

MASFAP MONITOR

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LETTER FROM THE PRESIDENT

Brad Gamble
MASFAP President

Many of you will be reading this along with your other five hundred emails that have accumulated over the Christmas, or to be politically correct Holiday break. Regardless of preference I hope that you will or did take a few moments to rest and relax. As we look forward into this next year we will reflect on forty years of MASFAP. At the fall conference I mentioned many past presidents who have given of themselves to make MASFAP what it is today. It was good to see several represented and a special thanks to Will Shaffner for bringing to us Alan Purdy, who is considered by many to be the father of financial aid. Thank you once again.

This next year will bring to us many challenges or depending on your perspective, opportunities as an association. The November election is a good place to start, especially on the federal level given the changes in leadership. We are already hearing rumblings

questioning lender and financial aid administrator relationships regarding the preferred lender lists. Normally you can tell a lot about people by the vehicles they drive and based on what I see in the parking lots at our meetings this group seems to be fairly safe. Unfortunately this issue will probably manifest itself in one more layer of paperwork that will add to our reporting requirements and take away time from serving the students.

Closer to home we may have the opportunity to combine two of the states grant programs into a single program which hopefully will serve us for years to come. There are many challenges here but two of the ones that stand out the most are the timing of the initial legislative approval and the funding process. Both of these issues along with others promise to make this an interesting year in Missouri financial aid.

On a good note we now have a new commissioner of higher education in the state

of Missouri. Join me as we welcome Dr. Robert Stein in his new role. We look forward to his leadership and direction as we continue to work with the Missouri Department of Higher Ed.

Hopefully my brief comments or the holidays have not left you with a feeling of anxiety. If they have please, follow this advice for the day: if you have tension and you get a headache, do what it says on the aspirin bottle: "Take two aspirin" and "Keep away from children."

Have a great beginning to the New Year and see you at the lake in March.

MASFAP PHOTOS

Photos from Fall MASFAP 2006 are now available online, courtesy of our own Larry Viterna.

[Click HERE for Larry's pictures.](#)

Or type this address into your browser: <http://share.shutterfly.com/action/welcome?sid=0AbNmTVs2cNGLiQ>

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TIDBITS

Karen Hood has been promoted to Coordinator of Financial Aid at Cox College of Nursing and Health Sciences.

Shayna Wilson with Avila University and her husband Shawn welcomed their first child, Aidan Christopher Wilson on December 4th. Aidan weighed 9 lb and 13 oz and was 20.5 inches long. Mom and baby are doing wonderful.

Mandy Honeycutt began working with the Financial Aid Office at Avila University the beginning of July.

Heather Cochran recently began working with the Financial Aid Office at Baptist Bible College. Heather will be replacing Joanna Hawthorne who has traded in her financial aid hat for accounting.

David King is retiring after 27 years with the Office of Student Financial Aid at Missouri State University. A reception was held in his honor on November 15.

Leesa Taylor, Cox College of Nursing and Health Sciences, was promoted to Financial Aid Counselor effective Nov 6.

Cassie Wilkey began her new Financial Aid Assistant position with Cox College of Nursing and Health Sciences on November 20.

Anna Fligge's granddaughter, Hannah Lucy Crawley was born 6/16/06. Grammy went to see her in late Sept/early Oct and spent a week on a canal boat sailing the Ashby Canal north of London. Grammy is now also known as the "lock queen".

Anna Fligge of University of Central Missouri would like to thank everyone for their outpouring of congrats. I've received e-mails and calls, folks at the conference saying great things, cards, etc. and it's just amazing! And I've never heard so many people pronounce 'Fligge' correctly.

Jennifer Haynes at Moberly Area Community College now has a little boy! Connor Edward Haynes, born October 6, 2006 was 6 lbs 12 oz, 20 in long.

Lisa Sullivant with MDHE is engaged to James Hoskins and is getting married on January 20. The couple will reside in Kansas City.

Chelsey Gentry began her new position as the Assistant Director Student Financial Aid on November 13th at Missouri State.

Heather King started at Missouri State on January 2nd as the Assistant Director of Financial Aid, Scholarship Programs.

MYF ADDS GRAD PLUS EXIT COUNSELING

Schools can now provide additional loan management information to their graduate students using Mapping Your Future's Grad PLUS Loan exit counseling as part of Online Student Loan Counseling (OSLC). Mapping Your Future began offering the new counseling session on December 1, 2006.

This exit counseling session provides information and advice on repayment and how to avoid delinquency and default when borrowing a Grad PLUS loan. Current regulations don't require borrowers to complete an exit interview after the student withdraws, graduates, or ceases at least half-time attendance after borrowing a Grad PLUS Loan. However, some schools might recommend that borrowers do the counseling.

To experience Grad PLUS Loan exit counseling from the student perspective, follow these steps:

1. Go to the Mapping Your Future home page at mapping-your-future.org
2. Mouse over "Student Loan Counseling Interview" on the site menu on the left-hand side of the page
3. Select "Grad PLUS exit Counseling"
4. Choose Texas as your state
5. Select the MYF Demo School

Schools that have an existing OSLC account and would like to add Grad PLUS Loan exit counseling to their participation categories should contact Beth Ziehmer at feedback@mapping-your-future.org

future.org or (573) 796-3730. Schools that don't have an OSLC account should complete the school submission form at mapping-your-future.org/fao/signup/ to request participation.

OSLC enables schools and students to meet federal loan counseling requirements conveniently. It also enhances the loan management education of the student by actively involving them in the counseling - making OSLC an important default prevention tool. OSLC can provide busy school staff with an opportunity to spend more time with those students needing assistance in the loan process. It is a free service provided by the guaranty agencies from around the country that sponsor MYF, as well as the Friends that support the web site.

College Goal Sunday will take place on Sunday, February 11, 2007 from 2-4 PM. This will mark the 4th year for CGS and the number of sites has increased from 27 to over 30 locations throughout the state. Volunteers are still needed at all the sites so sign up to help if you haven't done so already. Just go to www.collegegoalmission.org.

If you have any questions you can contact the co-chairs Michael Smith at 314-516-5527 or Mindy Beckley-Hager at 816-361-8282.

ACE REPORT ON MINORITIES IN HIGHER ED

ACE issued its annual report, "Minorities in Higher Education: Twenty Second Annual Status Report," that concluded while minority enrollment has risen dramatically, students of color still trail their white counterparts regarding college attendance rates. Selected findings:

Total minority enrollment at the nation's colleges and universities rose by 50.7% to 4.7 million students between 1993 and 2003. Further evidence of this rise is shown in attendance rates from 2006—where students of color made up 27.8% of all students attending college, up 21% from 1993.

Data shows that in 2002-04, 47.3% of white high school graduates age 18 to 24 attended college compared with 41.1% of African Americans and 35.2% of Hispanics.

The high school completion rate for African Americans age 18 to 24 rose from 75.6% in 1992-94 to 77.8% in 2002-04, while the rate for Hispanics showed the largest increase up from 56.6 % in 1992-94 to 64.4% in 2002-04.

College enrollment among African Americans rose by 42.7% between 1993 and 2003 to total more than 1.9 million students.

Hispanics accounted for 41% of the new minority students over the past 10 years. African Americans accounted for 37% of new minority students.

ECONSENT AND THE ELECTRONIC SIGNATURES ACT

By Karin Fuog, Nelnet Policy Services

“eConsent” can be described as getting a student’s permission, through electronic means, to make that student’s records available to him or her via electronic means.

Providing records to students through electronic means offers many benefits, for both schools and students. The schools will need to mail fewer documents as records will be made available over the Internet. This means lower costs not only in terms of mailing, but also in terms of printing and staff time to get the records out the door. The delay between when the record is finalized and when the student can receive it is also shortened considerably by having the records provided electronically. Records may be available to the student as soon as they are finalized. In addition, maintaining all records electronically cuts down on the space necessary to house records.

Because eConsent is built upon electronic interaction, it is necessarily governed by the Electronic Signatures Act. For the purposes of eConsent, two of the most important aspects of the E-Signatures Act are those dealing with record retention and with disclosures and consent.

The *process* of obtaining the consumer’s consent to receive electronic records is very important. The E-Signatures Act clearly defines the disclosures that must be made to students before they e-sign or agree to electronic records ; it also spells out the consents which the student then gives. Prior to consenting, students must be provided with a statement informing them of:

The option for paper or non-electronic record

Their right to withdraw consent for electronic record and any conditions, consequences, or fees associated with withdrawal of consent

Whether consent is for a particular type of transaction or for identified categories of records

Procedures the student must use to withdraw consent

After giving consent, how a student may obtain a paper record and any fees associated with it

Hardware and software requirements for access to and retention of electronic records

Key among the provisions in the E-Signatures Act is the fact that the student must consent to receive electronic records using the same hardware and software he or she will use when later receiving the actual electronic records. Since most records will be accessed over the Internet, the school providing the records must state the operating system, speed of Internet access, and browser capabilities required. As well, many institutions choose to send an e-mail to the student, stating when an electronic record is available. Finally, many electronic records are provided to students as Adobe® files. If these were the software and hardware requirements it was using, the school would need to set up an electronic records consent process that involved all of them. The student might receive an e-mail message that contained a link to a particular Web site. At the Web site, the student might need to open an Adobe file which contained within it all the disclosures and consents, and then click “I consent” within that file.

The student’s consent is collected as an electronic record and thus retained as an electronic record. During the process of disclosures and consents, the student would have a final "I consent" button to click. An electronic record of the student's response must be captured at that time for the school to know that the student has consented to receive electronic records. The school must retain that record for the same length of time it must retain any of the records the student agrees to receive electronically.

eConsent must comply with the provisions in the E-Signatures Act. The provisions for the retention of electronic records and the disclosures and consents must all be followed explicitly. eConsent can be an efficient process for many schools, especially as more and more students become computer savvy and have greater access to the Internet.

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The Electronic Signature in Global and National Commerce Act became law on June 30, 2000. This document is available at the United States Code Web site (<http://www.gpoaccess.gov/uscode/>). Following the search it is:
<http://frwebgate5.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=22165661836+0+0+0&WAIAction=retrieve>

TIPS FOR HELPING FIRST-GENERATION STUDENTS SUCCEED

By Bennie Hayden, TG Regional Account Executive

As we all are aware, never has achieving a higher education been more essential to success. Unfortunately, some of our nation's best and brightest students – who could be the first in their family to achieve this goal – may never complete a higher education. For these students and their families, simply choosing a college and completing the application process can seem impossible.

For those who make it past these hurdles, adapting to college life away from their families and to the rigors of college study can be even more difficult, negatively affecting their academic performance.

As financial aid professionals, we have a unique opportunity to help first-generation college students and their families understand the importance of college, to provide them with the guidance to navigate the admissions and financial aid application processes, and to support them through the transition process.

The following are some ideas and suggestions that a financial aid office can implement to help ensure the success of first-generation students. Whether your office chooses to try just one or all of these suggestions, they will have a positive impact on the experience of your school's first-generation students.

Get the word out

Hosting or participating in college nights at local high schools is a great way to interact with students and their parents early on in the college application process. Be sure to bring plenty of financial aid brochures. Some financial aid offices even host a "financial aid night" where financial aid staff members walk students and their families through the FAFSA process.

Financial aid forms

Many first-generation families are reluctant to provide personal information such as Social Security numbers or income tax information. Completing the FAFSA online can create yet another hurdle. Take the time to educate parents and students about why this information is needed and how it will be protected to make them feel more comfortable.

Again, hosting a financial aid night and providing one-on-one help with these forms can significantly reduce a family's anxiety and significantly increase the likelihood that these students will enroll in college.

New Student Orientation

While most schools host some kind of orientation for freshman students, hosting a separate orientation – or even setting aside a half-day – for first-generation students can really be a helpful start. In addition to providing targeted information on college life and how families can stay involved, a separate orientation provides a valuable venue for these students and families to ask questions about issues that specifically affect them.

Early Student Engagement

Living away from home can be especially difficult for first-generation students, as many come from large, tightly-knit families. Encouraging these students to become involved in campus activities can help ease their transition to college and make them feel more involved in their school.

In addition, assigning groups of first-generation students to a core class or series of classes will give them a sense of familiarity and a chance to bond with people from similar backgrounds, which will also help ease the transition.

CAMPAIGN LAUNCHED TO EDUCATE STUDENTS AND FAMILIES ABOUT RESPONSIBLE DEBT MANAGEMENT

By Paula Fleming, Better Business Bureau, Inc. of Eastern Massachusetts, Maine & Vermont

With the cost of higher education on the rise, it is more important than ever that college students and their families make smart choices about paying for college, budgeting, managing their money, using credit and borrowing to finance their education.

To address this growing concern, The Better Business Bureau, Inc. Serving Eastern Massachusetts, Maine & Vermont has teamed up with Sallie Mae to increase public awareness of smart money management and dealing with debt, through a three-month public education campaign. The “Debt Management for Undergraduates” campaign emphasizes how to budget and borrow wisely, and provides crucial tools and resources for young people, their families, and educators.

Over the course of the campaign the BBB, Sallie Mae, and MEFA will disseminate information and tips on money management, responsible borrowing and proper use of credit through the media, educators, seminars, and Web resources. To view the campaign materials, please go to the BBB’s Web site, at www.BOSBBB.org/Debt_Management.

The BBB offers the following tips to help students budget, manage their money and make sound financial decisions:

Pursue gift aid. If you need help paying for college, start by seeking free “gift aid” such as the Federal Pell Grant, or scholarships. Start by filling out a Free Application for Federal Student Aid (www.fafsa.ed.gov). Students may apply for the 2007-08 school year beginning Jan. 1, 2007. You may submit the FAFSA at any time, but it is best to apply as early as possible because some federal aid is awarded on a first-come, first-served basis. A 2004 study found that 850,000 students who did not file a FAFSA would have been eligible for a Pell Grant. Don’t let this happen to you.

Borrow wisely. Once you’ve exhausted all your gift aid, take full advantage of the Federal Stafford and PLUS education loan programs, which guarantee competitive rates regardless of your financial situation or academic performance. Check with your college or university when shopping for a student loan as they usually have preferred lenders that offer competitive rates and benefits. As you progress through school, stay in regular touch with your financial aid office.

Understand your choices. When choosing an educational loan, minimize borrowing and choose your lender wisely. Ask questions including: What is the interest rate? Are there any fees? What are the monthly payment and the length of the loan? Are there any repayment incentives for paying on-time or interest rate reductions? Are there penalties for pre-payment? Can the loan be deferred? When do payments begin?

Don’t charge, debit. According to a 2004 Nellie Mae® study, one-quarter of undergraduates get by without a credit card. You may find that a debit card would meet your needs, and help you keep non-essential purchases in check. If you opt for a credit card, you can build healthy credit by paying off your bill each month.

Shop for the best. When you apply for credit, don’t be tempted by a prize at a campus kiosk or a store discount. Instead, shop for the best interest rates, benefits, and fees to fit your lifestyle. Ask trusted family and friends about their experiences with specific companies, and check out a company with the Better Business Bureau at <http://www.bbb.org>.

Finance education, not lifestyle. Limit the number of cards in your wallet and control your impulse to buy. Accruing credit card debt for non-essential expenses—or even worse, paying for college with a credit card—can do long-term financial damage, unnecessarily increase the cost of higher education, and can send you into a spiral of debt that can take years to remedy.

Pay to play. To avoid hefty finance charges, only charge what you can afford to pay off completely each month. According to Federal Trade Commission estimates, a \$2,000 charge paid on the minimum monthly balance at 18.5 percent interest will take 11 years to pay off, and will cost nearly double the original amount.

Track spending. Save receipts and check your account balances regularly, either by phone or online. Stay true to your budget and screen your statements carefully—contact your creditor immediately if you notice a discrepancy. Be sure to shred all personal information to prevent identity theft.

Watch that score. Order a yearly credit report and check it for accuracy. Make sure no unauthorized credit cards, or even loans or mortgages, are reflected. If you find unauthorized credit in your name, contact the creditor immediately. The law entitles you to one free credit report per year from each of the three national credit bureaus. Get them at www.annualcreditreport.com.

DETERMINE TAX-FILING STATUS OF STUDENTS AND PARENTS

Submitted by: Brent Carpenter, USA Funds Services

The U.S. Department of Education requires financial-aid administrators to know the tax-filing status of students and parents who are applying for financial aid.

USA Funds University advises that a person's Internal Revenue Service tax-filing status depends on marital status. The U.S. tax code defines marriage as a legal union between a man and a woman as husband and wife. There are five IRS tax-filing statuses.

Single. A person's filing status is single if, on the last day of the year, that person is unmarried and does not qualify for another tax-filing status, such as head of household or qualifying widow(er) with dependent children.

Married, filing jointly. This filing status combines the income and deductions of both spouses on the same tax return.

Married, filing separately. This filing status is for married couples who choose not to file jointly with their spouses.

Head of household. If the following conditions are met, a person can file as head of household:

The person is considered unmarried on the last day of the year.

The person paid more than half the cost of maintaining a home for the year. Expenses that can be included when determining the cost of home maintenance are:

Property taxes.

Mortgage interest.

Rent.

Utility charges.

Upkeep and repairs.

Property insurance.

Food consumed on the premises.

Other household expenses.

A qualifying person lived with the person for more than half the year.

Qualifying widow(er) with a dependent child. If a spouse died during the tax year, the surviving spouse can file a joint return for that tax year. For the two years following the death of a spouse, the surviving spouse can file using the status, qualifying widow(er) with dependent child, if all of the following apply:

The surviving spouse was entitled to file a joint return during the deceased spouse's year of death, even if the couple didn't actually file a joint return.

The spouse died in one of the two years preceding the tax year, and the surviving spouse did not remarry before the end of the current tax year.

The surviving spouse has a child, stepchild, adopted child or foster child for which an exemption can be claimed by the surviving spouse.

The surviving spouse paid more than half of the cost of maintaining a home as the main residence in which the surviving spouse and the child lived for the entire year, except for temporary absences.

For students and parents applying for financial aid, financial-aid administrators also must know if a student or parent was required to file a tax return with the IRS, and when a dependent can be claimed as a tax exemption. In addition, financial-aid administrators should know when a mismatch exists between a student's or parent's assets reported on the FAFSA and the income reported from assets.



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Articles are intended to be informational and for the benefit of MASFAP members and not for company promotion or advertising. If the author is unavailable or a resolution cannot be reached, the editor will refer it to the Committee chairperson and President for a decision about publication.

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