent GE guidance, and reviews the requirements associated with disclosures, reporting, and adding new GE educational programs.
Thursday, June 21 @ 8:00 – 9:30 am and 1:00 – 2:30 pm

Common Audit Findings
Brought to you by USA Funds
Administering student financial assistance requires schools to adhere to a myriad of laws, rules and regulations. Understanding the common audit and program review missteps of others can help your school identify potential problem areas and correct them before an auditor sets foot on your campus.
Tuesday, June 26 @ 11 am – 12:30 pm

Types and Sources of Financial Aid
Brought to you by USA Funds
Self-help, gift, federal, state, institutional and outside aid — these are the building blocks of a financial aid award package. Gain a thorough knowledge of these forms of aid to better serve your students.
Wednesday, June 27 @ 11:00 am to 12:30 pm

If you are an industry partner offering web based training or informational sessions to schools related to financial aid or your products as they support the delivery of financial aid to college students, and would like to have your sessions included in the monthly web training promotion to CASFAA Members, please send your information to Thalassa Naylor at thalassa.naylor@salliemae.com Please include the following information: Title, short description of the session, Date and Time (pacific) and link to register. Emails will be provided to the CASFAA Membership monthly through the CASFAA Listserv, and the calendar on the CASFAA website www.casfaa.org will be updates as the sessions are provided.

CASFAA Website Tip of the Week
In order to ensure that you’re receiving all of the important membership email blasts from CASFAA, make sure that you have updated your contact preferences appropriately.

Log into CASFAA.org<http://CASFAA.org>.
On the left sidebar select MEMBERSHIP – MY PROFILE
Under the MY PROFILE tab select CONTACT PREFERENCES
Select: I WANT TO RECEIVE EMAILS SENT TO MULTIPLE RECIPIENTS
After selecting click SAVE at the bottom of the screen
Update your profile today so that you don’t miss out on any of the great CASFAA training and membership events coming your way!
Join the College Board and CASFAA for a day of training right here at home.

**Tuesday, August 7, 2012**
10am - 3pm  
Occidental College, Los Angeles

**Wednesday, August 8, 2012**
10am - 3pm  
University of San Francisco, San Francisco

**Cost:** Free for CASFAA members. $75 for non-members.
CASFAA membership is included in the fee.
Lunch will be provided at both locations.

Gain in-depth understanding of the CSS/PROFILE’s Institutional Methodology (IM), the College Board’s need-analysis system developed by financial aid practitioners to help use their need-based funds equitably. This is a back to basics course with case studies to show how IM differs from the federal methodology (FM).

Additional topics we will review are:

- Noncustodial PROFILE
- Professional judgement tips
- More complex family arrangements not considered in FM such as family businesses, blended families and same-sex parents

Participants are encouraged to bring their own examples and real-life case studies to discuss and debate!

Open to anyone who wants to learn more about how financial aid eligibility is determined at the institutional level.
Help Education Costs

If Federal Student Loan Interest Rates Go Up, Help Education Consumers Make Informed Choices

Luanne Canestro
ASA

As of the writing of this article, there’s a very real chance that the federal subsidized Stafford loan interest rate for undergrads will double this July, increasing from 3.4 to 6.8 percent. While this is clearly bad news for borrowers, since it will increase the average student debt load by approximately $2800 over the life of the loan, there’s another, less visible negative consequence that hasn’t received much attention to date: Students and families may start to turn to private loans before exhausting federal loan eligibility.

American credit consumers are (understandably) obsessed with interest rates. Homeowners refinance again and again to take advantage of record low mortgage rates, car buyers search for the loan with the lowest rate and credit card owners often transfer balances to take advantage of a lower rate. For many types of consumer debt, the interest rate is the lone differentiator between products and so this strategy makes sense. But in the case of student loans, interest rate should only be one part of the decision process.

Federal student and parent loans are a great value for education consumers, not just because of a low interest rate, but because of the many consumer protections and repayment options available to the borrower with respect to deferment, forbearance, income-based repayment, etc. (In fact, a “market rate” for a loan with these options would be far higher than both the current and increased subsidized Stafford rate.) Private loans typically don’t offer the same types of flexible payment arrangements or the same federally mandated rights.

In recent years, federal education loans traditionally have offered lower rates than private loans, so students and families have had little reason to look beyond the federal program. Some private loans have offered comparative or lower rates to graduate students and parents, as the federal PLUS rate stands a bit higher than the Stafford at 7.9 percent, but often these rates were variable and could rise substantially during the 10 years (or more) of repayment.

But the student loan landscape could be changing. Multiple lenders introduced fixed rate private student loans last summer and while the rates usually vary based on credit history, they may come very close to matching or beating the proposed federal rate. That could mean uninformed families, even ones who think they’re doing the smart thing by comparison shopping, pass up the stability of federal loans for the upfront, more attractive private loan rate.

Unfortunately, this couldn’t be a worse time for borrowers to sacrifice the consumer protections found with federal loans. Students and parents are often too optimistic at the start of college that “everything will work out” and they’ll be able to handle the loan repayment, but as the recent recession has proven (and financial aid professionals see time and time again), students need all the help they can get to successfully repay their debt. The advantages of federal loans are no longer “nice-to-have” safety features that help the occasional student borrower; these are critically needed payment options that in many cases stand between the borrower and financial ruin.

Most disturbingly, a recent study by Young Invincibles, a nonprofit group in Washington that represents the interests of 18-to-34 year-olds, showed that more than two-thirds of respondents with private loans said they didn’t understand the main differences between those loans and their federal student-aid options. As financial aid professionals prepare to help their students make informed borrowing choices for the upcoming academic year, here are five reasons, other than interest rate, that students should always exhaust their federal options first. You can share with them these five important tips on federal student loans:

1. You have more repayment plans to choose from. Federal student loans offer many options, including extended repayment with longer payment terms and lower monthly amounts, graduated repayment with lower monthly payments to start out that gradually increase over time, and consolidation of multiple loans into one. Finding the right repayment plan for your specific situation means you won’t fall behind and ruin your credit, and you’ll have more breathing room in your budget — although it’s important to know that some of these plans may increase the total interest paid.

2. It’s your federal right to postpone payment with no fee and sometimes no interest accrual. Federal education loans offer deferments and forbearances for a wide variety of circumstances, from unemployment to going back to school to economic hardship and more. Private loans may also offer the ability to postpone payment, but you may be charged an additional fee and interest may accrue while your payments are halted. Federal loans carry no fees for deferments and forbearances, and the interest on subsidized loans will not accrue during deferments (but it will during a forbearance). Also, with federal

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loans you have the right as mandated by law to a deferment if you meet the necessary criteria; postponement options with a private loan are always at the sole discretion of the lender.

3. You may be able to base your monthly payment amount on your income. The federal student loan programs offer multiple payment solutions that take into account how much you earn and your family size, especially if you have high debt and low income. You may need to demonstrate partial financial hardship and there is required paperwork to enroll. An income-based plan can dramatically reduce your monthly payment.

4. You may be able to have some or all of your debt forgiven. Federal student loans offer two main forgiveness programs: Teacher Loan Forgiveness for borrowers who work in a low-income location as designated by the federal government; and Public Service Loan Forgiveness for those employed full-time in a public service job. Teachers can have up to $17,500 in loans forgiven after five years of qualifying service, while those in public service can have any outstanding loan balance forgiven after 120 qualifying payments.

5. You may be able to have some of your debt forgiven – even if you’re not a teacher or public servant. If you qualify for Income-Based Repayment (see #3 above) and make payments for 25 years, any outstanding balance will be waived. For borrowers who begin taking loans out after 2014 (or possibly sooner, based on President Obama’s proposed “pay as you earn” plan), loan forgiveness will be available after 20 years.

For more information on any repayment options listed above, visit www.asa.org.

If federal student loan interest rates do go up, colleges and universities will play a crucial role in explaining to families why the federal loan product is superior to that of the private market. And we’ll all have to do a much better job of helping struggling borrowers take advantage of the federal program’s many safety features after graduation. American consumers aren’t stupid and they understand the old adage “you get what you pay for” – they just need to be shown that they are in fact getting a better-value and service in return for higher interest and fees.

What’s new at your school?
Has your office participated in any exciting events lately?
Had an excuse to throw an office party?
Gone to any trainings or events?

We want to see! Submit your pictures to Kerri… Khelfrick@cci.edu
This past February, the Department of Education (ED) released the first draft 3-year cohort default rates (CDRs). Meanwhile, official 3-year rates won’t be available until September, and the first set of CDRs on which sanctions could be based won’t be released until September 2014. Many schools are already worried about the increase in their CDRs, however, and for good reason. Trial 3-year data provided by ED indicates that all school sectors will experience a surge in rates, with some schools seeing a rate hike of up to 90 percent. That kind of increase could expose some schools to serious consequences, including a loss of eligibility for federal student aid.

The 3-year CDR doesn’t bring all bad news, however. With the longer monitoring period, loan rehabilitation can have a positive impact on a school’s CDR. Remember that a borrower can rehabilitate, or bring a loan out of default, by making nine on-time monthly payments during a period of 10 consecutive months. The loan is then sold to a lender, and the default is removed from the borrower’s credit history.

How does this help a school’s CDR? If the borrower rehabilitates the loan before the end of the cohort default period, the borrower is not in default anymore and so not included in the school’s CDR calculation. Even better, the borrower once again becomes eligible for federal aid after the sixth consecutive payment, meaning he or she could potentially return to school to complete a degree or certificate. (Keep in mind, however, that borrowers can renew eligibility only once.)

Helping borrowers and cutting default

Until the 3-year CDR was introduced, loan rehabilitation wasn’t something that could feasibly affect a school’s rate. Now, borrowers who default in the first year of repayment have time to meet rehabilitation requirements within the three-year CDR window.

How can schools use loan rehabilitation to help their borrowers and mitigate default? Here are some tips for integrating loan rehabilitation into your school’s default prevention plan.

- Identify borrowers with defaulted loans — With each CDR notification, ED provides schools with the Loan Record Detail Report, or LRDR, an itemized listing of borrowers, including borrowers with defaulted loans. Download and use this information electronically.
- Develop a communication campaign — Use LRDR information to create a communication campaign for defaulted borrowers that outlines the process and the benefits of loan rehabilitation. Consider contacting borrowers via mail, email, and phone, with messages that reinforce each other. Some things to cover in your communications:
  - Borrowers will need to establish a loan rehabilitation agreement with the guarantor or collection agency that holds the defaulted loans.
  - Borrowers will need to stay in touch with their guarantor or collector throughout repayment, especially if they change their mailing address.
  - Borrowers can benefit greatly from loan rehabilitation and from establishing healthy repayment habits. The removal of default from a borrower’s credit history can be invaluable — an improved credit record means easier access to credit later on if borrowers wish to borrow for a car or house mortgage.

You can also use LRDR information to help your default prevention efforts in other ways. For example, analyze the data on your defaulted borrowers, looking for common factors which may have predisposed borrowers to default. Did certain majors contribute a disproportionate number of borrowers in default? Did many borrowers withdraw without giving notice? How was their academic performance? You may be able to use this information to help current students who share such characteristics by offering academic and career support to students at greater risk of defaulting in the future.

Amy Kasper is a regional account executive with TG serving schools in CASFAA. You can reach Amy at (800) 252-9743, ext. 6739, or by email at amy.kasper@tgslc.org. Additional information about TG can be found online at www.tg.org.
Getting Your Hands DRT-Y: Reflections on Year Two of the FAFSA and the IRS Data Retrieval Tool

Linda Peckham
Senior Training Strategist
Great Lakes Higher Education Corporation and affiliates

When Norman Caito first learned of the requirement that aid applicants pull their IRS data into their 2012-13 FAFSA data online, he was encouraged. “I was thrilled with the concept that I’d be able to review accurate application data early in the awarding cycle,” said Caito, Director of Financial Aid Operations and Services at the University of San Francisco, “At USF, verification of application data is critical to our mission of getting the right funds to the right students.”

The process is enabled by the Data Retrieval Tool (DRT), which was designed to pull actual tax return data into the FAFSA to make it easier on families to complete the application—and to ease the verification process for aid administrators. Although the DRT was available in the 2011-12 application cycle, it was not mandatory. Effective with the 2012-13 processing cycle, the Department of Education adjusted the verification requirements to include that certain elements from the FAFSA could only be verified with DRT data, or through the use of an official IRS tax transcript submitted by the applicant.

Caito and other aid executives have learned the hard way that the regulation may have had the best of intentions—to simplify verification processes and reduce potential financial aid fraud—but its implementation has been challenging. Successful adoption of the process has required patience and out-of-the-box thinking, as well as some labor-intensive work-arounds when families are unable to successfully transfer their IRS data to the FAFSA.

Leslie Limper, Director of Financial Aid at Reed College, shares Caito’s observations. “Verification is very important here at Reed, so we communicated the new information about the DRT to families early and encouraged them to use it.” Limper discovered that most families in her applicant pool followed their instructions faithfully and were happy to comply with the new process. However, continued snags between the IRS, the Central Processing System, and sometimes even the U.S. Postal Service resulted in process failures and lag times that have impacted aid offices’ ability to review and verify information in a timely manner. Limper adds: “The things we found out about how to really make this process work, we learned on our own. As a result, we’ve been adjusting our processes and dates all year long to accommodate families and the processing challenges we’ve encountered.”

Susan Fischer, Director of Student Financial Aid at the University of Wisconsin-Madison, says the new process has presented a new “balancing act between administrative burden and good customer service to families.” Her team spent many hours revising processing and verification requirements at the beginning of the year to ensure that their office could meet processing deadlines and help families with the new approach. “We are dancing as fast as we can,” says Fischer, who cautions fellow aid administrators to find the most efficient way to verify data and disburse aid prior to the academic year.

According to Caito, Limper, and Fischer, some of the most common problems that families encounter with the DRT include:

- IRS data not being available for transfer within the 2-3 calendar days that had been promised (thus FAFSA processing was delayed).
- Delays in receiving IRS transcripts when requested because of address match issues.
- DRT or transcripts not being available to those who owed money to the IRS for 2011.
- Delays in the availability of either the DRT or the transcript request for taxpayers who filed towards the end of the cycle in April.

To reduce some of the administrative burden caused by processing delays, the Department of Education recently adjusted its guidance to allow schools to use paper tax returns to verify data for filers “who have unsuccessfully attempted to use the DRT or obtain a transcript” until July 15th. But many schools are continuing to ask families to use the tool or the transcript anyway. “The process is here to stay and we’d rather have families stay on this path whenever possible,” says Heather McDonnell, Associate Dean of Financial Aid and Admissions at Sarah Lawrence College.

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Thinking ahead to next year, aid colleagues suggest the following tips to help better prepare your applicants for the DRT or transcript request process:

- Clearly explain the DRT process to parents on your initial verification document or institutional application and ask them to “check off” which process they intend to use (DRT, transcript request, or non-tax filer status). Use this data to help track application results in your FAMS system and send targeted follow-up messages to families as needed.

- Remind parents that the DRT or transcript request process works faster if they file their tax returns electronically, rather than by paper.

- Inform joint tax filers that the IRS will only recognize data transfer requests from the filer whose name is first on the tax return and/or whose IRS PIN is being used to identify the IRS record. As an example, if the mother is helping the student file the FAFSA, but is not listed first on the parental joint tax return, and attempts to access and complete the IRS data transfer site, the IRS will neither recognize nor approve the data transfer.

- Remind families that although FAFSA guidance indicates that the DRT or the transcript should be available around three weeks after they have filed, this timeframe is extended towards the end of the federal tax deadline in April. If FAFSA filers wait until April to file their returns, they can expect that the DRT or transcript request will take up to six weeks to process.

- Explain that when requesting a paper transcript, the filer’s mail address must exactly match what the IRS system has on file. In cases where the postal service has abbreviated addresses or the filer has moved, the IRS may delay sending out a transcript until the issue is resolved.

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**You May Think You Will Never Be Caught**

John Muskavitch  
Crafton Hills College

Many of you, who know me, know I am a HUGE Judge Judy fanatic if not her number one fan. I tape her show daily, and on May 3, 2012 I sat down that evening to watch the show. To make the story short, a student of ours appeared on the show. When Judge Judy asked her where she got the money from to lend to her ex-boyfriend for him to buy a used truck, her response was “from my trust fund my grandparents left me”. When Judge Judy asked her “how much was the trust fund for?” she responded with, “thirty thousand”. Judge Judy then asked if she really thought her grandparents’ intention when they left her the money would have been to let her boyfriend use it. She said “no”. When Judge Judy asked her “what does she do?” she said she attended our college. Needless to say my ears perked up. I hit rewind and wrote down her name. Sure enough she forgot to mention her trust fund on her FAFSA.

The next day I wrote Judge Judy the following on her web site:

“Love it! Judge Judy”

On May 10, 2012 I received the following from Judge Judy:

Dear John Muskavitch,

Judge Judy read your email. This is her reply.

“Love it! Judge Judy”

I am waiting for the student to bring in the documentation so I can re-calculate to see if she is eligible or not. It will be interesting to find out the outcome. I think I will be speaking with my President of the College to make our new saying, “If you plan on attending here, don’t plan to be on Judge Judy!”
Campus visit days for newly admitted students unfold with a panoply of concerns and energies, from the excitement of our potential matriculants who are consumed by their efforts to discern whether this campus is the right “fit,” and their parents’ enthusiasm for the academic program and the diversity of the co-curricular opportunities – “if I was going to college again,” certain parents think to themselves and sometimes even say out loud, “this is where I’d go” – to the familiar hand-wringing over costs and how the family will afford their student this opportunity. Inevitably, for the financial aid office, campus visit days are a rush of concerned moms and dads who are juggling the responsibilities of work, home, and launching their student – perhaps one of several – into a successful college career without compromising their ability to save for their own upcoming needs, needs like home maintenance, retirement savings, medical expenses, and preparing for the college expenses of younger siblings. Emotions always run high. Parents experience a heightened sense of expectation; they are proud and brimming over with joy on the one hand, or overwhelmed and frightened on the other, unsure, as they are, how to pay for an education at a $57,000-and-climbing institution. Students who have settled on our College as the right place sometimes form an irrational attachment to the idea that it is the only one for them, and the corollary is that nothing else will do. Some students persist with this idea to their family’s detriment. Even when the family will be hard pressed to sustain its obligation in paying for their share of college costs, some students may refuse to consider sizeable merit scholarships at institutions that are not their first choice.

So it is with a mix of curiosity and a dose of fidgety energy that I approach our campus visit days, wondering what they will bring in terms of appeals, memorable scenes, or just low-key conversations in my office. There are those families I expect to appeal – the ones with high, non-liquid assets and modest incomes; or the older sibling in graduate school for whom they may or may not be paying all or a portion of educational expenses; or the high income, high debt families; the net operating loss carryover businesses; or the underreported assets, miniscule income families – and there are the surprises: it is not always possible to predict who will be satisfied and who will not.

For the sake of simplicity – or perhaps to protect the guilty and the innocent alike – I have boiled this account of our campus visit days and the subsequent appeals process to a fictional tale of two families. The scenarios are so familiar and so frequent, recurring from year to year, that many particular appeals could fit into each template. (Even though we say, “Each family is unique; appeals are judged on a case-by-case basis,” there are general patterns – or combinations of patterns – that each case falls into.) On the first of two campus visit days, I prepare for back to back appointments. By nine o’clock, we have lists of families who have signed up for a twenty minute spot. I begin reviewing student files to refresh my memory (which frequently needs refreshing). It has been at least a week since I have looked at some of these cases, and I make mental notes of the highlights: adjusted gross income, household size, number in school, liquid assets, home equity, non-liquid assets (rental properties, second homes), and possible special circumstances. At ten, I meet with my first appointment.

The parents have already sent in an appeal. They are frugal, but not wealthy. While they earn a decent living, they can hardly be considered high wage earners. What sets them apart is that they have managed to save a substantial amount of money over the course of their working lives. They expect to rely on these savings to supplement their retirement income. Both parents are in a relaxed, amicable mood, and the conversation nonchalantly turns from the chances of success for their appeal to their questions about how they might restructure their finances to maximize aid eligibility.

Emotions always run high. Parents experience a heightened sense of expectation; they are proud and brimming over with joy on the one hand, or overwhelmed and frightened on the other, unsure, as they are, how to pay for an education at a $57,000-and-climbing institution. Students who have settled on our College as the right place sometimes form an irrational attachment to the idea that it is the only one for them, and the corollary is that nothing else will do. Some students persist with this idea to their family’s detriment. Even when the family will be hard pressed to sustain its obligation in paying for their share of college costs, some students may refuse to consider sizeable merit scholarships at institutions that are not their first choice.

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It should come as no surprise that families are seeking to leverage, by whatever means they can, their aid from the College. In fact, the aid equation sometimes feels like an uneasy partnership: financial aid in exchange for information. Realpolitik might better describe it. Fast forward to the appeals committee. I summarize the case for everyone. My director holds out her hand, a signal that she wants to look at the file. As I hand it to her, I note that in addition to an employer sponsored pension, the parents also defer significant amounts of wages into a qualified retirement plan. There is some back and forth as the four of us discuss the case.

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Finally, we agree on a small adjustment that yields a slight increase in institutional scholarship. It is a token, not likely to make a difference for this family. But it is all we can justify. As I write my column, one week after the reply deadline, I check the deposit status. The student has committed elsewhere.

The second family, my final appointment of the day, earns significantly higher income, but is much less prepared for the expense of college. While they have a high income, and a high family contribution, they have consumer debt and few liquid assets. The student has been offered merit scholarships at several other institutions, some public, some private. The family submits an impassioned appeal because Pomona is, by a wide margin, the student’s first choice.

In our office, the informal discussions about appeals often circle back to the need for families to be better prepared for college expenses. Sometimes, being prepared is a matter of orientation. Families who have planned and saved for college, often incongruously, expect us to protect what they have saved. A phrase that frequently turns up in appeal letters, “...being penalized for saving for college,” or more simply, “...being penalized for saving,” implies that, for some inexplicable reason, those savings should not be used for college expenses. Indeed, some families contend that, since undergraduate degrees no longer guarantee a meaningful, successful career, family savings should be left intact to pay for their students’ graduate degrees. At some point, the idea that College expenses are the primary responsibility of the family, and that financial aid assists with the shortfall, has evolved in family’s minds, into educational expenses being the institution’s responsibility, while the family assumes responsibility only for miscellaneous expenses.

This is where our definition of financial need, which is based on concrete factors, diverges from the family’s definition of financial need, which may be the result of nebulous feelings. While there are times when I personally find a family’s predicament compelling, in spite of my empathy, there is nowhere to go with a case. Being a ‘no loan’ institution can also confuse the conversation, since some families assume that this means, no loans ever, while it really only means, loans are not packaged as part of the need-based aid. And although loans have been vilified in the press, they can be a valuable resource in assisting families in paying for their share of the cost of attendance. Does the student from that second family deposit at Pomona? That depends. It depends on the choices the family is willing to make, some of them very difficult choices, and whether the family is willing to restructure their finances to pay for their share of college expenses, or even take out loans for that purpose. The truth is that as difficult as it may be, families always have choices to make.

At Great Lakes, we work with you every step of the way to help you succeed. We support you with a dedicated representative, an experienced Client Services team, and an array of online tools and resources. Our hands-on trainers lead free SmartSessions™ webinars on essential topics for financial aid professionals everywhere.

We also offer a comprehensive online solution for managing the private loan processes with the best features and support in the industry.

For more information, visit our website at mygreatlakes.org/web/FAP, call us at (888) 686-6919, or contact your Great Lakes representative.
Borrower Boot Camp

Borrower boot camp: Get your graduates in repayment shape with these five tips

Say you had the chance to send next semester’s graduates through a “basic training” in loan repayment — a regimen that taught them not only the essentials of responsible repayment, but offered tips on safeguarding their finances in a tough economy. What would you include in the course? How would you help borrowers focus on lean living, building financial muscle, and preparing for the endurance test that is, in essence, repayment?

Here is an “exercise plan” designed to suggest to borrowers a successful path to loan repayment. You could include many things in such a plan; this version offers just an example. Consider adapting these suggestions for your own campus needs, using the information as a supplement to exit counseling, or including it in future communications by mail or email.

1. Build your budget muscle — Strong, well-planned budgets do the heavy lifting for short- and long-term fiscal needs. To make sure income is put to “healthy” use, borrowers will need to establish a budget that takes adversity into consideration — a lay-off or prolonged job hunt, for example. There are numerous online calculators and off-the-shelf personal finance software applications that make creating and using a budget simpler. The more borrowers can anticipate and plan for their expenses in a budget — and adhere to budget requirements with the occasional splurge as a reward — the better off they’ll be.

2. Watch those spending calories — The temptation after getting a job and jumping several income brackets is to overindulge. Graduates used to a student’s Spartan existence may want to upgrade lifestyles without preparation; that is, without setting a spending plan. Instead of buying heedlessly, which can leave borrowers vulnerable to credit problems, they should devise a simple spending plan of purchases matched to income “calories” that take into account long-term life goals. Such a plan can help borrowers cut unnecessary expenses and focus on saving.

3. Track loan “weight” via NSLDS — For a “weight scale” view of where borrowers stand with regard to repayment, the National Student Loan Data System (NSLDS) website (http://www.nslds.ed.gov/nslds_SA/) is invaluable. The site won’t be up-to-the-minute with loan amounts and statuses — for that, borrowers will have to contact individual servicers. But the site does offer a central place to track loan calories burned and find contact information for all loan holders. The site can be especially useful for borrowers with split loans.

4. Set a long-distance goal with a repayment plan — Half the battle with any lengthy endeavor like repayment is setting a goal that is appropriate given need and circumstance. The standard repayment plan is not always the best for some borrowers, given dramatic changes in income or a period of time without employment. In such cases, borrowers may do well to consider Income-Based Repayment or another plan that takes into account fluctuations in salary.

5. Talk to your repayment coaches, a.k.a., servicers and guarantors — Servicers and guarantors can offer guidance and information to borrowers in tough financial straits. They can also connect borrowers to such repayment options as forbearance and deferment, and explain the pros and cons of loan consolidation.

For Help

For more suggestions on what to include in your basic training content for borrowers, contact your colleagues in the field, including guarantors. Guarantors work in all phases of the life of the loan and will likely have materials and ideas on what borrowers should keep in mind as they begin repayment.

Amy Kasper is a regional account executive with TG serving schools in CASFAA. You can reach Amy at (800) 252-9743, ext. 6739, or by email at amy.kasper@tgslc.org. Additional information about TG can be found online at www.tg.org.
CASFAA and CCCSFAAA members participated in “Day at the Capital”, March 13, focusing our efforts on reducing the proposed budget cuts to the Cal Grant Programs. Legislative visits were organized by Lori Nezhura, Legislative Liaison, Governmental Relations, California Student Aid Commission. The day began with a meet and greet from Margie Carrington and Melissa Moser followed by a CSAC update by Diana Fuentes-Michel, Executive Director. A discussion followed moderated by Lori Nezhura regarding the budget legislative process, the state of Cal Grants, and the proposed middle class scholarship.

Lunch was held at Vallejo’s during which Mary Gill moderated a segmental discussion with:

Lisa Douglas, Vice President for External Affairs at AICCU—Independent/Non-profit; Rick Wood, BrightStar Education Group, Vice President/Compliance—Proprietary; Andrew Martinez, Senior Legislative Advocate—CSU; Audrey Berman, Dean of Nursing, Samuel Merritt University; Tim Bonnel, Program Coordinator, California Community College Chancellor’s Office; and Nadia Leal-Carrillo, Legislative Director State Governmental Relations—UC.

The legislative visits were organized into 6 teams with each team set for three appointments.

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<th>Team 1</th>
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<tr>
<td>Jacque Bradley</td>
<td>Margie Carrington</td>
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<td>Ruth Bledsoe</td>
<td>Maritza Cantarero</td>
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<td>Laura Bouche</td>
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<td>Lindsay Crowell</td>
<td>Pat Hurley</td>
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<td>Marcia Starcher</td>
<td>Craig Yamamoto</td>
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<td>Melissa Moser</td>
<td>Mary Gill</td>
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<td>Yvonne Glashan</td>
<td>John Garten-Shuman</td>
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<td>Maureen Mason-Muyco</td>
<td>Angelina Arzate</td>
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<td>Karen Micalizio</td>
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Legislative visits included:

Larry Broussard, Chief of Staff, Assemblymember Sandre Swanson
Kayla Williams, Higher Education Consultant, Senator Bill Emmerson
Cornelious Burke, Legislative and Economic Development Assistant, Senator Curren Price
Myriam Bouaziz, Legislative Assistant, Education, Assemblymember Roger Dickinson
Dena Wilson, Education Consultant, Senator Carol Liu
Jennifer Swenson, Legislative Director, Senator Elaine Alquist
Sunny Romer, Legislative Consultant, Senator Michael Rubio
John Skoglund, Legislative Aide, Assemblywoman Betsy Butler
Deanna Hansen, Legislative Aide, Assemblymember Anthony Portantino
Quentin Foster Legislative Aide, Assemblymember Holly Mitchell
Katie McCoy, Budget Consultant, Assemblymember Susan Bonilla
Leticia Garcia, Education Consultant, Senator Alan Lowenthal
Kris Kusmich, Education Consultant, Senate Budget & Fiscal Review Committee, Chair
Ben Parish, Education Consultant, Senator Joel Anderson
Hanif Houston, Legislative Assistant, Senator Mark DeSaulnier
Paul Fong, Assembly Member
Betsy Hodges, Staff, Senator Ted Gaines
Sara Bachez, Staff, Assembly Budget Committee, Sub 2 (Education)

All in all, the legislative visits were supportive of the Cal Grant Programs; however, the current state budget crisis is affecting all discretionary spending. Each team left informational packets and resource information. Many requests for follow-up information were received; CASFAA and CCCSFAAA responded. This was a great effort and the date change from May to March appears to have been affective in getting our concerns out before the Governor’s mid-year revised budget is released.

The May-revise budget has been released with more drastic cuts to education. We are not through yet, please use the Tool Kit and send letters to your representatives!