



Summer 2008 Edition

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Perspectives...

Message from the Chair

Submitted by: Laura Boesler, Tri-State Chair, 2007-2008

Greetings! I hope everyone had a great summer!



2007-2008 Tri-State Board

As I finish off my term as Chair of Tri-State, I want to take time to give a very large THANK YOU to all that have served on the Executive Board for 2007-2008. All of the elected officials and those that serve as committee chairs had a very successful year. I also want to thank everyone that served on committees and all that made this past year a great year despite everything going on in the industry.

As we look ahead to 2008-2009, I'd like you to think about volunteering. Please go to www.dedcmdasfaa.org to see our new and improved website and to complete a Volunteer form. Please spend some time at the new site getting familiar with everything the website has to offer.

Also, as I move into the new role of Nominations and Elections Chair, we need to think of new leaders to run for office for the 2009-2010 year. We will have elections for four positions. Chair-Elect is a three year term, where you serve as Chair-Elect, then Chair, then Past Chair. The Vice Chair position is the Conference Chair and serves on the Board for one year and plans the annual Fall Conference. The Secretary and Treasurer both serve two year terms on the Board. As the year progresses, be thinking of fellow Tri-State members that would be good to serve in these roles. There will be nomination forms at the Fall Conference.

Thank you to everyone that has helped me through this year as Chair. Please feel free to contact me at lboesler@jhu.edu with any thoughts or questions on nominations for 2009-2010.

Message from 2008-2009 Chair: Call for Volunteers

Submitted by: Ellie Geiman, Tri-State Chair, 2008-2009



2008-2009 Tri-State Executive Board

Welcome to the new year for DE-DC-MD Association of Student Financial Aid Administrators, or more frequently called Tri-State. The new Executive Board members are in place and preparing to serve in various capacities. I want to personally thank everyone for their willingness to step to the plate and give of their time and talents.

One of the biggest challenges of any organization is finding volunteers to get the job done. My first experience on a

committee was in 1998. I was encouraged to volunteer for the Fall Conference Committee and this began a chain reaction as I was elected for the position of Chair of the Conference Committee in the year 2000. Was it a lot of work? Of course but it was a team effort. Conferences and training events can only happen when there is a group effort.

Here is where I ask for your help. The list of committees can be found on the website <http://www.dedcmdasfaa.org/index> (How do you like our new look?). Select *The Association*, and then select *Leadership*, here you will find the committees and the chairperson. I want to encourage you to consider serving the Association. It is a rewarding experience and helps the organization become a huge impact on our professional industry.

One committee in particular needs our support. The Professional Development and Training is in charge of planning events, such as Neophyte and Diversity training. Committee members are needed to find locations, contact speakers, handle registration and even setting up meals. Many meetings are done by conference calls to limit the amount of time out of the office. If it works better for your schedule, you may help with only one event for the year. An important part of a successful event is the volunteers.

If you would like to offer your assistance to the Professional Development and Training Committee, please contact one of the following Co-Chairs of the Committee:

Andrea Cipolla
Aristea Williams

acipolla@umuc.edu
awilliams@edfund.org

Association News...

State Reports

The members of Tri-State would like to thank the state presidents their dedication and commitment to the Association:

Stephanie Bender, Maryland
Christine Lodge, Delaware, and
Precious Smith, District of Columbia

With their outstanding leadership, they have encouraged involvement, provided great events and outreach, represented the Association, and supported Tri-State's mission. Thank you for your service!

Also, best wishes go to Chris on her recent retirement. Chris, thank you for everything you have done to support Tri-State, Delaware, and financial aid in general.

Committee Updates

Awards & Scholarships

Submitted by: Vicki Smith, Chair

Under Awards & Scholarships, the Association honors its members with three different awards during the Fall Conference. Please take a moment to look at the three categories and nominate someone today.

Service Award – Service to the Profession

The Service Award shall be given annually to a regular or associate member in good standing, who, through active participation on Association Committees or other organized activities, has contributed to the betterment of the Association in one or more of the following ways:

1. Increasing member participation
2. Enhancing the image of the Association within the financial aid, secondary school, and/or higher education communities
3. Promoting professional development of the membership.

Marilyn Brown Professional Excellence Award

This award shall be presented annually to a financial aid professional who meets the following criteria:

1. Tenure of service in Delaware, the District of Columbia, or Maryland in the field of financial aid for at least five (5) years. Nominee does not have to be a member of the DE-DC-MD Association of Student Financial Aid Administrators.
2. Dedication to serving the student and the profession in adverse situations.
3. Professional ethics of the highest caliber.
4. Work and contributions above and beyond the call of duty to the student, the school, and/or the professional association.

Lifetime Membership Award

The Lifetime Membership Award is the Association's highest level of achievement award and will usually be presented to an individual upon retirement. The recipient receives all the benefits of active membership without paying annual dues. The following criteria **must** be met to receive this award:

1. 20 years of service in the field of financial aid in the DE-DC-MD region.
2. 15 of these 20 years must be as an active volunteer of the DE-DC-MD ASFAA.
3. 5 of these 15 years of service as an active volunteer must be continuous and recent.
4. must be an DE-DC-MD Association member at the time of recognition.
5. must have provided extraordinary service to the DE-DC-MD ASFAA.

Electronic Services

Submitted by: Gretchen Bonfardine, Chair

Have you checked out the new look of the Tri-State website? Our site has been revamped to offer new, improved navigation and a fresh, updated design. Check it out and be sure to use all the features the website has to offer!

Membership

Submitted by: Jason VanSickle, Chair

The 08/09 Tri-State membership application is now available on the DE-DC-MD ASFAA website. If interested in volunteering for a committee please remember to complete the Volunteer Form.

Newsletter

Submitted by: Melissa Rakes, Chair

News & Views is a way to share communication with all members of Tri-State. Thank you to everyone who has submitted articles, pictures, and updates this

year. Your contributions make the newsletter great. I want to especially thank all of those members who sent contributions during my three years as editor.

As we begin the 2008-2009 year, it is important to remember the newsletter is a terrific opportunity to keep the membership informed. Next year's editor is Renee Weekes of Community College of Baltimore County-Essex. If you know of any events, news, or updates that could be shared with Tri-State members, please send them to Renee (rweekes@ccbc.md.edu) to include in the newsletter.

College Goal Sunday Report

Submitted by: David Manning, 2008 College Goal Sunday Committee Chair

Our College Goal Sunday program took place in nineteen sites in Delaware, District of Columbia and Maryland this January and February 2008. In the seven years the Association has sponsored the event, 2008 was our second largest event having served over 1,100 attendees that walked through the doors asking for help completing the FAFSA. Many thanks goes to the volunteers that answered questions, site coordinators that made the events of the day go smoothly and to the various institutions that supported the event both with space, time and money to make the event successful. In the seven years that DE-DC-MD ASFAA, Inc. has sponsored the event, we have served in excess of 7,000 attendees that needed help. Several years saw snowstorms that virtually canceled many sites, but through it all the Association has done good work. We furthered our mission providing the expertise to make attendance at an institution of higher education a reality for many students that might have otherwise not been able to navigate the application process for federal student aid.

College Goal Sunday 2009 will again need your help to provide the necessary expertise to those needing help completing the FAFSA. A new task force is being put together to access the many support organizations that serve the families that need this help the most. Although the DE-DC-MD ASFAA will not be the fiscal agent in 2009, our help will be critical to its success. Through participation on the task force, hosting sites and providing the needed financial aid expertise, members of the Association will play a critical role as College Goal Sunday goes forward. You will be asked to volunteer, and my hope is that going forward College Goal Sunday will be an even greater success.

I personally want to thank all those that have donated their time and energy to make the past seven years a success. Without you, many families may not have been able to get the federal aid they needed to attend. Thanks for all your efforts, and I look forward to even greater success with College Goal Sunday in the future.

Federal Relations News

Submitted by: Dawn Mosisa and Donald Jones, 2008-2009 Federal Relations Committee Co-Chairs

Your 2008-2009 Federal Relations Committee wishes you a very happy summer and we hope your summer processing is proceeding smoothly. This year continues to be a year filled with lots of activity and notable changes on Capitol Hill. These changes have come absent of the reauthorization of the Higher Education Act, as of yet. The word on The Hill is reauthorization will occur shortly, presumably before the election.

As your Federal Relations Committee (FRC), one of our goals is to ensure that you have the tools to become an active part of shaping our Title IV laws and regulations. It is imperative that we front-line workers in the financial aid industry provide insight to our representatives and the Department of Education staff who really do want to hear from us.

Our mission as your FRC is to make that sharing of information comfortable for you, and to help you present that information in the most effective manner. We can all agree that our worth is immeasurable in this industry. We administer the funds that provide the access for our students to earn their degrees, and it's these funds that the laws and regulations are all about. We're the ones who understand the practical application of the law and for this reason our knowledge must be shared.

As we begin a new year, your Federal Relations Committee asks that you keep your email free-flowing. We commit to continuing to send out legislative/regulatory updates, opportunities for training on the new laws and regulations, and many other opportunities to participate in this process as we learn about them. Please also let us know if there's any area that you would like us to focus on. We welcome your feedback. And if anyone is interested in joining the Federal Relations Committee, please let us know! We welcome your assistance!

Recent news is that the final Rules for the TEACH Grant were published on June 23, 2008, finalizing the proposed rules published on March 21, 2008. Please be aware that a correction was sent out by ED on June 30, 2008. The link for these final rules, with the correction, is at

www.ed.gov/legislation/FedRegister/finrule/2008-2/062308a.html

The final Notice of Proposed Rules for Loan Issues Table published on July 1, 2008. Comments must be received by August 15, 2008. The link for this NPRM is at:

www.ed.gov/legislation/FedRegister/proprule/2008-3/070108a.html

You can submit your comments by mail or courier, but we suggest that it is easiest to submit your comments electronically via the Federal eRulemaking Portal at <http://www.regulations.gov>-- please remember to include the docket ID!

This coming year we have several activities planned, including more Negotiated Rulemaking visits, Hill visits, and a gathering with Hill staffers. Please stay tuned!

Spotlight Features...

2008 Annual Fall Conference: Financial Aid: Win, Place or Show



Conference planning is well underway for its new location at Dover Downs. There are many exciting events to come plus entertainment for all to enjoy at the conference facility. Make sure your calendars are

marked for November 9-10!

Because we realize that budgets are tight but training is more important than ever, Tri-State is pleased to announce that we are rolling back the price for this year's conference.

Conference Fee: \$210
One-day Conference Fee: \$125
Membership Fee: \$40

This includes meals and all sessions. The conference hotel is Dover Downs. Be sure to book your room now!

- Go to www.doverdowns.com
- Select **Book a Room** (upper left corner)
- Select **Groups**
- For Attendee Login, enter **GASFA**. This is the code to access Tri-State's group rate
- Select desired room and enter your reservation information

Or, call the reservations hotline at 302.674.4600.

The Conference mini-site will soon be ready, so you can get a sneak peek of what's in store. Stay tuned for more information.

EASFAA 2008



2007-2008 EASFAA President Bill Cheetham and Volunteer Recognition Committee Co-Chairs Bill Irwin and Jim Murphy recognize state volunteers, including Tri-State's Andrea Cipolla

EASFAA members from across the region gathered at the 42nd annual conference, which was held in Portland, Maine. As always, there were a variety of great sessions, inspirational speakers, and wonderful networking opportunities. Congratulations to Andrea Cipolla and Scott Filter for being recognized as EASFAA volunteers of the month for their excellent contributions to Maryland and

D.C. respectively. Their dedication and leadership was recognized by EASFAA, and they were offered scholarships to attend the conference. Be sure to mark your calendars for next year's EASFAA conference in Washington, D.C.: May 17-May 20, 2009.

Special Features...

What Default Means to Your Students

Submitted by: Tasha McDaniel, School Training Director, Great Lakes Higher Education Guaranty Corporation

As you review your default prevention efforts, it's important to remember that each default represents an individual borrower—one of your former students who is suffering the consequences of a damaged credit rating and reduced professional opportunities. Your students hear about the consequences of default several times while they are in school, but they may not understand how default relates to them. You have the opportunity to make the consequences of default more meaningful to them by using the following explanations.

Defaulting on Student Loans May Mean:

- **A Damaged Credit Rating.** *Guarantors are required to report student loan defaults to all national credit bureaus. As a result, borrowers who default may*

have a damaged credit rating for at least seven years. A poor credit rating may mean that a bank will require the borrower to pay a higher interest rate for loans and credit cards than other customers. It may also prevent the bank from agreeing to make a mortgage or car loan to a borrower. Poor credit could possibly prevent the borrower from obtaining desired jobs because many employers now run credit checks on prospective employees, especially those who will handle cash and financial transactions.

- **The Loss of Deferment and Forbearance Benefits.** Borrowers who default lose the benefits of the Federal Family Education Loan Program (FFELP), which include the options to temporarily postpone student loan payments due to hardship. It's important to encourage borrowers to work with their lender to resolve any repayment problems long before the loan defaults.
- **Federal Income Tax Offset.** Guarantors are required to provide the U.S. Treasury Department with a listing of borrowers who do not make arrangements to pay their defaulted loans. As a result, a borrower's federal income tax refund may be seized. Instead of receiving a refund check from the Internal Revenue Service, the borrower might receive a letter from the Treasury Department stating that the income tax refund was intercepted and applied (net of a surcharge) to the borrower's defaulted student loan balance.
- **Additional Fee Assessments.** Guarantors are required to charge collection fees on defaulted loans and borrowers may be assessed fees of up to 24% on each payment made after default. Adding the collection fees to the outstanding principal and interest balance dramatically increases the total amount needed to pay a defaulted loan in full. Assuming a 24% collection fee, a defaulted borrower who makes a monthly payment of \$100 will pay \$24 in collection costs. The remaining \$76 will be applied to outstanding principal and interest.
- **Garnished Wages.** Guarantors are required to initiate wage garnishment proceedings against borrowers who do not make arrangements to pay their defaulted loans. This means that the borrower's employer may deduct 10–15% of the borrower's pay from every paycheck and forward that amount to the guarantor to be applied toward the defaulted loan balance. This means that the borrower will receive a smaller paycheck and his or her employer will know about the defaulted student loan.
- **Lost Student Loan Eligibility.** If defaulted borrowers choose to go back to school, they may not be able to obtain additional FFELP financial aid. In order to regain FFELP eligibility, borrowers must either pay the defaulted loan in full or make a payment each month for six consecutive months.

Teaching Students to Use Credit Cards Responsibly

Submitted by: Tamara Carter, Regional Account Executive, TG

As with most of the rest of society, college students are relying more and more on credit cards to sustain daily living. In fact, the amount of credit card debt among students more than doubled between 1994 and 2004, according to studies.

A recent study by the U.S. Public Interest Research Group (U.S. PIRG) also shows that 76 percent of students have credit cards, and most of them received them through on-campus marketing efforts by credit card companies.

More than half of the students – 55 percent – surveyed by U.S. PIRG said they used credit cards for “day-to-day expenses.” About 40 percent of the students said they used credit cards for “weekends and pizza,” and a fourth also indicated a credit card is sometimes used to pay for tuition.

Budget counselors such as Dr. Dorothy Bagwell Durband, director of the nationally acclaimed *Red to Black* financial and budget counseling program at Texas Tech University, say students should receive personal instruction on establishing credit and on responsible credit card use. For example, students should understand a credit card’s APR (annual percentage rate), as well as all the terms and conditions that determine how fees are calculated.

The bottom line is that students will continue to rely heavily on credit cards, which makes it vital to educate them about responsible use of cards and how to budget properly.

Here are some helpful credit card tips students should know:

- **Limit yourself to one credit card:** Credit cards can be all too tempting — easy to apply for and easy to use. To set a firm limit on spending, take out only one card. That will make it easier to set a regular pattern of purchases and repayment — and establish a good credit history.
- **Understand all credit card terms:** Before you take out a credit card, educate yourself. What is the interest percentage rate? Are there annual fees? Is there a different interest rate for cash advances? Get the answers before you decide.
- **Set a time limit on big purchases:** If you want a big-dollar item, put off buying it right away. Consider the necessity and feasibility of repayment on such a purchase.
- **Charge only the amount you can afford:** Everyone lives on a budget. Work your monthly credit card expenses in to your monthly budget and make sure you can afford it.

- **Pay more than the minimum:** If you are not able to pay off the balance in full, pay at least twice the minimum monthly payment. Paying more eliminates the debt faster and gives you more room to spend on other items, like household expenses.
- **Verify your statements:** Check receipts against the monthly statement. That way, you can see patterns in your purchases, consider the amount you spend, and keep tabs on what you're being charged for interest.
- **Shop around for the best interest rates:** Watch out for "low introductory" rates. These can sometimes turn into higher rates if a payment is missed or is late.