



ALABAMA ASSOCIATION OF FINANCIAL AID ADMINISTRATORS

AASFAA Newsletter

www.aasfaaonline.org

Spring 2009 Edition, March 23, 2008

PRESIDENT'S REPORT

by Charles Markle, President 2008-2009



AASFAA will hold the 2009 Spring Conference April 7 – 10 in Orange Beach, Alabama. This will in all likelihood be the last conference on the beach for the foreseeable future because of the same budget issues being faced by our sister conferences in the region. The conference theme is "The Financial Aid Administrator: Now

More than Ever..." and references the shaky economic times.

Two AASFAAns attended the NASFAA Leadership Conference in Washington, DC March 8-10. President-Elect Andy Weaver and Treasurer-Elect Christy Bulger practiced their persuasive influence on several in the Alabama Congressional delegation. Our thanks go to both financial aid administrators for taking their time to advance the purpose of our profession.

AASFAA sent three individuals to participate in the SASFAA Leadership Symposium held at the Grove Park Inn in Ashville, NC December, 2008. Andy Weaver, Melba Maudlin, and Ann Campbell all report the value of the experience to have been far beyond any expectations they had going in.

AASFAA had a relatively strong contingent to attend the 2009 SASFAA Conference in Myrtle Beach, SC February, 2009. We enjoyed the sessions and lamented the absence of others from our state whose school budgets prevented their attendance.

The AASFAA Executive Board intends to continue offering high quality, low cost opportunities for the membership as we promote our training, professional development, and networking priorities. We intend to hold a 2009 fall meeting that will include both a NASFAA Decentralized Training as well as a Federal Update. We will continue to hold an annual conference in the spring, but at a venue more affordable to our budget, Guntersville State Park, Alabama.

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PRESIDENT-ELECT'S REPORT

by Andy Weaver, President-Elect 2008-2009



Spring is in the air and the 2009 AASFAA Spring Conference is just around the corner. The AASFAA President-elect serves as the Conference Committee chair, but the real work happens with the Program and Local Arrangements Committees. Tammy Spratlin, Donna Bass and their respective committee members have been hard at work planning our "last hurrah at the beach" scheduled for April 7-10 in Orange Beach.

I had the opportunity to attend SASFAA's Leadership Symposium, along with Melba Maudlin and Ann Campbell, at the Grove Park Inn in Asheville, NC in December. SASFAA conducts the Leadership Symposium as a service to state associations to help guide those in leadership roles in conducting the business of their associations. Informational sessions such as parliamentary procedure, developing leadership skills, and tips on working with volunteers were offered. In addition, I had the opportunity to brainstorm with other SASFAA members on how best to serve our association given ever decreasing revenue streams. Thanks to AASFAA for allowing me the opportunity to attend, and to SASFAA for their hospitality.

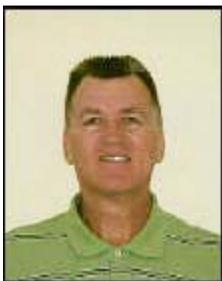
Earlier this month, Christy Bulger and I attended NASFAA's Leadership Conference in Washington, DC. NASFAA representatives provided us with updates on current issues affecting state and regional associations as well as an opportunity to collaborate with state association presidents from around the country. I thoroughly enjoyed the visit to NASFAA's national headquarters where we were treated to snacks and great conversation with NASFAA's leaders.

While in DC, Christy and I took the opportunity to meet with representatives of Senators Shelby and Sessions and Congressman Parker Griffith from Huntsville. It was an excellent chance to share our concerns relative to higher education funding and other timely issues related to education in Alabama and the nation (and, as President Charles Markle so eloquently ascribed, "practiced our persuasive rhetorical influence on the Alabama Congressional Delegation"). The most important tidbit I picked up was the fact that our representatives definitely want to hear from us on education issues. I offered AASFAA as a resource and myself as a contact, so please feel free to pass on any information or concerns you would like me to present to our Congressmen on behalf of AASFAA. Also, I would suggest preparing an information sheet with congressional representatives' contact information to pass on to your students so they can be heard as well.

Hope to see everyone at the beach.

PRESIDENT'S REPORT

by Ben Baker, President 2008-2009



The Nominations and Elections Committee met in Montgomery, Alabama, on Monday, February 2, 2009. The purpose of the meeting was to consider candidates and select nominees for AASFAA elective office for 2009-2010. Past Presidents of AASFAA currently active in the financial aid profession were invited to attend and served as the Nominating Committee.

The committee is pleased to present the following candidates for AASFAA office for 2009-2010:

- President-elect:** Amanda Sharp
University of North Alabama
- Vice President:** Vickie Adams
Jacksonville State University
- Vanessa Kyles
Jefferson Davis Community College
- Treasurer-elect:** Kevin Ammons
Troy University
- Lane Smith
Samford University

Secretary: Belinda Duett
Huntingdon College

Melba Maudlin
Samford University

The AASFAA officers were called to special session via email meeting by President Charles Markle on Friday, March 6, 2009 at 2:58 p.m. to consider the slate of candidates presented by the AASFAA Nominations and Elections Committee. All candidates for each of the respective AASFAA offices were unanimously approved by the AASFAA board at this meeting.

A statement of candidacy and a picture of each candidate will be on the AASFAA website very soon. Voting will begin online a few days before the upcoming spring conference. The AASFAA Spring Conference will be held at the Perdido Beach Resort April 8 – 10, 2009 in Orange Beach, Alabama.

I hope you are making plans to attend the conference this year. Each candidate will be given three minutes at the business meeting to present his or her statement of candidacy.

The committee also considered nominees for the M. Cecil Padgett Outstanding Achievement Award (for a practicing financial aid administrator) and the John H. Buchanan, Jr. Distinguished Service Award (for service to the financial aid profession by someone outside the profession).

A special thank you goes to William H. "Bill" Wall, James Berry, Jonna G. Baker, William K. "Buddy" Jackson, Henry L. "Chip" Ouisenberry, and Don Rainer for their contribution of time, knowledge and dedication to select the nominees for elections and awards for this year.

Thank You.

VICE PRESIDENT'S REPORT

by Phillip Nelson, Vice President 2008-2009

Hope all is well with everyone. It is spring time outside and everyone knows that means one thing. It is time for our Spring Conference at the Perdido Beach Resort in Orange Beach. As we do at all conferences, we will be offering a New Aid Officer Workshop on Wednesday April 8th from 8:00 a.m. - 12:00 noon. The presenters for this workshop will be Lissa Powell and myself. Lissa and I will be covering a wide range of topics that will be helpful to all new aid officers in the financial aid business.

Due to rising costs and the current economy this might be the last time that you get the opportunity to attend an AASFAA conference at the beach. I encourage all of you to make a special effort to attend this year's Spring Conference at Perdido. Pre-registration is required and you can do so by logging onto the AASFAA website at www.aasfaaonline.org.

I am looking forward to seeing everyone at the beach.

ELECTRONIC SERVICE REPORT

by Jonna Gibson, Committee Chair 2008-2009



This is definitely a busy time of year keeping the AASFAA website updated and current!

Thanks to Joan Waters, I have some great photos that will be on our website within a couple of weeks. I plan to change them out from time to time, so remember when Joan takes your picture it could end up on

the website for everyone to see!

I hope each one of you will take the time and look around our website!

Hope to see you at the Spring Conference!

AASFAA NEWS

by Dr. William Wall



ATTENTION – Elected Officers, Committee Chairs, and Liaison Representatives

Our Official Photographer, Joan Waters, plans to take some group pictures of this year's elected officers, committee chairs, and liaison representatives to the Board immediately following the

Opening Business Session of the AASFAA Conference on Wednesday, April 8. Because these photos will be shared both internally and externally, members are asked to dress appropriately. Business casual is fine, but pool attire and other non-professional dress would not be considered appropriate for this shoot. It is our understanding if your appearance is not considered professional, Joan can have you digitally removed from the picture. So.....put a song in your heart, a smile on your face, and some clothes on your body.

PROFESSIONAL DEVELOPMENT

by Robin Hall and Leonard Gude

Enhance Your Students' Exposure to Financial Literacy

In most financial aid offices, the focus on maintaining a low cohort default rate strongly emphasizes preventive measures—communicating with students early and often about the importance of student loan repayment and the value of financial literacy. But even in an office where financial literacy programs are well developed, it can be a challenge to continually get the word out to borrowers. Think of financial literacy as a vital outreach project, and consider these marketing strategies for disseminating your message.

Update Your Web Site

Keeping your Web site up to date with fresh ideas, graphics and information gives students a reason to make repeated visits. Providing valuable links to money management topics, listing important financial aid deadlines and allowing access to downloadable forms helps create a Web environment that serves students on their schedule and at their convenience.

Refine Your Message

Nike says, "Just Do It." American Express says, "Don't Leave Home Without It." What does your school say when it comes to financial literacy? Develop a clear message to send to students about their money. From building a spending plan to managing credit wisely and everything in between, it's important to be sure students hear and see your message frequently.

Use Quality Collateral Materials

Planning a money management workshop but don't know where to start? Need a targeted publication but lack the time to create one? Why re-invent the wheel? From various industry Web sites, you can choose from a wide variety of presentations and publications geared toward educating students about the benefits of wise money management and realistic borrowing. Using new materials will give your efforts a fresh look and, more importantly, send a compelling message to your students.

Create New Ways to Communicate

Use intriguing methods of informing students about financial aid services: consider screen savers in computer labs to promote financial literacy concepts, create money management tips instead of music for students to listen to when they're put on hold, and think of new ways to use bulletin boards. Be creative—the possibilities are endless!

Remember, students won't come asking for a better understanding of money management—it's up to you to reinforce those concepts whenever possible.

Robin Hall is the Senior Client Relations Manager with EdFund.

How Does Defining Purpose Help You Develop a High Performance Operation?

What distinguishes a high performance operation from others? What are the reasons for its consistent excellence in performance? This is the first in a series of six articles which will outline actions that you can take to move your operation forward and increase your stature within your organization.

Purpose. The first step in developing a high performing operation is to understand why the operation even exists in your organization. What purpose does it currently serve? What purpose should it serve? How does it influence and how is it influenced by other parts of the organization? What would be the consequences to the organization and its clients if your operation ceased to exist?

As the leader, you need to be able to thoughtfully and honestly answer these questions and to clearly articulate the responses to them to the leadership, the staff and the clients of your operation. You should think in the future tense, so as to define what you see as the purpose of your operation for the years that lie ahead instead of simply looking at the current state.

Example: The purpose of the office of financial aid is to assist students and prospective students in obtaining the financial resources necessary to enroll in the institution so that they can complete their educational program and enter the workforce.

Once you have articulated purpose, you then need to seek common understanding and agreement about your operation's purpose from the leadership of your institution. This provides the organization with the information necessary for making strategic decisions related to your operation and for the allocation of resources to your operation.

Your operation's mission statement should clearly articulate purpose. All operational goals must be based upon both the mission and purpose of the operation. The goals of the operation must be clear and well defined and they should be updated and refined frequently. The goal statements should each include a quantifiable definition of success. Purpose should drive all of the daily activities of your operation. All the members of your operation need to have a clear understanding of the operation's purpose and you need to obtain their personal commitment to it. Each individual's goals and performance should be measured and rewarded based upon how they contributed towards the operation's satisfaction of its purpose statement.

When you submit requests for additional resources, you should insure that they are consistent with the leadership's understanding of the purpose of your organization and you should articulate how these resources will assist the organization in achieving its goals and objectives.

By taking this action, you are actively and consciously creating the roadmap for the future of your operation rather than allowing others to define it for you.

Leonard Gude is Vice President of Financial Aid Solutions at Regent Education.

Blogging About Money and Life: Personal Blogs Tackle Financial Issues that Matter to Students

Blogs aren't only for spreading the latest celebrity gossip and staying current with the newest fashion trends. Many bloggers write about serious issues and share personal experiences and advice that can be useful to a wider audience.

Personal finance is a popular subject on many blogs. It's also an important subject for students, and they can learn from the information and tips discussed on many personal finance blogs. Because students are more likely to get information from their favorite blogs rather than the daily newspaper, financial literacy educators might want to guide their students to some of these blogs.

From budgeting tips to advice on how to live more frugally, personal finance blogs cover a wide-variety of topics that students can take to heart. Most are written in a casual tone, and the content is relatable, useful, and often entertaining.

These blogs are typically maintained by average people with common money problems — not by financial gurus with loads of cash. Some are written by recent college graduates or current students. After reading these, students might be inspired to write about their own personal finances as an effective way to help keep their finances in order and maintain their money goals.

Below is a list of seven of the most-visited personal finance blogs on the Web and the titles of some popular posts from each.

The Simple Dollar — Financial Talk for the Rest of Us (www.thesimpledollar.com)

According to its author, *The Simple Dollar* is for people fighting debt and bad spending habits while building a financially secure future and still affording a latte or two. The blog is an exploration of personal finance from the perspective of a reformed spending maniac that realized he needed to get a grip on his money.

Popular posts:

- *The Road to Financial Armageddon*
- *31 Days to Fix Your Finances*
- *Battling the Convenience and Cost of Fast Food*

Get Rich Slowly — Personal Finance that Makes Cents
(www.getrichslowly.org)

Get Rich Slowly — recently named most inspiring money blog by *Money* magazine — is devoted to sensible personal finance. The author shares stories about debt elimination, saving money, and practical investing. Readers will also find links to personal finance tools and articles.

Popular posts:

- *Building a Personal Finance Library: 25 of the Best Books About Money*
- *Alternatives to Cable Television*
- *The Power of Yes: A Simple Way to Get More Out of Life*

My Money Blog
(www.mymoneyblog.com)

As the name suggests, this site is about the author's money — how he makes more of it, tries to spend less of it, and invests it. The author has been documenting his progress toward financial freedom since 2004.

Popular Posts:

- *100 Credit Card Sign-up Bonuses*
- *Top Online Savings Accounts*
- *Best Rewards Credit Cards*

Grad Money Matters — Musing about Money Matters
(www.gradmoneymatters.com)

The author started blogging soon after graduating when he or she was struck by the realization that in the real world, money matters.

Popular posts:

- *What I Do to Live Frugally*
- *How to Properly Pay Down Your Credit Cards*
- *11 Things You Do Not Learn in School*

Blueprint for Financial Prosperity — Earn More. Save More. Live More. Enjoy More.
(www.bargaineering.com/articles)

Blueprint for Financial Prosperity is a personal finance blog where the author discusses all kinds of money

matters. Readers will enjoy the posts from this personal finance novice who struggles to understand some complex and confusing financial topics.

Popular posts:

- *2008 Tax Rebate Stimulus Package Explained*
- *Your Take: Your Best Money Saving Tip*
- *How To Deal With Job Rejection*

Wise Bread — Living Large on a Small Budget
(www.wisebread.com)

Wise Bread is a community of bloggers that can help its readers live large on a small budget. Among other things, the blog claims to help readers discover career and money-making ideas that'll add zeros to their bank account, and general adulthood know-how their parents forgot to tell them.

Popular posts:

- *Six Horrible Financial Products You Should Avoid*
- *Treasury Bills for Ordinary Folks*
- *Our Worst Financial Mistakes and What You Can Learn from Them*

Neville's Financial Blog — Tracking the Road to Financial Success from the Age of 22 (now 25)
(www.nevblog.com)

The author, a recent college graduate, originally started this blog for the sole purpose of keeping track of his financial goals and status. He uses the blog to reflect on financial events in his life and often tries to help others learn something new.

Popular posts:

- *Advice to a Soon-to-Be College Grad*
- *How Gas Prices Do and Don't Affect My Life*
- *What It Costs to be Alive*

Sam Casarez is a Senior Regional Account Executive with TG serving schools in AASFAA. You can reach Sam at (800) 252-9743, ext. 4655, or by email at sam.casarez@tgslc.org.

SASFAA NEWS

by Sharon Oliver

SASFAA New Aid Officers Workshop

The SASFAA website has been updated with information about the Summer New Aid Officers Workshop which will be held at Clemson University. The tentative agenda and on-line registration are

available. Please register as soon as possible, spaces are limited. We are very pleased that Greg Martin will be joining us on this year as the Department of Education representative. With the many changes expected for 2009-10, we anticipate new and experienced professionals for this training opportunity.

The New Aid Officer's Workshop is an intense professional development workshop designed to provide a working knowledge of the federal financial aid programs, as well as an understanding of the laws and regulations that govern these programs. The curriculum will take the student from A-Z covering the basics of financial aid. A carefully selected faculty of experienced aid administrators from the SASFAA states, representing diverse institutions will provide instruction. These individuals will team-teach and work with the same class of participants throughout the week. Instruction will include the use of NASFAA CORE materials including case studies, lectures, and interactive instruction. Workshop registration is limited to 154 participants and a waiting list is maintained every year. **Don't wait, sign up now!**

When

Sunday, June 14, 2009 through Friday, June 19, 2009

Where

Clemson University, Clemson, SC

Cost

Registration fee for the workshop is **\$675**, if registration is completed by **May 22, 2009** and \$725 if registration is completed after May 22, 2009. The registration fee includes all instructional materials, most meals, housing and your 09-10 SASFAA membership (\$25). Early arrivals-those arriving on Saturday, June 13, 2009 will be charged an additional \$20 fee to cover the additional night's lodging.

Direct Link:

http://www.sasfaa.org/docs/toc_training.html

For more information about the workshop, please visit the www.sasfaa.org website, select Training or contact Sharon Oliver at soliver@nccu.edu or (919) 530-7412.

LENDING MATTERS

by Robin Hall

Puts, Participation and Conduits: The evolution of the FFEL Program in the current financial climate

Congressional reductions in financial support for the FFEL Program have dampened lender enthusiasm for student loans. For many years, lenders "securitized" their mortgage assets, sold those asset-backed securities (ABS) to investors and reinvested the money they received by making new loans. This practice of securitizing loan assets also applied to student loans. The leverage created in this process enabled lenders to generate higher returns on their own invested capital than the small regulated margins. With these higher returns, lenders were able to offer attractive earnings to investors buying the securities and, more importantly, attractive benefits to student loan borrowers and greater service to schools.

Investor confidence in ABS, driven to an all-time low by the rising tide of "non-performing" mortgages, has impacted the ability of lenders to sell these debt securities, even when the underlying assets are guaranteed student loans.

Enter Puts, Participation and Conduits

In a concerted effort to shore up the FFEL Program and prevent a true crisis, the federal government (Departments of Education and Treasury) introduced a few tools to improve the flow of money to the student loan market. Some are short-term, intended to provide immediate cash access for lending until more permanent tools are implemented.

Puts: The term describes the "right to sell something (usually a stock or commodity) at a specified future time at a predetermined price." The student-loan put enables the lender to sell a fully disbursed loan to ED on or before a pre-set date at a fixed price of \$75 over the loan amount. The loan then becomes the property of ED and will be serviced by the Direct Loan Program servicer. The original guaranty agency and lender have no future responsibility for the loan.

There are two put programs in place:

1. Loans first disbursed on or after May 1, 2008, must be put before September 30, 2009.
2. Loans first disbursed on or after May 1, 2009, must be put before September 30, 2010.

Participation: This plan allows the lender to sell an "interest in the loan" to ED as each disbursement is made to accelerate the recapture of its funds, rather than selling the whole loan to ED after final disbursement. Participation is not a final sale. The lender retains ownership of the loan and has the option of buying back ED's interest in the loan prior to a specified date. If ED's interest is not repurchased, the loan will become the property of ED and it will be serviced by the Direct Loan Program servicer.

The put and participation plans are not desirable programs for either ED or the lenders and guarantors in the FFEL Program. They are expedient programs intended to provide liquidity, but not long-term support, for the FFEL Program.

Short-Term Purchase Program: This emergency program allows limited amounts (\$500 million per week with a total cap of \$6.5 billion) of fully disbursed loans for the academic year 2007-08 to be purchased by ED for 97 percent of the loan amount prior to February 28, 2009, (or the date the conduit becomes operational; if sooner, see below). The intention is to provide very short-term liquidity to lenders that do not have funds with which to make new loan disbursements, most likely non-bank and nonprofit lenders.

Conduits: ED also announced its intention to support the issuance of asset-backed commercial paper (ABCP) conduits. ABCP is a financial vehicle similar to ABS that has been the traditional form of capital recycling used in the student loan industry. The initial press release indicated that lenders would be able to securitize their student loans and sell them to investors with the full backing of the federal government. This addition, where ED would commit to purchasing the loans from the conduit at a prearranged price, is expected to bring investors back to the table and provide lenders with the cash flow essential to making student loans profitable.

Use of the conduit would enable the lender to retain the benefits of ownership of these assets and the guarantor to retain long-term responsibility for the loan. The borrower would benefit from access to the support and services needed for a successful repayment experience.

Another very important consideration is that, according to ED, this conduit mechanism will be operational no later than February 28, 2009, easily in time for FFEL Program lenders to be prepared for the 2009-10 academic year. This mechanism could be the best for borrowers and schools that have experienced and appreciated the benefits, services and support of FFEL Program lenders and guarantors.

A Financially Viable FFEL Program

Some lenders may find it desirable to use the put and/or participation programs to remain profitably involved in the student loan market. But this is a temporary situation and will be rectified almost before its impact is felt.

The FFEL Program has been preferred by the vast majority of schools for more than a decade. The quality of its service, that is the result of choice -- enjoyed by borrowers and schools -- and competition, has made it a superior program over time. While it is currently suffering some of the consequences of the current financial ills, it will soon be as robust as ever.

Robin Hall is the Senior Client Relations Manager with EdFund.

<u>UPCOMING EVENTS</u>	
AASFAA Spring 2009 Conference ----- Perdido Beach Resort, Orange Beach, AL	April 7-10, 2009
SASFSA New Aid Officer Workshop ----- Marriott Shoals Hotel, Florence, AL	June 14- 17, 2009
NASFSA Annual Conference ----- San Antonio, TX	July 12- 15, 2009