



ALABAMA ASSOCIATION OF FINANCIAL AID ADMINISTRATORS

# AASFAA Newsletter

[www.aasfaaonline.org](http://www.aasfaaonline.org)

Fall 2004 Edition, October 4, 2004

## PRESIDENT'S REPORT

by Chip Quisenberry

Your 2004-05 elected officers are:

- Dr. Chip Quisenberry, President; Enterprise-Ozark Community College
- Mr. Buddy Jackson, President Elect; Faulkner University
- Ms. Deborah Byrd, Past President; Calhoun Community College
- Ms. Ellen Canada, Vice President; Southern Union Community College
- Ms. Jonna Moses, Secretary; Regions Bank
- Mr. Ben Baker, Treasurer; University of North Alabama

Mr. Charles Markle of Auburn University is the AASFAA Treasurer Elect and Charles also chairs the 2004-05 Budget Committee.

As I write this, plans are being finalized for the AASFAA Fall 2004 Conference at the historic Tutwiler Hotel in downtown Birmingham. The multi-track conference (with sessions for New Aid Officers, Mid-Level, and Advanced) will be held October 12-15, 2004. The Conference Program Committee (chaired by Dan Miller and Buddy Jackson) and the Local Arrangements Committee (chaired by Cindy Massey) have worked hard to make this a memorable and enjoyable conference. We hope that all Alabama Financial Aid Administrators will take advantage of this great training opportunity!

I also encourage you to attend the upcoming SASFAA Conference to be held next February 13-16 at the Hyatt Regency in Atlanta.

Ellen Canada is preparing to conduct NASFAA's Fall Training session in Montgomery in late December. NASFAA's 2004 Fall Training on the student loan programs will answer frequently asked questions, provide the latest guidance received from the

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Department of Education, and clarify areas that often cause confusion.

Fall training topics will include:

- Borrower eligibility requirements
- Annual loan limits
  - Transfer students
  - Preparatory coursework
  - Teacher certification
  - Undergraduate/graduate joint degree
  - Health professions
  - Proration
- Aggregate loan limits
- Declining to certify loans
- Determination of loan periods
  - SAY and BBAY
  - Summer borrowing
- Frequency of borrowing
- Impact of change in enrollment on loan disbursements
- Eligibility for late and post-withdrawal loan disbursements
- Scheduling disbursements for mini-sessions & modules

The AASFAA Executive Boards for 2003-04 and 2004-05 held the annual transition meeting at the Legends in Prattville. Highlights of the meeting included adoption of a proposal from the Vendor-Sponsor Committee to revise many of the rates charged to vendors and sponsors for various conference and other sponsorships. The Budget Committee made a good start on formulating a budget for 2004-05. Dee Talley and Dr. Bill Wall led a great training session on the AASFAA Bylaws and Policies and Procedure Manual, and the

Board agreed on recommendations from the Site Selection Committee for sites for the Fall 2005 (Huntsville) and Fall 2006 (Auburn) AASFAA conferences.

## **BUDGET COMMITTEE REPORT**

by Charles Markle

Your Budget Committee (Chip Quisenberry – ex officio, Ben Baker, Buddy Jackson, Lora Kiser, and Charles Markle, Chair) recently approved a budget for consideration by the Executive Board at its Fall Conference board meeting. While structuring the 2004/05 budget proposal your committee has been mindful of increasingly high conference costs. The budget is a living document that must be adjusted through time, and by the approval of the Executive Board, to reflect the economic realities presented to AASFAA as the year progresses.

## **FALL CONFERENCE COMMITTEE REPORT**

by Dan Miller

The Fall Conference Committee has met and designed the fall conference agenda and assisted in the publicizing the conference. The committee met on the Faulkner University campus on June 22. The committee reviewed a listing of suggested topics and established a tentative agenda and identified members who might be willing to become presenters or moderators.

The “tentative agenda” has been completed and members have assisted in the process of reviewing, edits, and approving the final version. We are fortunate to have three federal representatives on our agenda. After some last minute changes, the program was finalized and sent to Lora Kiser for printing.

We have tried to work within the budgetary constraints set by our Executive Board in our budget for the conference. We have had a great response from our vendors and sponsors as well as our general membership. We anticipate an attendance of 175 members.

Thanks go to all who assisted and supported us and to those who agreed to be presenters and moderators. We hope to conclude this conference on Friday October 15 with no further changes, surprises, or problems.

## **FALL LOCAL ARRANGEMENT COMMITTEE REPORT**

by Cindy Massey

We are well on our way to yet another great Fall Conference! As you know the conference will be held

October 13-15, 2004 at the Beautiful Historic Tutwiler Hotel in Downtown Birmingham – 2021 Park Place North.

We have an excellent conference agenda planned as well as some fun, of course! The Hotel has been very gracious in meeting our needs so no worries. With the size of the Hotel and the size of our group we will have the whole place to ourselves, which should make for a very cozy conference.

Vendors – because of the size constraints please be sure and bring just your small tabletop displays. The vendor area will be in four flowing rooms with limited space and narrow tables for each of you so we ask that you “bear with us” – remember Mountain Brook Inn??? But at least at the Tutwiler we will all be together on the same floor!

Remember, we unfortunately will not be able to accommodate a computer lab for this conference, so if you want to bring your laptop and be able to check your e-mails etc., you will have to do this in your Hotel room. You can get free Internet connections while your there by enrolling in Wyndham ByRequest. Simply log onto [www.wyndham.com](http://www.wyndham.com).

If anyone has any special dietary needs, please be sure to let me know. You can reach me at (800) 371-4295 or [cindy.massey@southtrust.com](mailto:cindy.massey@southtrust.com).

Look forward to seeing each of you in the “Magic City”!

## **SITE SELECTION COMMITTEE REPORT**

by Dan Miller

At the June Executive Board Transition meeting held at the Legends Hotel in Prattville, the 2004-05 Board reviewed two proposals prepared for Fall 2005 and approved the selection of the Huntsville Hilton for the Fall Conference 2005. The Board also approved the second proposal from the Auburn Hotel and Convention Center for the Fall Conference 2006.

The Board also discussed the financial impact of the spring conference held at the Perdido Beach Resort. Since the contract with the Perdido Beach Resort was a two-year contract, the Board asked that a review be made of the existing contract for possible amendments to that contract for our Spring 2005 Conference. Plans were made to make a visit in October to meet with the hotel staff to discuss these amendments. Hurricane Ivan has delayed that meeting.

The status of the Perdido Beach Resort is unknown at this time but informal damage reports indicate that the first two floors were damaged. As soon as it is possible to contact or visit the hotel, we will discuss their renovation timelines and discuss possible contingency plans--cancellation of the 2005 commitment or the possible extension of the existing contract to allow postponement of the 2005 contract until 2006.

If the contract with the Perdido is cancelled, the committee will look at other locations for possible relocation of the Spring 2005 Conference. There are several existing facilities that can accommodate us as well as some fantastic new facilities under construction in various parts of the state that may be open by the spring. We will be busy this fall trying to finalize our spring conference and in the early spring we will try to visit sites for a decision for Spring 2006.

I will provide notification to Chip as soon as possible. A "conference call" or email process may be necessary to approve or cancel the Perdido contract and/or to approve a replacement site.

A special thanks to Ivan for all the "new" things he is bringing to the Alabama/Florida coastal areas.

## **LONG RANGE PLANNING REPORT**

by Dee Talley

AASFAA's Long Range Planning Committee is pleased to announce that it has presented a "draft" Long Range Planning document to the Board for review. The committee worked diligently this past year to develop a comprehensive long range plan for the association. The committee reviewed documents from the national, regional and state associations in preparation for formulating a document for AASFAA. Also, recommendations and suggestions were sought from the AASFAA membership in developing the plan.

The draft of AASFAA's Long Range Plan includes two sections: Organizational Structure and Operations. The organizational structure includes goals and objectives for the Executive Board, Committees and the Membership. Operations include goals and objectives for Bylaws, Policies and Procedures, Archives/History, Communication/Collaboration, Professional Development, Finances and Scholarship.

The draft document has been presented to the AASFAA Board, and the committee has requested that AASFAA adopt this plan as its formal Long Range Plan at its upcoming fall 2004 conference in Birmingham, Alabama. The draft document was also posted to AASFAA's website. The committee has asked both the Board and the membership to review the draft and offer any recommendations or suggestions that they may have before it is adopted by the Board. Once the Board has adopted the plan, the committee will review the organizational structure and operations of the Association to be sure they are in line with the plan.

The members of the Long Range Planning Committee for the 2004-2005 year include Dorenda Adams, Bill Wall and Debra Talley, Chair. The committee would like to thank the Executive Board and the AASFAA membership for the opportunity to serve the association in this capacity during the 2004-2005 year.

## **AASFAA NEWS**

by Dee Talley

### **AASFAA Long-Range Plan 2004-09**

#### **1. ORGANIZATIONAL STRUCTURE**

##### **EXECUTIVE BOARD**

**GOAL:** Ensure that the Executive Board is structured appropriately to accomplish the goals of the Association.

##### **OBJECTIVE:**

? Review the makeup, organization, and responsibilities of the Executive Board on an annual basis.

**GOAL:** Ensure that the terms of office for elected officers are of sufficient length to ensure continuity and to complete official business while providing opportunities for new leadership.

##### **OBJECTIVE:**

? Review the terms and composition of elected officers at least once every five years.

**GOAL:** Ensure that processes and procedures effectively facilitate the transition of leadership for the Executive Board and committees.

##### **OBJECTIVE:**

? Review the board retreat concept to facilitate transition of office between the outgoing and incoming board members.

##### **COMMITTEES**

**GOAL:** Ensure that committees are of sufficient size and number and represent the diversity of the membership to accomplish the goals of the Association and to develop future leadership.

##### **OBJECTIVES**

? Appoint committee members, to the extent possible, that reflect the sector, gender, and ethnicity of the Association.

? Ensure that standing committees with broadly defined responsibilities include one representative from each sector, to the extent possible.

- ? Ensure that other committees, unless otherwise specified in the By-Laws, function with the fewest number of members sufficient to accomplish the goals of that committee.
- ? Ensure that the committee chair, if responsible for making his/her committee appointments, makes every effort to select an appropriate mix of returning and new members to assure the continuity of committee business and the development of future leadership.
- ? Consider alternatives to on-site meetings whenever possible to keep costs at the most reasonable level. Such alternatives include conference calls, electronic mail and arranging committee meetings in conjunction with other meetings where some committee members would normally be in attendance.
- ? Ensure that committee meetings are held at such times and locations that keep travel and lodging costs to a reasonable level.

**MEMBERSHIP**

GOAL: Assess the current membership structure to confirm that it represents the composition of financial aid professionals in the state.

OBJECTIVES:

- ? Review current membership categories, voting privileges and related issues for future planning.
- ? Evaluate membership categories and aggressively seek to increase membership in under-represented areas.
- ? Conduct a survey at least once every five years to determine membership needs.

GOAL: Promote and encourage active participation by all members in activities of the Association.

OBJECTIVES:

- ? Provide opportunities for participation by new members.
- ? Promote continued involvement among all members.

2. OPERATIONS

**BY-LAWS**

GOAL: Ensure that the By-Laws reflect the mission of the Association and support the viability of the organization.

OBJECTIVE:

- ? Bylaws will be reviewed annually to ensure that they continue to further the mission of the Association.

**POLICIES AND PROCEDURES**

GOAL: Ensure that the policies and procedures are accurate and complete, further the mission of the Association, ensure fiscal integrity, and support the viability of the Association.

OBJECTIVES:

- ? Establish a procedure to ensure that the policies and procedures are accurate and complete and that the Association is in compliance with these rules.
- ? Annually review the policies and procedures to ensure that they continue to further the mission of the Association and its financial integrity.
- ? Ensure that officers and committee chairs are responsible for the review and updating of all policies under their purview.
- ? The secretary shall be responsible for reviewing and updating as appropriate, all other policies and procedures.
- ? Ensure that any recommendations for policies and procedures changes be approved by the AASF AA board.
- ? Once every five years, obtain copies of policies and procedures from other state associations in the SASFAA region, as well as from other regional associations, to identify areas of potential weaknesses in AASF AA's policies and procedures.

**ARCHIVES/HISTORY**

GOAL: Maintain the records of the Association.

**OBJECTIVES:**

- ? Establish procedures to maintain records of the Association electronically.
- ? Periodically review the methods used to maintain records.
- ? Ensure the accessibility and continuity of the Association's records.

**COMMUNICATION/COLLABORATION**

**GOAL:** Enhance alliances between and among various sectors and diverse members of the student financial aid community.

**OBJECTIVES:**

- ? Involve all sectors of AASFAA's financial aid community to ensure representation and participation in all Associational programs and activities.

**GOAL:** Review, develop, and enhance AASFAA publications and methods of information dissemination to enhance communications among members in a timely and cost-efficient manner.

**OBJECTIVES:**

- ? Provide timely information useful to all sectors of the membership.
- ? Develop a Master Calendar each year.
- ? Provide a means for networking between and among all sectors of the membership.
- ? Enhance the use of new and emerging technologies (i.e., internet, etc.) as a more timely and cost-efficient means of communicating with the membership.
- ? Review current communication methods to the membership and aggressively pursue the use of technology as a routine avenue to conduct Association business.

**GOAL:** Apprise members of legislative issues affecting the profession, educate members of alternative approaches, advocate involvement on issues and advocate positions when reasonable consensus exists.

**OBJECTIVES:**

- ? Apprise members of legislative issues affecting the profession.
- ? Educate members of alternative approaches.
- ? Advocate timely, effective involvement on issues affecting the profession.
- ? Advocate positions when a reasonable consensus exists.

**GOAL:** Analyze, determine, and implement the most effective means of electronic communication capabilities for the AASFAA membership, using technology as a means of communication to members, where appropriate.

**OBJECTIVES:**

- ? Increase use of web site by AASFAA's members.
- ? Increase use of electronic mail lists by AASFAA's members.
- ? Determine appropriate media for various modes of communication with members, reducing the number of documents that need to be provided in paper format where feasible.
- ? Encourage membership use of electronic communication technology with training and informational activities.

**PROFESSIONAL DEVELOPMENT**

**GOAL:** Provide for the professional growth and competencies of members by offering workshops, seminars, meetings and other training opportunities to meet the needs of the membership.

**OBJECTIVES:**

- ? Determine the training and professional development needs of members, recognizing distinctions among members such as experience, institutional type, and level of responsibility.
- ? Train members in other areas that directly or indirectly affect student aid, e.g., business office, enrollment issues, and computer technology.

- ? Evaluate the content of conferences and training efforts to ensure they provide current information and meet the needs of the membership.
- ? Provide diverse topics recognizing both the need for regulatory and technical knowledge, as well as the need for skills in management and human relations.
- ? Provide open forum opportunities to accommodate timely topics.
- ? Recognize and encourage the development of formal and informal "networking" strategies for sharing information and locating job opportunities.
- ? Recognize and provide opportunities for pre- and post- conference training activities.
- ? Encourage participation in professional development activities by experienced members who represent the diversity of the membership and are capable of motivating and teaching others.
- ? Provide training sites that are accessible to the membership and financially feasible.
- ? Provide special attention to new technologies as both an object of training efforts and as a vehicle for presenting training, discussion, and advancement.
- ? Cooperate with other organizations such as the Southern Association of Student Financial Aid Administrators, the National Association of Student Financial Aid Administrators, and the Department of Education to maintain appropriate training opportunities for the membership.

**FINANCES**

GOAL: Provide and ensure the future financial stability of AASFAA through careful and regular planning and evaluation.

OBJECTIVES:

- ? Annually determine the appropriateness of fees assessed for dues, professional conferences, training workshops, and sponsorship support.

- ? Maintain a financial strategy that will result in the Association having a reserve fund sufficient to support customary Association activities for at least three years.
- ? Review annually, all risks and potential liabilities affecting cash management and contractual obligations to ensure Association bonding/coverage is sufficient.
- ? Outline parameters for developing the Association's operating budget, ensuring that it is always balanced.
- ? Recommend means for review of financial management practices (audits) to ensure fiscal responsibility in accordance with generally accepted accounting principles and management standards and guidelines.
- ? Conduct an annual review of the Association's investment strategies to ensure solvency and growth of special program funds.

**SCHOLARSHIP**

GOAL: Ensure that the Association disseminates current information about the Legacy Scholarship Program.

OBJECTIVE:

- ? Develop a scholarship brochure that provides accurate information about each of the scholarship honorees.

**FEDERAL UPDATE**

by David Bartnicki

1. Federal Registers
  - 5/11/2004 – TABE test will no longer be an approved ATB test after 9/8/04
  - 4/21/2004 – FERPA (final – effective May 21, 2004)
    - o Written consent that must be signed and dated may be met with records and signatures in electronic format
  - 3/16/2004 – Technical corrections and amendments to institutional eligibility and campus-based programs
  - 12/31/2003 – Technical corrections to Perkins, FFEL and DL regulations

2. Dear Colleague Letters
  - Campus-Based
    - o CB-04-11 - Default Reduction Assistance Program (DRAP) that is available to assist schools in its collection efforts of defaulted Federal Perkins Loans
    - o CB-04-10 - 2004-2005 Supplemental Campus-Based Awards
    - o CB-04-03 - 2005-2006 FISAP changes
    - o CB-03-14 - Implementation of Perkins MPN
      - Effective November 1, 2004
    - o CB-03-12 - Revised assignment form and procedures for assigning Perkins Loans
  - General Provisions
    - o GEN-04-07 - Updated contact information for FSA's Student Loan Ombudsman's Office
    - o Gen-04-06 - XML implementation schedule
      - All schools are required to be full participants using the Common Record: COD for 2005-06
    - o GEN-04-05 - Email notification sent to students regarding income
    - o GEN-04-04 - Guidance for participants affected by disasters
    - o GEN-04-03 - Return of Title IV Update (effective 2/13/04)
    - o GEN-04-02 - Treatment of College Savings and Tuition Plans
    - o GEN-03-12 - NSLDS Calculation of Aggregate Loan Amounts
    - o GEN-03-07 - Dependency Override clarification
  - Financial Partners
    - o FP-04-06 - FFEL Consolidation loans for borrowers with FFEL and non-FFEL loans
    - o FP-04-04 - Q & As regarding "exceptional performer" status
    - o FP-04-02 - Timely completion of Loan Verification Certificates
    - o FP-04-01 - FP replaces L and G coded Dear Colleague Letters
  - Pell
    - o P-04-01 - 04/05 Pell payment and disbursement schedules
  - Annual
    - o ANN-04-09 - 2004-2005 FSA COACH is available
- o ANN-04-08 - FSA's one-day training workshops
  - offered from September through December
  - Return of Title IV Funds, Analyzing Data, and Conflicting Information
- o ANN-04-05 - New registration system for ED training
- o ANN-04-02 & 03 - Computer Tutorial for 04/05 EDEExpress
3. Electronic Announcements
  - o 9/9/04 - Availability of Return of Title IV Funds for Windows Service Release, Version 1.1.2
  - o 8/20/04 - Electronic Access Conferences
  - o 7/13/04 - Someone impersonating a U.S. Department of Education official is offering students grants for a processing fee
  - o 7/12/04 - Update Federal School Code File
  - o 5/19/04 - eZ-Audit registration, Q & As, Rules of Behavior
  - o 5/5/04 - Sources of Assistance for Schools
  - o 4/8/04 - Updated COD Computer Tutorial
  - o 3/29/04 - Updated FSA Default Management Website
  - o 3/15/04 - eZ-Audit update for non-profit and public schools
  - o 3/15/04 - eZ-Audit updated step-by-step guide
  - o 3/3/04 - NSLDS email address change
  - o 1/7/2004 - SSN corrections in CPS (when to refile a FAFSA)
4. Training
  - o New web link for Departmental training - ([www.ed.gov/offices/OSFAP/training](http://www.ed.gov/offices/OSFAP/training))
  - o The 2004 schedule of Fundamentals training for new schools/new FAAs is listed
5. IFAP information
  - ED presentations
    - go to Tools for Schools section; then Conference Presentations
6. Atlanta Regional Office Notes
  - Charles "Chuck" Engstrom is the new Area Case Director for the Atlanta Case Management Team (404-562-6309; charles.engstrom@ed.gov)
  - FSA is going through a realignment that may cause a shift/adjustment in offices, job duties, personnel, etc. - stay tuned.
  - Remember that you have a Point-of-Contact (POC) responsible for working

with your school on the Atlanta Case Team. If you do not know your POC, please call our main number at (404) 562-6316.

## LENDING MATTERS

by David Long, Crystal Dempsy-Gillum, Stacy Schiller, Sam Casarez, and Maha Shawish

### USA Funds Awards \$39,000 in Scholarships to 27 Alabama Residents

USA Funds® has awarded 27 new and renewal scholarships totaling \$39,000 to deserving college-bound students from Alabama. The scholarships assist students in financial need — particularly students who are members of ethnic-minority groups or are physically disabled — as they finance their higher education.

The awards included seven new scholarships totaling \$10,500 and 20 renewal scholarships totaling more \$28,500.

The scholarships provide each full-time undergraduate and graduate student with \$1,500; each half-time undergraduate receives \$750. Students who maintain grade-point averages of at least 2.5 on a 4.0 scale may receive renewal scholarships annually until the students receive their final degrees or certificates, or until the total award to a student reaches \$6,000.

Scholarship Management Services, a program of Scholarship America, the nation's largest private-sector scholarship and educational-support organization, administers the program.

For more information, and to view a list of scholarship recipients, visit the USA Funds Web site — [www.usafunds.org](http://www.usafunds.org) — and select "Scholarship Information" from the "Express Links" drop-down box. Information about USA Funds' 2005 scholarship program will be posted on the USA Funds Web site beginning Oct. 1.

### USA Funds Website Offers Reauthorization Resources

As the U.S. Congress considers legislation to reauthorize the Higher Education Act, USA Funds® offers online resources to help schools and education lenders stay abreast of the deliberations.

The USA Funds Web site, [www.usafunds.org](http://www.usafunds.org), provides the following information and updates related to reauthorization:

- A link to key legislation and bill summaries and status information.
- Testimony from congressional reauthorization hearings.

- The latest updates on the progress of reauthorization.
- Recommendations of higher-education and education-finance associations and organizations.
- A USA Funds briefing book that provides background on the issues surrounding reauthorization.

To access the reauthorization resources, select "2004 Reauthorization" from the "Financial-Aid Professionals" or "Education Lenders" page on the USA Funds Web site, [www.usafunds.org](http://www.usafunds.org).

### Alabama Student Loan - KHEAA Update

#### Thanks for Your Support in 2004!

FY 2004 was a tremendous year in our efforts to make higher education more accessible for Alabama students. Thanks to the assistance and support of our school and lender partners, KHEAA guaranteed \$951 million in Federal Family Education Loans. We look forward to working with AASFAA members during the coming year and will continue to strive to do everything possible to maintain the faith and confidence you have placed in us.

#### Disbursement Postponements for Schools Affected by Hurricane Ivan

KHEAA is offering its assistance to its schools that may be affected by Hurricane Ivan. Schools that are planning to close or cease their financial aid operations as a result of the hurricane may contact KHEAA at [loanprocessing@kheaa.com](mailto:loanprocessing@kheaa.com) or 1-800-564-6068 to postpone disbursements. KHEAA will maintain this status until it receives additional notification from schools.

#### New ASLP Director



Dr. William H. Wall is the new Director of the Alabama Student Loan Program, administered by KHEAA and The Student Loan People, replacing Tommy Dismukes, who was recently named Vice Provost for Enrollment Management at Huntingdon College. Dr. Wall will be responsible for business development, marketing, and outreach activities in Alabama.

AASFAA members are well acquainted with Dr. Wall who retired earlier this year as Director of Student Assistance Programs for the Alabama Commission on Higher Education (ACHE) after 25 years of service. Dr. Wall served as AASFAA President in 1986.

Dr. Wall began his career in student financial aid at the University of Florida before being named Assistant Director of Financial Aid at the University of Alabama. He served in that capacity until 1978 when he joined ACHE. He earned his bachelor's and master's degrees from the University of Florida and his doctorate in

guidance and counseling from the University of Alabama.

He has been actively involved in numerous professional organizations and the recipient of distinguished service and leadership awards from the Alabama, Southern, and National Associations of Student Financial Aid Administrators and the Alabama Independent College Association.

"It certainly is a pleasure to welcome Dr. Wall to KHEAA and The Student Loan People," said Dr. Joe McCormick, CEO and Executive Director "His many years of experience and expertise in student financial aid will be invaluable as we work with our partners to make higher education more accessible for Alabama citizens."

#### **KHEAA Default Aversion Recurrence Rate**

KHEAA ended the fiscal year with an average 50.77% recurrence rate. The default recurrence rate measures how successful KHEAA is in preventing a loan from becoming delinquent for a second time. The recurrence rate for the previous fiscal year was 55.28%.

#### **Lender-Provided Credit Determinations**

KHEAA origination lenders now have the ability to perform PLUS pre-approvals and to notify KHEAA of the determination via their lender web directory. Lenders may perform their own credit determinations or continue to use KHEAA's online pre-approval process.

The new process allows lenders to make a credit decision based on their criteria with only one credit inquiry appearing on the borrower's credit report. Upon processing a PLUS MPN, KHEAA checks to see if a lender has performed a credit determination in the last 120 days. If a credit determination has not been performed, KHEAA will then perform one.

#### **Staff Changes**



Elaine Brumback has been appointed Customer Care Manager. Elaine oversees the status lines staff, which serve as the front-line point of contact for inquiries from students, schools, and lenders. Elaine also provides oversight for the training program and continues to serve as KHEAA's ombudsman. Elaine joined KHEAA in September 1995 as a Secretary Principal. She attended classes and earned a B.S. in computer science in May 2001 while working full-time for KHEAA.

#### **Publications**

The Alabama *Getting In* should be delivered to financial aid officers and to counselors for distribution to high school seniors in October. *Getting In* now has college planning checklists students can tear out to guide them through the admissions and financial aid processes.

#### **Debt Recovery**

Debt Recovery had a stellar year and brought in a record amount during FY 2004. More than \$60 million in

defaulted student loans was collected (\$5 million more than last year). This default recovery rate is the third best in the nation among agencies that guarantee student loans.

With new goals and commitments, Debt Recovery is primed to do it all again in FY 2005. The goals are to increase retention from \$12 million to \$13 million and keep KHEAA in the top five guarantee agencies as ranked by the U.S. Department of Education using recovery rate totals.

### **Point, Click, And Create A Brighter Financial Future**

If you've been having trouble getting your students to take money management seriously, here's a fact that should get some attention: over the course of a lifetime, each student likely will earn well more than \$1 million. How? Let's say each student works from age 20 to 65 earning a gross average income of just \$25,000 a year. That adds up to \$1.25 million dollars—and learning how to manage that money will be vital.

Couple that fact with this one: ignorance is expensive. These numbers tell the tale:

- According to the JumpStart Coalition for Financial Literacy, fewer than 30 percent of U.S. students receive as much as *one week's* worth of course work in money management or personal finance.
- Over 4,000 high school seniors nationwide were recently tested on the basics of money management. Nearly 70 percent failed the test—with an average score of 36.6 percent.
- Almost half of college students pay late fees on their credit cards, and 7 percent have their cards cancelled due to late fees.
- The fastest growing group declaring bankruptcy is young adults age 20 to 24. Last year, 110,000 people under the age of 25 filed for bankruptcy due to their inability to pay off their credit card debts.

Wells Fargo wants to change those statistics and help your students succeed financially—before, during, and after college. That's why we developed the *Hands on Banking*® financial literacy program and its Spanish equivalent, *El futuro en tus manos*®. Developed by Wells Fargo as a free community service, *Hands on Banking* contains no commercial content. The program provides the basics of money management with age-relevant topics for college students, such as:

- Budgeting techniques
- The ins and outs of borrowing money and maintaining good credit
- Information on the importance of savings and bank accounts
- Details on future financial milestones like buying a home, investing, and starting and managing a small business

Wells Fargo featured the *Hands on Banking* program at the 2004 NASFAA conference in Minneapolis, and this fall, several college campuses are making the program an essential part of their freshman orientations. *Hands on Banking* is both fun and free, making it easy for you to incorporate the program into your Entrance/Exit Counseling sessions and other debt management efforts. The program is available via CD-ROM or online, so you can have CDs available in your financial aid office or link directly to the program from your school's Web site or a customized jump page. *Hands on Banking* might even help you lower your school's cohort default rate!

For more information about *Hands on Banking* and money management, check out the resources listed below or contact Larry Coles, your Wells Fargo Account Executive. Working together, we can help prepare students for financial success.

#### For More Information

Hands on Banking in English and Spanish  
[www.handsonbanking.org](http://www.handsonbanking.org)  
[www.elfuturoentusmanos.org](http://www.elfuturoentusmanos.org)

To request a free CD-ROM (please allow two weeks for delivery):  
Toll-free phone: 1 (866) 650-6228  
Fax: 1 (415) 975-6260  
Email: [HOBCE@wellsfargo.com](mailto:HOBCE@wellsfargo.com)

Wells Fargo Student Financial Services: Money And Debt Management  
[www.wellsfargo.com/student/planning/manage/index.jhtml](http://www.wellsfargo.com/student/planning/manage/index.jhtml)

Your Wells Fargo Account Executive  
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### Debt management as a campus-wide priority: Small steps can make a big difference

As a financial aid professional, you recognize the importance of instilling effective debt management practices in your students. Frequently, however, one of the greatest challenges lies in getting your other campus partners (admissions, student services, and alumni affairs, for example) to recognize how promoting effective debt management can positively impact your institution's and, more importantly, your students' success.

Understandably, every campus office is very focused on their core functions and responsibilities. Growing student enrollments, budget cuts, and the consolidation of institutional functions make it difficult for higher education professionals to think beyond their immediate "working world." However, for the success

of the institution as well as the student, every area must contribute in some way to providing students with the knowledge and tools necessary for managing their finances effectively.

Surprisingly, some of the simplest actions can make the greatest contributions to this effort. In this article, we will share some simple information you can use to advance campus-wide awareness and action on this important issue.

#### Sharing the big picture with colleagues

The first step in fostering campus-wide commitment and action to debt management awareness is to share how this effort can contribute positively to your institution's success. When making an effort to educate others, it can help to point out the following:

- The typical graduate with a bachelor's degree now leaves school with about \$18,000 in student loans.
- Students are often unaware of how their earning potential will compare with the monthly payments they will have to make to service their education debt and general living expenses.
- The level of student indebtedness can have an impact on the student's perceived satisfaction with their education, their experience at your institution, and their willingness to support the institution financially after graduation.

These points can be shared during casual conversations with colleagues, or during formalized training on the topic. Several guarantors, including TG, can provide workshops and support to foster a campus-wide commitment to promoting effective debt management. To learn more about TG's offerings, you can contact Matt Short, TG's director of strategic enrollment management services at (800) 252-9743, ext. 4622, or [matt.short@tgslc.org](mailto:matt.short@tgslc.org).

#### Focusing on area-specific approaches

Fostering debt management awareness requires comprehensive collaboration and commitment. This can be challenging, given time and resource constraints. However, there are some simple tactics you can use to begin a campus-wide alignment. One approach is to invite colleagues from other departments to brief, one-hour brown bag lunch, or "brainstorming" sessions to identify awareness opportunities and simultaneously create "buy-in." To get started, here are some best practices that can be explored further with some other departments within your institution.

#### Admissions

The first opportunity to promote effective debt management often begins with the admissions team. Find out their approach for recruiting students and how they manage and communicate financial aspects of access to higher education. Parents are usually in the picture early on in this relationship – are they being

provided with the tools to explore and evaluate their higher education opportunities from a financial perspective? Do your admissions team members know the Median Borrower Indebtedness (MBI) for your student population, and how it factors into a students' long-term success?

#### *Student Services and Career Counseling Services*

Student services plays a key role in retention and, thus, in the success of the institution. When meeting with this team, explore the scope of initiatives and services that they provide to students, particularly those related to personal finance. Determine whether students are offered opportunities to take short trainings on money management issues. Often, non-profit organizations and financial institutions are willing to come to your campus to provide training and materials for students. Campus career counselors also play an important role in this endeavor; gainful employment is a key factor to long-term student success.

#### *Academic Affairs*

Cumulatively, perhaps no area has more "face-to-face" time with your students than those in academic affairs. Faculty and staff in this area also influence your student population, and they also play an important role in retention. Therefore, it is important that faculty not only understand why promoting debt management is important, but that they also encourage students to enhance their money management skills whenever possible. Long after students have completed their studies, they may play an important role in contributing to future enrollment and supporting your school financially or academically. It is in the faculty's best interest to encourage success.

#### *Alumni Relations*

For your alumni relations team, it is much easier to identify the benefits of fostering an awareness of effective debt management in the student population. Current students are future financial contributors to your institution. Effective money management skills enhance the possibility students will be able to give back long after they have left your campus. However, other less obvious opportunities may exist as well. For example, alumni relations may assist in delivering training and resources to alumni on debt management. It is also possible that this group may be able to perform research on the status of alumni based upon efforts you implement to increase debt management awareness.

#### **Time to get started**

When it comes to promoting effective debt management on your campus, sometimes even small efforts can make a big difference. Good luck in promoting the importance of campus-wide debt management awareness, and remember to call us if you need assistance.

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*information about TG can be found online at [www.tgslc.org](http://www.tgslc.org).*

### **Academic Management Services (AMS) Names Michelle Dugas Account Manager for Loan Clients**

Academic Management Services Corp. (AMS), a leading FFELP lender and tuition payment plan provider, is pleased to announce that Michelle Dugas, of New Orleans, La., has been named account manager for its southern region.

Dugas will be responsible for developing and maintaining AMS business relationships with client schools in Louisiana, Mississippi, Alabama, and Arkansas.

"Setting the highest standards, and meeting those standards, is the principle Michelle works by," said Judith L. Grassi, president of AMS. "Michelle will provide incomparable support to her client schools and their families, and we're happy to have her as part of our southern team."

Before joining AMS, Dugas was a scholarship officer for the Office of Student Aid and Scholarship at Louisiana State University. She has an MBA from Nicholls State University and a B.S. from Louisiana State University.

## **PROFESSIONAL DEVELOPMENT**

by Dan Brent and Allyson Wyne

### **Interacting with Difficult Students**

A delightful student "customer" can be the highlight of your workday. A difficult student "customer" can be the low point of your workday. With all the work volume and pressure typical in the Financial Aid Office, you really don't need some student screaming at you and telling you what inconsiderate idiots you all are!

But wait . . . !

Think about this. Anyone can survive taking care of the needs of a student who is considerate and grateful. It takes a real "pro" to deal with the student who has created his or her own problems and wants to blame the whole thing on you. This is the student who didn't read the directions, missed the deadline, or failed to follow up on a commitment he'd made. Now he's feeling the pressure and he needs a scapegoat to blame and to vent his frustration on. You're it!

It's useful to remember that the student's anger is not directed at you personally. He or she did not arrive asking for you by name. (If someone comes in furious and is asking to see you specifically, I'd suggest that you hide and call Security!) The student is angry with the school because something did or didn't happen,

and you are the one who is holding the fort at the moment. You are the person in charge of this interaction. The student may swear or make accusations or attempt to put you down. It is not personal to you. He or she is venting anger and frustration and that's the way it comes out. So, at your best, you don't take it personally. You ignore the personal stuff and deal with the problem.

This student is part of the school's "family". This student is not an enemy. Since 9-11 we all understand enemies better; this individual is not one.

Think of it this way: every family has members who are a bit embarrassing. There is crazy Aunt Alice who is a bit awkward to deal with. If you are hosting the July 4<sup>th</sup> picnic, you hope she won't come. But if she shows up, she's welcome. She's family. There is Uncle Ulysses who has spent most of his life in jail. If someone asks, "How is the family?" you don't mention him. But he's family. And if it's OK with his parole officer, he too is welcome at the picnic.

Hostile customers are like that. They aren't the students you're the proudest of, but they too are welcome at your picnic.

Dealing with this individual is a real "customer service" challenge. It provides you with the opportunity to be at your best.

At the end of the day, the student may or may not look back and say to himself, "I was not very nice there and it was really I, not she, who created my problem." You can't control what the student does, says, or thinks. But it's nice when you can look back on the interaction and say to yourself, "That was difficult but, you know what: I was good!"

The following is a list of Do's and Don'ts to try to abide by when interacting with a difficult student customer:

**DO's**

- Hold your hands open and receptive at your sides.
- Acknowledge challenging questions and then re-direct to the issue at hand.
- Anticipate but do not expect.
- Listen! (Can you find the word within this word? *Silent!*)
- Use eye contact.
- Be sensitive to any communication barriers (i.e. language, culture, etc.).

- Identify the problem by paraphrasing what the student is saying.
- Remember the Platinum Rule...Treat the student the way *they* want and need to be treated.
- Speak respectfully.
- Don't react.
- Empathize with the student; put yourself in their shoes.
- Provide positive feedback, follow-up and follow-through.
- Stay calm, most of the time, the student is reacting to a *situation*, and is not intending to "attack" you.

**DON'TS**

- Use your parental finger.
- Be accusatory to the student.
- Be judgmental of the student.
- Be indifferent to the student's concerns.
- Mislead the student.
- Take it personally.
- Blame the student.
- Say "calm down" or "relax". These are trigger words and will only make the student more upset.
- Interrupt when the student is venting
- Allow yourself to be pulled into an argument.
- Get defensive.

Keep in mind; you won't always be able to fix the problem. However, it is critical to leave the student with the understanding that your goal is to resolve the problem. Use the tools provided above and you will be well on your way to becoming a customer (student) service pro!

<b><u>UPCOMING EVENTS</u></b>	
AASFAA Fall Conference ----- Birmingham, AL	Oct. 12-15
SASFAA Conference ----- Atlanta, GA	Feb. 13-16
AASFAA Spring Conference ----- Perdido Beach, AL	April 2005