Welcome to the 2014 Conference! Seasons of Change

As we near the end of the year, this has definitely been a Season of Change for CASFAA. We moved the annual conference to November instead of December, many of our CASFAA colleagues have had transitions in their roles and CASFAA is looking forward to the future to strengthen our mission and purpose.

The executive council and conference committee has put together a wonderful conference for you this year! Your segmental representatives have coordinated special sessions for attendees to hear important segmental updates. The program chair has worked with the segmental representatives to bring you a conference program with topics relevant to you and our profession. Dewayne Barnes, Joanne Brennan & Melissa Moser have feverishly worked almost around the clock to bring the conference together to ensure everyone leaves with information and training you can put into practice in the office. I want to thank our many vendors who year after year continue to support CASFAA and its members. A special thanks to our Platinum Conference Sponsor ECMC and our Silver Conference Sponsor Inceptia.

In addition, in the spirit of collegiality CASFAA was able to collaborate with WASFAA & NASFAA to bring you a pre-conference session on Need Analysis. This session definitely offers top-quality training and resources relevant to our association’s membership. Developed by the NASFAA Training and Professional Development Committee, and presented by WASFAA Training Committee volunteers who are seasoned financial aid professionals.

On Monday, you can look forward to an evening of dinner and dancing. Be sure to hit the red carpet where you can capture pictures with your colleagues and friends at our very own photo booth!

I would like to take a moment to thank the 2014 Executive Council and all of our volunteers, without you CASFAA would not be the great organization it is today!

Welcome to Anaheim and let’s celebrate our

Seasons of Change!
We would like to thank all the CASFAA members who voted. Congratulations to the elected officers who have graciously volunteered their time to serve CASFAA and its membership. The 2014 & 2015 Executive Council will come together after the conference on November 16th & 17th to ensure a smooth transition into 2015 and for the new executive council to learn more about their roles, governance and our association. The 2015 CASFAA Executive Council will begin their work for 2015 on January 1, 2015.

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<tr>
<th>Position</th>
<th>Name</th>
<th>Institution</th>
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<tr>
<td>President</td>
<td>Sunshine Garcia</td>
<td>CSU Channel Islands</td>
</tr>
<tr>
<td>President-Elect</td>
<td>Scott Cline</td>
<td>California College of the Arts</td>
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<tr>
<td>Vice President-Federal Issues</td>
<td>Anafe Robinson</td>
<td>Pierce College</td>
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<td>Beryl Schantz</td>
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<td>Jr., Cuesta College</td>
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<td>Community College Representative</td>
<td>Robin Darcangelo</td>
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<td>CSU Representative</td>
<td>Michelle L. Rodriguez</td>
<td>CSU-Fullerton</td>
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<td>Gary Nicholes</td>
<td>Fresno Pacific University</td>
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<tr>
<td>UC Representative</td>
<td>Annie Osborne</td>
<td>UC-San Francisco</td>
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Congratulations!
“Unity is strength... when there is teamwork and collaboration, wonderful things can be achieved.”
-Mattie Stepanek
What’s the Scoop?

• Rob Smith is your new Navient Relationship Manager assisting public and private non-profit schools in California and other Western states. If you have Federal Loan servicing or compliance questions, or need assistance with financial literacy and default prevention, please don’t hesitate to contact Rob.

• On September 8, 2014, Yvonne Gutierrez-Sandoval became the new Director of Financial Aid at Rio Hondo College.

• Julie Aldama was promoted to Financial Aid Director at Whittier College. Julie has been with Whittier College for 14 years with 10 of them being in the Financial Aid Office.

• After 14 years of dedicated Service with PHEAA, Diona Brown has been named as the new Public Sector Representative for FedLoan Servicing.

• Jonathan Belanger was hired as Financial Aid Assistant Director at Whittier College. Jonathan is a 2012 alumni of Whittier College and was a work-study student in the Financial Aid office during his time at Whittier.

• David Alcocer who served as the Interim Director of Student Financial Support at the University of California’s Office of the President (OP) in the wake of Kate Jeffery’s retirement from the Director role in June 2012, has moved to the UC systemwide office of Budget and Capital Resources.

• Barbara Hoblitzell has been selected as a policy and regulatory analyst at the U.S. Department of Education working with Carney McCullough at the Office of Postsecondary Education (OPE) in Washington, D.C. Barbara previously worked at the University of California’s Office of the President as an Associate Director in the Student Financial Support unit.

• Arturo (Tito) Covert-Ortiz celebrated one year with the Whittier College Financial Aid office as their front office coordinator, Tito rounds up the whole Whittier Financial Aid team and keeps them all on track.

• Sherrie Padilla retired as Director of Financial Aid at Antelope Valley College after 25 years of service in July 2014. Sherrie is starting a second career as Director of Financial Aid at the University of Hawaii at Hilo. She is loving the complete change of scenery from desert landscape to tropical paradise. And loving the slow island pace!

• Alan Ishida joined Financial Aid TV, an online video publishing company that answers student financial aid questions, as Director of School Partnerships. Formerly with Nelnet, Inc., Alan’s objectives are to educate the financial aid community about available FATV solutions, and to ensure school partners maximize the benefits of the service.

• After 10 years at the University of Southern California, Eileen Scully Brzozowski is leaving her position as Associate Director of Financial Aid due to a relocation to the East Coast. She is excited to take on the role of Director of Financial Aid & Veteran’s Affairs at Eastern Florida State College.

• Justin Jimenez was promoted to Financial Aid Assistant Director at Whittier College. Justin is an alumni class of 2010.

• Ron Lee joins Inceptia as Strategic Businesss Director for the region including Northern California, Alaska, Oregon, Washington and Idaho.
Committee Update

CC Segmental Breakfast & Update

Robin Darcangelo
CC Segmental Representative

We will be kicking off the conference with a breakfast along with some awesome speakers. To begin with, we have Linda Michalowski, Vice Chancellor, Student Services and Special Programs from the California Community College Chancellors Office. Linda will be talking about SSSP and Student Equity and their relation to Financial Aid. She will be talking about Student Success and all of the initiatives going on throughout the state.

Tim Bonnel will be providing an update from the Chancellor’s Office. Rhonda Mohr and Ruby Nieto will be supporting Tim in a panel discussion at the table. All regions will have a roundtable discussion and opportunity to discuss challenges and concerns and then present to the panel for their input. We are looking forward to a great conference!

The CASFAA Executive Council through the CASFAA Training Committee has facilitated the collection and promotion of all web training or online training opportunities available through the various industry partners each month. The webinars can be found by CASFAA members through a monthly email announcement, and all the training sessions are also updated on the CASFAA calendar. Each month there are typically between 30 and 40 web based or conference call training opportunities covering a wide range of topics including debt management and default prevention, return to Title IV funds, creating a policy manual, customer service, communication with students through social media, federal loan servicing tools, and much more. This has benefitted both financial aid administrators by pulling these opportunities together in a single monthly source so they can plan each month on what sessions they would like to participate in, and for industry partners by providing an added promotion of their own information sessions to the CASFAA members. Any industry partners who would like to be included in this monthly promotion should send an email to: thalassa.naylor@salliemae.com for more information on how to promote their session to the CASFAA Membership. A special thank you to Thalassa Naylor for her support and fine work with CASFAA.

STAY CONNECTED ON FACEBOOK

Did you know that CASFAA has its 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/
Access & Diversity Update

CASFAA 2014 Scholarship Winners!!

On behalf of the CASFAA Executive Council and the Scholarship Committee we are proud to announce this year’s recipients for the 2014 CASFAA annual conference scholarships! The CASFAA Executive Council is committed to the legacy of providing scholarships to our membership to assist with subsidizing costs to our annual conference due to budgetary constraints especially during our recent times of economic crisis. The scholarship covers complimentary membership to CASFAA, travel to and from the conference and lodging. Many of our scholarship recipients are attending the conference for the first time! Remember the excitement of your first conference attendance?? We look forward to mentoring the professional development of these honored recipients as new members and future leaders of our association. Please be sure to welcome and greet these scholarship winners at this year’s conference in Anaheim, CA and show them why we love what we do as aid administrators and why our association rocks!!

Proprietary Segment Scholarship Recipient
Venuta Dailey, Heald College

“My ultimate goal is to become a Finance Manager and in the process I want to work my way up to Senior Financial Aid Advisor. I want to make sure that I provide outstanding customer service to students to ensure that they understand the decision they are making about their investment in their future. I want to make sure that I am up to date with new regulations and learn about compliance concerning financial aid. This would help me counsel students in order to help them make informed decisions about how they will pay for school and help them to apply and create a financial aid package.”

Grad/Professional Segment Scholarship Recipient
Jean Moncada, Point Loma Nazarene University

“I just moved to California two years ago and not familiar with state aid. I will learn what our state has to offer. Our institution is expanding our offerings to include degree completion and various certifications which I will be advising these students. I want to become a financial aid officer. This is also a great networking opportunity with other financial aid professionals to compare best practices. I want to be up to date on current regulations and share with my colleagues what I’ve learned.”

Community College Segment Scholarship Recipient
Robert Weinert Jr., Cuesta College

“It is my hope that by receiving a scholarship I will be able to attend the 2014 CASFAA Conference and to develop myself in my new role and for my financial aid community. My career goal is to become a Financial Aid Director at the community college level. The conference will provide me the opportunity to network with colleagues and learn best practices to be an effective financial aid administrator.”

Independent Segment Scholarship Recipient
Kevin Ow, Dominican University of California

“My primary career goal at this early stage of my career is to help improve the student experience of those attending Dominican University. I am an alumnus of the University and I have vested interests in the success of our students and ensuring they transition into a successful alumni. Financial stress is a major detriment to a positive student experience and I want to mitigate those negative impacts by contributing to our office’s level of service and efficiency.”
Committee Update (continued)

CASFAA 2014 Scholarship Winners!!

UC Segment Scholarship Recipient
Justin Ko, University of California-Riverside

“The CASFAA training events are a great opportunity for financial aid professionals to develop a better understanding of the subject by providing a wealth of new information and an opportunity to build and create relationships with others that share similar career goals. By attending a CASFAA Conference I hope to discover ways to get involved with the association activities and participate in events that will improve my knowledge and also allow me to understand how those experiences have found success in their career path. Through the guidance of experienced and tenured veterans I can recognize the different skill sets required to better serve the student population and understand what attributes are necessary to become an effective leader.”

CSU Segment Scholarship Recipient
Nolasco Vicente, Cal State University–San Marcos

“Being the first in my family to go to college was not an easy task but I know it was just the beginning of my career. Furthering my career as a financial aid professional at CSU San Marcos is a dream. I believe CASFAA will help me to understand and connect the knowledge that would help me be a resource to my managers. I hope to gain a better understanding of financial aid policies, increase my efficiency, and overall quality of service to our students, educators, and the community.”

Sallie Mae offers a full suite of products and services, including the Smart Option Student Loan® and Insurance products. For more information visit SallieMae.com.
California Student Aid Commission Update

Diana Fuentes-Michel,
Executive Director California Student Aid Commission

California’s New Middle Class Scholarship and New College Access Tax Credit Fund Bring Relief to Thousands of Students

The California Student Aid Commission has notified 72,965 California State University (CSU) and University of California (UC) students of their Middle Class Scholarship (MCS) award amount. Students can view their award details by visiting www.webgrants4students.org and establishing an online account.

Awards under the Middle Class Scholarship 2014-15 academic year went to 56,984 CSU students and 16,017 UC students. The Commission anticipates making awards to an additional 7,550 in the 2014-15 academic year, in addition to a yet undetermined number of MCS awards to UC and CSU students throughout the academic year.

John R. McDowell, Jr., Chairman of the California Student Aid Commission announced, “The maximum Middle Class Scholarship award for the 2014-15 academic year is $1,710 for a University of California student and $768 for a California State University student. In total, the Commission awarded $53 million in Middle Class Scholarship funds.” He added, “This new scholarship program expands opportunity for California students beyond the state’s Cal Grant financial aid program. In the 2012-13 academic year, the Commission invested $1.5 billion in 260,718 California students through Cal Grants.” The Middle Class Scholarship is funded through General Fund revenues from Proposition 39, which voters approved in 2012.

The Middle Class Scholarship passed unanimously in the State Senate and passed the Assembly with overwhelming bipartisan support. The MCS program is intended to supplement students’ existing financial aid packages. Students are deemed ineligible for the Middle Class Scholarship if they were already receiving “need-based” financial aid packages totaling at least 40% of their tuition from other resources.

Over 385,000 new and continuing undergraduate student families applied for the MCS in 2014. Students awarded a MCS met all Cal Grant program requirements with the exception of the income and asset test because Middle Class Scholarship families are allowed an Adjusted Gross Income of up to $150,000. MCS students are required to maintain satisfactory academic progress (SAP).

California’s New College Access Tax Credit Fund

California’s New College Access Tax Credit Fund is intended to increase the Cal Grant B Access Award amount for California’s lowest-income students to improve higher education graduation rates through $500 Million in available tax credits, in the College Access Tax Credit Fund by leveraging federal tax deductions for charitable contributions. The College Access Tax Credit Fund will provide both individual and corporate taxpayers with a tax credit worth 60% of the amount donated in 2014-15, 55% in 2015-16 and 50% in 2016-17. After three years, in 2017, the College Access Tax Credit Fund program sunsets. The Fund is aimed at increasing students’ Cal Grant B Access Awards to be more in-line with inflation; average 2015-16 student awards may increase to as much as $3,000-$5,000.

*Award amounts represented here are initial award offers subject to change.

www.webgrants4students.org
Welcome to
FedLoan Servicing
► We are here for YOU!

FedLoan Servicing has been assigned by the Department of Education to service your federal student loans. We are dedicated to providing easy and convenient ways to manage your student loans.

FREE BORROWER RESOURCES

ACCOUNT ACCESS - Manage your student loans anytime with Account Access at MyFedLoan.org. You can even make payments on our mobile site from your smartphone or mobile device! You can also check loan balances, model your repayment plan options, request a new payment plan, and much more.

MAKING PAYMENTS WHILE IN SCHOOL - Remember that your unsubsidized loans accrue interest every day. If you can make payments toward that interest now, you can save money in the future! Once you leave school or drop below half time, any unpaid interest will be added to your principal balance, increasing the total you repay.

REDUCING YOUR DAILY INTEREST - Borrow smart and only borrow what you need. Return any excess funds within 120 days of your loans being disbursed.

YOU CAN DEAL WITH IT.COM - Understand your student loans, know your repayment options, and get tips on how to manage money. YouCanDealWithIt.com provides practical advice on how to deal with common financial situations such as understanding student aid, learning effective money management, and dealing with the dangers of credit cards while enjoying the benefits.

Considering a career in Public Service?
FedLoan Servicing is the designated servicer for the Public Service Loan Forgiveness Program. If you plan to work full-time at a public service organization or volunteer full-time with AmeriCorps or Peace Corps, you may qualify to have a portion of your loan balance forgiven.
► Learn more at MyFedLoan.org/PSLF.

Is consolidation your best option?
Consolidation may be right for you if you have loans with multiple servicers, have significant loan debt, have more than one type of federal loan, have loans with variable interest rates, or have trouble paying the monthly amount due. There are advantages and disadvantages to loan consolidation.
► Visit MyFedLoan.org/Consolidation for more information.

We are here to help.
If you are having trouble repaying your loans or have a question, contact us. Loan Counselors are available Monday through Friday 8:00 AM to 9:00 PM (ET) at 1.800.699.2908; or visit MyFedLoan.org 24/7.

Building on PHEAA’s 50-plus years of student aid experience, FedLoan Servicing was established to support the U.S. Department of Education’s ability to service student loans owned by the federal government. FedLoan Servicing is one of a limited number of organizations approved by the Department of Education to service these loans and is dedicated to supporting borrowers with easy and convenient ways to manage their student loans. For more information, visit MyFedLoan.org.
Families who have planned ahead to pay for all years of college (38%), have more options available to them—while those without a plan are more likely to focus on affordability.

That’s one message of How America Pays for College 2014, the national survey conducted by Sallie Mae® and Ipsos. The report also confirmed that parents overwhelmingly believe that college is a worthwhile investment (98%), but at the same time, they are resourceful in containing costs.

Making choices to afford college
This annual study, now in its seventh year, shines a light on some of the choices that families are making to afford college. This year revealed the highest enrollment in two-year public colleges since the survey began (34%, up from 30% last year). In other cost-saving measures, students opted to attend in-state institutions (69%), cut back on entertainment (66%), live closer to home (61%), or live at home (54%). Approximately one-third reported encountering unanticipated expenses, like textbooks and travel costs.

Reaching into their pockets
This year’s study also showed that families reached into their own pockets to cover more than 40% of college costs. Borrowing decreased to cover only 22% of costs, the lowest level in five years.

Planners versus non-planners
Families with a plan to pay for all years of college were less likely than non-planners to restrict their choice of college based on cost. They also borrowed less to pay for school. On the other end of the planning spectrum, families who were the least prepared financially were the most likely to have considered not attending college due to cost.

The importance of guidance
These findings highlight the value of well-informed guidance and support that students and their families continue to need from schools. A well-thought-out plan can help families make the right financial decisions from the outset, reducing the probability that their student will need to change direction after enrolling.

For information and tools to help your students and their families build a plan to pay for college, visit www.SallieMae.com/PlanForCollege.

The full report of How America Pays for College 2014 and an infographic of the major findings are available at www.SallieMae.com/HowAmericaPays. The infographic is on the facing page for you to see.

### How Families Paid for College

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<th>Source</th>
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<tr>
<td>Grants &amp; scholarships</td>
<td>31%</td>
</tr>
<tr>
<td>Parent income &amp; savings</td>
<td>30%</td>
</tr>
<tr>
<td>Student borrowing</td>
<td>15%</td>
</tr>
<tr>
<td>Student income &amp; savings</td>
<td>12%</td>
</tr>
<tr>
<td>Parent borrowing</td>
<td>7%</td>
</tr>
<tr>
<td>Relatives &amp; friends</td>
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</table>

* Numbers are rounded.
Making Choices to Pay for College

There is no single way to pay for college. Families are using a variety of sources and making a number of choices to afford higher education.

98% believe college is a worthwhile investment

38% are college-ready “planners” with a strategy to pay for all four years of college

Students used more cost-cutting measures

Did you know?

Did you know?

Students selected lower-cost schools

The choices families made:

Fewer students enrolled in four-year public colleges

More students enrolled at two-year public colleges

Out-of-pocket spending increased to cover

Borrowing decreased to cover

Families spent more, borrowed less

Did you know?

Most families believe in shared responsibility

Did you know?

College-ready planners use various strategies to prepare for college:

For the full study, please visit SallieMae.com/HowAmericaPays #HowAmericaPays

For help with making a plan to pay for college, visit SallieMae.com/PlanForCollege

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Helping our Future Leaders Achieve their Goals

Rosemary Martinez-Kepford
School Relations Director, ECMC

This time of year is always a great time to look for other ways to help students achieve their goals. Sometimes in the midst of our busy lives we fail to see that right at our finger tips we have resources available to assist us achieve our goals in helping our future leaders. As we start the new academic year, take a moment and think of other ways we can assist students.

For example, ECMC’s charitable affiliate, ECMC Foundation, helps people of all ages further their education goals, particularly low-income individuals, as well as those who may be the first member of their family to have an opportunity to attend college. ECMC Foundation’s innovative outreach programs focus on college access, retention and success. ECMC Foundation helps to make the dream of college a reality for those individuals who may not otherwise have an opportunity to pursue higher education.

ECMC Foundation is working to meet the needs of students, families and educators in California, by providing tools to help school’s better assist the student. For example, ECMC Foundation created PERSIST A Comprehensive Guide for Student Success in Higher Education, to bolster higher education retention and graduation rates. PERSIST provides education professionals at all types of institutions a guide to assess their retention rates, set new targets, and plan retention-focused programs. The guide’s materials support educators in helping students adjust to college, focus on their goals, overcome barriers, and navigate all aspects of college life, from the classroom to the campus community.

Free downloads of PERSIST are available from their website at www.ecmcfoundation.org.

PERSIST® is just one example of the many resources educators and administrators have at their finger tips to help their students. As the seasons change, look for opportunities to explore new resources. As new resources are discovered, take time to help a future leader and share the resources with your colleagues. I wish you all a wonderful fall-filled with success stories and I look forward to seeing you at CASFAA.

Financial Aid in 1-2-3

Poem Submitted by Gregorio Alcantar
Financial Aid Counselor
CSU, Northridge

Hear yee, Hear yee
Do you have at least a 2.0?
If so…then you should know
The Pell and Cal grants are almost yours.

There is only one
App that is for loot
For school and what not
which before you graduate has to be done

But in a split second,
if you miss the March 2nd
you came in second
to grants that is with little chance for seconds

So...if cash for college is your need
it’s easy as 1-2-3
Fill out the FAFSA, it’s free
and together we’ll say it loud...WEEEEEEE

-Gregorio Alcantar March 2014
Competing for Students in the Age of Stop & Think: _______

Cost, Value, and Debt

Carmen Dominguez, Manager, Higher Education Partnerships, American Student Assistance

While a college degree continues to be the most important driver of future earning potential, students are beginning to evaluate their college decisions differently: assessing the long-term value of a degree and taking new, unconventional paths to degree completion. As tuitions rise and employment prospects remain uncertain, university administrators find themselves facing new sources of competition for students, including the decision to forgo a college degree altogether.

According to U.S. News & World Report, in 2013 overall college enrollment fell for the second year in a row. “Four year, for-profit colleges had the largest enrollment decrease at 9.7%, followed by two-year public colleges at 3.1%.” While enrollment did increase at both four-year public colleges (.03%) and private, nonprofit colleges (1.3%)\(^1\), the numbers have been dramatically lower than in previous years—and seem to be declining at a disconcerting pace.\(^2\) Attracting and retaining students has long been a top concern for colleges. Alongside the need to maintain a high-quality faculty, big-ticket investments, such as the construction of new facilities—whether they are for learning, living or athletics—have put additional pressure on colleges and universities to deliver against increasingly efficient business models. Then there’s a whole new set of non-traditional competitors to think about as well, as for-profit universities and Massive Open Online Courses (also known as MOOCs) have surged in popularity.

There are those who argue that the benefit of a college education is measured by factors beyond just the material covered. As Daniel Luzer, a blogger for Washington Monthly, put it, “Why do students need to pay $33,000 a year to sit in a classroom? Well, because college isn’t just a delivery of a lecture. Actual learning is much more complicated than that, and usually requires people to be in a classroom.”\(^3\) Luzer’s argument does have merit. However, when considering the implication of years and years of debt, the experience of the classroom and campus environment may be increasingly viewed as a luxury, and not a necessity, when considering educational options.

The arguments for or against college tend to circle around a universal theme: Money. Justifiably so. It’s about value and return on investment. It’s about graduation rates and employment prospects. And it’s certainly about student loan debt.

While critically important, employment prospects and future salaries are things that university administrators have little control over. But helping students become more financially savvy about student loans is an area schools can—and should—address.

It’s important for schools to take a proactive role in helping students become more responsible borrowers and better informed higher-education consumers. A Responsible Borrower Program, properly implemented and supported, can become a key asset in an institution’s overall educational and wellness offering—in effect, a critical ingredient in the school’s competitive differentiation.

Responsible Borrower Programs are becoming an important new tool for universities to proactively prevent student loan delinquency and default. On a deeper level, comprehensive financial literacy programs can positively impact a university’s standings as things like The College Scorecard and rating systems become more prevalent. Of course, there are the perceptual benefits: a student who feels better about their loans feels better about their college experience. Graduates who are prepared for their obligations can more effectively manage their loans and gaining that kind of fiscal capability is what college is ultimately all about.

For more information about the underlying causes of the change in student enrollment, alternative paths to education, changing consumer attitudes, and the emerging value rating systems, and the role student loan debt plays in decreasing enrollment, please visit asa.org where you can access the full white paper and also share with your colleagues across campus.

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Critical Moments: Student Borrowing

Before, During, and After College

Despite concerns over mounting student debt, financial aid and student loans continue to be a vital tool for enabling college access. In the effort to turn the tide of delinquency and default, it is important to consider the student loan lifecycle as a whole—and to understand the challenges and opportunities faced both by students and university administrators at each step along the way.

It’s a common situation that begs a number of fundamental questions:

• Why don’t students understand student loans?
• Why are they caught so off guard when payments come due?
• And why do they wait until things are so bad before they get help?

The answers may be intrinsic to the way schools approach student borrowing. One way is to view the process as three distinct transactional moments: Loan Application, Loan Disbursement and Loan Repayment. Alternatively, student borrowing can be seen as a continuum in which borrowing decisions are informed, positive behaviors are learned and reinforced, and ongoing support is provided. With each of these views come important ramifications.

Before School: Caveat Emptor or Informed Borrowers?

Students spend years preparing for college, and months applying to schools. When acceptance letters finally arrive, a whole new world comes into focus—and with it a flurry of financial decisions to be made. Meanwhile, college and universities are focused on providing access to education; ensuring students get the funds necessary to attend school.

During School: Out of Sight, Out of Mind?

The gap between borrowing for school and entering repayment is long, busy, and often exciting, as students focus on classes, extracurricular activities, and living the life of a college student. Thinking about loans—and how much they are borrowing to fund the experience—simply isn’t top of mind.

After School: Collections Agents or Empathetic Counselors?

Graduation is one of the most exciting and overwhelming times in a person’s life. And then the reality of student loan repayments truly sets in. Immediately after school, students enter a critical grace period before they must begin making payments. While some actively search for guidance, it’s often not until they enter the workforce that graduates finally (and fully) realize how much they’ll be earning—and how much of their monthly paycheck goes straight to loans.

For more information about the continuum of borrowing as well as reactive and proactive approaches related to the three time periods listed above, please visit asa.org where you can access the full white paper and share it with your colleagues across campus.

For more information about the continuum of borrowing as well as reactive and proactive approaches related to the three time periods listed above, please visit asa.org where you can access the full white paper and share it with your colleagues across campus.
3 Key Components of a SAP Policy

Dianne Fulmer
Director, School Partnerships
Financial Aid TV (FATV)

Knowing that federal regulations require that each school review each student’s Satisfactory Academic Progress (SAP) in order to continue to receive federal student aid, it’s essential to ensure that your school’s policy meets their standards. Every school’s SAP policy must include these three key components:

1. A qualitative measurement component, such as a grade point average (GPA)
2. A maximum timeframe of program completion
3. A quantitative measurement component, referred to as the student’s pace rate

Each component measures success in reaching students’ goals of program completion. The qualitative may be the same for all students (i.e., at least 2.0 GPA) or may be different by grade level or program (i.e., at least a 1.75 GPA for first and second year students, and 2.25 GPA for third and fourth year students).

The maximum timeframe of program completion works hand in hand with the pace rate, a quantitative component. For undergraduate and clock-hour programs, students must complete their academic programs within 150% of the published program length. For graduate programs, schools must establish a maximum timeframe.

To measure the maximum timeframe, schools use the maximum timeframe to assess the cumulative number of credits/ hours/units earned by the cumulative number of credits/ hours/units attempted. Similar to the qualitative component, some schools publish a fixed pace rate as a percentage for all students (i.e., 67%) whereas others may differentiate by year in school or degree (i.e., 65% for first and second year students and 70% for third year students and beyond).

Since SAP compliance is consistently in the top ten audit and program review findings, check out your school’s policy to ensure that you define these three standards.

SunTrust Bank offers students the Custom Choice Loan® to help fill the gap when federal loans, scholarships, and grants aren’t enough.

suntrusteducation.com
We all know that planning ahead is an important step in any success story. But when it comes to default management, having a strong default prevention plan can help you provide your students with the guidance they need at every stage of their college experience in order to successfully repay their loans. We’re here to answer your questions about default prevention plans, as well as offer some helpful tips about creating your own default management success story.

Why Create a Default Prevention Plan?
With loan default and delinquency rates increasing for most institutions, creating a default prevention plan establishes solid, obtainable default prevention goals for your school. Since the 3-year CDR officially takes effect this year and a majority of schools’ 3-year trail CDRs were higher than the 2-year CDR, having a clear path to default prevention is more important than ever. Your plan can serve as an outline for school-based initiatives, as well as protect the integrity of loan programs. Creating a well-defined default prevention plan demonstrates your school’s commitment to default prevention. And most importantly, it helps you maintain your dedication for doing what’s right for your students.

How is a Default Prevention Plan Created?
While developing a comprehensive default prevention plan may seem overwhelming, putting a plan in place is easier than you think. Here are a few tips to help you get your plan together on the next column.

Additional information about Great Lakes can be found online at schools.mygreatlakes.org/.

- ✔ Develop a Plan to Meet Your Needs. Use the default management data available to you, and sculpt your plans to fit your unique situation. The U.S. Department of Education and federal loan servicers are helpful resources.

- ✔ Identify Intervention Points to Reduce Default Risk. Identifying students who may be at risk for default and defining specific points at which to intervene with those students should a big part of your default prevention plan. Be sure to leverage intervention opportunities from enrollment through grace and repayment in order to help struggling students before problems occur.

- ✔ Specify Who is Responsible. Designate individuals responsible for each task in your default prevention plan up front so that everyone on your team knows their roles and how they contribute to your school’s overall success.

- ✔ Create Measurable Goals. While you’re planning, it’s a good idea to build in goals and a schedule on which to evaluate your progress. Whether it’s quarterly, twice a year, or annually, take time to look at what parts of your plan are working, as well as where tweaks are needed.

- ✔ Put Your Plan in Writing. Once your plan is developed, be sure to write it down. Having a clearly-defined, realistic plan in writing will ensure you have something solid to refer to when questions arise, as well as giving you a great “ruler” for measuring goals and success.
Insourcing or Outsourcing: Which Is Right for Your School’s Default Prevention?

Chris Jordan
Account Executive
USA Funds

If your institution is stepping up efforts to manage its cohort default rate, a key question to consider is: Who should do the default prevention work?

Can your institution and its staff manage default prevention activities? Should you contract those efforts to third parties? Or should you take a blended approach involving some in-house activities and some activities contracted to others?

General considerations
As you evaluate who will handle your default prevention activities, start by considering these high-level questions:

How does default prevention fit with your school’s mission?
• Is there a firm commitment and buy-in from leadership?

What are your default prevention goals?
• Are you working only to maintain your existing cohort default rate?
• Are you trying to reduce your rate?

Will you leverage existing relationships with your students or work with an outside entity?
• Who knows your students better?
• Who is the trusted adviser?

What are the necessary resources?
• What are the staffing requirements?
• Do you need additional infrastructure, tools or resources?
• What are the expected expenses for outsourcing?

How will effectiveness be measured?
• What types of reports or tracking will be provided and how often?

Pros and cons
Next, consider the plusses and minuses of each option for performing the default aversion activity identified by your institution.

Insourcing: Performing default prevention activities internally leverages the existing relationships you already have with your education loan borrowers.

Determine your current and projected account volume levels and portfolio amounts.

Outsourcing: Supplementing default prevention efforts through an external entity offers assistance for schools that may not have the tools and resources to perform all activities and functions.

Evaluate whether vendors can — or should — cover the entire portfolio.
• Does it make sense to use a vendor for skip-tracing or for late-stage delinquencies?

Consider the budget for using external vendors.
• Will the investment occur at the beginning or will it be spread out over time?
• Is an auto-dialer a good option?

How will the vendor contact my borrowers?
Ensure experience, competence and financial strength of vendors.
• Are the financial statements available in the annual report?
• Do vendors have strong ties with lenders and servicers?

Conduct regular business reviews and audits.
• What are the defined goals and performance standards?
• Are there established benchmarks to monitor over regular periods of time?

Identify internal resources and campus partners to be involved.
Consider the necessary staff resources.
• What is the staff reporting structure?
• Will staff be dedicated only to default prevention activities or a combination with other responsibilities?
• What are staff working hours? Will they be available after normal business hours and on weekends when borrowers are most likely to be available to answer phone calls?
• What kind of training will be required?
• Is an auto-dialer a good option?
• Could scripted, recorded calls be used?

Determine which tools and infrastructure will be required, and evaluate the financial strength of potential vendors.
• Will you purchase software?
• Will you license a Web-based application?
• Will you build a custom tool in-house?

Develop policies and procedures.
continued on next page
Develop an incentive agreement and revisit it on a regular basis.
- What is the incentive for cures that occur during the cohort window?
- Is there a rebate percentage for non-performance, default or missed objectives?

**Blended approach:** A third option is to manage some of the default aversion activities in-house while contracting out services that require more specialized staff, technology and processes. For example, skip-tracing borrowers for whom current contact information is not available is a specialized service schools frequently outsource.

### Improve Your Future Cohort Default Rates

#### Follow These Eight Tips

The U.S. Department of Education distributed 2011 three-year cohort default rate notifications to schools in September. Are your school’s rates higher than you’d like?

If so, now’s the time to beef up your default prevention efforts to help make sure your future rates improve. Eight tips can help guide your work:

1. **Communicate with borrowers at key decision points.**
   Think of the life cycle of a student as having four phases: application and first 90 days, in-school, final year and award completion, and post-graduation. Each phase represents a new opportunity to make a difference. Tailor your methods and messages according to the stage in the life cycle of the student, and you’ll be communicating what they need to hear when they need to hear it.

2. **Introduce financial literacy programs.**
   Many schools today are recognizing that financial literacy is a key component of a college student’s educational experience. If your school has a required student success class for new students, for example, your school’s financial aid staff could conduct a financial literacy workshop during that class. The presentation could cover budgeting, saving, credit and credit card management, identity theft, federal loans, consumer loans, and repayment options on federal loans.

3. **Communicate across campus.**
   Too often, when a concern is related to financial issues, other campus offices consider that concern to be the sole responsibility of the financial aid office. But default prevention should be a school-wide effort. Student success includes leaving campus with manageable levels of debt, equipped with information to successfully pay back student loans. Everyone has a vested interest in helping make this success possible.

4. **Focus on retention and student success.**
   The Department studied its student loan portfolio and found that more than 70 percent of students who defaulted on their federal education loans left school before completing their programs. Many schools now are dedicating staff to student retention activities, in an effort to boost student and school success and reduce default rates.

5. **Identify and counsel at-risk students.**
   Know which types of your students are most likely to default on their education loans. Whether you’re studying data or polling students about their concerns directly, learn the key indicators of default risk at your campus. Once you create a profile of your at-risk students, then you can develop a data-driven plan that works.

6. **Use timely and accurate enrollment reporting.**
   This practice not only is a regulatory requirement, but it also promotes school and student success. You’ll help ensure that your borrowers who are in school continue to qualify for deferment, and that those who leave school enter their grace and repayment periods on the correct dates. Having accurate separation dates on file for your students places them in the correct cohorts when calculating default rates.

7. **Review NSLDS and repayment information.**
   Regularly look at your reports from the National Student Loan Data System to promote good debt management for your students — and simplify your life as well. Use the data to inform your outreach to borrowers once they leave school. And keep tabs on the accuracy of your NSLDS data to make it less likely that you’ll need to challenge draft cohort default rate data. USA Funds Borrower Connect™ also offers on-demand reports to help you gauge your borrower communication efforts.

8. **Maintain contact with former students.**
   Start your outreach to former students early in their grace periods, when they need guidance from a trusted adviser to get off on the right foot in repayment. Staying in contact and assisting borrowers who become delinquent in making their payments will help you get them back on track and prevent default. Use targeted strategies to assist your borrowers who already have defaulted as well.

**Learn more**
Visit the USA Funds website at [www.usafunds.org](http://www.usafunds.org) to learn more about default prevention tools to assist with borrower communication and financial literacy and student success training.
Working to Curb Default? Enlist Students’ Help

George Covino
Vice President for Consulting
USA Funds

If you’re following the best practice of involving many areas of the campus in your default prevention efforts, are you including students in that mix? If not, you’re missing a valuable resource for driving home messages about debt management, financial literacy and student success.

When trying to effectively communicate to students about the importance of completing their education and repaying their student loans, it’s important to enlist the help of current and former students to spread the word. Students relate to their fellow students, and their message often resonates better than anything a faculty or staff member can do or say.

Here are a few ways to include students in your default prevention efforts:

Peer mentoring. I’m a big believer in this approach, which has been successful at a number of schools. Your students most likely are going to discuss money matters with their peers on campus anyway, so why not make sure they’re hearing from peers through a formal mentoring program that offers guidance based on accurate, relevant information?

Entrance and exit counseling. Student testimonials make a strong statement, so include in loan counseling current and recent students who can speak to the lessons they learned about borrowing for college. These current and former students can provide valuable information about how to successfully manage debt, based on their own money management successes and failures.

Financial literacy presentations. Train a group of students to be financial literacy presenters. Whether in classes or at special events, these students can follow a prescribed set of lessons that provide helpful information about financial literacy and succeeding in higher education.

Need more ideas? Check in with student government, professors, student-employees and alumni relations staff at your institution to find current and former students who can help you with your plans.

Add These Pieces to Your Default Prevention Toolkit

From measuring and analyzing data, to using social media to reach borrowers, a variety of common strategies are in place at schools that are successfully preventing student loan default.

This new toolkit for student loan default Prevention includes the following eight steps that many schools have taken to lower their cohort default rates.

1. Combine default prevention efforts with a focus on student success. Schools that have seen reductions in their default rates do not focus on default prevention alone. At these schools, default prevention is either part of a larger student success effort or part of a retention effort, and all work together to keep students on track and prepare them up to handle their debt after they graduate.

2. Establish ways to measure the success of your work. The key is analytics and reporting: Schools should consider data regarding what is working — and what isn’t working — to inform their plans for future default prevention initiatives.

3. Get institution-wide commitment. USA Funds’ staff often have encountered institutions that, at first, thought of lowering the cohort default rate as a priority for the financial aid office only. The best default prevention programs are campus-wide efforts, however.

4. Take a life-of-the-loan approach. Campus default prevention work ranges from messages in weekly school bulletins and kiosks on campus, to in-person exit counseling, to outreach by phone and email once borrowers leave. One successful approach is to contact borrowers with assistance early — during their grace period — using targeted approaches with tools like social media. The messages in social media should be “actionable.” Give students something quick that they can respond to very easily.

5. Be proactive in lowering your default rate. Schools should examine reports for current and upcoming cohorts of borrowers to predict default rates. Taking a proactive approach...
also includes reaching borrowers before they encounter repayment problems.

6. **Enlist the help of students.** Many schools that USA Funds has assisted have found that peer counseling, financial literacy education presented by students, and programs led by student organizations and student leadership often yield positive results. When planning default prevention activities you might want to consider how you can involve current students.

### ‘Triple-A’ Approach

**Gets Entire Campus on Board With Default Prevention**

Student loan default prevention should be a campus-wide endeavor, and efforts to begin this all-encompassing approach should start at the top.

But getting the support of your institution’s leadership and others may take some work. When I help schools with default prevention, I suggest that they lay out the importance of stopping student loan default by using the “Triple-A” approach with administrators and other groups across campus.

Here are those “A’s” and how to put them to work to change the culture at your school:

**Awareness**

Historically school personnel have seen default prevention as an issue of the financial aid office alone. But it’s important that campus officials understand that default prevention actually is the responsibility of the entire school. Help them with that understanding by educating them about the institution-wide impact of the cohort default rate.

Recently I met with a group of faculty and staff at a campus that was experiencing an increase in its cohort default rate. I let them know that more than 80 percent of that institution’s funding came from federal Title IV programs — and that this Title IV funding could be in jeopardy if their cohort default rate continued to rise. I challenged them to imagine if that funding no longer were available.

That explanation helped faculty and staff to understand the seriousness of the situation facing their school. Being clear about the implications of a high cohort default rate can help administrators, faculty and staff to see the importance of default prevention at your school as well.

**Accountability**

The cohort default rate is a measurement of how well a school manages its federal financial aid programs, so each school is held accountable for its rate. Most financial aid offices alone do not have the capacity to effectively and consistently provide students with the breadth of default prevention and debt management information necessary to keep those all-important default rates low.

So, once you have school administrators on board, ask that they lead the way in spreading the word about the importance of default prevention. Again, challenging everyone on campus to consider the consequences of student loan default can help in encouraging them to step up to the plate.

For example, when your faculty think of their former students who later defaulted on their loans, do they think they could have done more in the classroom to prevent those students from defaulting? Would those faculty members be willing to offer extra class credit to those who take part in financial literacy and student success training?

**Action**

There are many default prevention tactics that your school can include in its current processes. But you also need a broad strategy, and that should begin with the formation of a default prevention task force and creation of a debt management plan — regardless of whether the U.S. Department of Education requires those actions from your institution.

Include representatives from a variety of areas on your task force, including student leaders and information technology staff. Build in ways to analyze trends in your school’s student loan data that can inform your default prevention planning.

And don’t forget one of the most crucial parts of implementing a default prevention plan: tracking those efforts to lower your cohort default rate. Too often schools believe that if they have a default prevention plan in place, that alone will reduce their default rates. But there is a difference between simply having a default prevention plan and actually conducting cohort management activities that are data-driven and measurable.

**Learn more**

If you need default prevention assistance, contact USA Funds at https://support.usafunds.org/ContactUs, or visit the USA Funds website at www.usafunds.org.
Five Quick Steps to Navigating the National Student Loan Data System (NSLDS)

Pat Robles-Friebert
Strategic Business Director
Inceptia

The world of financial aid is broad and complex. From policies that span federal requirements to internal guidelines and everything in between, financial aid professionals are challenged to provide all of this information to students in a way that makes sense and engages them in managing their educational finances. Easier said than done, right?

Luckily, there are tools like the National Student Loan Data System (NSLDS) that empower students to manage their federal loan borrowing as they progress through school. To help you guide your students towards utilizing this site we thought this quick overview on the basics of NSLDS may be a helpful resource for you to share with students.


Paying off student loan debt can feel like a long and complicated process for the students you advise. So give them all the goods! By guiding students towards useful online tools like NSLDS, it is easier than ever for them to keep tabs on the details of their loans so they may repay their debts successfully. They can feel more confident about their loan status with just a few quick clicks. Be sure you advise them to log on today to get started!

continued on next page
Five Quick Steps (continued)

2. Click “accept” on the next two pages. These pages simply provide details regarding privacy rights and the NSLDS’s security measures, as students will be entering sensitive information - like their social security number - into the system. NSLDS wants to assure you their website has a safe and secure online setup.

3. Student borrowers may log in to the system by entering their social security number (SSN), the first two letters of their last name, their birthdate, and the same federal PIN used in order to sign up for FAFSA. Click “submit” to enter.

   Please note - many student borrowers may not remember their assigned PIN, but don’t fret. It is easy for them to recover their pin by visiting www.pin.ed.gov. By simply clicking on “request a duplicate PIN,” entering ID information and answering a quick security question, they can gain immediate access to their PIN.

4. Student borrowers can now view their profile, including all federal loans and grants in their name. Something important to note: this summary isn’t all inclusive. If a student also has private loans, or if their parents have outstanding parent PLUS loans, these will not be listed on NSLDS, so borrowers will need to tally these debts separately.

   Under the profile page, simply click on the number icon to the left of each loan to view the details associated with each loan (see below for more info). Keep in mind that each loan may have a different servicer, so you should advise borrowers to familiarize themselves with each of their loans’ specific details.
5. Once the number icon to the left is clicked, borrowers can view details like which type of loan it is, the current status (i.e. in grace period, in repayment, loan originated, etc.), the principal amount of the loan, and any interest that has accumulated.

Details on the “current servicer” of each loan are also available. This is notable because student borrowers are able to reach out to this contact for any questions regarding that particular loan and to discuss repayment options. Many student borrowers aren’t keenly aware that their loan servicers are often willing to proactively work with them to provide a multitude of repayment options to help prevent default.
• Use schools.mygreatlakes.org to conveniently access all the tools, data, and reports you need to help your students.

• Reach out to students at every stage of the loan cycle with our extensive default management resources.

• Save time with our comprehensive private loan processing solution, offering the best features and support in the industry.

• Enjoy personalized support and accurate answers from your dedicated Great Lakes representative. And our Client Services team is the best in the biz when it comes to finding operational solutions.

• Meet your critical training needs and stay a step or two ahead with free SmartSessions™ webinars.

When it comes to student support and outreach, our helpful people and easy-to-navigate resources provide the foundation for a successful, long-term strategy.

For more information, visit schools.mygreatlakes.org, call (888) 686-6919, or contact your Great Lakes representative.