PRESIDENT’S MESSAGE

As I look back over this year, I see that we accomplished many goals. We set out on a journey of “Reshaping Tomorrow’s Leaders, Today”. Through training, mentoring, and leadership development, we worked together to ensure that our leaders of tomorrow had the tools and skills necessary to lead our profession and association. We developed an intentional approach at succession planning. As leaders, it is imperative that we prepare the members of our association for 21st century leadership. If we continue to develop a plan of action for increasing membership and training/mentoring new leaders, our association will continue to flourish in the future.

As financial aid administrators, we must accept responsibility for our profession and take action toward achieving success. During turbulent times, it takes dynamic leadership and effectual mentoring to ensure that the financial aid profession remains strong and well informed. I believe that this year’s Executive Board took action and made strides toward reshaping the financial aid administrator of tomorrow. This proactive approach to succession planning guarantees an advanced level of leadership and professional competence in the future.

As your President, I served Florida proudly on the SASFAA Board. During the year as a SASFAA Board Member, I was able to share many of our great strategies and ideas with leaders from the other eight Southern states. In return, I was afforded the opportunity of learning additional strategies to cultivate my leadership. I also attended the NASFAA Annual Conference and the NASFAA Leadership & Legislative Conference. I received a vast amount of information on management issues and association governance and was given the opportunity to advocate for our students and our profession on Capitol Hill. Overall, I had an amazing year of growth and development thanks to the combined efforts of our state, regional, and national associations.

This year has progressed quickly and I am saddened to see it come to an end. I am and will be forever grateful for the opportunity to serve as your 2014-15 president, and I look forward to additional servant leadership in the future. I leave you now with one of the most important leadership principles I discovered this year in hopes that it encourages you as well. Mark Miller, in The Heart of Leadership, inspires leaders to SERVE:

See the future
Engage and develop others
Reinvent continuously
Value results and relationships
Embody the values

Get involved; FASFAA needs you!
Thank you for a great year of support. I will continue to serve you proudly as the Immediate Past President.

Sincerely,
Stephanie Lawrence,
2014-15 FASFAA President

INSIDE THIS ISSUE

President’s Message 1
Volunteer Experience: A Journey Worth Going 2
Start The Fall Strong – Think About Volunteering 4
Save Student Financial Aid 5
Region III 7
Prezel Dip Recipe 7
Update From OSFA 8
2015 FASFAA Annual Conference 9
College Goal Sunday Update 10
Congratulations! 10
Using Social Media As A Professional Resource 11
3 Tips To Improve Your Websites For Students With Disabilities 13
FASFAA Conference Smiles! 14
Student Loan Rehabilitation: A Win/Win for Borrowers and Schools 15
12 Tips to Pave the Way for a Graceful Exit 17
ISIR Can Help in Outreach to Students Who Over-Borrow 19
VOLUNTEER EXPERIENCE

A journey worth going

BY CHRISTINA ACOSTA-HERITAGE
DIRECTOR, SYSTEMS OF STUDENT FINANCIAL SERVICES
LYNN UNIVERSITY

I have always wondered what a non-profit organization does. What is an executive board? How are the workshops and annual conference planned and executed? How do they select the location? How do they set up the sessions? How long do they take to plan it? Why do they not provide coffee and cookies during breaks anymore?

It was all a mystery for me. As a higher education staff member, we’re supposed to love mystery, right? But, how would I get these questions answered?

It was three years ago when I realized I need to step up and give something back to the financial aid community. I have learned so much during workshops and conferences that I wanted to be a larger part of it. Sure, I presented at conferences before, but I wanted to do more.

As a FASFAA member, I received an email asking for volunteers. I completed the form and I pretty much offered to help in every area that I could think of. My ulterior motive in doing that? I wanted to see if someone was actually reading the form. Or did it go to a black hole?

Well, let me tell you...the form worked! The first call I received was from my regional representative and whereupon I was invited to participate in brainstorming sessions for the next regional workshop.

It is really not my forte as I am the techie person in our office for both financial aid and student accounts. The first thing my region rep asked me to do was research topics for clock-hour sessions.

No offense to my clock-hour peers, but I had no idea what that was. Despite the fact that I felt I was not the right person for the task, I still participated in the first and second conference calls. Once the ideas were formed, my volunteer hours were technically completed.

After that experience, my workload at the office became more challenging and demanded more of my time. I completely forgot that I signed up as volunteer and completed that form. Then in May 2014, I received a phone call from Stephanie Watson-Lawrence, FASFAA President 2014-2015, and she asked me to serve as a co-chair of Electronic Services during her reign.

I asked her what was involved and what amount of time would be expected of me. She graciously informed me of the job responsibilities for this position and the time that I would be expected to dedicate.

Luckily, I report to a former FASFAA President and Executive Director of Student Financial Services of Lynn University, Evelyn Nelson, who understands my passion and commitment to the field of Higher Education.
As a former volunteer, she values being an active member at this wonderful organization. Once I informed her about the position and the time needed to be successful in my position as a board member, she approved.

Did I tell you that I am lucky? Well, another person I needed to ask if it was okay to volunteer was my husband, Chris Heritage. As a family with two kids, I wanted to make sure that it is okay to take a little time out of the family to serve as a volunteer.

Once my conscience was clear and all permissions were asked and after Stephanie Watson-Lawrence’s persistence, I accepted the position. A year after being a volunteer and working with wonderful people, I haven’t regretted my decision.

What did I gain by being a volunteer? I know the reason why volunteer forms work. I learned how to play songs and am considering becoming a deejay. I can now work on commercial audio-visual equipment. Most importantly, I know now why we don’t serve coffee and cookies anymore.

Seriously, I saw a leader rise up in a situation right before my eyes. I saw mentor and the woman she mentored connected. I witnessed the meaning of the word dedication as I watched a retired member still serving and acting as our voices in the capital. I met a celebrity in financial aid and found out that he is a down-to-earth funny federal representative who sings about "PJ" during his presentation.

I now have the knowledge of what executive board members do. They are not these mongrels who sit in a board room with pen and paper. They are ordinary people who understand the students we serve as they were once a student. They are our counselors, they are our state representatives. They are our lender partners and they are our financial aid directors.

I finally understand what is involved in setting up an annual conference. It is not as easy as it seems. There are hours and hours of work that a committee puts in and choices that a committee has to select to make a lasting memory for attendees. There are numerous choices that could affect the members experience such as hotel accommodations, convention center site, wifi availability, give aways, welcome reception, Bingo night, selecting and inviting presenters, selecting awards recipients, sponsorship, negotiations, contracts, audio-visual equipment, online presence, social-media and more are all part of the Conference Committee process.

I learned so much more this year. But above all, I gained new friends who are going through exact emotions. Friendship that just a phone call or email away when help is needed. Friendship that can understand what is a "sequestration" is. Friendship that can last a life-time.

If you ask me right now if I will do it over again, the answer is YES. This time around, I know what I am doing and hope to make myself a better member and do it well to serve our members.

As President John F. Kennedy says, "Ask not what your country can do for you, ask what you can do for your country".

(Christina is the co-chair of FASFAA Electronic Services.)
Greetings to the FASFAA Membership!

The next academic year has many great things in store for our organization from Regional and Clock Hour Workshops in the fall and spring to the Annual Conference in May 2016. On behalf of the Volunteer Services Committee, we would like to express our gratitude to those currently serving FASFAA and encourage all of the membership to get involved. FASFAA has a long history of being one of the strongest organizations in our industry and that is because of YOU. We look forward to you completing the FASFAA volunteer form on our website (http://www.fasfaa.org/volunteer). Please review all of the many committees available for you to be of assistance. If you are interested in volunteering, please complete the online form and feel free to email any questions snodg5de@erau.edu.
Saint Leo’s financial literacy expert explains what’s happening with the federal budget and why college students need to be concerned.

Could you use another grant or scholarship?
How about an affordable federal loan to help cover educational expenses?
Even though most college students would answer these questions with a loud yes, Congress is actually trying to reduce financial aid – not increase it.

During the past five years, Congress has cut $30 billion in student aid funding and millions of students have been kicked out of the Pell Grant Program. Now Congress is proposing another $150 billion in cuts over the next 10 years.

U.S. House budget agreement

Recently, the U.S. House of Representatives passed a fiscal budget proposal for 2016 that would lock in sequester-level funding, significantly reducing federal funding for higher education.

Specifically, the budget would limit Pell Grants to $5,775 per academic year for the next 10 years. In addition, subsidized federal student loans would be eliminated. This means that students would have to pay interest on all federal loans while enrolled in school. It’s estimated this could cost students (on average) $3,800 more a year to borrow funds.

Implications of House budget proposal

The proposed cuts are intended to mitigate budget shortfalls. However, doing so could come at a steep price for college students and their families. Some fear that cutting back on federal financial aid will push students to take out more private loans. These loans have much higher interest rates and harsher repayment terms; they are not ideal for students struggling financially (as many are). Others speculate that stagnant Pell Grant amounts will prevent students from being able to afford school. Some may not be able to finish their degrees, while others may not even be able to enroll in the first place.

While this budget sets the tone for cutting student aid funding in the appropriations process this summer and budget deals this fall, there is hope.

Before the federal budget goes into effect – possibly freezing Pell Grant amounts and discontinuing subsidized loans – the bill must pass several committees, debates, and rewrites.

That means that there is time for all citizens – and college students, in particular – to take action.

The federal budget process

The creation of a federal budget is a complicated process. Here are the basics greatly simplified.

1. Each February, the president requests a budget from Congress for the coming fiscal year.
2. The House of Representatives Budget Committee and the Senate Budget Committee each draft a budget resolution. (A budget resolution can be viewed as a blueprint for spending and taxes.)
3. In both the House and the Senate, Appropriations subcommittees review, research, and write a first draft of the appropriations bill. Once the bill is worked out, the subcommittees send it to the full Appropriations Committee (of their respective chamber). If approved, from there the House Appropriations Committees and the Senate Appropriations Committee pass the bill up to their respective chamber for consideration.
4. The House of Representatives and the Senate then debate and eventually vote on their chamber’s version of the bill.
5. Once each chamber has its version of the bill finalized, a conference committee forms to hammer out any differences between the House bill version and the Senate bill version. (The conference committee includes members from both sides of the House.) Once a reconciled version of the bill is decided upon, it is sent up again to both the House and the Senate for a vote. (Both chambers vote on the same, agreed upon bill.) Once the bill passes both chambers, Congress finally sends it to the president.

6. In order for the bill to pass, the president must sign it. The Federal Budget consists of 12 appropriations bills. One of these is the Labor, Health and Human Services, and Education appropriations bill which dictates financial aid spending.

**What you can do now to save federal aid**

If you think Congress should back off financial aid, there are steps you can take to make your opinion known.

1. **Learn more about this issue and sign a statement of support by visiting the [Save Student Aid](#) webpage.**

The [Student Aid Alliance](#) is a coalition of 77 higher education organizations working to secure and expand federal student aid programs. Their campaign – [Save Student Aid](#) – aims to protect student aid funding and urge legislators to stop the attack on federal student aid.

2. **Write, email or call your representatives in Congress.**

If you have not already contacted Congress, use the links below to send a message to the members of your Congressional delegation through the Saint Leo University Legislative Portal and let them know how you feel about the proposed cuts. You can use the prepared messages, edit them, or write your own.

   [Contact members of the House](#).
   [Contact your Senators](#).
   [Register for an account](#) on the Saint Leo University Legislative Portal.

---

3. **Vote.**

Voting is key to enacting change. It is imperative that you participate in elections and vote for individuals that represent your personal interests. By casting a vote, you are telling elected officials what is important to you – be it issues concerning higher education, health care reform, public safety, or other critical concerns.

**You can make a difference**

We are all busy attending school, working full time jobs, raising kids, managing households – the list goes on. However, if we do not take time to learn about and vote on the issues that affect us, policy and legislation will not be enacted for our benefit. Instead, laws and change will be geared toward other interest groups – those who vocalize their needs and actively participate in democracy.

Do not forfeit your power to make a change – always cast a vote and make your voice heard.

---

*A Certified Educator in Personal Finance*, Amanda Black is passionate about promoting financial literacy and helping student loan borrowers responsibly manage their debt. When she is not at work, Amanda enjoys jogging, sharing a glass sharing a glass of wine with friends, and traveling with her husband. Reach her at 800.240.7658 or Amanda.black@saintleo.edu.
The “Got College” Financial Aid Committee for the Education Foundation Osceola County hosted five financial aid events this past spring. These events were made available to the public at different locations throughout Osceola County. The purpose of these events was to assist high school and adult students to complete the FAFSA. The “Got College” Financial Aid Committee was established to encourage high school and adult students who want to go back to school, and provide assistance with financial aid, scholarship counseling, and college/technical school information. The committee is proud to announce they had a total of 203 participants at these events.

PRETZEL DIP RECIPE

SUBMITTED BY RICK SNODGRASS

Pretzels (twists, not sticks)
3 packages of cream cheese
Diced jalapenos with juice (try Mount Olive diced jalapeno peppers – 12 ounces)
Let cream cheese warm to room temperature. Place in bowl and add jalapenos to taste (if you like it spicy, use about ¾ of the jar including the juice).
Mix well and refrigerate overnight. Remove from fridge about an hour before using to make dipping a little easier.
UPDATE FROM THE OFFICE OF STUDENT FINANCIAL ASSISTANCE (OSFA)

SUBMITTED BY LEVIS HUGHES
CHIEF OF STUDENT FINANCIAL ASSISTANCE
FLORIDA DEPARTMENT OF EDUCATION

The Florida Department of Education, Office of Student Financial Assistance (OSFA) is preparing for 2015-16 academic year state scholarship and grant programs.

Institutional Eligibility and Participation
Thanks to all institutions for submitting timely online renewal applications for state scholarship and grant participation in the 2015-16 academic year. View your institution’s program participation and fee details as reported on the application online at https://www.FloridaStudentFinancialAidsg.org/home/PostSecondaryInstitutions.asp.

If changes occur at your institution (for example: accreditation, licensure, financial aid staffing/leadership, contact information), please email OSFA at OSFA@fldoe.org.

General Appropriations Act
All state scholarship and grant program appropriations will be made available to eligible institutions in August. Access the OSFA/State Programs Annual Calendar in the Publications section of the website shown above.

State Website
After July 1, the State Programs website at http://www.FloridaStudentFinancialAid.org/SSFA D/home/uamain.htm will display updated information for the new academic year. Take a few minutes to review.

Reporting State Scholarships and Grants
Remember, when you submit any type of report to OSFA, whether it is disbursements, reporting of dropped or withdrawn Bright Futures courses, or grade and hours, our office immediately posts the data you report to students’ online financial aid history screens. Students are directed to see their financial aid advisor at school to resolve errors in reporting.

The FAFSA Initiative
OSFA is pleased to announce participation in the FAFSA Initiative, proposed by President Obama and supported by the United States Department of Education. The FAFSA Initiative is being implemented to ensure that more of Florida’s students take the first step toward college success: completing the Free Application for Federal Student Aid (FAFSA).

OSFA is partnering with Florida school districts to provide valuable information on student progress in completing the FAFSA beginning with the 2015-16 school year.

We will be contacting school districts and high schools to participate in this initiative to allow for identification of and assistance to students and families in completing a FAFSA, thereby maximizing their access to free and low-cost financial aid to support their college costs.
2015 FASFAA ANNUAL CONFERENCE

Great accommodations!

Great information!

Great friendships!
COLLEGE GOAL SUNDAY UPDATE

SUBMITTED BY LORI AUXIER, DIRECTOR OF OUTREACH SERVICES
OFFICE OF STUDENT FINANCIAL ASSISTANCE (OSFA)

In May, I travelled to Washington, D.C., to represent Florida in the 2015 College Goal Forum. It was an exciting event where I shared Florida’s successes and gleaned from others what worked well for their states. Jan Smith, Florida’s co-state coordinator, and I are planning ways to use the information in CGS!Florida 2016 and beyond.

USA Funds announced that the National College Access Network (NCAN) will assume leadership of College Goal Sunday. NCAN will take ownership of and national administrative responsibility for, the program from USA Funds, effective June 30, 2015. NCAN convened a national steering committee during 2015 to design a strategic plan for College Goal Sunday, introducing a new national FAFSA completion campaign for 2017. The steering committee includes representatives of national nonprofit organizations; higher education, state and federal agencies; the business and philanthropic sectors; and representatives from state College Goal Sunday programs.

During the forum, NCAN shared its vision to revitalize the program, including renaming the program, providing national marketing materials, and more. Be prepared for a new look and feel in 2017! During the transition period, Jan and I will be making slight modifications to the 2016 program, which will be included in the site application packet scheduled for distribution in late summer/early fall. To learn more about CGS!Florida, please visit the CGS!Florida website at (http://www.navigatingyourfinancialfuture.org/CGS!FLORIDA/).

CONGRATULATIONS!

SUBMITTED BY LORI AUXIER

On January 3, 2008, the Florida Department of Education, Office of Student Financial Assistance (OSFA) had the pleasure of hiring Reyonna Parrish to serve as the Region 1 OSFA Outreach Representative. For more than seven years, Reyonna has been an instrumental part of the Outreach Team, assisting Florida’s students in their pursuit of higher education. While we are sad to see her go, we are proud of her as she begins this new opportunity at Florida State University (FSU) as the Assistant Director of Academics and Student Services. On her last day at OSFA, we honored Reyonna with a small going-away party. Congratulations, Reyonna! We wish you the best in your new role at FSU!
USING SOCIAL MEDIA AS A PROFESSIONAL RESOURCE

SUBMITTED BY KAMIA MWANGO
ACTING DIRECTOR/TECHNICAL COORDINATOR
SANTA FE COLLEGE

Have you thought about social media as a resource for your career in financial aid? As we have conferences, seminars, workshops and discussions about increasing student engagement, we are hearing a great deal about social media as tools for students. However, there are a number of resources on social media sites that can deliver timely and insightful information right to your phone, tablet or email address that enhance your professional standing.

Twitter: To provide a great example, Did you know that NASFAA’s Twitter account @NASFAA tweeted about the long-awaited Ability To Benefit DCL 15-09 mere hours after it was created May 22nd!? I saw the tweet well before the IFAP email was delivered to me the next day, and was able to be “in the know” with colleagues in the profession and with campus partners at my institution. Of course you should follow @FASFAA on Twitter, but some other useful twitter accounts include: @USEdGov, @InsideHigherEd, @Chronicle, @EAB_Daily, @NerdGrad, @USATodayCollege, @JodiOkun, and more. You can see who your favorite Twitter accounts follow, and discover even more. The point here is, that Twitter isn’t just a place for updates about Kim Kardashian; it’s an invaluable career resource that can give you insight into our profession in broader context.

LinkedIn: Some people comment that LinkedIn is like the Ashley Madison website, but for employees. LinkedIn is not just a place for employees to subtly initiate their next career move. While you can display your career and education profile and network with others in your profession or with a prospective employer, the website has a ton to offer the happily employed as well. I use LinkedIn as a fun way to connect with colleagues who I talk to electronically, or who have given me a business card that I don’t want to forget. It’s a great way to seek out colleagues with a specific expertise, and often a safe place to ask questions of colleagues that may not be in close proximity or frequent communication with you. LinkedIn also offers Groups. Members in some of the following groups post very interesting and insightful articles: NASFAA, Financial Aid Professionals & Administrators, Florida Higher Education Professionals, Financial Aid Best Practices, College Counselors: Admissions and Financial Aid, and Financial Aid Professionals.

Facebook: Many of the organizations and groups mentioned above also have Facebook pages. However, I would caution anyone against mixing their personal Facebook account that has personal family and friends, with your professional life and information. Some people have two accounts, and others simply do not consider Facebook for their professional interactions. While useful information is provided on Facebook, you may have privacy concerns so you’ll need to consider that.
**Instagram:** If you or your office is involved with engaging your student body about financial aid, Instagram may be a good resource for some humorous or informative pictures about financial aid. Searching for the tag #FinancialAid yields some good pictures to save for later.

**YouTube:** Youtube isn’t just for cute kitten videos! Following official financial aid-related accounts on Youtube can yield some great financial aid and financial literacy resources. The Department of Education often has links to their YouTube videos on the studentaid.gov website for users to view, download, or embed on their websites, and a number of school websites that already incorporate these YouTube videos to engage students and explain the complex financial aid process.

Social media is not just for students, and does not just have to be a mindless time-waster! Many people think of social media as a distraction to the work day, but savvy financial aid professionals can use social media to enhance their work day and be in the know with up-to-date information.

I’d love to hear how you use social media to enhance your professional knowledge and network with colleagues. Feel free to email me at Kamia.Mwango@scollege.edu with your tips!

*Kamia Mwango is currently serving FASFAA as the Region II Representative, and is the Acting Director / Technical Coordinator at Santa Fe College in Gainesville, FL.*
3 TIPS TO IMPROVE YOUR WEBSITES FOR STUDENTS WITH DISABILITIES

SUBMITTED BY PAUL BURKE
VP, SALES
FATV

The amended Section 508 of the Rehabilitation Act mandates that federal websites be accessible for disabled individuals and encourages organizations receiving federal funds to do the same. Although 508 compliance does not automatically apply to institutions of higher education, there are a number of schools who have adopted the federal standards on their own or have been compelled to do so based on state government accessibility rules. Drawing from the recommendations by the U.S. Department of Education for schools to improve website accessibility, here are three tips to increase usability of your financial aid website content for persons with disabilities:

1. **Provide alternative text for non-text items like images or graphics.** Visually impaired students use text-to-speech converter programs. By offering alternative text for non-text items, you enhance the visually impaired students’ understanding of how the images or graphics explain concepts on your webpages.

2. **Offer alternative text for multimedia alternatives like videos and audio.** By using captions or transcripts, you make the multimedia content accessible to those who are deaf or hard of hearing. The most common form used is closed captions to achieve this form of accessibility. The use of closed captions enhances reading and listening comprehension as well as contains dialogue and audio cues for content like music or sound effects.

3. **Do not rely on color alone to convey meaning.** With over 7 million Americans being affected by color blindness, these people represent the largest segment of the disabled population. Webpages can be developed with a non-color-coded alternative. Also, if you still want to use color to convey meaning, consider adding underlining, bolding, or using a slightly different visual effect to help users with color deficiencies to understand.
FASFAA
CONFERENCE
SMILES!

Rick Wilder, Bill Spiers, Levis Hughes

Nathan Basford receiving an award

Gerri McCormick, Stephanie Lawrence, Jan Smith, David Alexander
Student Loan Rehabilitation: A Win/Win for Borrowers and Schools

By Dave Macoubrie, Vice President of Repayment Solutions

Within the last two years, changes made to the student loan rehabilitation process have given more defaulted borrowers a second chance by removing the negative consequences of default. Not only have these changes benefited student borrowers, they’ve also been highly beneficial to the schools these students attended.

Who wins? With these changes, first and foremost, the borrower wins. After making nine agreed-upon, on-time payments in a period of ten months, the defaulted loan is placed back into repayment and is thereby “rehabilitated.” Since the loan is no longer in default, the borrower’s credit record is adjusted to remove the default. In addition, the borrower has reinstated his/her eligibility for the following options:

- Title IV funds, including grants and loans. This is critical for many who wish to return to school.
- All repayment plans, as well as forgiveness options such as public service loan forgiveness and teacher loan forgiveness.
- Deferment and forbearance options.

Secondly, the school wins. The benefits received by institutions after successful rehabilitation are often overlooked. If the borrower is able to complete the rehabilitation process before the end of the cohort year, this loan will not be considered in default when calculating the school’s cohort default rate.

What has changed? Maybe you have heard about this in the past, as it’s not a new process nor are its benefits. However, what has changed is the number of borrowers who are able to enroll and be assisted.

For many years, the payment amount established for borrowers to participate was based on a standard 10-year repayment plan. The idea was that the borrower would make a payment in default that would be similar in amount to the payment required after their defaulted loans are rehabilitated.

When Income-based repayment plans began to be implemented, it became apparent that many borrowers would have payment amounts after rehabilitation that were much smaller than the 10-year plan under the prior rules.

Now a borrower can establish a payment plan to fit within almost any budget. In some cases the payment amount may be as low as $5.00 per month. While this started about 2 years ago, it wasn’t made official in regulation until July 1, 2014.

At the same time these changes were going into effect, the Cohort Default Rate calculation was changed from a two year calculation to a three year calculation. This change allows time for more borrowers to achieve loan rehabilitation, so their defaulted loans are removed from the school’s Cohort Default Rate calculation.
What was the impact? The impact has been profoundly positive for both borrowers and schools. The graph below shows the dollar amount of borrower loans rehabilitated back into good standing by the Department of Education and FFELP guarantors for the last five fiscal years. While not all of these were loans impacting the 2011 and 2012 cohort years, it is conceivable to think that some did, as 2013 and 2014 were the last years used to calculate the 2011 and 2012 Cohort Default Rates.

What else should I know? Rehabilitation is a complex process with many rules. Whether you are considering contacting borrowers yourself, or hiring someone else to take the lead, there are a few important items to consider:

- Contacting borrowers in default, even if just to give information, could be considered a collection activity. If this is the case, you or your agent could be considered a third-party collection agency. This means that you or your agent would need to be licensed in all states and strictly abide by the Fair Debt Collection Practices Act.

- There may be legal concerns with two parties (you or your agent and the Department of Education collection agency) attempting to collect on the same debt simultaneously. You should speak to your legal counsel before performing this task or hiring an agent to do it for you.

- Recently, five long-standing Department of Education collection agencies were cited in an audit for improperly advising students during the rehabilitation process. Do you or your agent have the expertise to maneuver the rules and regulations correctly?

Finally, and maybe most importantly, this process is already being done for you. As you can see on the earlier graph, the Department of Education and guarantors are already helping a large number of borrowers rehabilitate. As such, doing this yourself - or having someone else perform this on your behalf - is redundant, and may be providing little if any additional benefit. It may also significantly increase your cost and borrower confusion.

About the Author:

Dave Macoubrie is vice president of repayment solutions at Inceptia, a division of the National Student Loan Program. He has 25 years of experience in student loan services, including claims, collections, default prevention, and finance areas. He joined NSLP two years after its origination and has been instrumental in the growth and development of the overall organization. He is a member of the National Council of Higher Education Loan Resources (NCHER), and has served on NCHER’s Debt Management committee. He has a B.S. in business administration with an emphasis in accounting from Wayne State College in Nebraska.

About Inceptia

Inceptia, a division of National Student Loan Program (NSLP), is a nonprofit organization providing premier expertise in higher education access, student loan repayment, analytics, default prevention, and financial education. Our mission is to support schools as they arm students with the knowledge needed to become financially responsible adults. Since 1986, we have helped more than two million students achieve their higher education dreams at 5,500 schools nationwide. Annually, Inceptia helps more than 156,000 students borrow wisely, resolve their delinquency issues, and successfully repay their student loan obligations. Inceptia educates students on how to pay for college, guides borrowers through loan repayment counseling, and provides default prevention strategies and services to schools. More information at Inceptia.org.
12 TIPS TO PAVE THE WAY FOR A GRACEFUL EXIT

SUBMITTED BY AMY GERBER, SENIOR MARKETING ASSOCIATE
GREAT LAKES EDUCATIONAL LOAN SERVICES, INC.

The road to successful student loan repayment for your students begins with choices made before and while they attend college. But making a graceful exit from school—whether students are graduating or leaving school without completing their program—can have an equally huge impact on their repayment success. We’ve got 12 tips for you to share with your students that will help them start off on the right foot as they leave college life behind and head toward repayment.

1. **Get organized** by capturing and keeping track of key loan information, such as your lender or loan servicer, balance, repayment status, interest rate, loan type, and grace period.

2. **Establish an online relationship with your loan servicer(s)** as soon as possible so you can access repayment assistance, learn about options, and easily complete many tasks, such as requesting a deferment or forbearance, making a payment, or changing repayment plans, at any time.

3. **Keep all of your lenders and servicers informed** of where you are and how to contact you. You’re responsible even if you don’t get (or open) communications from them. Avoiding servicers because you’re having trouble making payments only makes it worse, so just engage with these people; they’re there to help you resolve problems.

4. **Take time to learn about all of the repayment options** available to you—including income-driven repayment plans—and choose a repayment option that works for you. Otherwise, you’ll be set up with standard repayment, which may not suit your financial situation.

5. **If you leave without completing your program**, you’re at particular risk for unemployment or underemployment, so make sure you learn about deferment and income-driven repayment options that may help you out of a financial snag. Depending on how you left school, you may have missed out on important exit counseling where you would have learned about your loan options and how to get the help you need.

6. **Stay calm**, even if things seem bleak. You can use deferment or forbearance if needed, but before you do that, consider making interest-only payments, since interest may likely be accruing, depending on your situation.

7. **Lower your principal**, and you’ll pay substantially less over time. Whenever you can, pay more than required. To ensure that additional amounts are put toward principal, send a written request to your servicer, and follow up to be sure they are correctly applied to your principal balance.

8. **Pay off loans with the highest interest rate first**. If you have both private and federal loans, start with the private loans, which generally have a higher interest rate and less flexible repayment options.
9. **Before consolidating** your loans into one single monthly payment and interest rate, make sure you consider what your interest rate would be. Also, never consolidate federal loans into private loans, since you lose benefits that come with them.

10. **Make paying off your student loans a top priority**, especially if you leave school early. Even though your interest rates may be relatively low, you’ll want to pay them off as soon as possible to avoid paying more in the long run—and to position yourself for a favorable return to school later on, should you choose that.

11. **Continue part-time enrollment** to keep payments at bay—and to make progress toward getting your degree. Without program completion, a partial education is especially costly.

12. **Make changes to your repayment plan** when your situation changes—and continue to supply your servicer with annual income information that keeps you enrolled in income-based repayment plans. If you fail to provide this, your payments can drastically change and put you in a bind until you are re-enrolled in a plan you can afford.

**More Information**
Counseling your students for successful repayment is a daunting task. Fortunately, the U.S. Department of Education, federal loan servicers, and other organizations offer help with financial literacy, delinquency prevention, and default outreach resources. You’re not alone when it comes to helping your students succeed in repayment!

*Amy Gerber is a Senior Marketing Associate with Great Lakes, serving schools in Florida, Georgia, and Alabama. You can reach Amy at 877-684-9260, or by email at agerber@glhec.org. Additional information about Great Lakes can be found online at schools.mygreatlakes.org.*
ISIR CAN HELP IN OUTREACH TO STUDENTS WHO OVER-BORROW

SUBMITTED BY SHANNON CROSS
USA FUNDS ACCOUNT EXECUTIVE

For 2015-2016, there’s a new comment code on the ISIR, or Institutional Student Information Record, that can help you in your default prevention efforts.

But what, you ask, does a comment code on the ISIR have to do with helping borrowers prevent default? The answer is that this new code can simplify the way you gather information about total debt for your students who are over-borrowing.

Consider this: A 2013 U.S. Department of Education survey showed that 47 percent of all borrowers surveyed took out more loans than they anticipated for college. The 47 percent who borrowed more than they expected also said that, if given the opportunity to do it again, they’d find out exactly how much they were borrowing.

So, while those borrowers in the Department’s survey didn’t necessarily exceed their annual or aggregate loan limits, the survey results do show that providing information about total loan debt could make a big difference in students’ debt management.

The new ISIR code can help with your outreach to those students who have over-borrowed to the point that they’ve exceeded their loan limits.

Starting in 2015-2016, the ISIR will show whether a borrower has a reaffirmation agreement in place for exceeding the loan limit. If you’re not familiar with reaffirmation agreements, they’re the student loan servicer documentation that students who have over-borrowed must provide before receiving additional aid. That documentation shows that the borrower made satisfactory arrangements to resolve that over-borrowing and again is eligible for federal aid for school.

The new code can simplify your assistance to students who are over-borrowing if, like most financial aid management systems, your system pulls reports based on ISIR codes. With the new reaffirmation agreement ISIR code as a reference, in just a few mouse clicks, you’ll be able to pull up an individual borrower’s total amount borrowed, anticipated monthly loan payment amount, and repayment options available to that borrower.

Of course, having that ISIR code to signify that a reaffirmation agreement is in place also will save you the time and effort of collecting and retaining that necessary documentation yourself. And any time that you save in your office means more time for working with students to help them make wise borrowing and repayment decisions.

Whether you’re enhancing your loan counseling offerings or providing additional information to borrowers as you package aid, any feature that allows you to more easily keep students abreast of their total loan debt — especially those who have over-borrowed — can benefit your default prevention efforts.

And if you need assistance with default prevention planning or borrower outreach, contact USA Funds®.
CONTACT INFORMATION:
FASFAA
2400 FEATHER SOUND DRIVE #1228
CLEARWATER, FL 33762
FASFAA@FASFAA.ORG
HTTP://WWW.FASFAA.ORG/