



Summer 2006 Edition

In this issue...

Perspectives

Message from 2006-2007 Chair
Message from Newsletter Chair
Thank you Sponsors

State News

Delaware Dialogue
Maryland Moments
Spotlight Features
2005-2006 in Retrospect
Member in the Spotlight

People and Places

Office News
Mark Your Calendar!

Committee Highlights

Federal Relations Committee

Special Features

What You Already Know Can Help You Streamline Your Loan Processing
New Federal Grant Programs Explained

Perspectives...

Message from the 2006-2007 Chair

Submitted by: **Sarah Bauder**, Tristate Chair 2006-2007



Greetings to the Tri-State ASFAA members as you look forward to the beginning of a new academic year.

The Executive Board had their first meeting of 2006-2007 at the Hyatt Chesapeake Bay Spa and Resort in Cambridge, Maryland on June 7th – 8th. We welcomed four new Board members: Ken Robertson from Montgomery College as co-chair of the Federal Relations Committee, Sam Berhanu from American University as co-chair of the Long Range Planning Committee, Vicki Smith from Allegany College as chair of the Scholarships and Awards Committee, and Jennifer Bastos from Citizen's Bank as chair of the Community Service Committee.

Many of the Board members are continuing to serve in the same capacity as last year or have agreed to assume new responsibilities for the 06-07 session, so we have a great mix of "Board history" coupled with fresh, new ideas. We all live very busy lives so, please accept my sincerest "Thank You" to all who have committed to serving the Association from either a leadership position or as a volunteer serving on one of the various committees. Your work is greatly appreciated.

This year our goals are three fold: to focus on early awareness; to provide leadership to the members; and to enhance involvement by tapping into the wealth of knowledge and skills within the financial aid community.

Early Awareness is a very serious issue nationwide and we want to be an answer to the problem. Precious Smith, Stephanie Bender, and Chris Lodge (DC, Maryland, and Delaware State Presidents respectively) have committed to developing strategies to promote early awareness initiatives within each of their States. Jennifer Bastos is working closely with them to provide volunteer opportunities for the membership so that we all can be a part of this endeavor. If you have ideas on how we can meet the needs of your community, please do not hesitate to contact any of the members of the Board.

Coupled with Early Awareness, Ingrid Valentine and Ken Robinson are putting together a comprehensive program to have our voice heard on Capital Hill. Their committee represents the issues surrounding Higher Education. Their goal this year is to build off of the momentum from last year by continuing to put a "face" on financial aid and presenting more real life student examples to members of Congress. Last year they held a joint Symposium with the New York State FRC. The joining of forces was so successful; they plan to expand the effort to include other State Associations.

We have so much talent in each of our offices. Dave Manning, Vice Chair for the Conference Committee, is dedicated to tapping into that talent and is well on the way to putting together a solid Fall Conference filled with a wide range of sessions to meet the needs of all the membership. You can anticipate a superb program for the Conference to be held at the Hyatt Regency in Cambridge, Maryland in November. Couple that with the quality of work from PD&T, - under the leadership of Angie Hovatter and Andrea Cipolla, and this should kick off a year of building leadership, mentoring, and training for the Association.

In closing, I want to encourage you to get involved in this Association in any way that you can. We have such a unique position in this world in that we shape and influence lives by providing access, affordability, and choice. What an awesome job we have! Education builds community, stabilizes economies, breaks down bias, and provides knowledge.

There's a proverb that says, "With knowledge comes understanding and with understanding comes wisdom." Let's start building knowledge by encouraging every person, one at a time, to get an education.

I look forward to seeing all of you at the Fall Conference and more importantly, working side by side with you this coming year.

Message from Newsletter Chair

It's been an exciting year. The many events of the Association are recapped in this issue. As always, back issues of News & Views are available on the TriState website. Don't forget, they are now available in Adobe PDF files, so you can print and take with you!

Thank you everyone who has made this newsletter a success this past year.

- The committee members for all of their support and contributions.
 - Beth Parker, ECMC
 - Suzanne Thompson, Capitol College
 - Aristeia Williams, EdFund
- The Executive Board for their timely committee reports and other contributions.
- All of the members who submitted articles, interesting tidbits, pictures, and office news.

Thank you everyone. Your contributions have been invaluable. Please continue to send in your contributions and ideas for next year's issues. You may e-mail them to me at mrakes@dtcc.edu.

2006-2007 News & Views Contribution Deadlines

September 15, 2006
December 1, 2006
April 15, 2007
June 30, 2007

Thank You Sponsors

Dear Tri-State Sponsors,

The support received from the Tri-State sponsors each academic year enables the association to provide financial aid information to members through workshops, conferences, web casts, and all other types of events scheduled throughout the year. Without this support it would be extremely difficult to fund the events that every financial aid professional needs to excel in this field.

Functions such as the Fall Conference, Neophyte Workshop, and Office Staff Workshops are beneficial to every professional interested in receiving updates on federal regulations. These events also offer hands-on training and no-nonsense instructions on how to direct, manage, counsel, or simply work in a financial aid office.

With all of that in mind, on behalf of the Development committee and all other TriState members, I would like to say **THANK YOU to all 2005-2006 TRI-STATE SPONSORS!!!**

We truly appreciate you. Please continue your support during the 2006-2007 academic year.

Sincerely,

Tanya McMillian
Development Chair

State News...

Delaware Dialogue

Submitted by: Chris Lodge, Delaware President

I would like to extend a heartfelt "thank you" to everyone who contributed to our successes this year. No matter how small or large, whether a few minutes or several hours, each of my colleagues showed their support of our profession---and each other---by offering their time and expertise to help students, parents and families. As we begin planning for next year, I am confident that these efforts will continue once again.

Financial Aid Night Programs

From December through February, eight Financial Aid Night Programs were conducted in Delaware with multiple sites offered in each of the three counties. Six financial aid administrators provided information to approximately 500 students and parents. In addition to these programs, financial aid administrators provided information at several of the College Night programs during October.

College Goal Sunday

College Goal Sunday 2006 had all the makings of another success story---until Mother Nature appeared! This would have been our first year for three sites, reaching many more of our families needing help with FAFSA completion, and the weather conditions caused all three sites to cancel. Calls were received on the College Goal Sunday toll-free line which were returned by Delaware financial aid professionals, and calls were also handled by individual financial aid offices. Again, I owe a huge 'thanks' to everyone who volunteered to staff each site and hope they will step forward again for our 2007 program.

Community Service

Discussions and research have begun for a community service event in Delaware.

A state meeting was held on May 31 at Delaware Technical & Community College, Terry Campus, which was attended by 17 members. We reviewed activities from this past year and have begun planning for 2006-07. Very special thanks to Debra McCain, Jennifer Grunden, Veronica Oney, Melissa Rakes, Cristine Layton and Beth Parker for all of their time and effort. Without their help, we could not have experienced such success!

Maryland Moments

Submitted by: Stephanie Bender, Maryland President

I would first like to thank the members of my committee. Without their hard work, none of the events would be possible:

Brittany Benton, Rachel Brinkley, Nasim Keshavarz, Gene Logan, Jerry McKeen, Dennis Moy, Karen Price, Pat Shoemaker, Kim Strickler, Aristeia Williams, and Tim Wolfe.

We hosted the following events for 05-06:

- HS Guidance Counselor Workshops
- Fall Networking Event
- You Can Afford College
- Bill to Law Day



MD ASFAA Committee members: Aristeia Williams, Rachel Brinkley, Kim Strickler, Brittany Benton, and Stephanie Bender (from front to rear)



Our final event

was a Spring Networking Event at the Bowie Baysox baseball game. Over 20 financial aid professionals and their family/friends enjoyed a night at the ballpark. Jerry McKeen of MHEC was able to throw out the first pitch. A special thank you goes to the vendors who contributed giveaways.

I look forward to serving the Tristate Association for 06-07.

Spotlight Features...

2005-2006 in Retrospect

TriState achieved many great accomplishments this past year! These events were the result of the hard work and dedication of TriState members.

July 20-21

The Federal Relations Committee Hill Visit marked the first official event of 2005-2006.

October 16-21

October was marked by several great training events including another successful neophyte training at Rehoboth Beach! Who knew financial aid could be such fun?

All about Financial Aid—Neophyte, 2005.



October 20

In conjunction with EASFAA, TriState was able to offer NASFAA's training. This year the topic focused on Administrative Capability. Thank you to Cheryl Storie and Melissa Gregory who served as the trainers for the session. PD&T works hard to bring us these events and provide the membership with great trainers!



October 21

The Maryland Committee held its annual Fall Festival, the first networking event of the year. Financial aid professionals and their families from around the TriState region gathered at

October 22

The Community Outreach Committee did an excellent job coordinating this year's first outreach event in D.C. Volunteers had a great time working together to prepare breakfast for families staying at the D.C. Ronald McDonald House.

November 13-15

Everyone was excited to attend the Fall Conference at its new location, The Cambridge Hyatt Regency Resort and Spa. Timely and informative sessions, beautiful facilities and great food made this a conference to remember. In addition to networking with our colleagues and friends within the Association, we also had the chance to meet two wonderful individuals from Mississippi.

Another highlight of this event was the Silent Auction organized by Community Outreach. The items auction raised \$3,050 for Baltimore Pediatric HIV.



Hie Ju Seung showcases the silent auction items

December 15

More great training sessions were offered in this event organized by PD & T. The Winter Office Staff Workshop was held at Community College of Baltimore County – Catonsville.

January 14

Financial aid professionals from TriState staffed the phones to bring Maryland residents the "You Can Afford College" program on Maryland Public Television.

Ready to help - College Goal Sunday Volunteers



February 12

This date marks the a the biggest snow storm of Winter 2006. Despite the cancellation of nine sites, College Goal Sunday assisted 452 students.

February 28

Eleven members of TriState learned about the legislation process during the MD Committee sponsored Bill2Law Day.

March 16

Verification--always a timely and important topic, the ins and outs of were addressed at Hagerstown Community College during the Verification Workshop organized by PD & T.

April 6

Many members attended this year's spring training event. The Spring Conference, "Rolling With the Changes," was held at the Shepard Pratt Conference Center in Baltimore.



Nasim Keshavarz assists with registration at Spring Conference

April 22

Community Outreach organized the Maryland Outreach Event, Arundel Habitat for Humanity. Thank you to Ingrid Valentine and Yvette Washington, who showed up to help on this wet and rainy Saturday.

April 26

The Community Outreach and Federal Relations Committees collaborated with University of Maryland College Park to host this event. Presentations on basic financial aid concepts, financial literacy/debt management and student advocacy increase student's awareness of financial aid issues. Special thanks to the presenters, Sharon Hassan, Goucher College; Marcus DeCosta, Howard University; William "Buddy Blakey, William A. Blakey and Associates; and Hans Reimer, Rock the Vote.



Jacki Daughtry-Miller and Ellen Frishberg enjoy the Bowie Baysox game

June 9

The MD Spring Networking Event was a Bowie Baysox game. A ball game is a great way to relax after a stressful May. It was a chance to see your friends outside of the office and meet others in financial aid. Fun was had by all!

June 29

Hard at work up until the last minute, PD& T offered the Summer Office Staff Workshop at St. Johns College.

Obviously, there are many volunteers who work hard to make TriState a success! They help to coordinate and orchestrate all of these events and take care of the other "behind-the-scenes" work! Thank you to all of them!

Member in the Spotlight

Name: Gretchen Bonfardine, American Student Assistance

Background (where you live, where you are from, history, education, etc.)

Currently, I live in Towson, MD. I grew up in St. Marys, PA, a very small town in Northwest/Central PA. There's not much there except deer, elk, and the occasional bear and mountain lion--but I loved it.

I have a B.A. in Psychology from Edinboro University of Pennsylvania and my M.Ed. from James Madison University in College Student Personnel Administration.

How did you get involved in financial aid?

While at JMU, I did an assistantship in Financial Aid and really enjoyed it. Apparently, once you get started in this field, you can never leave it!

After graduate school, I took a Financial Aid Counselor job at Goucher College. Later I became the Director at The Catholic University of America Columbus School of Law where I stayed for about 5 years. I now work for American Student Assistance (ASA), which is a Guarantee Agency.

What is your current role/duties?

I support the Business Development Team by providing consulting services at no charge for prospective and existing customers. My areas of specialty include debt management/default

prevention, retention, business process analysis and redesign. I also present sessions at conferences whenever possible.

What is your favorite aspect of financial aid?

When I was in the Financial Aid Office, I always looked at the whole process as a puzzle which always intrigued me. While my master's degree is technically in counseling, that was not really the part that I liked the most. I loved running the numbers; figuring out where we were, what had been done, what needed to still be done, and what was the most efficient way to get it done. I loved 'playing with the system' to see if there were more automated ways to accomplish tasks in order to get the most money in on time so that the most number of students would be 'happy' (meaning they weren't in my office!).

In my current position, I love working the Financial Aid community – trying to give them the information and tools that will make their offices run as efficiently as possible.

What are your interests and hobbies?

I love to do almost any kind of crafts especially if it has to do with yarn or thread. I love to knit and crochet, cross-stitch and needlepoint. Besides that, I read a lot and, lately, I've also been writing children's stories.

What do you hope to be doing ten years from now?

I would like to have a series of children's books published and be at the point where I am able to support myself financially with my writing.

People and Places...

Office News

From University of Maryland College Park

Yen Lin is joining our team as the new Administrative Assistant. She begins on July 6th. This will give Natalie Aguayo the opportunity to focus on the job she was hired to do, which is accounting. Natalie has had the responsibility of both jobs for the last six months.

Monique Boyd is the new Associate Director for Client Services and will be starting in August.

Taneka Hopkins has been promoted to Assistant Director for Athletics and Gift Aid effective July 8th. Taneka is an incredible asset to our organization.

From EDFund

EdFund welcomes Aristeia Williams as a Client Relations Manager. Aristeia will serve schools in the Maryland and DC areas. Aristeia is a veteran financial aid administrator and has worked at University of Maryland College Park, Montgomery College and the University of Maryland, Baltimore and the Florida Department of Education.

From Independence Federal Savings

Independence Federal would like to welcome Ms. Precious A. Smith as our new Marketing Manager. Precious was recently reelected as D.C. President for Tristate, she is on the Association's Executive Board and the EASFAA Regional Council. Precious comes to Independence from the school side, most recently from Howard University's Financial Aid Office and formerly from admission, administration and financial aid at some of America's finest boarding schools. Over the past decade, she has been helping families find ways to afford their

secondary and post secondary educations. Now she has joined us in our efforts to help serve you, our partner schools and service providers, as faithfully as ever. Join us in welcoming Precious to the Student Loan Team at Independence.

Mark Your Calendar!

**2006 Fall Conference
November 12-14, 2006**

Planning for the 2006 fall conference is well underway. If you didn't have the chance to attend last year's conference at the Cambridge Hyatt, you missed a wonderful training event. If you were there last year, you know you don't want to miss it this year!



Hyatt Regency Chesapeake Bay Golf Resort Spa and Marina

Expect excellent sessions, great speakers, and many opportunities for networking and meeting new colleagues in financial aid!

You may book your room now by calling the Hyatt **Hyatt Regency Chesapeake Bay Golf Resort Spa and Marina** at (800)-233-1234. Don't forget to book early to ensure room availability!

Watch the listserv for more information to come!

Committee Updates...

Federal Relations Committee

Submitted by: Beth McSweeney

The Federal Relations Committee continued to meet via telephone conference on the 2nd Monday of each month to review pending issues, plan for action needed on legislative initiatives, and schedule any activities (e.g. Hill visits). We had several new folks join the committee during the year, and several “retire”, deciding to join other committees or to lessen their outside involvement for a period.

The Committee coordinated a Summer Hill Visit between TriState FRC and NYASFAA FRC July 20-21, 2005 at the Latham Hotel in Washington, D.C. Kudos to Ingrid Valentine and Taisha Winters for ensuring that we had a great agenda, nice quarters, good food, and a way back and forth from the Hill. The “Men of Purpose” group from Montgomery College and students from Georgetown University and Columbia Union accompanied us on our visits to legislators’ offices. We saw democracy in action during the “mark-up” phase of work on Title IV. We are hoping to have the chance to reconnect with the NYSFAAA group and to have the Virginia ASFAA folks join us in a future Hill Symposium.

Reauthorization continued to be incomplete, despite a large number of issues pertaining to the Higher Education Act being addressed in the Deficit Reduction Act of 2005, which was signed by the President on 2/8/06. We anticipate that within the year we’ll see most of the remaining issues resolved in some reauthorization legislation, and will continue to function under a Continuing Resolution until 9/30/06. It has been an interesting “ride” and will likely continue to be, considering that there will be no Negotiated Rulemaking. It appears that this will be a “learning curve” kind of year, or two. We anticipate that we will be continuing to watch legislation, as in the past, with an emphasis on what may be coming down the path as we head towards the finalization of Reauthorization.

FRC also participated in a Financial Aid Literacy program on April 26, 2006, at University of Maryland, College Park with the Outreach Committee, meeting one of our goals to be involved with or supportive of other committees’ efforts in educating students.

Taisha and I had the honor, during 2005-06, of being asked to serve on EASFAA’s FRC, and were very involved in reviewing the DRA of 2005 (in addition to dissecting HR 609 beforehand) and submitting synopses so that EASFAA could provide materials to the membership to aid in better understanding what we would be seeing once the DRA was implemented.

Taisha resigned her co-chairmanship in April upon securing a position outside of financial aid, and her presence was missed as we headed for the end of this year. I really appreciated her support this past year as co-chair, Ingrid’s extremely hard work on the Hill visit, and I can’t thank all of the committee members enough for their support and hard work all year long. As outgoing chair, I will miss that role, but I know that this committee will be very ably led by Ingrid Valentine and Ken Robinson, our incoming co-chairs, and I look forward to the successes I know they will have. I also want to thank our 2005-06 FRC members:

Sarah Bauder, Rachel Brinkley, Sandy Brown, Scott Filter, Bob Fultz, Zhanna Gholtzer, Rich Heath, Angie Hovater, Andrea Mansfield, Jerry McKeen, Beth McSweeney (Co-Chair), Michael Poma, Pat Rhodes, Ken Robinson, Ingrid Valentine, Cissy VanSickle, Bridget Watson, Nancy-Pat Weaver, Taisha Winters (Co-Chair), Tara Yancey, Holly Zaglaniczny (ex officio), Larry Zaglaniczny (ex officio).

Special Features...

What You Already Know Can Help You Streamline Your Loan Processing

Submitted by: Gretchen Bonfardine, Wellness Services Consultant, American Student Assistance

Background

As you might know, I spent many years in Financial Aid Offices before moving to the “other” side. While in the Financial Aid Office, my primary responsibility was loans ~ for the first few years at the undergraduate level, and then my final five years were at a law school. As you can imagine, after 8-9 years of working with student loans from the school perspective, I felt like I had a pretty good handle on the way loans worked. I understood the functions of the lender, the guarantor and the servicer. I had helped to create an automated process that worked beautifully at my school. I could compare loan terms pretty well and felt that I was recommending loans that were the best value for my students. I knew that for the lenders on my preferred lender list, loans for lender X were sent to the lender, while loans for lender Y were sent to the guarantor, and loans for lender Z were sent to the servicer – but I never knew WHY! I just figured that this was the way it had to be... little did I know!!

Once I moved on to the “other” side (first a software company, then to a guarantee agency), I began hearing terms such as “lender flow”, “guarantor flow”, and “full service” being used as if they were common everyday words. I knew they must have to do with loans, but I had no idea what they meant. This is when I began to realize that I may not know as much about the loan process as I had thought! Well... kind of... Let me explain.

What I've come to find out is that I did actually ‘know’ what these terms meant; I just didn’t “KNOW” what they meant. I had a general understanding of the processes because I actually used them everyday in the Financial Aid Office; I just didn’t realize that there was a name for these processes and that there was actually a method behind all of the madness. Once I figured it all out, I realized that I would have done things much differently had I known then what I know now. I hope this article will help some of you to better understand why you are doing some of the things that you are doing, and that it gives you insight into ways that you could potentially streamline your loan processing.

Definitions

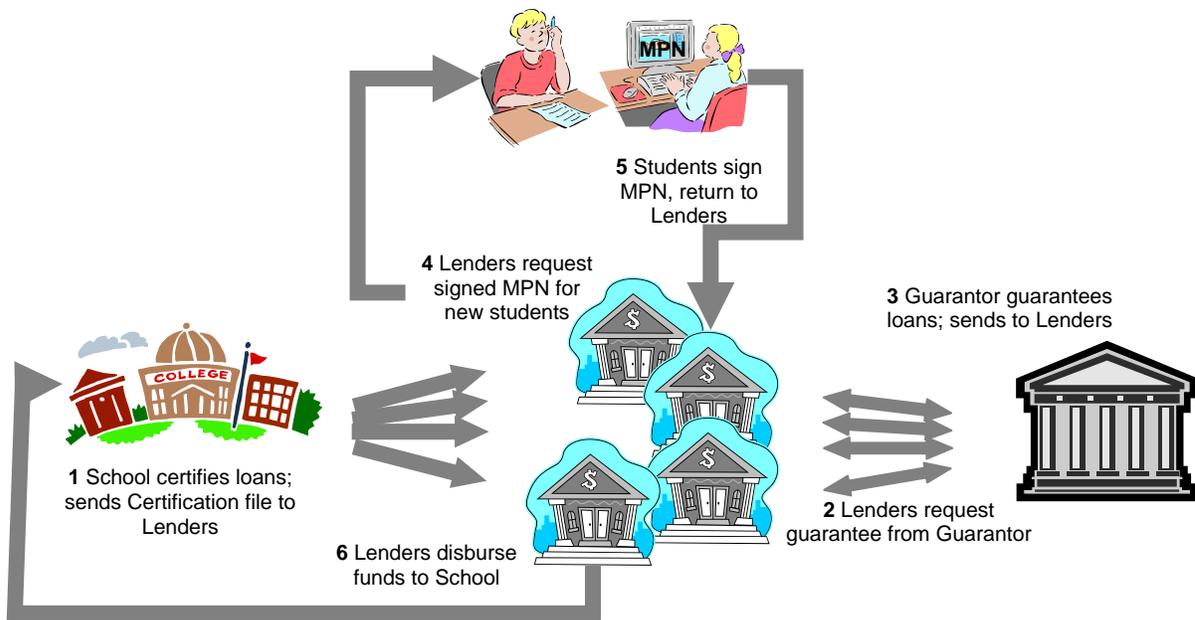
Lender - A national or state chartered bank, mutual savings bank, savings and loan association, stock savings bank, or credit union. They provide the loan funds.

Guarantor - A state or private nonprofit organization that has an agreement with the U.S. Secretary of Education to administer a loan guarantee program under the Higher Education Act. They basically insure the loans.

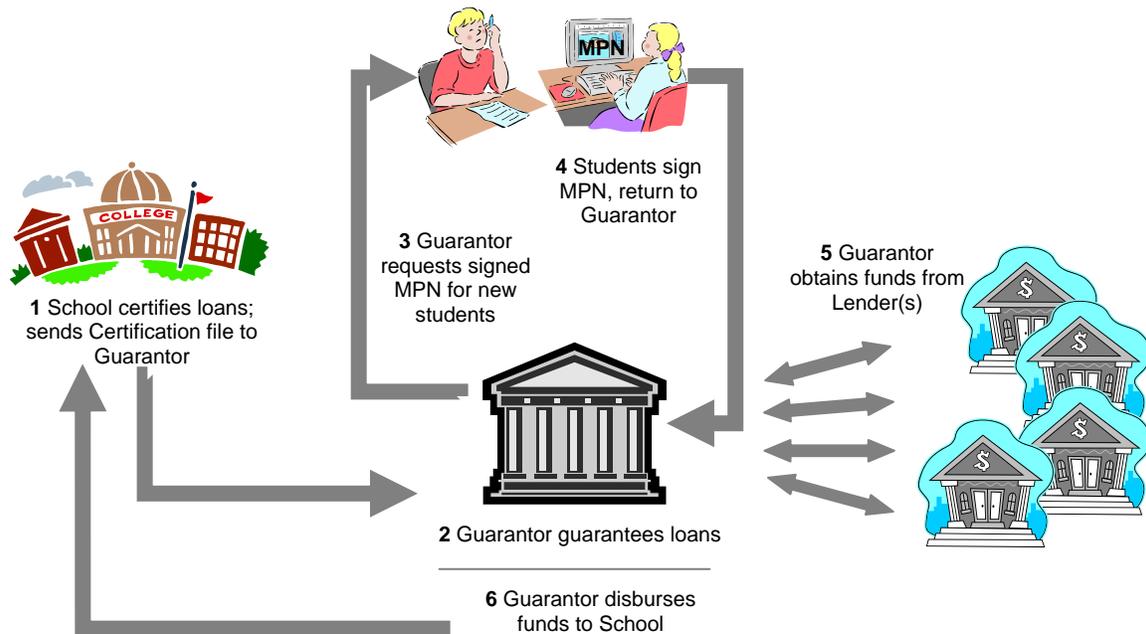
Servicer - An entity that enters into a contract with a program participant to administer any aspect of its participation in a Title IV program.

Process Flow - The process by which a loan goes from certification to disbursement; the path a loan follows from beginning to end.

Lender Flow - Loan data is first sent to the lender. The lender will obtain / confirm a valid Master Promissory Note (MPN) is on file, obtain a guarantee from the guarantor, and will disburse the funds to the school.



Guarantor Flow - Loan data is first sent to the guarantor. The guarantor will obtain / confirm a valid MPN is on file and guarantee the loans and disburse the funds to the school, obtaining those funds from the lender(s).



Servicer Flow – Loan data is first sent to the servicer. The servicer will obtain / confirm a valid MPN, obtain, obtain the guarantee from the guarantor, obtain the funds from the lender, and disburse the funds to the school.

Full Service – You are considered to be ‘full service’ with whichever entity is obtaining the MPN, school certification, and disbursing funds. So, referring to the flows above, if you are using the ‘guarantor flow’, then you are ‘full service’ with the guarantee agency.

Lender Code – Identifies who the players are (lender, guarantor, servicer) and the agreed upon flow.

Discussion

After reviewing these flows, think about how you currently process. Are you using one or more of these flows? Know that many of your partners can accommodate each of these processes. They may prefer one over the other, but most can do all. So, think about why you process the way you do. Is it because “that’s the way it’s always been done”, or “that’s how they told me to do it”? If so, know that it doesn’t necessarily have to be this way. You can decide which process works best in your office and make changes accordingly. Work with your partners to create the process that works best for your school. Always keep in mind though, that some of your smaller partners may not be able to accommodate every possible process. If they can’t do your preferred process, you’ll need to make the decision as to whether you are willing to keep that partnership and process differently with them, or whether the streamlined process is more important to you. You, the school, are the only one who can make this decision.

Conclusion

The above information is very basic. Many additional options in loan processing can complicate things. Features such as ‘borrower initiated’ and ‘school initiated’ flows; e-sign vs. wet signature; your financial aid management system (i.e. Powerfaids, PeopleSoft, etc.); your loan processing system (i.e. ELM, OpenNet, ScholarNet, etc.) all create added layers of complexity to loan processing. It is important to understand the basics (provided in this article) first. Once you’re comfortable with the basics, it will make it much easier for you to determine a process that works best for your school.

New Federal Grant Programs Explained

By: Gina Maucieri, Senior Editor

Submitted by: Stephanie Bender and Aristeia Williams

At a recent event sponsored by EdFUND, attendees were treated to a presentation by Kay Jacks from the U.S. Department of Education. As general manager of [Application, School Eligibility and Delivery Services](#), Kay’s discussion focused on the new Academic Competitiveness Grants (ACG) and National Science and Mathematics Access to Retain Talent (SMART) Grants.

The ACG and National SMART Grant programs may present some new responsibilities, but both promise to provide important new benefits to qualified postsecondary students. The campus-wide reach of the new requirements will require close coordination – probably more than any other Title IV program – between the financial aid, registrar’s, bursar’s/student finance, admissions and academic offices.

Certain underlying qualifications apply to both ACG and National SMART Grant programs, but ultimately they are unique and distinct programs. There will be many qualifying students in both programs, and the first year of availability will see students qualifying at all four academic years of study (first- and second-year students for ACG, and third- and fourth-year students for SMART). Here are the major aspects of the two programs to help you prepare:

Facts Applicable to Both Programs

- Funding is not subject to annual appropriations process; funds not spent in one year are carried over to subsequent years
 - Future funding levels will be adjusted based on records submitted
- Available for students attending two- or four-year degree granting institutions
- Subject to annual compliance audit and all other reviews/inspections governed by Title IV
- Both grants require recipients to be:

- Enrolled full time (12 semester hours) at a two- or four-year institution in a program leading to an associate or bachelor's degree
 - A U.S. citizen (no eligible non-citizens)
 - Pell Grant recipients
- The total expected family contribution (EFC) and all aid cannot exceed cost of attendance, nor can the ACG or SMART Grants replace the EFC

Academic Competitiveness Grant

- First-year award: \$750, second year: \$1,300
- First-year students must have completed, with passing grades, a rigorous secondary school program of study after January 1, 2006 ("rigorous" is determined by each state and approved by the U.S. Secretary of Education)
 - GED ineligible for consideration
 - Non-traditional secondary school programs eligible for consideration include home school, Department of Defense and Bureau of Indian Affairs schools
- Second-year students must have completed a rigorous secondary school program of study after January 1, 2005 and must have at least a 3.0 GPA (monitored at first disbursement only)
- Student must not have been previously enrolled in a "program" of undergraduate education (a few classes are OK, but not as part of a program)
- Around July 1, 2006, a notification will be sent to federal financial aid applicants who appear to meet minimum requirements, informing them of the program and directing them to a Web site for information and application (paper alternative will be available)
- Web site will walk students through self-certification process; information used to determine grant eligibility will later be verified by the school financial aid office

National SMART Grant

- \$4,000 per year for up to two years
- Open to third- and fourth-year students enrolled in a four-year degree program in certain designated subject areas
- Recipients must have a cumulative GPA of at least 3.0 in the courses of study required for the major (monitored by term)
- Designated subject areas to include science, computer science, technology, math or certain foreign languages (majors will be listed on a Web site with Classification of Instruction Programs code)
- Institution must confirm:
 - Pell recipient
 - Citizenship
 - Eligible degree program
 - Academic major
 - GPA in the major field of study
 - Full-time status
- If school policy does not require a major before third year, student must show intent to declare major and enroll in course work leading toward it
- If student changes to a major not approved for SMART Grants before disbursement date each term, student loses grant (if after, student can keep grant)

Special thanks to Kay Jacks, U.S. Department of Education

*****[More information from USED at \(http://www.ed.gov/about/inits/ed/competitiveness/ac-smart2.html\)](http://www.ed.gov/about/inits/ed/competitiveness/ac-smart2.html)*****

From the July issue of [NewSource](#), EdFUND's monthly newsletter providing timely, operational information to EdFUND customers and lender partners.

Updates to DCTAG

Submitted by: Kenneth L. Howard, Operations Manger, DC State Education Office

Changes affecting participating DCTAG Post Secondary Institutions

1. **Summer School** – Effective School Year 2006-2007, summer school will no longer be eligible for payment from the DCTAG program. This decision is based on the fact that the DCTAG program is intended to provide tuition assistance in the form of the difference between in-state and out-of-state tuition for the traditional school year, which operates from fall to spring.
2. **Mini-Terms** – Effective School Year 2006-2007, “Mini-Terms” (typically between the fall and spring semesters) will no longer be eligible for payment from the DCTAG Program. This decision is based on the fact that the DCTAG program is intended to provide tuition assistance in the form of the difference between in-state and out-of-state tuition for the traditional school year, which operates from fall to spring.
3. **Community Colleges** – Effective School Year 2006-2007, the annual award for two-year public Community Colleges is reduced from \$10,000 to \$2,500. This decision is based on the recognition that two-year community colleges are not the equivalent of four-year institutions in terms of academic programs or tuition costs. In addition, this enhancement is necessary as a cost containment strategy in response to pressure received from the federal government.
4. **Award Disbursements** – Effective School Year 2006-2007, the SEO will expedite the payment process through continued automation of the One-App system. Institutions will be offered the option of receiving DCTAG funds through Electronic Funds Transfer (EFT) or by mailed check. Under this enhanced process, the time to receive a paper check will be reduced from 30 business days to 14 business days; and for those receiving EFT payments, the time will be reduced to 7 business days. Additional information pertaining to the requirements associated with the EFT will be provided in a subsequent correspondence.

Changes affecting DCTAG student applicants

1. **FAFSA** – Effective during the application period for School Year 2006-2007, first-time and returning applicants must complete the Free Application for Federal Student Aid (FAFSA). This requirement is based upon a recommendation of the General Accounting Office (GAO) to improve program administration. The Student Aid Report will not be used for income verification.
2. **Participation limits** – Effective during the application period for School Year 2006-2007, students receiving DCTAG funding will be subject to the following program participation limits:
 - a. **Time** – First-time applicants attending four-year institutions must complete their course of study within six calendar years from the first semester of enrollment. Students attending two-year institutions must complete within four calendar years from the semester of enrollment. Students transferring from two-year to four-year schools will have their time prorated. Students enrolled during the 2005-2006 school year and re-applying to the program are exempt from this requirement.

- b. **Lifetime Funds** – As has been the case since the inception of the DCTAG program, students attending public four-year institutions may receive a lifetime maximum of \$50,000 in funding, and students attending private four-year institutions in the Washington, D.C. metropolitan area, as well as private Historically Black Colleges and Universities, may receive a lifetime maximum of \$12,500 in funding. New for the 2006-2007 school year, first-time applicants attending public two-year community colleges may receive a lifetime maximum of \$10,000 in funding. Students who transfer between school types will have their lifetime funds prorated accordingly.

- c. **Student Age** – New applicants must not have reached the age of 25 by June 30, 2006 in order to be eligible to receive funding. Students enrolled during the 2005-2006 school year and re-applying to the program are exempt from this requirement.