



Fall 2006 Edition

In this issue...

Perspectives

Message from the Chair
Message from News & Views

State News

Delaware Dialogue
DC Communication
Maryland Moments

Spotlight Features

Member in the Spotlight
Dreaming About Financial Aid?
EASFAA Leadership Development

People and Places

Office News
Calendar of Events

Committee Highlights

Awards & Scholarships
College Goal Sunday
Community Service & Outreach
Nominations & Elections
Professional Development & Training
Sponsor Relations & Development

Special Features

Building a Financial Literacy Program
Figuring Eligibility: Q&A
Review R2T4

Perspectives...

Message from the Chair

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

Education: The Road to the American Dream

A few months ago, I had the opportunity to attend a Symposium in Boston, where one of the guest speakers provocatively questioned the existence of the American Dream. (*How dare she.*) She clicked off a battery of staggering educational statistics, clearly placing blame on a history of Presidents and ultimately the entire U.S. Government. Her speech, as intended, caused me great consternation and clearly, to those around me, offended my conservative patriotism. Since I am not one to sweep anything under the rug; I delicately emailed the President of the company holding the Symposium and gave him another viewpoint. While that event occurred a few months ago, we have been in a dialogue via email ever since with no end in sight. His liberal view, very simply, is that the American Dream is no longer attainable and the United States is failing in its educational goals. My conservative view is that the American Dream is quintessentially American and that we have hope of advancing our educational system through hard work and individual effort. However, in order to discuss this subject intelligently with him, I had to do some research and here is what I found.



First, let me note there are two halves to the American Dream. One half (liberal) is that America is the land of social mobility. We are not a land that values rigid hierarchies as the Europeans do. Social mobility comes through government intercession. The other half (conservative) is that individual Americans rise and fall on their own effort, with no guarantee of even minimal levels of success. And that merit should be rewarded. On to what I found....

1) Education is central to the American Dream. It is the means by which ascendance is possible, more so today than ever before in our nation's history. We all know that with education comes employment opportunities and higher earnings. The greater the income, the more opportunity there is to pursue dreams. In 2004, the median annual household income was roughly \$37,000 for those with a high school degree, \$69,000 for those with a bachelor's degree, and \$100,000 for those with a professional degree. Students with a bachelor's degree will earn roughly one million dollars more in a lifetime than students with only a high school education. Those are staggering statistics. Now, couple those statistics with Tom Mortenson's research which show that roughly one in two students (50%) from families making more than \$90,000 obtain a bachelor's degree by the age of 24, compared with one in 17 students (5.8%) from low income families earning less than \$35,000, and we have an American formula for a growing class differential. We saw this clearly play out in the outcome of Hurricane Katrina.

2) This leads me to my second observation: The American higher education system is strikingly out of touch with the American Dream because it is so disappointingly stratified. As I did my research, I found that the issue of stratification can be most clearly seen at selective colleges and universities, those which offer the greatest chance for achieving the American Dream. Research shows that students at selective colleges are more likely to graduate and more likely to pursue graduate degrees. Yet, increasingly and despite special financing programs, the most selective institutions educate the fewest low-income students. A study conducted by Anthony Carnevali in 2004 found that at the most selective 146 colleges and universities, 74% of students come from the highest socioeconomic quartile and just 3% come from the lowest quartile. We are educating our rich and middle class but not our poor.

3) My third observation is that while the American Dream may be struggling, the American public believes strongly in the American Dream and many institutions and political figures are taking notice. (*Ah, there IS hope.*) Educational Testing Service (ETS) recently conducted a poll that shows Americans are deeply invested in the notion that higher education is a ticket to opportunity and that students should be judged by merit and achievements in light of whether one worked hard to overcome obstacles -- a combination of both liberal and conservative views. Americans supported preferences for low-income or economically disadvantaged students from all races. These preferences for low-income students are in accordance with the American Dream because it promotes social mobility by rewarding students who have overcome demonstrable obstacles. A 1200 SAT score definitely means more for a low-income, first generation student than for a student whose parents have advanced degrees. In addition, many institutions are developing financial aid strategies to assist low-income students in obtaining a post-secondary degree. Most of the conferences we attend are now focusing on how we can reach those populations who historically have been ignored. We are starting to think outside our own silos by combining admissions policies with financial aid policies.

So what has all this research taught me? Well, it certainly doesn't answer the question of how America fares in comparison with the rest of the world. I haven't researched that yet. And it certainly does not end the discussion of the American Dream. Thankfully! What it does tell me that there is hope in achieving our goals. While there are large changes that need to be made, the American Dream is not dead or even close to dying. (*So take that Symposium guest speaker.*) The best lesson is the real beauty of it all is we selected careers which help in moving the American Dream forward. All of us, whether you work for a lender, a guarantee agency, or an institution of higher education, are assisting in the promotion of the American Dream. We need to continue to educate our public.

Message from News & Views

Submitted by: Melissa Rakes, NAV Editor

As we put on our jackets for the first time this season, my son asked me when it would snow. "Not for awhile," I replied. Although I was quite confident in my response, I am always amazed as the length of daylight decreases, the number of hours in the day seem to do the same. The weeks seem to go by quicker and I have difficulty remembering which month it is. Perhaps this illusion is manifested by our hurried and hectic lifestyles, in which time seems to escape us.

As time flies by, it is amazing to reflect on the events and people that shape our lives. Each year brings new students who have experienced the world, thus far, through a different lens than most of us. During late August, I enjoy taking a brief moment to read the Beloit College Annual Mindset List. This list shows how the entering class of freshman views the world. It reminds me how different we all are and how much culture influences perspective. Some of my favorites for the Class of 2010:

- Smoking has never been permitted on U.S. airlines.
- Affluent troubled teens in Southern California have always been the subjects of television series.
- They have never heard anyone actually "ring it up" on a cash register.
- Madden has always been a game, not a Superbowl-winning coach.
- Mr. Rogers, not Walter Cronkite, has always been the most trusted man in America.

Likewise, access to a higher education has always been an opportunity for these students. In financial aid, we get to help students achieve their dreams. Though our efforts may seem to go unnoticed at times, our work is crucial to student success.

And, while we continue to wait for Reauthorization to provide more funding to help these students, it's bound to be another exciting year in financial aid. The Tri-State committees are hard at work planning activities and events for the upcoming year. Check out their plans and goals in this issue!

As always, there are some informative articles and member profile and calendar of events. Thank you to everyone who contributed to this issue, and the 2006-2007 Newsletter Committee members:

- Renee Weekes, CCBC
- Beth Parker, ECMC

Be sure to take time to enjoy fall and take advantage of all of the wonderful events offered by the Association this season. Because, before we know, we will be in the heart of winter. (And, hopefully, for my son's sake, it will bring a little snow.)

The next deadline date is December 1, 2006. Please e-mail submissions to mrakes@dtcc.edu.

State News...

Delaware Dialogue

Submitted by: Chris Lodge, DE President

Greeting Colleagues!

Wow, it's hard to believe summer is over and a new school year is underway!

DE ASFAA has enjoyed a very positive start to the new year and we've already begun discussions and planning for our upcoming activities.

Members met at Delaware Tech, Terry Campus, on September 7 to review and discuss program administration and management of the ACG and SMART programs. Nancy Wilson, Delaware's Deputy Secretary of Education, was our special guest and provided very helpful information about the programs, eligibility and transcripts. This was also an excellent opportunity for the attendees to "brainstorm" about what they are doing and how they are doing it. Thanks to all for attending and sharing their wisdom!

Planning has begun for our series of financial aid night programs and College Goal Sunday. Stay tuned for more information, and please say "yes" when asked to volunteer!

Now for the exciting news: our first-ever community service project was launched in mid-August and will conclude in mid-September. Members have been collecting school supplies for the Boys and Girls Clubs of Delaware. Cristine Layton and Beth Parker have done a wonderful job of coordinating this project and will present the materials to a



Cristine Layton and Beth Parker sort supplies for the Boys & Girls Club.

representative of the clubs. We will provide an update on our project in the next issue of 'News & Views'!

Best wishes to all for another rewarding, fulfilling year!

DC Communication

Submitted by: *Precious Smith, DC President*

The committee met on September 21, 2006. We introduced ourselves and discussed the goals for the District this year. There was interest from the membership in participating in more outreach and, to that end, we are searching for more opportunities. We also discussed participation by schools and directors in the District. We are looking for more interest and cooperation from area schools and colleges by providing opportunities to serve and attend Tri-State meetings and events.

We welcome your suggestions and emails and would like to hear from any member on issues effecting the profession or perception of financial aid administrators in the District of Columbia. Please contact DC President, Precious Smith, with your suggestions at Prsmith@IFSB.com.

Maryland Moments

Submitted by: Stephanie Bender, Maryland President

Greetings!

The MD committee is hard at work preparing for 2006-2007 events. Committee members include:

Stephanie Bender- EDFUND
Brittany Benton – CCBC Essex
Diahann Green- Citibank
Jerry McKeen - MHEC
Beth McSweeney- UMB
Karen Price - Edamerica
Pat Shoemaker - Anne Arundel Community College

Upcoming fall events will include a Fall Festival (networking event) in late October/early November and High School Guidance Counselor workshops in December.

Watch the Tri-State website and list-serve for details!

Spotlight Features...

Member in the Spotlight

Name: Jennifer Bastos, Citizens Bank

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

I was born and raised in the Washington, DC area. I received my undergraduate degree from Saint Joseph's University in Philadelphia, Pennsylvania with a joint degree in Education and Special Education. I went on to get my Master's Degree from Georgetown University in Social and Public Policy with a concentration in Higher Education Policy. My thesis was on college access and affordability for low-income students. My husband and I currently reside in Kensington, Maryland.

How did you get involved in financial aid?

I started working in the financial aid industry in the financial aid office at Georgetown University. I absolutely loved working in the office and learned so much about financial aid and the industry in general. I decided that I wanted to pursue my Master's degree in this field and began working on my degree at night while I was still working at Georgetown. I worked in the financial aid office at Georgetown for about 2 ½ years.

What is your current role in financial aid?

I currently work for Citizens Bank in the Education Finance Department as an Account Executive. I market to the Tri-State region, as well as to Virginia and Southern Florida. I have worked for Citizens Bank for almost 2 years and have enjoyed every minute of it. I am also serving on several committees this year within EASFAA and Tri-State and chairing Tri-State's Community Service and Outreach Committee.

What is your favorite aspect of financial aid?

I love working with financial aid offices, as well as the financial aid community to ultimately make a higher education degree a reality for students. I think it is so interesting to travel to different schools to see how they operate and how they run their offices. In my current position, I love working with the aid offices to provide them with the products and services that are best suited to assist their student population as well as the office staff.

What are your interests and hobbies?

When I am not busy working, I really enjoy traveling. This past summer, my husband and I traveled around Southeast Asia for a week. We try and take a different adventure vacation each year and see a different part of the world. I also enjoy skiing, any competitive sport, and I would be lying if I did not say shopping.

Dreaming About Financial Aid?

Then be sure to check out the 2006 Fall Conference: Field of Dreams.

As the conference quickly approaches, you may notice e-mails from the listserv in your inbox reminding you it is time to register and book your room! However, what about the question, "What is on the agenda?"

Well... we asked, you told us and we listened. That is how this year's conference agenda was developed. Key sessions will include the ACG/SMART Grant programs, ethics, verification, GradPLUS implementation, customer service, a leadership session and many more. The conference will also include the ever-popular Federal Update as well as breakout sessions by the major FAM systems and state meetings to give you updates for your region.

The goal of the committee was to involve as many school-based financial aid professionals to deliver the sessions. Their background and hands-on experience will make the sessions that much more educational and will allow you to learn what your peers are doing.

Another priority for this year's conference was to ensure that it would be all-inclusive. The social events will have something for everybody and every meal is included in the conference registration. We have provided several opportunities to network, to meet and renew friendships and to interact with your peers so that this is sure to be a memorable conference.

On behalf of the Conference Committee, we look forward to seeing you there and sharing a couple days with you in a relaxed, yet educational, training experience.

Look for updates of the agenda and conference planning on the website at www.DEDCMDASFAA.org.

EASFAA Leadership Development at Fall Conference

Submitted by: Irv Bodofsy, EASFAA Leadership Development Co-Chair

"Great Leaders Aren't Born; They're Made!" That's the presentation that the EASFAA Leadership Development Committee will be making at State Meetings this year. Using the NASFAA Leadership Modules developed in 1999, Committee members will explain that anyone can become a leader, and in fact, financial aid administrators, by virtue of their job duties, already have a lot of the skills necessary for leadership positions.

I bet you've sat in a state meeting and wondered how your state President got their leadership skills. Believe me, they weren't born with them. They developed those skills over time. You can too!

Regardless of whether you are an experienced aid officer, or brand new to the profession, this topic is important. Developing our leadership skills not only helps our professional associations, but also the institutions that employ us. The skills help us do our current jobs better, and prepare us for future challenges. So come and learn how you can develop your leadership skills.

Look for the Leadership Development Session in Cambridge!

People and Places...

Office News

Allegany College of Maryland

Congratulations to Meghan Simpson – now Meghan Palumbo! Meghan was married to Gavin Palumbo on August 5, 2006. She has been employed in the Student Financial Aid Office at Allegany College of Maryland for 1 1/2 years as our part-time Office Assistant. Meghan comes to Allegany College of Maryland with a Bachelor of Science degree from Towson University in Public Relations and Communication.

Anne Arundel Community College

Anne Arundel Community College is pleased to welcome Karen Caughey as the new Financial Aid Specialist for Arundel Mills. Karen has over 12 years of financial aid experience at CCBC, Allegany Community College, and the Federal Student Aid Information Center.

TG

Tamy Garofano has joined TG as a Regional Account Executive in the mid-Atlantic region. Garofano will serve TG's school customers in South Carolina, Virginia, Maryland, Washington, D.C., and Delaware.

Garofano brings with her more than 11 years of experience in the student financial aid and lending industries. Most recently, Garofano served as senior assistant director, processing, for the University of South Carolina. She has also worked as a loan specialist and financial aid counselor for Lee University (Tenn.) and as a loan counselor at South Carolina Student Loan Corporation.

Garofano is an active member of the South Carolina Association of Student Financial Aid Administrators (SCASFAA). She currently serves as the organization's secretary and previously served two terms as vendor/sponsor chair.

Calendar of Events

2006 Neophyte Workshop

October 15-20, 2006

Rehoboth Beach, DE

For more info: http://www.dedcmdasfaa.org/docs/toc_events_training.html

Register Online Now!

2006 Electronic Access Conference

October 30- November 2, 2006

Orlando, FL

For more info: <http://www.ed.gov/offices/OSFAP/conferences/index.html>

2006 DE-DC-MD Fall Conference

November 12-14, 2006

Cambridge, MD

For more info: http://www.dedcmdasfaa.org/docs/toc_events_training.html

Register Online Now!

2006 Electronic Access Conference

November 28-December 1, 2006

Las Vegas, NV

For more info: <http://www.ed.gov/offices/OSFAP/conferences/index.html>

Committee Updates...

Awards & Scholarships

Submitted by: Vicki Smith, Chair

The Awards and Scholarship Committee for the 2006-2007 academic year is being chaired by Vicki Smith, Assistant Director of Student Financial Aid from Allegany College of Maryland, and consists of nine committee members:

Ann Allen – Allegany College of Maryland
Danielle Ballantyne – Loyola College of Maryland
John Beard – US Education Finance Corporation
Kris Boyer – Student Education Services Education Affiliates
Lori Henry – Carroll Community College
Anthony LaRe – Sallie Mae Educational Trust
Nicole McDaniel-Smith – Johns Hopkins University
Karen Price – Edamerica
Virginia Zawodny – CCBC Essex Campus

Five of the members are first time participants for the DE-DC-MD ASFAA

The 2006-2007 goals and objectives for the A and S Committee are to:

1. recruit new membership for the committee, with a focus on first time volunteers,
2. solicit committee membership for a vice-chair,
3. revise the yearly timeline of committee responsibilities.
4. update the Awards and Scholarships section of the DE-DC-MD website,
5. update the scholarship application and add it to the website,
6. update the awards application and add it to the website,
7. create a procedure for publicity of the scholarship winners,
8. create a procedure for publicity of award winners, and
9. create a procedure for the awarding of special awards, i.e., continuous years of service, association anniversary awards, etc.

The committee is currently reviewing the application procedures for the Marilyn Brown, Lifetime, and Service Awards and will be sending an email to the membership-at-large within the next few weeks to solicit nominees for each award. The committee is also updating the annual scholarship application for the 2007-2008 awards. The application will be ready to publicize for candidates on January 1, 2007.

We welcome any suggestions or comments that will help to improve the Awards and Scholarships Committee. Please contact Vicki at (301)784-5354 or by email at vsmith@allegany.edu.

College Goal Sunday

Submitted by: Cissy VanSickle, Chair

The College Goal Sunday Committee is working hard to prepare for the 2007 program. One of this year's goals is to try to "fool Mother Nature" by setting snow dates in advance for the sites.

Most sites are making a return appearance with a date of Sunday, February 11th and a snow date of Sunday, February 18th with a few exceptions. Site coordinators, in working with their constituents, volunteers and target markets, have chosen dates accordingly.

Work is underway to initiate the advertising campaign in the various States and counties. A subcommittee has also been formed to secure future funding for the program.

Tentative sites for 2007 are (unless otherwise noted all sites are held on February 11th with a snow date of February 18th):

CCBC Catonsville
CCBC Dundalk
Baltimore City Community College
EBLO - Baltimore City
Goucher College - Towson
Allegany College of MD (Thursday, February 1st, snow date February 8, 2007)
Garrett College (Thursday, February 1st, snow date Thursday, February 8, 2007)
Frostburg State University (Sunday, January 26th)
Frederick Community College (Saturday, February 10th, snow date Saturday, February 17th)
Trinity University - DC
Additional DC site- to be determined
Delaware Technical & Community College - Georgetown
Delaware Technical & Community College - Dover
Delaware Technical & Community College – Wilmington/Stanton
Wheaton High School - Rockville
Prince Georges Community College
College of Southern Maryland – LaPlata
The HEAT Center - Bel Air, MD
WorWic Community College – Salisbury, MD

The website will be updated with a map of sites and updated, real-time changes to any dates or times.

Site coordinators and committee members will be soliciting volunteers at the Fall Conference.

Without our sponsors, this program could not be successful. USA Funds, Lumina Foundation, AES, ASA and EdFund have been instrumental in supporting this program.

Committee members and site coordinators work hard to make this happen. Members are: Melissa Gregory, Margaret Bowler, Mark Gay, Sharon Hassan, Dave Manning, Beverly Lee, Cindy Harbel, Angie Hovatter, Alan Batchelor, Pat Shoemaker, Tara Yancy, Chris Lodge, Debra McCain, Jerry McKeen, Hazel Mingo, Dana Baumgartner, Diana Ford, Lynn Lee, Karen Tong, Debbie Jenkins, Susan Stitely, Gene Logan, Pamela Poore, Ron Smith, Corey McKinney, Yvette Washington, George Bachman and Sarah Bauder.

Study the new FAFSA when it arrives and join the fun.

Community Service & Outreach

Submitted by: Jennifer Hoffman Bastos, Chair

The Community Service and Outreach Committee is hard at work to make the 2006-2007 academic year a very successful one. Our goal is to increase the involvement within the Tri-State community through outreach and service efforts. We would also like to create awareness of the Tri-State Association as a resource for others within the community.

This year we will work very closely with the State Associations to determine the needs of each state population and act on those needs. We are currently working on our annual project for the Fall Conference. This year we will be holding a raffle and all of the proceeds will support the MAKE-A-WISH Foundation. We are always looking for volunteers to help with our many projects and events and we look forward to a very exciting and rewarding year ahead within the Tri-State Community.

Federal Relations Committee

Submitted by: Ingrid Valentine, Co-Chair

The 2006 DE-DC-MD ASFAA Federal Relations Committee (FRC) is looking forward to another spectacular year. The FRC is an activist organization. Our members visit, write and call decision-makers, work to raise public awareness about higher education issues (specifically issues affecting the financial aid community) and seek creative ways to advocate for better higher education decision-making.

In the spring of 2007 Tri-State FRC members will join our Virginia and New York colleagues to participate in a two-day Capitol Hill symposium. The symposium will introduce and enhance lobbying skills and will conclude with scheduled visits with National decision makers. For additional information, please contact Craig Adelman at adelman@american.edu.

The 2006 Federal Relations Committee members include:

Ingrid Valentine, Co-Chair; Kenneth Robinson, Co-Chair; Beth McSweeny, Craig Adelman, Richard Heath, Cissy VanSickle, Tara Yancy, Scott Filter, Margot Perry, Donald Jones and Michael Poma.

Nominations & Elections

Submitted by: Rich Heath, Chair

Now that the semester is under way and reports of schools meeting their enrollment goals are circulating, it is time once again to reflect on our professional association. I want to express first the deep appreciation I have for all of those that have gone before me and served the Association as part of the leadership team that chair and staff the committees, while providing vision and direction for the DE-DC-MD ASFAA. My responsibilities, along with those who have agreed to serve on the Nominations & Elections Committee, will be to turn to those who will come after us. In the next few weeks we will be asking you for nominations as we prepare a slate of candidates for the Board's approval and for the members to vote on for the 2007-08 Board year. The positions of Chair-Elect, Vice Chair, Secretary and Treasurer will be open for nominations.

Please give serious consideration to the future of the Association by having your name submitted as a candidate for one of these positions.

Further updates will be provided on the timeline associated with all aspects of the Nominations and Elections process, including nominations, candidate reviews and the voting process. Updates will be provided through the Tri-State listserv, as well as emails to the membership. Until then, any thoughts you have can be sent to me at rcheath@aacc.edu.

Professional Development & Training

Submitted by: Andrea Cipolla and Angie Hovatter, Co-Chairs

The Professional Development and Training Committee (PD&T) have been meeting once a month to organize the upcoming training events sponsored by Tri-State. Our meetings are held on the 2nd Tuesday of every month and last approximately 2 ½ hours.

Our last meeting was Tuesday September 12th and we are in full swing with developing a number of instructional events to enhance the development of every Tri-State member.

Here are a few of the events for the upcoming year:

Register Now for the Neophyte Workshop in Rehoboth Beach, DE October 15th through October 20th. Neophyte is designed to provide basic and additional training for new members to the financial aid community.

Winter Office Workshop will be held sometime in early December. The PD&T committee members are currently looking for a space to hold the event close to the Eastern Shore.

NASFAA Training in conjunction with EASFAA may be held sometime in November. The committee is looking for an appropriate space in the DC area. This year NASFAA training will center on verification and leadership topics.

Spring Conference will be held sometime in March or April. The committee is currently looking for a space equipped to hold the event.

The committee will also be scheduling a Diversity Workshop, Leadership Workshop, Summer Staff Workshop and a Mentoring and Leadership Program for new members.

The committee members who work very hard to make these training events happen are:

Andrea Cipolla, Angie Hovatter, Roger Lettie, Sheila Jackson, Robert Thomas, Ginny Zawodny, Jen Dunker, Aristeia Williams, Karen Brady, Jackie Cymek, Danielle Dillow, Scott Filter, Marie Bangura, Donna Janey, Michael Poma, Gene Logan, Hie Ju Seung, Renee Weekes, and Nasim Keshavarz.

We look forward to seeing everyone at the upcoming events!!!

Sponsor Relations & Development

Submitted by: Tanya McMillian, Chair

The Sponsor Relations and Development Committee is working hard to acquire adequate financial support for the association. Details concerning sponsorship opportunities are available now. We are currently securing vendors for the upcoming Fall Conference at the Hyatt Regency Hotel in Cambridge, Maryland. We look forward to a successful academic year.

Committee members include:

Susan Stitely, Frederick Community College
Janee Knippenberg, Frederick Community College
Melissa Rakes, Delaware Technical & Community College
Michael Poma, SunTrust Education Loans

Questions concerning sponsorship should be forwarded to Tanya McMillian at tmcmilla@umaryland.edu or by phone at 410.706.6517.

Special Features...

Building a Financial Literacy Program on Your Campus

Submitted by: Paula Crow, Director, Financial Literacy Training, ECMC

“Financial Literacy” can be described as a hot button issue of our financial aid time. In reality, it has become a sizzling, hot issue. Try Googling the words financial literacy. Depending on how you perform your search - over 2 million entries appear. But what does it really mean? And how much do we need to care?

First, define it. A recent major study of the subject describes personal financial literacy as: “the ability to read, analyze, manage and communicate about the personal financial conditions that affect material well being. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions, including events in the general economy.”

Second, how high should our “care meters” register, given all that we have on our plates? Consider this, only 38 percent of teens can pass a basic financial literacy test, according to the 2006 national survey from the Jump\$tart Coalition for Personal Financial Literacy and yet, by the time a student becomes a college senior, on average, he/she will carry 4 or more credit cards with a total balance of \$3,000.

So how do you start a financial literacy program on your campus? Build it, bit by bit. Getting started is, of course, the hard part. Boost your confidence by realizing that if you already offer entrance and exit counseling, you have the beginnings of a program. Okay, that might be a stretch because if you don’t offer those two items, you are either out of compliance or have a darn good reason you’re been practicing repeating to the auditors.

Seriously though, start by offering one basic presentation. Remember Rome wasn’t built in a day. Budgeting? Sure why not? If you’re doing it yourself, all you really need is a whiteboard, (or a chalkboard will work too.) Pose the question: How many of you actually sat down with a piece of paper and pencil and wrote down your expenses for school in one column and then listed your sources of funds in the second column? Veteran financial aid officers will know that a scant few students, if any, will raise their hands. Novice financial aid officers who’ve never done this

will probably be more optimistic and may expect half the room to raise their hands. No matter, walk them through the steps of what they should list in each column and you're well on your way to having provided Budgeting 101. Word to the wise: Be prepared to answer the dreaded "what if the expense column is larger than the income" question. Hint: the answer, in most cases, is not "call your parents".

Here compiled is a short, and for many, obvious list of suggestions on how to start a financial literacy program for your students:

- Reach out to them - in whatever way you're able, with printed materials, in-person presentations, and stuff on the web.
- Assess what other offices are doing. Students may not want to come to workshops sponsored by financial aid but may be interested in one sponsored by student government or campus ministry.
- Start simple. Build your program in sophistication and depth as you gain interest and excitement.
- Make it interactive, engage them. Ask for *their* stories, it's amazing what long financial lives our students have already lived.
- Tell stories; use examples *they* can relate to (I was told recently by a group of graduate students that my pizza example was "so undergrad".)
- Do a snack and learn; free food is rarely turned away. Offer prizes; create a fun atmosphere.
- Enlist the help of your student lending partners; chances are an "outside expert" will appear more fresh and inviting to them. (No sales pitches allowed.)
- Find "teachable moments"; present information when it's the most relevant (for example: budgeting early in the semester.) Orientation week is a great time for students and parents to attend a session. It may be too late for this year, but what about next?
- Gain buy-in from your administration: Students with strong money management skills are less likely to drop out. Talking about retention and financial literacy together may help you to gain support.
- Financial literacy is a whole school issue. An action committee featuring representation from several areas, including faculty, can raise awareness and build school-wide support.
- Repetition is good. Don't assume that once they've heard something, they know it or will retain it. Remember - it takes 21 times to make something a habit.

Figuring Eligibility – A Q&A for Financial Aid Professionals

Submitted by: Stephanie Bender and Aristeia Williams, EDFUND Client Relations Managers

For most students, financial aid eligibility can be determined from a set of calculations – cost of attendance minus the family's expected contribution.

Of course, financial aid professionals know it's not always that simple. Special circumstances abound, with some commonly recurring situations. At EDFUND, our staff experts have compiled some of the most frequently asked questions about eligibility and offered comprehensive answers for your easy reference.

Q: When can a student qualify for financial aid after defaulting on a student loan?

A: A borrower who has defaulted on a student loan may regain eligibility by resolving the defaulted loan(s). This can be done in one of the following ways:

- The defaulted loan(s) is paid in full.
- The defaulted loan(s) is discharged or determined to be dischargeable in a bankruptcy action.
- The borrower makes satisfactory repayment arrangements by contacting the loan holder for each of the loans defaulted, and makes those payments (as described below in the following question). Once the payment arrangements have been fulfilled, the borrower may regain eligibility. **Note:** *A borrower may reestablish loan eligibility only once under these provisions.*
- The defaulted loan(s) has been rehabilitated. (See the response to the following FAQ.)
- The defaulted loan(s) has been discharged because the student or parent borrower was unable to complete a program of study due to the school's closing.
- The defaulted loan has been discharged by the Department because the borrower's eligibility for the loan was falsely certified by the school.
- The borrower has made satisfactory repayment arrangements on the defaulted loan and consolidated that loan, or the borrower consolidated that loan by agreeing to repay the consolidation loan under an income-sensitive repayment schedule. Satisfactory repayment arrangements for consolidation loans is discussed in the following FAQ.

Q: What is meant by satisfactory repayment and rehabilitation?

A: For the purposes of reestablishing eligibility for federal student aid after defaulting on a student loan, satisfactory payment arrangements must be made to the appropriate loan holder for each defaulted loan. This is defined as:

- Six consecutive full monthly payments as agreed upon with the holder (a lump sum prepayment of future installments does not satisfy the requirement for six consecutive payments)
- On time (within 15 days of the payment due date)
- Voluntary (directly by the borrower; court-ordered or involuntary payments obtained by state offsets or federal Treasury offsets, wage garnishment, or income or asset execution do not count against the six required payments)
- Note that after reestablishing eligibility, the borrower must continue to make payments according to the arrangements made with the guarantor/holder and the loans are still considered to be in default

For the purposes of consolidating a defaulted loan, satisfactory repayment arrangements are defined as follows:

- Three consecutive full monthly payments as agreed upon with the holder (a lump sum prepayment of future installments does not satisfy the requirement for three consecutive payments)
- On time (within 15 days of the payment due date)

- Voluntary (directly by the borrower; court-ordered or involuntary payments obtained by state offsets or federal Treasury offsets, wage garnishment, or income or asset execution do not count against the three required payments)

For the purposes of rehabilitation of a defaulted student loan, the borrower must make payments that are:

- Nine full monthly payments in a 10 month period as agreed upon with the holder (a lump sum prepayment of future installments does not satisfy the requirement for nine consecutive payments)
- On time (within 20 days of the payment due date)
- Voluntary (directly by the borrower; court-ordered or involuntary payments obtained by state offsets or federal Treasury offsets, wage garnishment, or income or asset execution do not count against the nine required payments)
- After the borrower satisfies the above requirements, the guarantor will generally assist the borrower with rehabilitating the loan with a FFEL Program lender

Q: A borrower had a previous loan discharged due to total and permanent disability. How does this affect his/her eligibility for future federal aid?

A: Students who have had previous loans discharged due to total and permanent disability can still be eligible for future federal student assistance. The procedures vary, though, with the date that the discharge occurred. In order to qualify, the borrower must submit the following to be determined eligible to receive a new Stafford or PLUS loan [34 CFR 682.201(a)(6) & (7)]:

- If the loan(s) was discharged prior to July 1, 2001, the borrower must:
 - Obtain a physician's statement certifying that the borrower may now engage in "substantial gainful activity" (the ability to work and earn money).
 - Sign a statement acknowledging that any new loan the borrower receives may not be discharged due to the same or any disability existing at the time the new loan is made, unless the disabling condition substantially deteriorates to the extent that the definition of total and permanent disability is met.
- If the loan(s) was discharged on or after July 1, 2001, and before July 1, 2002, the borrower must:
 - In addition to the above requirements, if the borrower applies for another loan within three years of the date the borrower became disabled, the borrower must reaffirm the previously discharged loan(s)
- If the loan(s) was included in a discharge request after July 1, 2003, the loan is "conditionally" discharged for a period of three years from the onset of the disability, and permanently discharged thereafter. For a conditionally discharged loan, the borrower must:
 - In addition to the two statements above, sign a statement acknowledging that the conditionally discharged loan cannot be discharged in the future on the basis of any impairment present when either the original discharge or new loan request was made

Q: How does bad credit affect eligibility?

A: For borrowers applying for a Stafford loan, credit history is not a factor.

For borrowers applying for a PLUS loan, lenders are required to determine if the borrower has adverse credit history and may not approve a loan if an adverse credit history is determined.

Review Steps for Return of Title IV Funds

Submitted by: Gene Logan, USA Funds

The federal government awards student aid funds with the assumption that students will attend school for the entire period for which financial aid is awarded. Students who withdraw before the end of the term or stop attending classes may no longer be eligible for the full amount of Title IV aid that originally was awarded.

When recipients of Title IV grant or loan funds withdraw from school or stop attending classes, schools must determine the amount of Title IV grant or loan funds students earned. When disbursed Title IV aid exceeds the earned amount, schools or students are required to return the unearned funds to the applicable Title IV aid program.

To perform the calculations involved in the return of Title IV funds, most schools use the U.S. Department of Education's Return of Title IV Funds on the Web Software. However, it is still important to understand the rationale built into the steps, and the mechanics of performing the return of Title IV funds process. In addition to Return of Title IV Funds on the Web, schools also can use worksheets from the Department to figure the return of Title IV funds.

Below is an outline of the specific steps in performing a return of Title IV funds:

1. Gather information about the student's withdrawal date and Title IV aid. This information must include Title IV aid that was disbursed and aid that could have been disbursed.
2. After determining the amounts of aid disbursed and aid that could have been disbursed, find the percentage of Title IV aid the student has earned.
3. Find the amount of Title IV aid the student has earned.
4. From the amount of Title IV aid earned, calculate how much aid is offered as a post-withdrawal disbursement to the student, if any, or returned to the federal programs, if any.
5. Determine the amount of unearned aid, if any, that must be returned by the school.
6. After determining the amount the school is responsible to return, establish to which programs the funds must be returned.
7. Calculate the initial amount of unearned Title IV aid the student is responsible to repay.
8. Calculate student loans to be repaid.
9. Calculate federal grant funds to be repaid.
10. After determining the initial amount of Title IV funds a student must repay, determine the order in which those funds are returned to the federal programs.

Financial-aid administrators should see 34 CFR 668.173(b) for time limits and notification requirements for various functions in the return of Title IV funds process.

Support...

Thank You Sponsors

Submitted by: Tanya McMillian, Chair, Sponsor Relations & Development

The financial contributions made to the association from our yearly sponsors help to subsidize the events and trainings offered to members.

Take a look at some of the association's **2006-2007 Platinum Sponsors**.

For more information about the sponsors, feel free to click the links to their websites.

- ❖ [American Student Assistance](#)
- ❖ [Bank of America](#)
- ❖ [National Education](#)
- ❖ [PNC Bank](#)
- ❖ [SunTrust Education Loans](#)
- ❖ [USA Funds Services](#)

Thank you sponsors, for all of your support! We hope your sponsorship participation in this association continues to be a rewarding experience.

Sincerely,

Sponsor Relations and Development Committee