



**INDIANA STUDENT FINANCIAL AID ASSOCIATION**

**[www.isfaa.org](http://www.isfaa.org)**  
**March 11, 2009**

To the Honorable Members of the Indiana Congressional Delegation:

The Indiana Student Financial Aid Association (ISFAA) is grateful for the opportunity to present the following student aid issues for your review. ISFAA is an association whose regular membership consists of college and university financial aid administrators dedicated to helping Indiana students fund their educational dreams. Additional associate members from organizations engaged with aid delivery also help with our cause.

On behalf of the approximately 350,000 Indiana postsecondary education students, the ISFAA leadership asks you to consider the following issues:

- ISFAA commends the inclusion of increased Pell Grant and Federal Work Study funding in the recent economic stimulus bill. Such funding helps to expand options for underemployed and unemployed individuals to renew and redirect their career paths as well as encourage pursuit of advanced educational objectives for young adults.
- ISFAA requests your help to encourage the U.S. Department of Education to immediately reconsider a decision made in December 2008 to discontinue the Federal Experimental Site Initiatives. This project was introduced to identify federal regulations that were burdensome and non-value-added. Participating institutions could propose alternative ways to meet federal goals and experiment testing those methods measuring the outcomes and calculating the financial savings each year. This initiative offers the potential to benefit all parties in student aid delivery with the focus on delivering better service to students. On December 23, 2008 participating sites were notified by former Department of Education leadership that the current experimental site initiatives were cancelled, because the experiments have not been used to update the regulations. The experimental

sites should be continued and the outcomes used to reduce administrative burden for all students and institutions administering federal financial aid.

- The Academic Competitiveness Grant (ACG), National SMART Grant, and TEACH Grant Programs offer welcomed funding for admirable goals. However, these programs present challenges to institutions due to the manual review processes required in verifying eligibility and divert attention and funding from programs designed to improve college access for all needy students, such as the Federal Pell Grant. We encourage focusing on future funding initiatives in ways to help all needy students pursue a higher education.
- The final stimulus bill did not include increases for federal unsubsidized loans. Many middle class families depend on federal unsubsidized (non-need) based loans to pay educational costs. When federal loan limits are reached, many middle class families turn to private education loans for funding. Many of the private loans have upfront fees and high interest rates which add a significant amount to a student's overall loan debt. Additional federal unsubsidized loan amounts should be part of an overall strategy to help middle class families finance a college degree.
- ISFAA supports efforts to simplify the application process and the delivery of financial aid. The National Association of Student Financial Aid Administrators (NASFAA) is leading the National Conversation Initiative aimed at improving the financial aid system for students and families. ISFAA strongly encourages the recommendations from this initiative be reviewed to simplify and improve access to federal financial aid.

In conclusion, ISFAA is pleased to share these thoughts and concerns and looks forward to working with you to support the federal aid programs to ensure students will be able to pursue their dreams of a college education.