FASFAA Newsletter

FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

Winter 2007

Letter From the Editor

Greetings to all of you and Happy New Year. I am truly excited to be involved in FASFAA as the editor of our newsletter. In this first newsletter of 2007, you will find information of value and some pretty interesting reading. The topics are broad-based and include: loan program reviews, dealing with difficult students, and how one of our universities has found a unique way to assist foster youth—just to name a few.

Our FASFAA newsletter will be published a minimum of twice each year, for now it will be a winter and summer edition. The deadline for article submission is listed below. The plan is to keep at least one previous newsletter available via our website so you can access previous information.

My thanks to all of you who submitted articles and information for this newsletter and I look forward to hearing from more of you as the year continues.

Respectfully,

Martie Adler
FASFAA Newsletter Editor

FASFAA Newsletter Publication Schedule

Winter Edition	Published Between: February 1-15th
Summer Edition	Published Between: August 1- 15th

Articles and advertisements are to be delivered to the Newsletter Editor no later than December 20th (for winter edition) and July 2nd (for summer edition).

Information should be sent as a Word attachment, Tahoma, 10 Pitch, to Martie Adler at **madler@amsa.com**. You may contact Martie Adler at: 407-865-5767, if additional information is needed.

The FASFAA Newsletter is published for its members. Articles submitted by any person, company, or organization to the editor prior to the publication of the newsletter will be considered. The newsletter committee reserves the right to reject, edit for content, or edit for length any article or information submitted for the newsletter. Articles must be intended for the benefit of FASFAA members and not for company marketing or promotional purposes.

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FLORIDA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

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UCF Finds Unique Way to Assist Foster Youth Find Out About Higher Education

Submitted by: Diane Reitz.

The following article was published in the November 8, 2006 issue of the NASFAA Daily Newsletter. This effort by the University of Central Florida was conducted as a community outreach specifically focused on foster youth in central Florida. Eugene Manselle III completed all of the website work done on this project.

U. Of Central Florida Targets Aid To Foster Youth

The University of Central Florida's Office of Student Financial Assistance has **added a section** to its Web site that provides information, inspiration and resources to help foster youth enter and succeed in higher education.

UCF launched the foster youth resources for the 2006-07 academic year after learning from NASFAA reports about the many challenges foster youth face. The program targets foster youth in the Central Florida area, whether they attend or plan to attend, UCF or any other college.

The information for the Web site was gathered by directly contacting the foster care organizations in the institution's community, including the Department of Children and Families and Family Services of Metro Orlando.

UCF encourages NASFAA members to visit its Web site and review the information provided so far. The Web page is a work in progress, according to Diane Reitz, senior programming computer analyst for UCF's Office of Student Financial Assistance.

The site currently includes:

- **A Foster Youth Timeline to help foster youth and their influencers develop skills to prepare these youth for independent living**
- **Testimonies from UCF students to highlight the importance of college and encourage foster youth to pursue higher education.**
- **Resources for Foster Youth to direct youth to places that provide support.**
- **A Preparing for College Checklist to help youth start planning for college as early as sixth grade.**

"We are quite proud of this project," Reitz noted in an e-mail.

UCF has also created a poster to display in the Ninth Judicial Court and in other areas recommended by its project partners so foster youth can see the posters and learn about higher education opportunities.

Posted November 8, 2006 on www.NASFAA.org, the Web Site of the National Association of Student Financial Aid Administrators (NASFAA). Copyright 2006.

Diane Reitz is a Senior Programming Computer Analyst with the University of Central Florida and a member of the FASFAA newsletter committee.

Earplugs and Padded Walls?

Submitted by: Mona Ghuman

It's 9 am Monday morning and you're on your way to the break room trying to put the thoughts of the hectic weekend behind you. You're not sure how, but somehow you'll find a way to survive this busy "peak" week. After grabbing a hot cup of coffee, you sit down on your cozy chair and take a deep breath, awaiting the surprises the future may hold. As you glance around your office, you wonder if you should put in a request for padded walls to protect the few precious items that you've managed to guard from being shattered into pieces. You can't have another hand crafted vase abused by an irate student who can't understand why he's not eligible for more Pell grants. Or maybe you'll need to pull out those earplugs you safely placed in a nearby drawer to avoid the lovely jargon the students flatter you with because they're stipend isn't disbursed when they feel it should have been. You let out that deep breath you've been holding in and sigh as you think, there has to be another way to deal with these difficult students.

If this sounds like a recap of some of your days, below are a few techniques you can practice in order to help you deal with the more difficult students.

✓ **Let the student vent out their frustration.** You'll find a student and/or parent just wants someone to listen to why they are feeling frustrated before the actual problem is resolved. Try not to feel it's a waste of time listening to them vent. Instead, show empathy by nodding and agreeing where appropriate. This shows you care and understand their feelings and frustration. Maintain eye contact to show you are listening to every word and hold back from interrupting. Once they've let out their frustration, let them know you understand why they are upset and you are available to help them every step of the way.

✓ **Leave "escape" files outside your office door.** When a student and/or parent starts to get out of control, inform them you are going to grab another file. Inside the file, keep positive quotes to help calm you down. Once you've relaxed, walk back in with the room with the file. The student/parent will just think you've grabbed additional information to provide them with and may also have given you time to unwind.

✓ **Agree on a solution.** After you've collected all the facts and data, come up with a solution that you and the student and/or parent find acceptable. If they haven't expressed what will make them happy, it never hurts to ask. If you're not aware of policies or procedure or you have to get approval, let the student know you have to do further research but will get back to them within a specified time.

✓ **Be aware of the cultural barriers.** It is impossible to be knowledgeable of every culture's traditions and customs, however, there are common customs throughout the majority. Some cultures feel it is disrespectful to address someone older by their first name. Use salutations when addressing parents. Also, if a student or parent is not fluent in English, try to make them feel comfortable by inquiring if anyone in the office speaks their language. If not, avoid using slang and be sure they understand the FA process. Some cultures nod and say "yes" to show you they are listening, however this may not necessarily mean they are understanding you.

✓ **Develop a code system around the office to alert another advisor you may need someone to "cut in"**. If you're not able to calm the student or parent, ask them to wait a moment while you grab another advisor who may be able to help. This may help them relax if another individual takes over. They may be too frustrated to want to speak with you and would rather start over with someone else. You may find they have a completely different attitude with the new advisor.

✓ **Don't blame the student.** Students don't understand that you can't run after them around campus to remind them to renew their FAFSA. They don't want to hear they are the reason their Financial Aid is held up or that their procrastination caused them to miss out on a grant. Instead of saying, "You should have filled out your FAFSA weeks ago." Take the blame away from the student and say, "Lets make sure you don't miss out on any grants in the future. Come in early each semester and ask about your Financial Aid status." Even though they may have missed out on something this time around, your positive words will give them something to look forward to the next time around. They won't feel they have completely missed out on everything.

✓ **Follow through.** If you've promised the student you will take care of an issue, don't wait until the student inquires about it again. Be proactive and take care of it immediately. The student will feel you really do care and will appreciate your assistance.

✓ **Follow up.** Call or email the student after a few days to make sure they are happy with the solution or if they have any other additional questions. The student will appreciate your call or email and will feel they can have faith in not only you but the entire office.

These are some techniques that may help you get through a rough day in the office. Just remember students and parents want to feel as though someone is there to help them. It's easy for them to blame you but it's up to you to redirect that anger. Challenge yourself to see how many students walk into your office upset, but later walk out happy. You're there to help the individuals who walk into your office, so make them feel that they are important to you and that they are you're number one priority!

Mona Ghuman is a Client Training Manager with Citibank - The Student Loan Corporation.

How to Correct Errors on Your Credit Report

Submitted by: Tom Anderson

Have you checked your credit report lately? If you haven't, you should. Your credit report may contain inaccurate or outdated information, like accounts mistakenly attributed to you, credit applications you didn't complete, old home address, outdated employment information, and old collection activity that is still being reported.

The three major credit bureaus, **Equifax, Experian**, and **TransUnion** may have slightly different information about you, so it's best to order your credit report from all three bureaus. You can obtain a free annual credit report online at: **https://www.annualcreditreport.com/cra/index.jsp.**

When you receive your credit reports, you should examine the reports thoroughly for errors and omissions. If you find an error, contact the credit reporting agency in writing, and tell them the specific information that you believe is inaccurate. **The Federal Consumer Information Center (FCIC)** has suggested that you enclose a copy of your credit report with the item(s) in question circled.

Within 30 days, the credit bureau will investigate the items in question by forwarding all relevant information you provide to the *information provider* (lender, creditor, or other business that reported the information). The creditor is required by law to investigate your complaint and report its findings. If the disputed information is an error, the creditor must notify all nationwide credit bureaus, so they can correct the information in your file.

Tom Anderson is with American Education Services (AES).

Dancing With Change

Submitted by: Martie Adler

On any given day, I have the opportunity to observe how change affects me and those around me. As I see the variety of responses to change I begin to see the dance. Sometimes we have a partner, sometimes we do not. At times it is like the quick step, or maybe a tango or even a line-dance. **How gracefully we move with the change determines the quality and length of the dance. And, how we approach it determines how we experience it.** Just as in dancing—when we allow ourselves to move freely in rhythm with the music with no thought of how we look or how good we are—the level of enjoyment and freedom is high. When we approach dancing with fear or trepidation we don't enjoy the activity and may not even hear the music. Then there are times when we want to sit out the dance!

The real question is, **why is it that so many of us have a difficult time with change** (whether we acknowledge it or not)? If you read even a few of the books available on *change management*, you can quickly begin to identify and understand that our responses to change are tied to psychological and emotional triggers. Triggers like: the need to believe we have control, disagreement with the change, a belief that there is a better way, and of course…fear. Even if we acknowledge that these types of personal responses are a part of our life, how can we begin the process of responding in a different way? We begin by observing our response, acknowledging and owning our response, identifying the underlying beliefs that triggered the response, and looking at change as an opportunity for growth and self-awareness.

The emotional responses we experience when facing change are actually the initial invitation to the dance. Our beliefs, and the resulting fears, are the catalysts for our response to change.

Shall We Dance?

The emotional responses we experience when facing change are actually the initial invitation to the dance. **Our beliefs, and the resulting fears, are the catalysts for our response to change. Our beliefs are often so ingrained that we may**

not be aware of the influence they have over us—even after we have responded—yet those very beliefs are behind our reaction to change. Let's look at a few examples of triggers. In our industry, change mandated by the government happens frequently, and quite often we may not agree with it. In cases like this, we may not react, simply because we believe that there is nothing we can do about it. If this type of change does not trigger an emotional response, could it be that after years of experience we have come to believe that we have minimal or no control over these changes? If the belief that we have no control in a particular situation results in little or no emotion in our response, what happens when an event forces change to something we thought was in our control? That's when the emotion starts to rise and the dance really begins! What if a Director from another department began to assign work to one of our team members without our knowledge and agreement? I suspect there would be an emotional response of some nature. Why? Because in this circumstance we believe we have control. I also suggest that in both of these examples, our beliefs are so ingrained that we wouldn't even be aware of them--they would simply trigger our response. Our beliefs about control will play an active part of learning the dance.

Learning the Steps

As we begin the dance we start with learning the steps. **Once we have practiced them long enough, we no longer have to think about the steps** we simply allow ourselves to enjoy the movement and music. It is exactly the same experience when we practice modifying our response to change. Lesson One: begin to observe yourself (the emotions that arise) as opportunities for change come your way. An employee wants to change a process, the government wants to change part of a financial aid program, or your boss wants to reorganize the office. Lesson Two: as you begin to observe the thoughts (and subsequent emotion) that arise when faced with these changes, simply acknowledge that the emotion is present and identify the nature of the event that triggered the response, for later contemplation. This step is an important one because it will assist you in determining why you are resisting the change. Lesson Three: you then start the process of identifying your underlying beliefs and companion emotions that are being triggered. **This process sounds quite simple but in reality it is the most difficult step for most of us because it requires a level of objective self-study and some pretty radical honesty.** When you begin to see how your beliefs influence your responses, you can then move toward modifying them. And finally, Lesson Four: you begin to view change as an opportunity.

The management of change always begins with the individual and then can be moved to the team, departmental, and organizational levels. With the strength of resistance many people have toward change, it is critical that we begin with ourselves and then coach others along the same process. A work environment where each team member recognizes and understands dancing with change creates a platform for creative and positive interactions and, increased productivity and teamwork. It also allows us to spend our time focused on work and our customers, not the emotion.

In part two, we will review some dance routines that can be used to actively shift our "triggered" responses to ones that are more positive, healthy, and creative. We will also identify methods we can use to begin the process of modifying our response to change thus experiencing the dance in a whole new way. In part three, we will explore methods that can assist the entire organization in dancing with change. Until then, enjoy the dance!

Martie Adler is a consultant with American Student Assistance-Professional Services.

Campaign Launched to Educate Students and Families about Responsible Debt Management

Submitted by: Paula Fleming

With the cost of higher education on the rise, it is more important than ever for college students and their families to make smart choices about paying for college, budgeting, managing their money, using credit and borrowing to finance their education.

To address this growing concern and to increase public awareness of smart money management and dealing with debt, the Better Business Bureau, Inc. serving Eastern Massachusetts, Maine & Vermont has created the “Debt Management for Undergraduates” campaign, which emphasizes how to budget and borrow wisely, and provides crucial tools and resources for young people, their families, and educators.

“College students often have little disposable income, but are surrounded by the temptation to obtain credit cards and spend money they do not have,” said Paula Fleming. “Poor decisions made in college, such as accruing credit card debt for non-essential expenses—or even worse, paying for college with a credit card—can do long-term financial damage, unnecessarily increase the cost of their higher education, and launch students into a spiral of debt that can follow them well beyond graduation.”

The campaign disseminates information and tips on money management, responsible borrowing and proper use of credit through the media, educators, seminars, and Web resources. To view the campaign materials, please go to the BBB’s Web site, at **www.BOSBBB.org/Debt_Management.**

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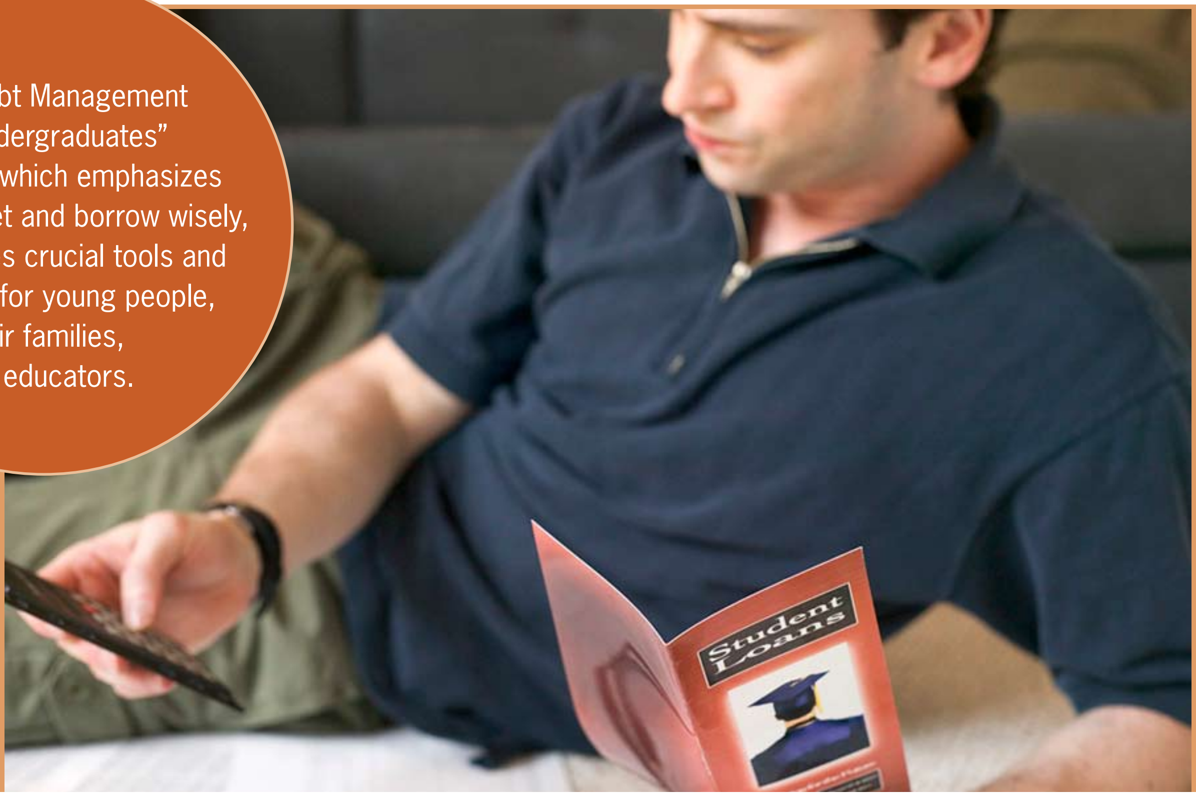

The BBB offers the following tips to help students budget, manage their money and make sound financial decisions:

Top 10 Tips for Smart Undergraduate Money Management

1. **Budget realistically.** Conduct an honest self-assessment of your needs, spending habits and lifestyle. Expenses can include tuition, fees, housing, food, books, health care, and "extras" such as entertainment, clothes, and car- or travel-related expenditures.

2. **Pursue gift aid.** If you need help paying for college, start by seeking free "gift aid" such as the Federal Pell Grant, or scholarships. Start by filling out a Free Application for Federal Student Aid (**www.fafsa.ed.gov**). Students may apply for the 2007-08 school year beginning Jan. 1, 2007. You may submit the FAFSA at any time, but it is best to apply as early as possible because some federal aid is awarded on a first-come, first-served basis. A 2004 study found that 850,000 students who did not file a FAFSA would have been eligible for a Pell Grant. Don't let this happen to you.

3. **Borrow wisely.** Once you've exhausted all your gift aid, take full advantage of the Federal Stafford and PLUS education loan programs, which guarantee competitive rates regardless of your financial situation or academic performance. Check with your college or university when shopping for a student loan as they usually have preferred lenders that offer competitive rates and benefits. As you progress through school, stay in regular touch with your financial aid office.

4. **Understand your choices.** When choosing an educational loan, minimize borrowing and choose your lender wisely. Ask questions including: What is the interest rate? Are there any fees? What are the monthly payment and the length of the loan? Are there any repayment incentives for paying on-time or interest rate reductions? Are there penalties for pre-payment? Can the loan be deferred? When do payments begin?

5. **Don't charge, debit.** According to a 2004 Nellie Mae® study, one-quarter of undergraduates get by without a credit card. You may find that a debit card would meet your needs, and help you keep non-essential purchases in check. If you opt for a credit card, you can build healthy credit by paying off your bill each month.

6. **Shop for the best.** When you apply for credit, don't be tempted by a prize at a campus kiosk or a store discount. Instead, shop for the best interest rates, benefits, and fees to fit your lifestyle. Ask trusted family and friends about their experiences with specific companies, and check out a company with the Better Business Bureau at **www.bbb.org**.

7. **Finance education, not lifestyle.** Limit the number of cards in your wallet and control your impulse to buy. Accruing credit card debt for non-essential expenses—or even worse, paying for college with a credit card—can do long-term financial damage, unnecessarily increase the cost of higher education, and can send you into a spiral of debt that can take years to remedy.

8. **Pay to play.** To avoid hefty finance charges, only charge what you can afford to pay off completely each month. According to Federal Trade Commission estimates, a $2,000 charge paid on the minimum monthly balance at 18.5 percent interest will take 11 years to pay off, and will cost nearly double the original amount.

9. **Track spending.** Save receipts and check your account balances regularly, either by phone or online. Stay true to your budget and screen your statements carefully—contact your creditor immediately if you notice a discrepancy. Be sure to shred all personal information to prevent identity theft.

10. **Watch that score.** Order a yearly credit report and check it for accuracy. Make sure no unauthorized credit cards, or even loans or mortgages, are reflected. If you find unauthorized credit in your name, contact the creditor immediately. The law entitles you to one free credit report per year from each of the three national credit bureaus. Get them at **www.annualcreditreport.com**.

Paula Flemming is Vice President of Communications and Marketing for the Better Business Bureau, Inc. of Eastern Massachusetts, Maine & Vermont.

It's Six Months After Graduation—Do You Know Where Your Students' Loans Are?

Submitted by: Steve Smith

For many student loan borrowers, the consolidation repayment option offers convenience, a fixed interest rate, lower monthly payments, and a longer repayment term. And for many shouldering a heavier loan burden, like graduate students, or those with a high debt-to-income ratio, consolidation is the only way to successfully manage their debt. But what these students – and the financial aid professionals who help them – may not realize is that they could be consolidating their way right out of some very helpful repayment services.

Financial aid professionals play an important role in educating students who borrow under the Federal Family Education Loan Program (FFELP). Students who borrow under FFELP may have little idea what agency guaranteed their loan – or even what a guarantor does. And in the past, that was acceptable. After all, the guarantor's traditional role – to insure the education lender against the financial risks of default – typically meant that the student only encountered the guarantor as a collection agent when they failed to repay. Some guarantors do offer front-end origination and disbursement services, but unless students have an excellent memory of whose logo appeared on a loan application, or they keep meticulous records, a guarantor's name is usually forgotten after the student receives the loan funds.

Talking with your guarantor to determine what programs and services are offered to your students will insure that you are aware of what is available in terms of assisting student loan borrowers in their repayment future.

So What Is Included in a Guarantee?

A lot, it turns out. Guarantors—often thought of as being "backroom" and invisible to the student, really can make a difference in the borrower's ability to repay. Talking with your guarantor to determine what programs and services are offered to your students will insure that you are aware of what is available in terms of assisting student loan borrowers in their repayment future.

Is Consolidation The Right Choice?

Financial aid professionals, who dictate the choice of guarantor for their student populations, can and often do select a guarantor specifically for its repayment education and encouragement services. They can rest easy that the guarantor will be there for their students until the loans are paid back, right?

Not necessarily. When students request to consolidate multiple loans, the consolidating lender basically pays off all of the existing loans and creates one new loan. That one new consolidated loan still needs a guarantee, and lenders are free to assign portions of their consolidation portfolios to one or more guarantors, with no requirement that the original guarantor be retained. For student loan borrowers, this means the guarantor you start out with may not be the one you end up with post consolidation. So in essence, borrowers who start off in one guarantor's portfolio could consolidate immediately upon graduation and lose out on all the benefits of the original guarantee, which could mean an increased risk of default.

Not only are students unaware of what they're missing out on, but in many cases the financial aid office also may not be aware of the ramifications of consolidation.

Is There a Solution?

Can financial aid professionals influence the choice of guarantor for their students' consolidated loans? Yes and no. Financial aid and loan officers can have a discussion with their preferred lenders about what happens to their students' loans after consolidation. In some cases, consolidation volume is handled by a completely separate division from loan origination. It certainly doesn't hurt for the financial aid officer to ask what happens to their students' loans should the student loan borrower opt to consolidate.

Steve Smith is a Regional Account Executive for American Student Assistance, based in Florida.

Program-Review Helpful Hint: Consider Loan-Certification Issues

Submitted by: Scott Tubbs.

Guarantors perform required program reviews at schools to ensure that schools are meeting all regulatory requirements and guarantor policies in administering the Federal Family Education Loan Program. To help ease the review process, the policy-and-compliance staff strongly encourages schools to carefully document loan amounts that they certify.

Consider the following loan-certification issues typically examined in reviews, as mandated in 34 *Code of Federal Regulations* §682.603(a)-(f); §682.200(b) and *Common Manual* 6.5; 6.15:

- Do you include loan fees in the Cost of Attendance?
- Do you have controls in place to ensure that the number of months in a student's budget equals the number of months in the student's loan period?
- Do you have procedures in place to verify that the Expected Family Contribution from the Student Aid Report/Institutional Student Information Record matches the EFC on the loan application?
- Do you verify that loan amounts do not exceed each student's need based on all financial aid the student has received?
- Do you verify that each student-applicant is an eligible borrower (for example, is not in default)?

Schools must retain documentation that supports all EFC and COA figures they use to determine loan-certification amounts.

Guarantors' websites also includes tools to help financial-aid administrators prepare for reviews — including information about 22 other issues typically examined during reviews.

Scott Tubbs is with USA Funds Services.