

MASFAP MONITOR

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LETTER FROM THE PRESIDENT

By Brad Gamble
MASFAP President

Last year at this time Cardinal baseball fans across the state were breaking open their piggy banks (trying to pay for a play-off ticket) and had their fingers crossed hoping this could be the year. What seemed like an easy road to clinch the division came down to almost, if not the last, game of the regular season before the Cardinals were able to put it away. They don't call them the cardiac Cards without reason.

As we know by now

2007 is not to be a repeat of 2006 as the Cardinals played their last home game of the season at Busch last week and went out on a winning note. But as any diehard Cardinal fan will tell you there is always next year.

Just as this has been a rough year for the Cardinal baseball fans the financial aid community has not fared well either. In talking to the soon-to-be MASFAP President Anna Fligge I have told her to look at her upcoming term this way: with everything that has happened this year it is unlikely anything can happen next

year that we have not already experienced and know how to handle.

Unlike the baseball Cardinals though, we do have a reason to celebrate and we will join together the first week of November to celebrate 40 years.

I am not expecting us to tie the Cardinals' record attendance of 3,550,000, but I am asking you to make every attempt to be present and just like the Cardinals, to end this year on a winning note.

See you at the lake.

MASFAP COOKBOOKS AT THE 2007 FALL CONFERENCE

The MASFAP 40th Anniversary Cookbooks went on sale April 1st. The cost of the cookbooks are **\$10.00** prior to October 1st. Beginning October 1st, the price will be **\$15.00**. Order your cookbook today! Send an

email to robynl@nslp.org indicating the number of cookbooks you would like along with your name and contact information. You can pay at the conference. If you have questions,

please contact the Cookbook Committee:

Claudia Russell: claudia.russell@slxpress.com, Cathi Nolde: noldecc@webster.edu and Robyn LeGrand: robynl@nslp.org

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IT'S A MATTER OF CHOICE

Wendy Baker

MDHE

In today's fast-paced world where so much is handled online through the tapestry of cyber space, college students are spending less and less "face time" with their financial aid advisors. It's important to remember, though, that providing a virtual financial aid office at the touch of a mouse heightens your obligation to communicate critical information in a way that doesn't get lost between clicks. The current hot topic? Borrower choice.

All student loan borrowers have the right to choose the lender and the guarantor of the loan(s) they rely upon to meet their educational goals. Are borrowers clearly able to understand those rights and choices based upon the information presented through your Web site and electronic processes? If not, your students may be missing an important piece of the student loan puzzle – a piece that could potentially impact them for years to come.

While it may not be feasible for each student borrower to have a one on one discussion about lenders with their school's financial aid officer, information regarding both front- and back-end borrower benefits should be easily accessible to anyone planning to take out a student loan. Useful tools that allow students to further investigate can be shared through online links to lender lists or calculating tools that provide estimates for a variety of lender/guarantor scenarios. The message can be reinforced through narratives on individual Web pages or printed materials included with financial aid "snail mail" correspondence.

As others within the financial aid industry move forward in alerting student loan borrowers of such rights, it is important that institutions also explore opportunities for providing the complete picture when it comes to borrower choice. The most important element must simply be that students are presented with a full set of options and not steered into a choice that may not benefit them in the long run.

MASFAP CHARITY—MOTHER'S REFUGE

Connie Holmes

Security Bank of Kansas City

At each Fall Conference, MASFAP selects a charity to support; this year Mother's Refuge has been selected. Their mission is to shelter and educate homeless, pregnant and parenting young women by providing comprehensive services that empower them to make successful life decisions for themselves and their babies. Many support services are provided to these young women, including access to medical care, individual and group counseling, food, clothing, mandatory participation in education and/or job training, childbirth/parenting classes, practical life skills classes and independent living skills training. At the end of their residency, they return to their families, live independently, or may be placed in other residential facilities. The young mom and her baby then enter into their Aftercare Program, which continues to lend emotional support, case management and follow-up care. Additional information regarding Mother's Refuge, including a list of needs, will be sent through the MASFAP list serv later

SCHOLARSHIP SCAM WARNING SIGNS

Jay Rhodes, TG

In efforts to pay for college costs, many students and their families fall prey to scholarship scams. There isn't a fool-proof method for identifying such scams, but some warning signs include guarantees of winning, implying that anyone is eligible, or pressure tactics.

According to the Federal Trade Commission (FTC), here are six warning signs to avoid becoming a scholarship scam victim. Students and their parents should look out for any scholarships that claim:

- "The scholarship is guaranteed or your money back."
- "You can't get this information anywhere else."
- "I just need your credit card or bank account number to hold this scholarship."
- "We'll do all the work."
- "The scholarship will cost some money."
- "You've been selected by a 'national foundation' to receive a scholarship" or "You're a finalist" in a contest you never entered.

Many organizations that offer bogus scholarships may seem reputable, but applicants should be critical of any scholarship that "sounds too good to be true." Applicants should research the organization offering the scholarship at the Better Business Bureau.

AN INVITATION FROM YOUR PROGRAM COMMITTEE

They say "life begins at 40!"

MASFAP is celebrating its 40th Anniversary.

Please join the Program Committee

And all your Colleagues and Friends in a celebration

At MASFAP's Fall Conference, November 4th-6th.

Arrive Sunday wearing your new colorful MASFAP shirt!

Come to Trivia Night Sunday evening

And see just how much you know about MASFAP and our industry!

Enjoy several interest sessions!

Get together with you peers to discuss things that are important to you!

And don't forget to pack your best evening attire

(No-No, not your pajamas and sweats, I said your best evening attire!)

And come to the Ruby Ball on Monday Evening

Celebrate the past 40 years of MASFAP

And toast the next 40 years.

You'll see that life does begin at 40!

WHAT'S IN A COHORT DEFAULT RATE?

Haley Chitty, NASFAA

After a rough summer for the student loan industry, the Department of Education, Lenders, Guarantors and Institutions all had something to cheer about when the Department released the 2005 Cohort Default Rates (CDRs).

The rates showed that only 4.6 percent of borrowers who began repaying their loans between October 1, 2004 and September 20, 2005 had defaulted on their loans by September 2006. The rate had dropped half a percentage point from 5.1 percent the previous year and was only .1 percentage point higher than the historically low rate announced in 2005.

Guaranty agencies around the country issued press releases touting the low number as well as the low numbers at their agency. However, some were not that impressed by the low default percentages posted this year. Their central complaint is that the Cohort Default Rate does not provide an accurate indication of students' success in repaying their loans. Alan Collinge, president of Student Loan Justice.Org, an advocacy group for borrowers, argues that the CDR only represents a slim slice of the total default pie.

"The cohort rate is a silly metric that only counts the loans that default in the fiscal year after the fiscal year in which the borrowers entered repayment," Collinge says. "The true default rate is roughly triple this number - between 12 and 15 percent, depending on the type of loan."

Collinge's argument is nothing new. In December 2003 the Department's Office of the Inspector General released a report, concluding that the CDRs "do not appear to provide decision-makers with sufficient information on defaults in the Title IV loan programs."

The Department noted that the 2005 low default rates are a result of a record number of loan consolidations, as well as forbearance and deferments granted to victims of hurricanes Katrina and Rita, but it remains unknown how well these borrowers will be able to avoid default in the coming years.

The skepticism about the CDR as an accurate gauge of students' ability to avoid default raises the question: Why is this statistic used as the standard for measuring default and to determine what lenders and institutions are eligible to participate in the Title IV programs?

The Department was concerned in 1987 that increasing student loan default costs were undermining public confidence in the loan programs and instituted several measures to reduce defaults. One of these measures was regulations issued to hold schools responsible for keeping default rates of borrowers who attended their institutions below a specified threshold for the first two years of repayment.

Then Congress changed the definition of default when they reauthorized the Higher Education Act (HEA) in 1998. The 1998 HEA bill changed the definition of default from a 180-day delinquency to a 270-day delinquency.

Under the current 270-day definition of default, it takes about 420 days for a borrower to be considered in default. Since 420 days is more than a year, it is possible for some borrowers who enter repayment late in a CDR year to make no payments and still not be considered in default for that cohort default year, according to the inspector general's report. Under the 180-day delinquency definition, this could not occur because the delinquency period was less than a year, ensuring that all borrowers who did not make any payments were considered in default during the appropriate cohort year.

When borrowers default outside of the cohort default year, it can skew the cohort default rate even more because these borrowers are considered in the repayment base but not in the default base, inflating a low default rate more than if the borrower was never considered at all.

NASFAA, CONT

Why would Congress make this change?

According to the inspector general's 2003 report, the change was one of several savings measures enacted to offset the cost associated with changing the formula for lenders' student loan interest subsidies. The Congressional Budget Office estimated that the definition change would reduce the outlays associated with defaulted loans by \$880 million for the period 1998 to 2008.

Many (including the Office of the Inspector General) have argued that the Department should track a life of loan cohort default rate to supplement or replace the current CDR in order to provide a more accurate portrait of student loan default.

ASA's Vice President of Borrower Services Michael Ryan said ASA agrees that the cohort default rate alone is not a sufficient indicator for evaluating defaults, and that the company supports tracking lifetime defaults.

While the current CDR may not be a perfect measure of default, it still provides a glimpse of the majority of students that enter repayment in a cohort year. The fact that the CDR has dropped from 22.4 percent in 1990 to 4.6 percent today should be a feather in the cap of all those who work hard to prevent borrowers from defaulting.

"The cohort default rate calculation does have some value in helping assess effectiveness in preventing defaults right out of the box," Ryan said. "Some measure of how early-stage repayers are doing has value, as this is the most critical juncture in getting borrowers on track successfully. Statistics show that borrowers who make monthly payments on time in the first year of repayment are much less likely to default later on."

MAPPING YOUR FUTURE RELEASES 16TH COUNSELING SESSION TYPE

Mapping Your Future now offers Stafford and Grad PLUS combined exit counseling as part of Online Student Loan Counseling, enabling students who receive both types of loans to complete their exit requirement at one time.

This latest offering is in addition to several other counseling sessions offered on the site, including Stafford and Grad PLUS combined entrance counseling (available since early 2007).

This counseling session provides information and advice on repayment and how to avoid delinquency and default when borrowing both a Stafford and Grad PLUS loan. Current regulations require students to complete an exit interview after the student withdraws, graduates, or ceases at least half-time attendance if they had a Stafford Loan, but not a Grad PLUS loan. However, proposed federal rule making recommends students complete Grad PLUS entrance and exit counseling. For more information about the proposed rules, visit <http://www.ed.gov/policy/highered/reg/hearulemaking/2007/nprm-loans-2007.doc>.

To experience Stafford and Grad PLUS 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 side of the page
3. Select "Stafford and Grad PLUS exit counseling"
4. Choose Texas as your state
5. Select the MYF Demo School

WUZ UP IS UP!

Colleen Henegan and Jessie McCoy

Early Awareness Committee

The MASFAP Early Awareness Committee has been hard at work the last two years developing and creating the WUZ UP database that is now a part of the MASFAP home page on the website. When the committee first met, we realized that many great presentations and events were taking place across the state of Missouri to encourage students to continue their education beyond high school, and to educate parents and students about how to pay for college.

But nobody seemed to know exactly how many presentations were being held, where they were being held, and when. This also meant we had no means of knowing if certain areas of the state were being underserved and needed our committee's help. That is when we decided we needed a database that collected all this information. We went one step further and thought the database should be accessible to all students, parents, counselors, schools, and citizens of Missouri. Hence our dream for WUZ UP took shape.

After much work, the site is up and running. You simply go to the homepage of the MASFAP website and click on the WUZ UP logo. You are automatically directed to the page where you can view events either by county, date, type, or even list all events. You can also submit the information for your event to add to the database. Besides events, we also have resources for counselors and parents and students. We also advertise the presentations available from the Early Awareness Committee. And we have already had a few high schools email us for presentations because they saw the info on WUZ UP!

But WUZ UP is only as good as we make it. We need you to be ambassadors for the site. If you know of any event from grade school through adulthood taking place that covers information on early awareness, college information, financial aid nights, etc., please submit that event on WUZ UP. It doesn't necessarily have to be held at a school. Many civic organizations, etc. hold similar events.

Also, we need your help with the resources. We want to have every Missouri school's website address listed, but when we created our first list using the MASFAP Directory, many schools did not list a website and/or had not updated changes that occurred in their website address. So, please check out your information on the site and submit any changes or additions to earlyawareness@masfap.org. Associate members are more than welcome to send their website addresses and resources too. And if you have a list of websites you like to use, or you feel is beneficial to parents and students, please email those to us as well, so we can increase our resource list.

This project could not have been possible without the wonderful help of the Early Awareness Committee, the Technology Committee, and the College Goal Sunday Committee. Partnering truly brings about wonderful things. Please be a part of this wonderful tool by submitting events and resources. You are who will make WUZ UP successful for the years to come.

TIDBITS

Jeff Vincent at **Kansas City Art Institute** was promoted to Assistant Director on July 1st.

Chelsie Brandenburger at **Stephens College** has been promoted from Financial Aid Assistant to the Financial Aid Counselor position, and **Sheryl Birdsong** began working in June as the Financial Aid Assistant.

Rachel Touchatt of **Stephens College** is expecting a baby girl October 12.

The **MU** Student Financial Aid Office welcomed **Sonya Welton** as Chief Clerk in our Loan Office.

Congratulations to **Oksana Kirina** at **University of Missouri—Columbia**, Financial Aid Advisor, and her husband Chris, they were married on September 4th in Russia.

Sharon Christopher began her position as Financial Aid Counselor at **Baptist Bible College** in August. Sharon is also a BBC alumnus.

Webster University welcomed five new staff members this summer, **Heather Hauck, Nicole Ibrahim, Michelle Manigo, Mindy Maxon, and Olivia Taft**.

NEW AND IMPROVED: SECURITY, MENTAL HEALTH TAKE CENTER STAGE ON COLLEGE CAMPUSES

Laura Archuleta, Sallie Mae

History of another kind was made on April 16, 2007.

Beginning at approximately 7:15 a.m., Cho Seung-Hui, a 23-year-old senior majoring in English at Virginia Polytechnic Institute and State University, went on a shooting rampage that eventually left 32 people dead. The massacre would become the most deadly school shooting in United States history.

Immediately following the events at Virginia Tech, colleges and universities across the country were faced with a number of questions:

- What should be done to improve both security and mental health services on college campuses?
- Who bears the responsibility when a student, as in the case of the shooter at Virginia Tech, exhibits warning signs of mental illness?

In the new academic year, the debate and discussion fueled by the April 16, 2007, shootings at Virginia Tech has led colleges and universities across the country to reprioritize the issue of campus security, as they examine their emergency response plans and implement new operational procedures and other measures to better ensure the safety of students, staff and their respective communities.

Events like these can never be predicted, but they do affirm the importance of ongoing campus security and safety review and emergency preparedness plans, says Kirk White, a 23-year veteran of the IU system and currently director of community relations for the Bloomington campus. Within a week of the Virginia Tech shootings, White says IU's president, Michael McRobbie, brought together a group of individuals involved in crisis communication planning to review the school's current procedures and institute needed updates.

Many other colleges and universities have taken similar actions, stepping up their security standards and safety procedures and intensifying reviews of their own campus security. On May 4, 2007, Missouri State University President Michael T. Nietzel appointed the President's Emergency Response Task Force to examine the school's existing campus emergency response policies and target potential areas for improvement. The task force also addressed ways to prevent, mitigate, and respond to incidents of campus violence and threats, both internal and external. In August, the group issued its initial report, which included a number of recommendations regarding enhanced communications, increased target-hardening strategies, additional faculty/staff/student training, and increased personnel --- both in the university's department of safety and transportation and in the number of officers with the Springfield Police substation on campus.

The task force plans to conduct a second review phase, which entails a broader review of campus emergency policies and procedures. Recommendations are expected to be provided to MSU's president by Dec. 1, 2007.

The President's Emergency Response Task Force's initial report can be viewed online on the Missouri State University Web site at <http://www.missouristate.edu/emergencyresponse/>.

Missouri Governor Matt Blunt also announced the formation of a 29-member special task force following the events at Virginia Tech. The charge of the Governor's Campus Security Task Force, led by Mark James, Director of Public Safety and Dr. Robert Stein, Commissioner of Higher Education for Missouri, was to evaluate Missouri's campus emergency response plans, as well as identify and implement best-practices approaches to improve security and safety at Missouri schools.

Other members of the Governor's Campus Security Task Force included leaders from two- and four-year public and private colleges and universities, law enforcement professionals, members from public safety associations, student representatives and others. On Aug. 21, the governor unveiled a detailed report developed by the task force, with recommendations to improve safety standards and heighten security within buildings and facilities located on college and university campuses in Missouri.

CAMPUS SECURITY, CON'T

Among the report's recommendations:

- Every campus should have a designated individual to coordinate emergency and homeland security operations, serving as the point of contact with the Missouri Office of Homeland Security.
- Each institution's chief executive officer should ensure that an all-hazard emergency response plan is in place – this plan should be developed in conjunction with local emergency responders.
- All colleges and universities should use the Emergency Response Information Program (ERIP) web-based tool to construct their all-hazard plan.
- All students, faculty and staff should have regular campus emergency procedure training.
- Institutions should ensure that adequate police protection is available.
- All members of the campus community should have full time access to on-campus, license mental health services; every emergency plan should include specific mental health responses and practices.
- A statewide official representing postsecondary education should be appointed to the Missouri Homeland Security Advisory Council (HSAC).

A higher education subcommittee of Missouri's Homeland Security Advisory Council should be formed.

The full report of the Governor's Campus Security Task Force can be viewed online at: <http://www.dps.mo.gov/CampusSafety/index.htm>.

College students and mental illness

Much like security and safety, the issue of mental illness has been thrust in the spotlight following what happened at Virginia Tech. Historically, a stigma has been attached to mental illness, created in large part by misinformation. Today, research and medical advancement have helped lift the cloud of shame surrounding mental illness, sparking a public shift in how society views and treats those who are afflicted.

The majority of today's colleges and universities provide on-campus mental health facilities and services to help students cope with such conditions as depression, eating disorders, anxiety, and bipolar illness—illnesses that only a few decades ago might have prevented individuals from attending college altogether.

Demand for mental health services on college campuses has risen dramatically in recent years—a reality made all the more visible by recent events. According to a March 2007 study, *Anxiety Disorders on Campus: The Growing Need for College Mental Health Services*, by the Anxiety Disorders Association of America (ADAA), 13 percent of all college students today need and use campus mental health services.

While most schools offer some form of crisis intervention, individual counseling, and/or referrals to outside community resources, they do not provide enough services designed to address specific anxiety disorders such as obsessive-compulsive disorder, panic disorder, posttraumatic stress disorder, social anxiety disorder (SAD), or specific phobias.

Looking ahead

The positive news regarding mental illness in college students is the increased awareness on the issue itself. Indeed, more than 80 percent of the directors who responded to the 2005 National Survey of Counseling Center Directors said they believe higher education administrators on their campuses are more aware of the demand for additional counseling services and also have a greater understanding of the complexity of problems exhibited by students today. Nearly 40 percent of these same directors (up from 35 percent in 2004) reported that this awareness had resulted in more resources for their centers; 20 percent (up from 15 percent in 2004) believed that new resources will be forthcoming.

Perhaps the renewed focus on the mental state of today's college students is the real lesson being learned from the events that took place at Virginia Tech on April 16. Now the question becomes whether that lesson will gain momentum for the long term, as higher education, government, businesses and others work together to develop new and improved response strategies to better ensure the safety of America's colleges and universities.



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Articles may be submitted by any person, company, or organization for consideration by the MASFAP Monitor staff and are subject to approval prior to printing the newsletter. The author's name should be included in the submission. The editor reserves the right to reject or edit the content of any article or information submitted. Articles will be edited for accuracy, quality and appropriate length. Submissions are limited to one article per Monitor per person, company or organization.

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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