

The NYSFAAAA Connection

membership news

Web Letter



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New York State Financial Aid Administrators Association

Looking Forward to the Presidency

Ann Barton, Hobart & William Smith Colleges & NYSFAAA President Elect

It seems almost impossible that it is time to take over the helm of this awesome organization. I have to admit that I am nervous as well as excited. The election of almost two years ago seems like yesterday. I have to express my sincere thanks to Cathy Bellomo for making my past year as President Elect a true learning experience. I am so glad that the decision was made to create the position of President Elect. I never knew how much was involved in the day to day running of NYSFAAA. She has been so great in keeping me updated on what she has been doing so that, hopefully, I can take over running.

I want to express my thanks on behalf of the whole membership for the wonderful job Cathy has done during her tenure as President. Because of her we now have a wonderful NYSFAAA Viewbook that will be given to our High School Counselors when they attend training this year. We will also be distributing this to the legislators when we visit them in February. I have already mailed a copy to each of your College Presidents, so they now know what NYSFAAA is all about and I hope will encourage each and every one of you to get involved or stay involved. I am also sending a copy of the Viewbook to the Financial Aid Office of those institutions that currently do not have any NYSFAAA members at their institution – we need to recruit new members and ensure that we represent the entire financial aid community. I need your help in enlisting new members – talk up the organization – ask your colleagues to join.

Cathy was also instrumental in getting us into the New York State Fair – a tremendous success. For the past two years we have given out an additional NYSFAAA scholarship at the fair and had great exposure to people from all over the state - and had fun doing it!

I look forward to serving as your President over the next two years. I hope that when my two years are up, the membership will be able to say that if nothing else I have been accessible to them. Please don't hesitate to call, email or write me with your concerns. I will do my best to meet your needs, fully realizing that I cannot make everyone happy. Rest assured that whatever I do, I will do because I believe it is in the best interest of the organization as a whole. I will probably make mistakes – I am only human, but together we can bring NYSFAAA to new heights and that is the key – together. No one person can do it alone, but with everyone involved, we can bring about great things.

If you are actively involved in NYSFAAA, I thank you. Keep up the good work. If you are a member, but not currently involved, please consider volunteering. If you are not sure how you could be involved, contact me. I have some wonderful statewide chairs looking for volunteers to help out with their endeavors. *(continued on page 3)*

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If you would like to contribute to "The NYSFAAA Connection", contact Laura Worley, Citibank - The Student Loan Corporation at laura.m.worley@citicorp.com

Training Announcement From EASFAA

EASFAA PRESENTS TREATMENT of RESOURCES and PACKAGING CONSIDERATIONS

The Fall Professional Development Workshops presented by EASFAA, in conjunction with NYSFAAA, is on the treatment of resources and packaging considerations. Discussion will center around: **State Prepaid Tuition Plans; 529 Plans; State Savings Plans; Alternative Loans and Fellowships and Assistantships.**

Training sites and dates of workshops within our state are as follows:

University of Rochester (Med & Dent)	Nov. 12
Suffolk Cty Comm. Coll. (Bentwood Campus)	Nov. 20
Brooklyn College	Nov. 21
College of St. Rose (Albany, NY)	Dec. 19

Cost of the training session is:

\$25.00 Members

\$75.00 Non-Members

Registration and additional information can be found at the EASFAA Website: WWW.EASFAA.ORG

Simply . . . Thank You NYSFAAA *By Cathleen Bellomo, Wells College, NYSFAAA President*

I have often been asked in my term of office, "What do you receive for my \$35.00 membership into NYSFAAA?" After two years of President of this organization, I think I can finally answer this question. Your \$35.00 membership enables you to volunteer in one of the most active professional associations I know. NYSFAAA is and will always be a volunteer organization. Its strength is as strong as its members. The number of programs and events that occur in a year is dependent on the number of volunteers for our committees at the statewide and regional levels. The quality of our programs is a result of the dedication and expertise of our colleagues. NYSFAAA will continue to grow and flourish as our membership grows with new and experienced colleagues who care about becoming involved in our professional organization. **Our colleagues who volunteer in NYSFAAA are not given a salary. They receive no monetary award at the end of the day. They have performed their responsibilities because**

"An organization dedicated to educating everyone, including ourselves, who are a part of the financial aid process." I am always amazed at how much is accomplished by so few over the course of the year. I will like to take this opportunity to thank everyone who volunteered for NYSFAAA during my term of office. I have learned that the leadership of this organization is only as strong and effective as its volunteers. I would never have been able to serve without your help. Thank you.

I can honestly say that I received more than I ever imagined for my \$35.00. I made new friends that I will have for many years to come. I improved my leadership skills (yes, this is a skill you can learn). I have gained an opportunity with my membership to NYSFAAA to be part of something very unique and special in the world of financial aid. I will treasure this opportunity you have awarded me. I wish NYSFAAA many more years of effective leadership, strong programs, and of course a multitude of volunteers. Once again, thank you.

Looking Forward to the Presidency *(continued from page 1)*

Ann Barton, Hobart & William Smith Colleges & NYSFAAA President

Check out who they are on our website. If by some chance you are reading this and you are not a member, please contact me about becoming a member.

I guess I have rambled on enough for one newsletter. I look forward to meeting and working with a large percentage of you over the next two years. Please, if we have not met and the opportunity arises, introduce yourself. I can't promise to remember everyone's name (I am getting old and the memory is getting shorter) but I will recognize your face and remember you as a member of the NYSFAAA family.

Take care and I hope to see you at the conference.

NYSFAAA Members on the Move *Submitted by the Membership*

John Vecchio, Director of Financial Aid at Trocaire College in Buffalo has been promoted to Director of Institutional Advancement. Region 1 member will miss you John!

Janet McGrath former Director of Financial Aid at Villa Maria College has accepted the position of Director of Financial Aid at Trocaire College.



Keith Babich, former Assistant Director of Financial Aid at Mercy College has joined Citibank as an Account Manager. Keith will cover schools in Westchester and New York City.

Melissa Barbara joins the staff at Monroe Community College as Assistant Director of Financial Aid. Melissa previously was at SUNY Brockport.

Vince Scalise, College Loan Corporation has been promoted to VP of Business Development.

Lea Nicholson from Canisius College has been promoted to Assistant Director of Financial Aid. Way to go Lea!

Beth Post of Union College has been promoted to Director of Financial Aid Planning, Financial Aid and Family Financing. Congratulations to Beth!

Pat Parsley of Adirondack Community College retired on June 3, 2002 and is happily off RV 'ing across the United States and Canada. NYSFAAA wishes Pat many happy travels!

Jessica Dixon at Adirondack Community College has been promoted to Assistant Director of Financial Aid. Well deserved Jessica!

Kathy Parker joined the Financial Aid staff at SUNY Canton as a Counselor in July. Kathy previously was on the front-line in the office as a Customer Service Representative so she comes on the job with a unique point of view. SUNY Canton FAO is glad to have her!

The University at Buffalo has a new Associate Vice Provost and Director of Student Processing. Her name is Terri L. Mangione, Ph.D. Some of you may remember Terri from her days in Financial Aid at Canisius College years back. NYSFAAA welcomes Terri!

When Dinosaurs Ruled the Earth! *By W. Cheetham, LeMoyne College*

Our financial aid profession, and the professional organizations that have developed to support the needs of the colleagues and constituents of our profession, in many ways parallels the days gone by when dinosaurs ruled earth.

In days of old, the loudest, tallest, strongest dinosaur self chose themselves to be the leader of their organization. Although sometimes challenged by weaker ambitious others, the rule of law dictated that the head dinosaur stay in charge until they were destroyed by the next generation of larger stronger dinosaurs. While the dinosaurs ruled for a very long period of time, their eventual extinction can be traced to both changes in their environment, and a lack of using the knowledge they should have gained to better adapt to changes in their environment. You see, they had the knowledge, but because each new leader assumed power by overtaking the previous leader (usually by killing them), there was no one left from the old leadership to share what they had learned with the new leadership. So eventually they were unable to evolve because they were unable to utilize their history to plan, maintain, and enhance their potential for a better future existence.

At times in my career I have heard colleagues criticize past leaders of our organization. I have heard remarks such as, "he or she has really dropped out of sight since they were _____" (president, VP, regional representative, ...etc... [insert whatever one fits]). And I must say, before I found myself in the same position I could be heard making similar remarks. What I find unfortunate after many years of involvement in NYSFAAA, is that we behave very much like the dinosaurs. And what I think all of us need to be aware of, is that perhaps our members who were leaders and their terms ended did not choose to be in exile. Perhaps some of them moved on to bigger and better opportunities or dedicated more time to their families and/or their principle job, or they stepped aside so other members of their staff could be more involved. Or perhaps the new "dinosaur pack," needed to establish their own direction and distance themselves from the past leaders (unlike the dinosaur, old NYSFAAA leaders are not killed).

Whatever, the reason, my point is a simple one. As we move forward we need to learn from the mistakes of the dinosaur. We need to continue to move forward and use the knowledge of our past to help build the successes of our future. Our new leaders need to know the support of our past leaders is always there to help guide them. They need to understand the challenge of continuing to develop opportunities for involvement of our future leaders, and at the same time continuing to create opportunities to involve our past leaders. Past leaders need to know their time served is respected and that they serve a vital role in passing on their experiences to help keep our organization from becoming extinct. We need to be aware of our own history so that we do not make the same mistakes of our ancestors. While history does repeat itself at times in our profession, we need to be proactive in our plan to evolve and survive in our ever-changing environment.

As we enter a new era of our existence, and prepare to embrace our new strategic plan, let us renew our commitment of working together to build our brightest tomorrow. We have a history we can all be proud of, and a future that has no boundaries. Let us go forth together and continue to focus on all that is good in our profession.



The Wizard of Oz in a Box *By Dan Brent, Citibank*

I'm a dinosaur. I'm still astonished by computers and what they can do. At the same time, I get annoyed at how stupid they are, not being able to figure out what I'm trying to do or, worse yet, second-guessing what I'm doing.

In my word-processing program, if the numeral "1" occurs at the beginning of a line, then the program will put the numeral "2" at the start of the next line – whether it makes any sense in the context or not. It always reminds me of the Wizard of Oz. (Was that 1939? Now that's more like my era.) In the movie – surely you've seen reruns – everything worked wondrously until the wizard's cover was blown and he was exposed.

I enjoy Andy Rooney's droll commentaries at the end of the "Sixty Minutes" programs. In September he did a piece where he walked us through the complicated portable computer equipment and cords that he's now constrained to carry on his travels. There were about ten items in all, each wondrous in its own way. The piece ended with the camera focused on an old Underhill manual typewriter which, of course, was a single piece that did everything when you wanted to write. But that was then.

Progress is a funny thing. Recently I bought two golf umbrellas at a K-Mart where the cashier function is automated. I waited in line for the machine. When it was my turn, I discovered that the bar-codes for my items were printed on the back of the labels which, in turn, were covered by the protective plastic sheathing on the umbrellas. While the people behind me waited, I got the plastic off, dug a label out, turned it over and scanned it. "Put your purchase in a bag" the machine instructed me. Since the umbrellas were identical, I held the first bar-code to the scanner again. No "beep". How did the computer know I was cutting a corner? Dutifully I made the line behind me wait while I dug out the label on the second umbrella and scanned it. "Beep." The computer was happy. It announced the price and again instructed me to put the item in a bag.

Instead I set the second umbrella down and touched the screen bar for cashing out. What I got was a message saying I would have to consult a clerk. The machine would go no further. By and by the clerk came and did something to clear the machine. "What did I do wrong?" I asked. "You didn't bag your items," she explained. "The



machine knows that I didn't put the umbrellas in one of those little bags?" I asked incredulously. "Yes," she answered with a straight face.

The machine apparently knew that I hadn't put the four-foot long umbrellas into the 15-inch bags. What it didn't know was that umbrellas don't fit into those little bags. Even the least astute cashier I've ever dealt with would have been able to size that problem up without holding up the line and requiring the services of a supervisor.

Don't get me wrong. I'm not against technology and I truly am impressed with how clever the computers are. I work for a bank and I use the ATM most of the time. But sometimes I need a live person and I'm glad for the availability of tellers. Most bosses hang around long enough to see how the real world works. So I doubt that the day will come when students will walk into any of our offices and see only a row of computers!

The truth is that it will always be comforting when there is a real person behind the wizard's screen!

Dan Brent is a Professional Development Officer with Citibank. He regularly presents seminars for Financial Aid office staff and management people.

Mark your calendar for the
EASFAA 2003 Conference!!!
Wednesday, May 14, 2003 –
Saturday, May 17, 2003
Hershey Lodge & Convention Center,
Hershey, PA

Enrollment Trends Over the Next Decade

According to a recent report by the National Center for Education Statistics ("Projections of Education Statistics to 2012," October 2002), enrollment in higher education institutions is expected to rise over the next decade. The bulk of the increase is expected to come from a 15 percent rise in the traditional college-age population of 18- to 24-year-olds. A major increase in student enrollment over the 90's came from women. This trend is expected to continue with a projected increase of 18 percent over the 2000 figure by 2012.

In 2008, the U.S. is expected to graduate the largest public high school class in its history—3.2 million students—exceeding the class of 1979, the peak year of the baby boom, by more than 60,000 graduates. The new enrollments resulting from the higher numbers of graduating high school students will not be evenly distributed across the country, however. Some states will experience little change or

even decreases. Others, particularly on the Pacific coast and in the Southwest and Southeast will have to find places for substantially higher numbers of prospective college enrollees. Several states that will be most challenged to accommodate additional enrollments already suffer from low college participation rates.

More faculty will need to be hired throughout the course of the next decade to ensure that student-teacher ratios remain relatively stable, according to a report by the National Education Association ("The Future of Higher Education", September 2002). By the year 2010, for example, the number of higher education faculty will need to increase by 11,600 to keep up with the 17.5 million students enrolled in colleges and universities nationwide. Some states will show huge growths, while many states will remain relatively the same or show a decline in student

enrollment.

Students and parents often are not fully informed in regard to both the costs of attending college and the financial support options available to them. According to a spokesperson at Sallie Mae, the country's largest supplier of student loans, the need for education about college financing is most important during the high school years. A study conducted by Sallie Mae's charitable arm—The Sallie Mae Fund—found that 26% of college-age young adults who were not planning to attend college would have been more likely to attend college if they had better information about how to pay for college.

Submitted by Sallie Mae

Helpful Hints From HESC:

Are You Using TAP Student Record Maintenance (SRM)?

During this busy processing time, HESC's Web-based Student Record Maintenance can help you make corrections and adjustments to your students' TAP applications. **Did you know** revisions and adjustments submitted through Student Record Maintenance are usually processed within **24 hours**?

SRM allows better control over corrections. The school doesn't have to rely on students to submit changes to HESC using the paper change form. This also decreases the need for the mailing of forms from the student's home to his/her school address.

In addition to the time saved, SRM reduces errors by providing drop-down boxes with appropriate responses wherever practical. Also, if an error is made, you can **immediately** go back and make the necessary correction.

For late certifications, the Payment Information section of SRM allows schools to create and submit both initial certification and post certification transactions for individual students via the Web.

SRM can accept electronic data which previously could only be submitted on paper.

For example, school officials may indicate the student meets the NYS regulations for financial independence and indicate this within SRM. You can also withdraw a claim of financial independence within SRM for students who claimed financial independence incorrectly.

Retention requirements haven't changed. You must keep documentation of changes in the school's file. Remember: For state programs, the record retention requirement is seven years.

And Much More... You can make college code changes, change parents and/or students marital status, add/remove additional other family members attending college, question/deny student's NYS residency, exclude spouse/parents income, complete child support and provide income information for the student, spouse or parents.

Committee Update: College Aid Awareness Network *By Sharon Karwowski, TC3*

The June planning meeting has brought some new initiatives for this year of CAAN activities as well confirming several of the past initiatives:

NYSFAAA at the State Fair

NYSFAAA held a raffle for a \$1,000 NYSFAAA Scholarship on Higher Ed day at the New York State Fair. This is the second year we have done this. This year's winner attends Broome Community College. This is a very popular event and receives a great deal of publicity for NYSFAAA as well as providing valuable informational service to the students and parents that stop by our table. Next year we will be offering two \$500.00 NYSFAAA Scholarships.

High School nights and Forms Workshops

Dates are starting to roll in as we all get geared up for the 2003-04 processing year. Make sure you are asking new members to our organization to join you when you "hit the road". It is a great way to introduce them into NYSFAAA.

School Counselors Workshops

CAAN members will again be present at the School Counselor's workshops.

Ask the Expert email campaign

We continue to answer questions year around at "Ask the Expert". However, we will again ask that the regions each take one week. The great part of this volunteering is you can do it right from your desk at work.

HESC and NYSFAAA

We are collaborating in several areas. We shared an informational board at the State Fair. HESC is printing several of our mailings for us. We plan to help participate in any publicity events that HESC might hold in our regions. Additionally for this year we are investigating doing a spring training event geared to students. Stay tuned for more details.

Professional Development *by Mike Pede, Upstate Medical University*

Recently, the Committee on Professional Development provided our members a survey to determine several issues related to training. Over the past several years' attendance at the training venues offered by NYSFAAA has fallen. When discussing this concern to members, we have responses such as: **"It was offered at the wrong time"** or **"The topic is nothing I wanted to hear about"** or **"I could not justify sending my staff to my institution"**. Which ever the reason, except for the last one, hopefully this survey could assist the Committee in providing a training venue which a very large majority of our members will find helpful in meeting their professional needs.

Many times decisions are made about a topic or timing because of outside influences. Example, last year a topic was presented on Reauthorization. A good number of our members said they did not attend because this topic... "Did not have an impact on their current job (responsibility)" or that the timing was off, because... "Reauthorization is not until next year." The reason why the workshop was offered was, because at the Federal level discussions were beginning on the selection of members to the committees on Negotiated Rules Making. This is a point where we could have input in development, as opposed to being reactive to what has been proposed. Now, we are hearing requests for information on Reauthorization. Was the committee's timing off? Well, maybe. If we only want to understand how Reauthorization will impact us directly, then yes, we were off. However, if as a professional, you wanted to understand the Reauthorization processes and how we can impact that process, than no.

This is why your response to the survey is so important. The survey will help the committee determine when to offer training, what to offer and how to offer training. The Committee understands that our members are at different points in their career and that we all have different needs because of our job responsibilities, but this survey will give us a good handle on what the membership would like to have.

The survey is a good vehicle to find out what our members want. However, each Region has a representative on the Professional Development Committee. A person who you can reach out and share your ideas about professional development. The committee was setup this way to allow for a dialogue between the members the regions and the committee. Feel free to discuss your concerns with the members. You can find out who your committee member is by attending a Regional Meeting or on page twelve of this newsletter.

Tales From the Big City

Food: August 28, 2002 by William Mack, CUNY

I don't know if it is the case in all Big Cities, or just this Big City, but take-out food seems to be very popular here. Before moving to The Big City I had about one choice for take out food, pizza and wings. I had six different places I could order from, but it was all still pizza and wings. Here in the Big City pizza is only the beginning.

When I come home in the evening I often find a menu on the floor of the apartment, having been slipped under the door while I was away. I can only imagine the reaction the cats have to this.

Calvin: "Oh great. He's home."

Hobbes: "No, wait. It's a piece of paper."

Calvin: "What does it say?"

Hobbes: "I don't know. I can't read."

Calvin: "I'm going to take a nap."

Hobbes: "Good idea. I'll join you."

It is likely the topic of somebody's doctoral dissertation in Urban Studies as to which came first: take-out food or the famously small kitchen in Big City apartments. When my grandmother lived in the

Bronx her kitchen literally would not allow two people to be there at the same time. This presented cultural problems. My grandmother was one of seven sisters who had come from Germany. In the apartment complex she lived there were three

"The thought of my grandmother having a white take out carton of Chinese food in the fridge never passed through my mind. In fact, I once, when visiting, I brought to her apartment half of a sandwich I had saved from a visit to the Carnegie Deli . . . I don't think she ever really forgave me for that."

of the sisters. The sisters often got together for cake and coffee in the afternoon. They all wanted to be in the kitchen at the same time. This defied the laws of physics.

My grandmother made fabulous meals in that kitchen. Granted, you couldn't open the oven door and the refrigerator door at the same time but she made due. The thought of my grandmother having a white take out carton of Chinese food in the fridge never passed through my mind. In fact, I once, when visiting, I brought to her apartment half of a sandwich I had saved from a visit to the Carnegie Deli. (If you visit

the Carnegie Deli with a friend, order one sandwich for the two of you. You will thank me later.) I thought I could have it as a later meal. She was quite insulted that 1. I had purchased a meal and 2. That I had brought purchased prepared food into her home. I don't think she ever really forgave me for that.

And so, we have a catch 22. Kitchens in NYC apartments are small, making cooking difficult. Therefore, people order take-out food. Because people order take-out food so often, kitchens can be designed small.

Before moving to the Big City I preferred to pick-up my take-out pizza and wings on my way home, rather than have it delivered. This isn't possible for me in The Big City. First, I'm not driving home, I'm on the bus. The bus takes me to the door of my building. I could get off the bus at the restaurant and pick up my dinner, but then I would need to walk about a mile to my building. I didn't

get this boyish figure by taking hikes. Second, parking around my favorite restaurant isn't easy, even when it is possible. It is much easier to call and have the food delivered. It takes about 20 minutes. I have no idea why it is that fast. The guy is doing the delivery on a bicycle. The variety of take-out food is amazing. Of course there is pizza and Chinese. In my neighborhood there is also Portuguese, Thai, Vietnamese, Russian, Cuban, etc. The other day, upon returning home, I found a take-out flyer from IHOP on the floor. That's right, IHOP, The International House of Pancakes. Let me see if I understand this. There is somebody, in fact a bunch of somebodies, whose cooking skills are so lacking, or who are so busy, that they have to order out for pancakes? Frankly, I'm feeling much better about my own culinary skills. I can, at least, fry eggs and make a sandwich.

Well, that is all for now. I need to go get some lunch now. I've worked up an appetite.

Bill Mack currently lives in NYC and works for CUNY Central. He has been transplanted here from Rochester, NY



Getting the Looks *by J Lentner, SUNY Oneonta*

You can imagine the looks I get when I tell people that a) I love Financial Aid, and b) I think Americans don't pay enough in taxes. What puzzles me is that I get these same looks from financial aid counselors.

The former statement is a no-brainer for me. If you're going to be happy, you should be doing something you love, or at least like. This does not mean that you should love saying goodbye to normal summer vacations. You can still wish that work was a little less hectic at times. It doesn't mean that you have to love the convoluted federal formula, or even your students' parents. But if you don't enjoy most of the 2000-2500 hours a year you spend in the office, then you really should consider a career change.

Financial Aid is not a profession for paper pushers. It is a profession that *requires* a great deal of (electronic) paper pushing, granted. The important work is done when we set our papers aside, listen to our students (or parents), really think their problems through, and try to solve those problems. Our work is measured not only by crossing off items on our to-do lists, but also by the number of thank you's we receive.

Financial Aid is *not* for everyone. A lot of people can't emphasize the events that elevate the job over the mundane. Some of us would rather just push paper. I've heard colleagues

decry that professional judgment is difficult. They feel there is too much of a grey area, that it takes too much time to make a well documented decision. Others have been in the profession too long. They've lost the ability to empathize with families. Such burnout is understandable, even to a person who "loves financial aid".

Most people who never were or are no longer, proud to say "I am a financial aid counselor" won't read this newsletter. But many who gawk, confounded, at my tax complaint are committed "financial aiders". I must admit, I have more trouble explaining this group than the ones who simply wish retirement was next month.

I can tell you that I was not so strongly committed to higher taxes before I entered the financial aid world. After several years of hearing parents complain about the lack of grant money available and refusing to accept that a loan is financial aid, I've come to believe that the only solution is higher taxes.

I'm not tilting at windmills here. This is not a plea for a European style welfare state. But the Boston Tea Party was a demonstration against taxation *without representation*, as everyone knows. We need to remind ourselves that the founding fathers were not outlawing taxes themselves. (Where some of

my fellow Americans got this idea, I'll never know.)

In this era of low-interest loans, we offer loans to our students sincerely depicting them as practical and affordable. Loans serve an important demographic. Subsidized loans are very inexpensive, relative to private loans and annuity withdrawals. Loans are here to stay and that is, many times, to the good.

Each year though, more students are being forced to borrow alternative student loans in addition to the federal Stafford and Perkins loans for which they may qualify. The debt burden of college graduates has been documented to be detrimental.

One solution is to increase grant money. Currently, grants don't come close to paying even half of college expenses for families in the second and third economic quartiles. A family of four or five in New York State working hard for \$50,000 a year get a minimal or no Pell grant and about \$500 in TAP. The student attends a state school because "it is cheaper", but graduates having borrowed the maximum federal loans, and more and more a chunk of private loans. These families, let alone the students themselves, should not be told to borrow \$40,000 without everyone questioning the merits of that debt burden.

Families are expected to save but Americans in general don't save, and life has a way of eating up the savings of the best intentioned

parents. (Besides, the federal formula penalizes families who save just as it penalizes students who earn wages.)

I admit there is no appetite in the country for increased taxes. It is amazing that families have no idea what they'll end up paying when their sons and daughters enter college. The media criticizes colleges for constantly raising tuition. (Quick- raise you hand if you're an overpaid financial aid counselor.) Well meaning organizations like College Is Possible lump loans into the billions of dollars of supposed available aid.

We as financial aid professionals need to educate parents and students. We need to work *long term* to create a climate in which the public will accept paying an extra dollar or two a week so that students whose parents have worked hard all their lives can enroll in college without accruing debt that will haunt them ten, fifteen years down the road.

Professional organizations like NYSFAAA can facilitate this at conferences by discussing the issues and polling their members. We need to come together as a profession with one voice, and lots of votes, to explain to our elected officials and the public that college debt hurts the economy and increased grant aid is good for the whole country.

The big question is: how do we do this when even financial aid counselors can't imagine a tax increase?

Loan Consolidation Guidance Offered

by Ambrose Price, USA Funds Services

Loan consolidation is a repayment option, whose popularity is growing, thanks to the historically low student-loan interest rates effective July 1, 2002, through June 30, 2003. Federal Consolidation loans offer fixed interest rates for the life of the loan, so borrowers who consolidate their loans during this period will lock in the record-low interest rates for the remainder of their repayment term.

I would like to offer the following loan-consolidation information for financial-aid professionals to share with students and graduates.

Loan consolidation offers a number of benefits:

- **Lower monthly payments.** Using a Federal Consolidation loan, education-loan borrowers may be able to lower their monthly payments by more than 40 percent.
- **The possibility of even lower interest rates for borrowers still in their grace period.** Interest rates on Stafford loans issued since July 1995 are 0.6 percentage points lower for borrowers who are in their six-month, post-school grace period than for borrowers in repayment. So, by consolidating their loans during the grace period, borrowers could lock in an even lower rate.
- **Fixed interest rates.** Although rates on Federal Stafford and Federal PLUS loans vary each year, the interest rate on a Federal Consolidation loan is fixed for the life of the loan. Consolidation rates are based on the weighted average of the interest rates of the loans a borrower wants to consolidate — excluding Health Education Assistance Loans (HEAL). The resulting rate is rounded up to the nearest one-eighth of 1 percent. The rate never can exceed 8.25 percent.
- **Simplified paperwork that saves borrowers time.** With a Federal Consolidation loan, those repaying education loans can enjoy the convenience of a single monthly payment, one check to mail and a single point of contact.
- **Extended repayment period.** Depending on a borrower's total federal education debt, a Federal Consolidation loan may permit the borrower to extend the repayment term - in some cases, up to the full 30 years - if desired.
- **No prepayment penalties.** Borrowers have

the flexibility to prepay their Federal Consolidation loans in full or in part, without penalty, at any time during the life of the loan.

A Federal Consolidation loan can ease the burden of paying for higher education. When deciding whether consolidation is right for them, student-loan borrowers should keep in mind that there are potential drawbacks:

- Because loan consolidation generally extends the repayment term, it may double or triple the amount of total interest that borrowers pay on their college debt.
- Those who consolidate their education loans may lose some deferment or loan-discharge benefits.
- If borrowers consolidate education loans during the six months after they leave school or drop below half-time status, they will forfeit the remainder of their grace period. They will be required to begin making payments within 60 days.
- For borrowers in their final year of repayment, loan consolidation probably is not advisable. Due to the formula for calculating loan-consolidation rates, they likely would

Education-loan borrowers with questions about loan consolidation should contact their loan servicer or the holder of their loans for more information. To determine who holds their loans, they may use the free LoanLocator service of the National Student Clearinghouse, at www.studentclearinghouse.org.



Financial Literacy is One Step to Preventing Default *By Mark Krings, National Student Loan Program (NSLP)*

By now you've received your school's cohort default rate for fiscal year 2000 from the Department of Education. Is yours low? Going down? In recent years, there's been a steady, downward trend in default rates. They've even hit all-time lows. No worries, right? Not exactly.

Even if the number of borrowers who default is low, the dollar cost of loan defaults is still high. And student loan defaults adversely affect everyone along the way -- the borrower, the lender, the servicer, the school, the guaranty agency, the Department of Education, and ultimately, the taxpayer. With our weakening economy the downward trend in student loan defaults may not continue, or it may even reverse itself.

Student loan defaults are inevitable, because students inevitably need student loans. And some of them won't be repaid. Our challenge, even when default rates are low, is to continue to prevent as many defaults as possible. Now, more than ever, because of the downturn in our economy, it's important to do everything we can to keep defaults low to help keep the student loan program viable for future students.

What should we do about student loan defaults?

Take one small step. If we all take one small step to prevent defaults, pretty soon we've gone a mile.

Not sure what to do? Talk to the masters. Some of our colleagues have been working at default prevention for awhile because they had to. Others have recognized that student loan defaults aren't just about student loans. Sometimes it requires addressing larger issues of student retention or helping students improve their financial management skills. They've all found that it sometimes takes a lot of steps and sometimes it's a long journey, and every one of them started with one small step.

State University of New York -- helping students become financially literate.

Even schools with low student loan default rates have recognized how important it is to teach students how to budget and manage debt. "Students are going to borrow money, whether it's for school, a car, or on credit cards," says John View, Financial Aid Director at the State University of New York's Environmental Science & Forestry. Because of his role in providing financial aid, View is keenly aware of students who are having difficulty managing their finances.

To address this growing need, he plans to offer two different levels of personal finance workshops for students—one for new and transfer students, and another tailored to graduate

and undergraduate students who are approaching graduation. "Students need different information at different stages of their lives," says View. "Younger students and those who transfer to our campus from a community college have most likely lived with mom and dad all their lives, and they lack even basic money management skills. When students are ready to graduate they need to know about things like loan consolidation, salaries for different occupations in different parts of the country, life and health insurance, as well as how to manage their money."

"... Student loan defaults are inevitable, because students inevitably need student loans. And some of them won't be repaid. . ."

View plans to offer three "Finance 101" workshops in the fall that will cover budgeting, controlling expenses, pitfalls of credit cards, needs versus wants, and managing living expenses for off-campus students. He'll offer "Financial Life Skills" workshops for graduating students in the fall and again in the spring. Experts from the consumer credit counseling center and the insurance industry will help View present information at the workshops.

How will he get students to attend? He plans to entice them by e-mail, on the school's website, and with

on-campus promotions that feature a picture of a new, cool car next to an old beat up car with the caption "Which would you rather drive?"

Walk before you run.

When you start to create or enhance your school's default prevention plan, talk to your financial aid colleagues to find out what they used to develop their programs. Student loan lenders, servicers, guaranty agencies, and the Department of Education can also provide resources to help you and offer tools you can use to help your students. So where's the express highway that will help you make the journey quickly? There isn't one. Default prevention takes time, and the strategies can range from simple to complex, and they can be as diverse as our student populations. Your plan and your approach will be unique to your school's needs and to your students. Like your colleagues who've been at it for a while, you'll also need to be prepared to test different methods and take an occasional detour off the main path as you develop and refine your plan.

No worries. There are plenty of resources and traveling companions to help you as you take one small step.

For a list of helpful resources on the web, see page 12.

Resources for Students

Balancing a Checkbook
Mapping Your Future
www.mapping-your-future.org/features/incontrol.htm

Budget Calculators
Mapping Your Future's Debt/Salary Wizard
www.mapping-your-future.org/apps/debtwizard/index.cfm

EducationQuest Foundation
www.educationquest.com/calc.asp

Credit Card Consumer Protection
www.ftc.gov/bcp/menu-credit.htm

Debt Counselors
Debt Counselors of America www.dca.org

National Foundation for Consumer Credit
www.debtadvice.org

Financial Fitness Info
Mapping Your Future
www.mapping-your-future.org/student

Money Management Advice
Bankrate.com
www.bankrate.com

Debt Counselors of America www.dca.org
National Foundation for Consumer Credit
www.debtadvice.org



NYSFAAA HISTORY

The NYSFAAA Logo
Created by Joan Bruno of Iona College

The symbol in the center is a key representing the financial aid process. The large concentric circle represents the federal, state, and institutional resources we use in the financial aid awarding process. The middle concentric circle represents the students we serve in the financial aid process. The small concentric circle represents the financial aid officers. The three circles converge at one point, at the key, and at that point the financial aid process is developed.

Professional Development Committee

Region I - Lea Nicholson/Rick Ross
Region II - Scott Atkinson
Region III - Jill Moreland
Region IV - Jim Vallee/Ken Storms
Region V - Open
Region VI - Oscar Vasquaz
Region VII - Gus Rivera/Nancy Dunnagan
Region VIII - Beth Turner

Committee Update: Conference 2002

In a few short days, NYSFAAA comes to Buffalo! The Conference Committee and Region I welcome you all with open arms. We cannot wait to be your hosts for four days of informative speakers, workshops and opportunities to network and reconnect!

Our program has been designed to provide the experienced aid professional and the novice alike with interesting and needed information. We have brought in speakers and session leaders from all over the United States who bring you a great wealth of knowledge and experience in the field of financial aid.

While you are here, we hope you will take this opportunity to take in the sights, sounds and tastes of Western New York. We have some wonderful outings planned for those interested. We would also encourage you to explore our museums, history and nightlife for yourselves as well. See for yourself why Buffalo is the "Queen City of the Lakes." Enjoy all the amenities that the Adams Mark Hotel has to offer too!

We hope that when NYSFAAA XXXIV is over, you will retreat to your office and back home informed, refreshed and recreated. In other words, ready for the challenges of our demanding profession.

On behalf of the Conference Committee and Region 1, we once again invite you to come and "Spread Your Wings" in Buffalo. We anxiously await your arrival!

Warren Hoffman and Bernice Anson
Conference Co-Chairs

