



ALABAMA ASSOCIATION OF FINANCIAL AID ADMINISTRATORS

AASFAA Newsletter

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Fall 2005 Edition, October 5, 2005

PRESIDENT'S REPORT

by Buddy Jackson

With a new academic year comes many new challenges and problems. This year was definitely an exception with Hurricane Katrina. This hurricane has caused the universities and colleges across the states of Louisiana, Mississippi and Alabama many problems that we normally do not experience. I am very thankful that our schools in the Alabama gulf region only experienced water and wind damage and no lives were lost. Because of the disaster, a number of our Alabama schools have helped students from Louisiana and Mississippi transition into our institutions. I really appreciate the way Alabama schools have opened their doors and hearts to these displaced students. Thank you!!!!

After an exceptional beginning to our academic year, it is time for our Fall 2005 Conference. This year the meeting will be held in Huntsville, Alabama at the Holiday Inn Select, October 12-14th, 2005. The theme for the conference is "Setting, Priorities, And, Committing to, Excellence," and the abbreviated version is "SPACE." Under the leadership of Joel Parris and Jonna Moses, as your Program Chairs, and Andy Weaver, Local Arrangements Chair, we look forward to an outstanding conference. The concurrent sessions are designed to appeal to all levels of financial aid professionals from New Officer Track, Mid-Level Track to Senior Track. In addition, we have Ms. Deborah Tarpley, from the Department of Education, back with us this fall and I know she will be providing some valuable incite to important issues facing each one of us.

Our NASFAA Fall Training 2005 session will be November 18th, 2005 in Montgomery, AL at the RSA Union Building, room 192. This year the official topic is *Administrative Capability: Campus-Wide Compliance*. I encourage all members to mark this date down on your calendar and plan to attend.

I would like to encourage each AASFAA member to attend the upcoming annual SASFAA Conference to be held next February 12-15th, 2006 at the Sheraton Four Seasons Hotel in Greensboro, NC.

Your 2005-06 elected officers are:

- President - Buddy Jackson, Faulkner University
- President Elect - Jonna Moses, Regions Bank
- Past President - Dr. Chip Quisenberry, Enterprise-Ozark Community College
- Vice President - Ben Baker, University of North Alabama
- Secretary - Donna Bass, Lurlean B. Wallace Community College
- Treasurer - Charles Markle, Auburn University

I look forward working with each and every one of you. I hope to make this year an eventful and productive one for the Alabama financial aid community. As your President, I hope that you will assist me in making this a successful year.

See you in Huntsville!

LONG RANGE PLANNING COMMITTEE REPORT

by Dee Talley

The 2005-2006 AASFAA Long Range Planning Committee members are:

- Dorenda Adams, Alabama State University
- Bill Wall, KHEAA
- Dee Talley, University of Alabama at Birmingham

Contents

	<u>Page</u>
Reports	1-4
AASFAA News	4
Lending Matters	4-12
SASFAA News	12
Professional Development	13
Upcoming Events	13

The committee's goals for the year are as follows:

1. To review the association's goals and objectives to ensure that they remain current.
2. Review annual year-end reports to assess committee and Executive Board effectiveness in meeting goals and objectives, consistent with the mission of the association.
3. Develop a standard report format to be followed by committee and Executive Board when preparing their year-end reports. The standard report format would allow for a better assessment to be made.

The committee would welcome any comments or suggestions from members on how it can better meet the needs of the membership. Your input is very important and necessary to the success of the association.

DIVERSITY COMMITTEE REPORT

by Samuel Chuks

Television footage of the dead and those stranded in New Orleans, LA, on the aftermath of the August 29, 2005, Hurricane Katrina, brought to our conscious reality the twin issues of Race and Poverty. Amazed and awed, many wondered how so many African-Americans could be the victims of this natural disaster. Could having a college education, which may have assured a good paying job have helped? These and other questions compel a critical examination on how a 'meaningful' diversity program in higher education can help in bridging the gap between the haves and the have-not.

Higher education administrators continue to struggle with the balancing act of trying to recruit, retain and graduate minority students, but at the same time, being careful not to offer race-exclusive incentives. This conundrum has been exacerbated by the 2003 U.S. Supreme Court decision in the University of Michigan cases (Grutter vs. Bollinger and Gratz vs. Bollinger).

The U.S. Supreme Court ruled that race can be considered in college admission, but only when used among other factors, and that each candidate must be evaluated individually, not as a racial group. The court decision preserved affirmative action in admission decisions, but found unconstitutional a University of Michigan program that automatically gave extra points to African-Americans, Latino, and American Indian applicants.

The dilemma for higher education is in the interpretation of the landmark court decision, because the Supreme Court decision left unclear the issue of race-based scholarships and programs. Colleges are interpreting the ruling to mean that they can no longer

offer race-exclusive programs designed to specifically help in the retention of minority students.

While some in higher education have argued that the Supreme Court decision only addressed admissions, others, worried about potential lawsuits, are taking a different course. At Yale University in New Haven, CT, for example, an orientation program for minority freshmen, along with two research fellowships, have been opened to all students. Two undergraduate scholarships once restricted to minority students at the University of Michigan are now offered to anyone who adds to the overall excellence and diversity of the university community.

And at the University of Illinois at Urbana-Champaign, a program for minority engineering students that provided internships, scholarships and tutoring was renamed and broadened to include non-minority students.

ACHE LIASON REPORT

by Cheryl Newton

2005-2006 Tentative Schedule of Events Alabama Student Assistance Program

2005

September 9	Copy of 2005-2006 participation agreement and request for first term invoice mailed to institutions.
September 30	Deadline to submit ASAP 2005-2006 First Term Invoices.
October 21	Lump Sum 2005-2006 First Term payments mailed to institutions.

2006

March 10	Request for 2006-2007 Institutional Worksheets and ASAP Survey Form mailed to institutions.
March 27	Deadline to submit 2006-2007 Institutional Worksheets and ASAP Survey Forms.
April 14	Deadline to submit ASAP 2005-2006 Second Term Invoices.
June 2	2006-2007 Distribution Schedule and ASAP Form to Participate mailed to institutions.
July 7	Deadline to submit 2006-2007 Participation Agreements.

July 17 Lump Sum 2005-2006 Second Term payments mailed to institutions.
 August 7 Deadline to submit 2005-2006 ASAP Rosters.

**2005-2006 Tentative Schedule of Events
 Technology Scholarship Program for
 Alabama Teachers**

2005

September Process applications and mail award letters to applicants and institutions for Fall term.
 September 30 Deadline for processing TSPAT applications for Fall term.
 October 7 Roster of TSPAT recipients mailed to institutions for verification of eligibility for Fall term.
 October 21 Deadline for institutions to submit TSPAT Edit Roster for Fall term.
 November 4 Lump sum Fall term checks mailed to institutions.

2006

March 17 Deadline for processing TSPAT applications for Spring term.
 March 31 Roster of TSPAT recipients mailed to institutions for verification of eligibility for Spring term.
 April 14 Deadline for institutions to submit TSPAT Edit Roster for Spring term.
 April 28 Lump sum Spring term checks mailed to institutions.
 June 2 Deadline for processing TSPAT applications for Summer term.
 June 9 Roster of TSPAT recipients mailed to institutions for verification of eligibility for Summer term.
 June 16 Deadline for institutions to submit TSPAT Edit Roster for Summer term.
 June 30 Lump sum Summer term checks mailed to institutions.

**2005-2006 Tentative Schedule of Events
 Alabama Student Grant Program**

2005

September 15 Deadline for students to submit ASGP applications to institutions for Fall term
 September 23 Public drawing at Commission meeting to determine order in which payments will be made to participating institutions
 October 14 Deadline for institutions to submit Forms GP-610 for Fall term (The institution certifies that each student on the roster is eligible for an award and the institution has on file a completed application for each student listed on the roster.)
 October 28 Deadline for institutions to submit institutional applications to participate in the Alabama Student Grant Program
 December 2 Deadline for institutions to submit 3 copies of institutional audit
 December 9 Anticipated date for mailing Fall term ASGP checks to institutions for which State funds are available

2006

January 16 Deadline for students to submit ASGP applications to institutions for Winter Quarter
 February 15 Deadline for students to submit ASGP applications to institutions for Spring Semester
 March 6 Deadline for institutions to submit second term eligible grant recipient rosters and Forms GP-610 for new second term applicants
 April 14 Deadline for students to submit ASGP applications to institutions for Spring Quarter; anticipated date for mailing second term ASGP checks to institutions
 May 12 Deadline for institutions to submit third quarter eligible grant recipient rosters and Form GP-610 for new third quarters

July 7

Anticipated date for mailing third quarter ASGP checks to institutions

higher education industry, to the company's Business Development team.

In her role as a Business Development account executive, Walker, who has more than 16 years of industry experience, will support both prospective and existing clients in Alabama, Kentucky and Tennessee. Walker will be working closely with American Student Assistance's other regional account executives in the South, Ken Garrett and Steve Greenough, to grow the company's client base in this region.

"We are very excited to welcome Joanie to American Student Assistance," said Ken Garrett, Business Development manager. "Her extensive financial aid experience at colleges and universities in the South and her passion and understanding of the higher education financing industry make her a great asset for our organization and our clients."

Previously, Walker was the assistant director of Enrollment Services in the Financial Aid office at Columbia State Community College. In this role, she was responsible for the administration and compliance of federal and state financial aid programs, including the packaging and awarding of financial aid to eligible recipients. She also oversaw financial aid counseling and advising services provided to students and prospective students and their parents.

Walker is also a former financial aid officer at Vanderbilt University and the former assistant director of Student Financial Aid at Trevecca Nazarene University.

She is an active member of the Tennessee Association of Student Financial Aid Administrators (TASF AA), the Southern Association of Student Financial Aid Administrators (SASF AA) and the National Association of Student Financial Aid Administrators (NASF AA). She is a former president of TASF AA and has previously held numerous elected and appointed roles in that organization, including president-elect, secretary, and others. She has also represented Tennessee on the executive board of SASF AA.

Walker received a bachelor's degree in Business Management and Human Relations from Trevecca Nazarene University.

She can be reached at 800-999-9080, ext. 2032, or at jwalker@amsa.com.

VENDOR/SPONSOR REPORT

by Lora Kiser

I can't believe the fall conference is almost here! Once again, our vendors and sponsors have come through for us. I am pleased and very excited to report that, so far, we have 37 exhibitors attending this conference. We must not forget to let them know how much we appreciate their loyalty and continued support of the association. Without them, it would not be possible to provide the programs and services AASFAA members receive at a cost they can afford.

Below is a general breakdown of sponsorship opportunities our vendors and exhibitors have so generously contributed, and a list of those attending:

Meals, Breaks, Entertainment	\$32,200
Conference Bags, Agendas, Name Tags	3,750
Audio/Visual Needs	3,750
General Conference Sponsorship	7,500
Exhibitor Fees	<u>4,000</u>
	\$51,200

Vendors and Exhibitors

Regions Bank	EdFinancial
Edamerica	National Education
AL Student Loan Program/KHEAA	NSLP
TG	Redstone Federal
Wachovia	Renasant Bank
AmSouth Student Lending	Wells Fargo
Bank One/Chase Education Finance	Compass Bank
Sallie Mae	LoanStar
PNC Bank	AFC
CFS	ESF
Citibank	AMS
Nellie Mae	ASA
College Loan Corporation	Campus Door
Sallie Mae Education Trust	Nelnet
Southwest Student Services	ELM Resources
UASF	Max Federal
BancorpSouth	Whitney Bank
MOHELA	SunTrust
EdFund	

Remember to let our sponsors know how much we appreciate all they do for the association. Hope to see everyone in Huntsville!

AASFAA NEWS

by Alle Lanza

Federal Family Education Loan Program guarantor American Student Assistance® is pleased to announce the appointment of Joanie Walker, a veteran of the

LENDING MATTERS

by Tim Ballard, Lisa Fanning, Sam Casarez, Patti Brennan, Joanie Walker, and Linda Casey

Alabama Student Loan - KHEAA Update

Hurricane Katrina Relief Efforts

The Alabama Student Loan Program-KHEAA and The Student Loan People collected and delivered money, personal items, bedding, bottled water, nonperishable

food, generators/fuel, school supplies, and clothes to people affected by Hurricane Katrina in early September. "This was a small way we could help those who were suddenly forced to leave their homes and schools in the disaster-stricken areas," said Dr. Joe L. McCormick, KHEAA executive director. "We extend our deepest sympathy to all whose lives were changed by this terrible tragedy."

KHEAA and The Student Loan People are also providing relief to student loan borrowers in the stricken areas. Without a request, borrowers in repayment and who reside or work in one of the designated disaster areas due to Hurricane Katrina are being granted up to three months of administrative forbearance from August 29, 2005, through November 29, 2005. The forbearance temporarily halts payments or permits smaller payments. For defaulted borrowers who reside or work in one of the designated disaster areas, KHEAA is curtailing collection activities from August 29, 2005, through November 29, 2005. Borrowers who otherwise have been impacted by Hurricane Katrina may be granted forbearance for a period that ends no later than November 29, 2005.

Thank You for Your Support in 2005

Thanks to the assistance and support of our school and lender partners, the Alabama Student Loan Program–KHEAA guaranteed \$402 million in Federal Family Education Loans for Alabama students during FY 2005. 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.

Publications/Outreach Activities

The 2005–06 editions of *Getting In* and *Affording Higher Education* have been printed and are being shipped to high schools and libraries across the state.

USA Funds Commits \$1 Million to Help College Students Affected by Hurricanes

USA Funds® has announced a commitment of \$1 million to provide financial assistance to college students affected by recent hurricanes.

USA Funds has allocated \$750,000 of the financial support to provide assistance to low-income students attending schools in Alabama and three other states, in counties designated as federal disaster areas eligible for individual assistance by the Federal Emergency Management Agency following hurricanes Dennis and Katrina. USA Funds has earmarked the remaining \$250,000 to postsecondary institutions that are serving students displaced from their schools in the wake of Hurricane Katrina, and to those serving students whose permanent homes are in counties declared disaster areas following the storm.

Awards of up to \$35,000 may be made to eligible postsecondary institutions that apply. Financial-aid

offices at institutions awarded grants will distribute the funds to eligible students affected by the disaster to supplement the students' financial-aid packages.

Assistance of up to \$750 may be given to each eligible low-income student who already receives Pell Grants or other need-based aid. The assistance may be used for immediate education-related needs or for second-term education expenses — tuition, fees, books, room and board or other education-related expenses.

Because low-income students are especially vulnerable to dropping out of school in the wake of such disasters, USA Funds is providing the financial support to help these students stay in school and complete their studies. The program is consistent with USA Funds' nonprofit mission to support preparation for, access to and success in higher education.

For additional information about the program and to apply for a grant, campus financial-aid administrators should visit www.disasterrelief.scholarshipamerica.org.

This marks the second year that USA Funds has supported disaster relief for college students. A grant from USA Funds provided \$545,000 in emergency aid to students attending 41 postsecondary institutions in areas of five states — including Alabama — ravaged by four major hurricanes during 2004.

Guidance on Hurricane Katrina: Resources and Answers

The Department of Education (ED) has issued several pieces of guidance on the subject of Hurricane Katrina and its impact on the administration of Title IV aid. That guidance is available on ED's Information for Financial Aid Professionals web-site at <http://ifap.ed.gov/eannouncements/katrina.html>. On the site, you will find the following information:

- A link to a *Federal Register* announcement that provides an extension of deadline dates for specific filing and reporting activities applicable to affected schools, third-party servicers, and federal financial aid applicants.
- Four electronic announcements on the subjects of:
 - Transfer students
 - Deadline extensions
 - Adding federal school codes
 - CPS and COD technical support
- A link to Dear Colleague Letter (DCL) GEN-04-04, issued in February 2004, which provides general guidance on the subject of helping Title IV participants affected by a disaster.
- A series of FAQs that ED is receiving from students, parents, borrowers, and schools, recently added to the page (on September 15).

Based on the guidance provided by ED thus far, TG has compiled the following questions and answers (Q&As) that we hope will be helpful. These Q&As are divided

into three categories: affected student borrowers, receiving schools (i.e., schools welcoming affected students who cannot currently attend schools in the disaster areas), and impacted schools (i.e., schools that are in the disaster areas).

Affected student borrowers:

1. Will an affected student borrower who is enrolled in an impacted school continue to remain in an in-school status or in-school deferment status, as applicable?

Yes. An affected student borrower who is in an in-school status who has a period of nonattendance due to a federally-declared disaster should not enter or lose any of his or her grace period. The affected student borrower remains in an in-school status during the period of nonattendance up until the point in which the borrower can enroll in the next regular enrollment period. If the student enrolls in that period, the borrower's in-school status continues. If the borrower withdraws or does not enroll in that period, the borrower's in-school status ends and the borrower enters into his or her grace period.

An affected student borrower whose loan was in an in-school deferment status who has a period of nonattendance due to a federally-declared disaster should remain in an in-school deferment status during the period of disaster-related nonattendance. An affected student borrower, or a member of the borrower's family, should notify the borrower's loan holder of his or her status.

2. Is an affected student borrower who is in repayment eligible to receive a forbearance on his or her loan?

Loan holders may grant an administrative forbearance for up to three months to affected student borrowers. The holder must document the reason for the forbearance but does not need to obtain supporting documentation or a signed written agreement from the borrower. Note: lenders are strongly encouraged to work with an affected student borrower to see if the borrower may instead qualify for a deferment.

Receiving schools:

1. How should receiving schools enroll affected students?

Regular student enrollment: ED encourages receiving schools to enroll affected students as regular students (i.e., enrolled in order to obtain a degree, certificate, or other recognized educational credential offered by that school), even if information that would normally be needed for an admissions decision is not immediately available. If the receiving school waives admissions requirements that it would normally impose, it should include an explanation of that action in the student's file.

Non-regular student enrollment: In limited instances in which a receiving school is unable to enroll an affected student, it may provide the student with Title IV, federal student aid program funds after the student has signed a certification that he or she was enrolled in a degree, certificate, or other credential program at an impacted school. This authority is limited to any academic terms or payment periods that begin prior to January 1, 2006. The receiving school must maintain a copy of the certification and must make a good faith determination that the coursework to be taken by the affected student would likely be accepted at the impacted school.

2. Can a receiving school redirect FFELP or Direct loan funds previously applied for, approved, and guaranteed for an impacted school or must the receiving school recertify a new loan for the affected student?

A receiving school may not redirect loan funds previously applied for, approved, and guaranteed for an impacted school. When awarding aid to students who had planned on attending an impacted school, the receiving school must use its own SAR or ISIR records, cost of attendance, and packaging policies. All loan certifications, originations, and disbursements must be made under the name and OPEID of the receiving school. If the receiving school did not receive an ISIR from ED's Central Processing System (CPS) for the student, the school's OPEID must be added to the CPS record, and the receiving school must receive the student's ISIR, before FFELP loan funds can be certified.

3. How should a receiving school consider previously applied for, approved, and guaranteed FFELP loans for a student who planned on attending an impacted school?

Lenders and guarantors can assist receiving schools in determining if a FFELP loan disbursement has been processed for a student who had planned on attending an impacted school. If FFELP loan funds have *already been disbursed* to the impacted school for an affected student, the receiving school must take those funds into consideration when calculating the student's remaining loan eligibility. If FFELP loan funds have *not yet been disbursed* to the impacted school for an affected student, the lender or guarantor can cancel that disbursement. The receiving school can then certify a new loan for the student, with the full annual loan limit applicable to the student's grade level. The lender or guarantor should document the reason for the loan cancellation in the student's history.

4. If a receiving school certifies a fall-only loan for an affected student, can the receiving school bypass the multiple-disbursement requirement for that student and disburse all of the loan funds at once?

Unfortunately, no. There has been no ED guidance providing for relief related to the multiple-disbursement requirement.

5. How should a receiving school determine a student's academic level and continued eligibility for financial aid when academic records are lost due to the disaster?

ED recognizes that the receiving school may be required to have on file documents that may no longer be available or legible because of the disaster. A receiving school is required to attempt to reconstruct financial aid application data and award data lost because of the disaster, but will not be held responsible for records and documentation that, because of disaster damage, cannot be reconstructed. The receiving school must document that the records were lost due to the disaster.

6. What documents are required from an affected student to complete verification or verify citizenship statistics if vital personal records are lost?

ED will not enforce the verification requirements during the award year for those applicants selected for verification whose records were lost or destroyed because of the disaster. A school must document the student's file when it does not perform verification for this reason. For these students, the verification status code "S" may be used to report a Federal Pell Grant disbursement.

7. Can an FAA at a receiving school disregard satisfactory academic progress in awarding financial aid for students affected by the disaster?

ED will not enforce satisfactory academic progress standards in the situation in which a student may not be able to complete course requirements because he or she is a victim of the disaster and may not, for that reason, receive credit and fails to meet the school's satisfactory academic progress standards. In this situation, the Secretary encourages the school to refrain from applying its satisfactory academic progress standards at least where their application would disqualify a student from receiving Title IV aid. The school must, in this case, document in the student's file that the student's failure to maintain satisfactory academic progress was due to the natural disaster.

Impacted schools:

1. What can an impacted school that is temporarily closed because of Hurricane Katrina do to provide students with assistance in continuing their academic study?

If a school is unable to continue to provide a student's eligible program because of a disaster, the impacted school is strongly encouraged to establish a written agreement with another receiving school to enable students from the impacted school to continue their academic programs while receiving Title IV assistance. The requirements for such an agreement are found in part 34 of the Code of Federal Regulations section 668.5.

2. Will an impacted school be required to complete a return of Title IV funds calculation for an affected student who fails to return after the school reopens? Will ED relax return of Title IV funds policies for schools who have students that are withdrawing in order to relocate with their families?

If a student withdraws because of the disaster, the school must perform the return of Title IV funds calculation, as it must for any student who withdraws. The statutory provisions for the return of Title IV funds calculation includes the concept that a student "earns" a portion of the aid for the time that he or she was enrolled. Essentially, any disbursed Title IV aid that is in excess of the amount earned must be returned to the programs. In many cases, the calculations require the school to return funds to the Title IV loan program from which the student borrowed. This, of course, will benefit the student in that it will reduce the student's loan debt. If the disbursed amount is less than the calculated amount of earned aid, the student is entitled to the difference as a post-withdrawal disbursement.

Deadlines and time frames — ED, through the appropriate Case Management Team, will address concerns about the deadlines and time frames that are part of the return of Title IV funds requirements on a case-by-case basis.

Institutional charges and refunds — ED strongly encourages impacted schools to provide a full refund of tuition, fees, and other institutional charges, or to provide a credit in a comparable amount against future charges, for students who withdraw from school as a direct result of a disaster. ED also urges impacted schools to consider providing easy and flexible re-enrollment options to such students. However, before an impacted school makes a refund of institutional charges, it must perform the required return of Title IV funds calculation based upon the originally assessed institutional charges. After determining the amount that the impacted school must return to the Title IV federal student aid programs, any reduction of institutional charges should take into account the funds that the school is required to return. In other words, ED does not expect that a school would both return funds to the federal programs, and also provide a refund of those same funds to the student.

Leaves of absence — A leave of absence that meets the definition of an approved leave of absence generally applies to clock hour or non-term programs. It is unlikely that a leave of absence at a term-based school would meet the regulatory definition of an approved leave of absence. When requesting a leave of absence, a student who was directly affected by a disaster need not provide that request in writing. The school's documentation of its decision to grant the leave of absence must include the reason for the leave of absence and the reason for waiving the required written request.

Post-withdrawal disbursements — ED, through the appropriate Case Management Team, will address concerns about the time frame for allowing a student

(or parent) to respond to the offer of a post-withdrawal disbursement on a case-by-case basis.

3. Will ED adjust future campus-based allocations for an impacted school?

The Higher Education Act (HEA) requires that if a school returns more than 10 percent of its allocation under the Federal Perkins Loan, Federal Work-Study (FWS), or Federal Supplemental Educational Opportunity Grant (FSEOG) program, the school's allocation for that program for the second succeeding award year will be reduced by the amount unexpended. The HEA authorizes ED to waive this reduction for a school if enforcing the reduction would be contrary to the interest of the program. ED would consider the failure of a school to expend funds solely due to a disaster as an appropriate waiver criterion. A school must submit a request for a waiver of the underutilization penalty along with a statement that explains the reason for its failure to comply with the requirement. An impacted school should make such a waiver request as soon as it is able by contacting the Campus-Based Call Center at (877) 801-7168 for waiver submission guidelines.

4. What reports will an impacted school need to file once it reopens?

If, as a direct result of a disaster, an impacted school is temporarily closed for a period of time that impacts the length of its academic year, ED will assist such the school on a case-by-case basis to determine the continued eligibility of its programs and its students for Title IV assistance. Such a school should promptly contact its Case Management Team to discuss the specifics of its situation.

More information

Students, parents, schools, lenders, servicers, and guarantors may contact ED with questions related to Hurricane Katrina by sending an e-mail message via ED's newly established e-mail address KatrinaFSAHelp@ed.gov. You can also contact TG customer assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgslc.org.

Sam Casarez is a National Account Representative with TG serving schools in Alabama. You can reach Sam at (800) 252-9743, ext. 4655, or by e-mail at sam.casarez@tgslc.org. Additional information about TG can be found online at www.tgslc.org.

Sallie Mae Reaches Out to Higher Education Communities Hit by Hurricane Katrina

The category four hurricane known as Katrina ultimately will be remembered as the worst natural disaster in America's history.

People also will remember how the storm led ordinary individuals to do the extraordinary.

Stories abound about the outpouring of generosity in the aftermath of Hurricane Katrina. In the higher education community, where the fall semester was just getting under way at the time Hurricane Katrina struck, colleges and universities throughout the country have opened their doors and their campuses to assist students affected by the hurricane.

For example, the University of Arkansas joined fellow UA System institutions and other colleges and universities from around the state to extend free or reduced tuition and fees to students currently enrolled in universities and colleges in the New Orleans area for the fall 2005 semester.

The University of Southern California announced a program that will enable approximately 100 students enrolled in Gulf Coast colleges and universities affected by Hurricane Katrina to attend classes at USC while earning credit at their home institutions. USC officials also are offering technology and expertise to affected colleges and universities so that they will be able to provide their students with distance education options until they are able to reconvene classes on campus.

Temple University has offered undergraduate students enrolled in a college or university closed by Hurricane Katrina to temporarily enroll at Temple, at no charge, while paying tuition and fees to their home institutions. Enrollment options also may be available for graduate and professional students.

Indiana State University is offering fall enrollment and will waive application fees and out-of-state tuition for undergraduates, graduate students and international students.

The Florida Community College System also is waiving out-of-state fees and tuition and other admission requirements.

And Stonehill College in Massachusetts announced that it will offer admission, free tuition and assistance with residency for any college or university student who was displaced by Hurricane Katrina in the affected areas of New Orleans, Alabama, Mississippi and Florida. The school also is waiving its selectivity criteria for these students in recognition of their difficult circumstances.

To help students and schools affected by the storm, Sallie Mae and The Sallie Mae Fund, a charitable organization sponsored by Sallie Mae, have undertaken numerous relief efforts, including:

- Providing \$15 million in interest-free financing to students to help with emergency expenses.
- Granting automatic payment relief to federal and private loan borrowers.
- Making a \$100,000 donation to Scholarship America's Disaster Relief Fund to higher education institutions for low-income students displaced by the hurricane.
- Matching dollar-for-dollar all donations of \$25 or more to the Red Cross made by members of the National Association of Student

Financial Aid Administrators, up to a total Sallie Mae Fund match of \$150,000.

- Reaching out to closed schools across the Gulf Coast region to offer our telecommunications and Web resources, office space and other in-kind services.
- Providing a 2-to-1 match for employee contributions to relief efforts.
- Allowing employees' unused vacation time to be converted to compensation and donated to the American Red Cross. The Sallie Mae Fund will match the contributions dollar for dollar, up to \$150,000.
- Created a relief fund for employees and their families who have been directly affected.
- Expanding the company's Leaders in Education Volunteer Program to allow employees paid time off to volunteer for hurricane relief efforts.
- Contributing \$50,000 to the "Open Arms" fund established by the Community Foundation for The National Capital Region to provide immediate assistance to the evacuees being housed at the DC Armory.

As of Sept. 10, Sallie Mae had received 2,300 calls from borrowers and assisted more than 300 students with emergency financing.

In addition to supporting efforts sponsored by the company and The Sallie Mae Fund, many of Sallie Mae centers and subsidiaries around the country have undertaken their own hurricane assistance efforts. For example, Sallie Mae's Florida center has collected \$54,000 in employee donations for the American Red Cross, as well as donating computers and technical help for shelters in Bay and Jackson counties for use in applying for assistance, job searches and family communication. Several employees have been active in providing a comfortable environment for the pets of evacuees.

Noel-Levitz, which focuses on retaining and recruiting services for colleges and universities, is working on a plan to assist hurricane-affected client schools. Efforts include free or reduced-fee consulting services.

Information on all of the relief efforts being offered by Sallie Mae, The Sallie Mae Fund and Sallie Mae's centers and subsidiaries can be found on our Hurricane Katrina Web page at www.salliemae.com/katrina.

The Federal Emergency Management Agency (FEMA) has provided a list of organizations and agencies that are accepting donations and contributions for victims of Hurricane Katrina. If you or members of your staff would like to provide assistance, contact information follows:

Bush - Clinton Katrina Fund
www.bushclintonkatrinafund.org

The Humane Society of the United States
www.hsus.org

Alabama Governor's Emergency Relief Fund
www.servealabama.gov

Louisiana Disaster Recovery Foundation
www.louisiana.gov

Mississippi Hurricane Recovery Fund
www.mississippirecovery.com

American Red Cross
<http://www.redcross.org/>

For college-specific information, please visit the U.S. Department of Education's web-site at
<http://www.ed.gov/news/hurricane/index.html>.

Reauthorization: Friend or Foe?

Mentioning the word "reauthorization" to any member of the higher education finance community can elicit a variety of reactions, ranging from hopeful optimism to minor annoyance to downright dread. Of course, to those new to the industry, reauthorization may be just one more term added to the pile of unfamiliar jargon that accompanies their new job. But with the next reauthorization of the Higher Education Act (HEA) right around the corner, even newbies to the profession will be experts on the subject before year's end.

Just what is this mysterious legislative act that can strike fear in the hearts of financial aid administrators everywhere? In a nutshell, the Higher Education Act of 1965 that instituted federal financial aid in the United States must be reapproved or reauthorized every four to five years. This is similar to many pieces of legislation that govern our nation. Realizing that laws must be able to grow and adapt to citizens' changing needs, lawmakers oftentimes include time frames or expiration dates on bills they introduce. For example, you may have heard that the controversial Patriot Act is slated for reauthorization in the near future, prompting a flurry of activity from the act's supporters and detractors.

Streamlining the process

Reauthorization, then, gives legislators a chance to amend the law. In the case of the HEA, it's an opportunity to reexamine the federal financial aid programs and optimize efficiency for all participants. The goal of reauthorization is to streamline the financial aid process; in essence, to make the federal aid system the best it can be for students, parents, schools and the U.S. taxpayer who ultimately foots the bill. In the world of student loans alone, past reauthorizations have raised borrowing limits, set interest rates, and introduced serial borrowing with the Master Promissory Note (MPN). Without reauthorization, federal financial aid would be regulated by antiquated laws that make the programs less manageable.

So the concept of reauthorization is sound. Why the negative reaction from some? Fear of change, for one.

"Reauthorization can bring about great innovations in financial aid, but the actual implementation of those innovations can be painful, especially for the administrators who must change daily procedures," said Betsy Mayotte, director of Privacy and Regulatory Compliance at American Student Assistance. "Sometimes the first year or two after the new rules go into effect are rough, such as the introduction of the serial MPN after the last reauthorization in 2001. Entire systems and workflows had to be retooled. So while the long-term impact was beneficial, with a less burdensome process for students and financial aid offices, getting to that point was problematic for some."

Making the decisions

But while most would agree that the minor headaches associated with reauthorization compliance are worth it in the long run, what if there are doubts that a reauthorization's proposed changes are really in everyone's best interest? What if the interests of different financial aid players run counter to each other? How do policymakers determine whose interests take precedent? Should it be new students just entering college? Or past students dealing with education loan debt? And how much do those Washington senators and representatives even understand about financial aid anyway? Are they equipped with the proper knowledge to make these reauthorization decisions?

That's where the higher education finance community comes in. To make well-informed decisions, legislators need the opinions of those in the trenches, from financial aid directors and staff, to student loan lenders, to students themselves. Education finance groups and associations, such as the National Association of Student Financial Aid Administrators, the National Council of Higher Education Loan Programs, the Consumer Bankers Association, the American Council for Education and numerous students rights groups, often join efforts to lobby government and influence policy. Which brings up the contentious topic of undue influence over government officials by special interest groups. It's a problem that spreads far wider than just higher education—and has cynics fearing that organizations with the deepest pockets have an unfair advantage come reauthorization time.

Is the reauthorization process perfect? Perhaps not—but the idea at its core, the true belief that anything can be improved upon, is a valid one. The road to HEA reauthorization is certainly fraught with the same pitfalls that potentially mar any bureaucracy, but the alternative of an inflexible program with a rigid framework and no room for change is even more frightening.

Federal Family Education Loan Program guarantor American Student Assistance delivers quality FFELP default prevention, guarantee, origination and fund delivery services to students, parents, schools and lenders nationwide. Want to stay up to date on reauthorization? Sign up for e.clips, ASA's online

newsletter for student aid professionals, at www.amsa.com.

Reauthorization Update

The House of Representatives introduced its reauthorization bill, the *College Access and Opportunity Act*, HR.609, earlier this summer. This fall, the Senate introduced the *Higher Education Amendments Act of 2005*, S.1614. Here is a partial comparison of the major provisions affecting student loans in both bills.

Proposed Policy	To increase undergraduate annual loan limits
Senate	-First year limits increase from \$2,625 to \$3,500 -Second year increases from \$3,500 to \$4,500 -Aggregate undergrad limits remain at \$23,000
House	-Same
Proposed Policy	To increase graduate annual loan limits
Senate	-Graduate unsubsidized annual limits increase from \$10,000 to \$12,000 -Unsubsidized loan limits for coursework necessary to enroll in a graduate program or for a professional credential is raised to \$7,000 -Opens up PLUS to graduate and professional students
House	-Graduate unsubsidized annual limits increase from \$10,000 to \$12,000
Proposed Policy	To change the way interest rates are calculated
Senate	-Maintains scheduled 2006 change to fixed interest rate (6.8% for Stafford Loans) -Increases PLUS fixed interest rate to 8.5% from 7.9%
House	-Eliminates scheduled 2006 interest rate change and maintains current variable interest rate formula for Stafford and PLUS loans

Proposed Policy To decrease the amount of origination fees paid for new Stafford Loans

Senate -Beginning April 1, 2006, provides for the collection and deposit in the Federal Fund of a guaranty agency origination fee of 1.0 percent of each disbursement

House -Phase 3% FFEL origination fee down to 1% by 7/1/10

-Increases lender loan fee on consolidation loans from 0.50% to 1.0%

-Eliminates the single holder rule

House -Implements dual rate structure for consolidation loans on or after July 1, 2006; borrowers can choose between variable rate or fixed rate

-Strikes the single holder rule and replaces it with a notification requirement

Proposed Policy To modify the repayment plans

Senate -Makes no change to borrower repayment terms, except for creating a new loan forgiveness program for public sector employees in DL Program after 10 years of employment and repayment

House -HR 609 would change the current graduated repayment plan offered to FFELP borrowers by eliminating the "three times" rule, which mandates that any one installment of a loan payment on the graduated plan cannot be more than three times the amount of any other installment. HR 609 would also create a delayed repayment plan for FFELP borrowers where the borrower is only required to make interest payments, up to \$600 annually, for the first two years before their loan goes into the standard, graduated or income-sensitive repayment plan. Finally, HR609 would align the repayment plans in the Direct Loan Program with the plans in FFELP. The aligning of the repayment plans may eliminate or change the income-contingent repayment plan for Direct Loans.

Proposed Policy To change loan payment plans

Senate -Changes the number of payments need to rehabilitate a loan to 9 months

House -Same for 2006 provision but does not discuss the 45% limit as of 2009

Proposed Policy To change the interest rate structure for new Consolidation Loans

Senate -No change to consolidation loan interest rates

Nelnet: Hurricane Katrina Relief Effort

Nelnet is deeply concerned about students who have been displaced by Hurricane Katrina. Though nothing could have prepared them for what they are now facing, our employees and leadership continue to be amazed by the spirit of all those affected by this terrible disaster.

In recognition of both those students who have chosen to continue their education by attending one of your institutions, and to those schools who have opened their doors for students, Nelnet would like to present displaced students with a \$250 Visa debit card.

Though we have made available a sizable number of these debit cards (1000), we realize we won't be able to help all displaced students. Therefore, we are asking you to identify those students who truly need this emergency cash the most. If you know of a displaced student or students who were affected by Hurricane Katrina who are in true need of a Nelnet debit card, please visit <http://www.nelnet.net/HurricaneRelief> and tell us about the student.

Cards will be given out on a first come, first serve basis, and will be mailed directly to you for your distribution to the student.

We realize this is a difficult time for your schools as well, and that your resources are stretched. We hope this will provide additional resources for you to help students in need. Please focus on the immediate challenges you face and know that Nelnet will help in any way we can.

Call me with any concerns or questions at (866) 221-4514.

Sincerely,
Linda Casey
Nelnet Campus Solutions

Nelnet re-designated Exceptional Performer by U.S. Department of Education

Nelnet, Inc. (NYSE: NNI) announced that it has once again earned the U.S. Department of Education's Exceptional Performance designation as a student loan servicer under the Federal Family Education Loan Program (FFELP).

Exceptional Performer status provides Nelnet, and the lender accounts for which it provides student loan servicing, with a 100 percent federal reimbursement on all student loan default claims submitted during the status period. Nelnet first earned the designation in May of 2004.

"We are very proud to be an Exceptional Performer for a second year," Steve Butterfield, Nelnet Vice Chairman and Co-Chief Executive Officer. "This designation underscores our continued commitment to providing the highest level of service to our customers, students, and school partners."

To receive Exceptional Performer status, a lender or lender servicer must secure a 97 percent compliance rating through an audit of its loan portfolio, conducted by a qualified independent organization that meets the qualifications contained in the U.S. General Accounting Office's (GAO) Government Auditing Standards. Nelnet's audits by its independent public accounting firm have consistently demonstrated in excess of a 99 percent compliance rating in the required review areas, including performing proper due diligence requirements applicable to each loan, converting FFELP loans to repayment in a timely and accurate manner, and filing on-time claims with guaranty agencies.

Additional information is available at www.nelnet.net.

SASF AA NEWS

by April Kendrick and Shannon Cross

Message from SASFAA Guy F. Gibbs, President 2005-2006

Remember Our Colleagues

Hurricane Katrina brought devastation to South Florida and then turned its wrath to the Gulf Coasts of Alabama, Mississippi and Louisiana. Please remember our colleagues, their families, students and others as they cope with the aftermath of this horrendous hurricane. SASFAA and the State Presidents have worked together to identify charitable organizations to which monetary contributions might be sent. We have also worked to find additional ways in which we might assist our colleagues. Please let your State President know of your interest in assisting our colleagues in SASFAA and SWASFAA.

Additional information will be found on the SASFAA website: www.sasfaa.org.

2005-2006 SASFAA Board and Committees Meet

The SASFAA Board and Committee chairs met in Greensboro, North Carolina, in July. At that time, the operational budget and committee memberships were approved. At transition in June, the board was asked to identify their goals and objectives for 2005-2006. Those goals were presented and accepted by the President at the July board meeting.

One of the President's goals is to look at the creation of a SASFAA Foundation. With that in mind, Susan Little, Director of Financial Aid, University of Georgia, and Past President of SASFAA, has accepted an appointment to the board for the year. Her committee will look at the feasibility of establishing a foundation and ways that SASFAA might give back to the community. Thanks to the support of the membership and the generosity of SASFAA sponsors over the years, the association has reached its reserve fund goal and this gives us the opportunity to look at ways that we might serve the membership.

Annual Conference

The annual conference will be held at the Sheraton Four Seasons in Greensboro, North Carolina, February 12-15, 2006. Mark your calendar now and join us for "Financial Aid Unmasked."

SASF AA Membership

Join your colleagues as SASFAA members. Membership information is available on the SASFAA website: www.sasfaa.org. The key is to be involved not only in your state association but also in the regional association. I would like to see all of you in Greensboro in February 2006. Join now, become involved!

2006 SASFAA Conference

Don't miss the 2006 SASFAA Conference - "Financial Aid: Unmasked" to be held in Greensboro, NC at the Sheraton Four Seasons from February 12th to the 15th. Mark your calendars now - 2006 will be here before you know it! Hotel reservation information and tentative agenda will be posted on the SASFAA web site in the next few weeks. In the meantime, if you would like to make reservations, contact the hotel directly at (336) 292-9161. If you have any questions about the conference or would like to give your input, please contact Shannon Cross at shannon.cross@amsouthedlending.com.

PROFESSIONAL DEVELOPMENT

by Allyson Wyne

Breaking Down Barriers – Building an Effective Team Culture

Most Financial Aid offices require teamwork to get the work done. If you compare your job description to what you actually do, you'll discover that much of your work also requires the support of other team members.

Teamwork is creating a culture in which collaboration is valued. To create a workplace culture that is rooted in teamwork, the following characteristics of well-functioning teams are critical:

Recognize and respect differences in others: If every member of the team were the same and had the same opinions, it wouldn't be a very productive team – and it would make for a pretty boring team, at best! Though we may get frustrated with different members of our team at different times (which is all part of human nature), it is the diversity of the team that will move you from good to great!

Value the ideas and contributions of others: Nothing is more important in a teamwork environment than to show you care and value your teammates by listening to what they have to say. There may be valuable information to be gained by simply listening to another's perspective. In teamwork it is important to have open ears and an open mind.

Ask questions and get clarification: Because we all come from differing perspectives, it can be challenging at times to see things from the "same side of the coin". Ask questions to gain clarification on issues. Often times what the speaker intended for you to hear may not be what was actually heard.

Have fun and care about the team and the outcomes: Teamwork can be fun and engaging if you choose to see it that way. Take pride in your team and the outcomes that you produce. Set aside time at the beginning of team meetings to do conduct an engaging icebreaker with the group. These activities encourage participants to laugh together and get to know each other – a small investment with large benefits in terms of building team morale.

In addition to the above characteristics, keep in mind the following components of a team:

Purpose: Members proudly share a sense of why the team exists and are invested in accomplishing its mission and goals.

Priorities: Members know what needs to be done next, by whom, and by when to achieve team goals.

Roles: Members know their roles in getting tasks done and when to allow a more skillful member to do a certain task.

Decisions: Authority and decision-making lines are clearly understood.

Conflict: Conflict is dealt with openly and is considered important to decision-making and personal growth.

Personal traits: Members feel their unique personalities are appreciated and well utilized.

Norms: Group norms for working together are set and seen as standards for every one in the groups.

Success: Members know clearly when the team has met with success and share in this equally and proudly.

Training: Opportunities for feedback and updating skills are provided and taken advantage of by team members.

Make it a priority to focus on the characteristics and components of well-functioning teams listed above and you will be well on your way to creating a teamwork culture -- a culture that enables individuals to contribute more than they ever thought possible, together.

<u>UPCOMING EVENTS</u>	
AASFAA Fall Conference ----- Huntsville, AL	Oct. 12, 2005 – Oct. 14, 2005
NASFAA Training Workshop ----- Montgomery, AL	Nov. 18, 2005
SASFAA Conference ----- Greensboro, North Carolina	Feb. 12, 2006 – Feb. 15, 2006
AASFAA Spring Conference ----- Orange Beach, AL	April 12, 2006 – April 14, 2006