

IN THIS ISSUE

1 **34 sites and wonderful stalwart volunteers**

Not to mention the computer labs

2 **SSACI's soup is your recipe for success**

Bag the eGrads and check the status

5 **High school financial aid knights**

Noble presentations and gallant Q&A's

7 **Deficit Reduction Act of 2005**

What it means to you is...a bunch of stuff!

College Goal Sunday 2006 Boasts Record Attendance

Marty Case and Jacki Switzer, CGS Co-Chairs

College Goal Sunday 2006 took place at 34 sites across Indiana on February 12, 2006. CGS volunteers helped a total of 3605 attendees complete the Free Application for Federal Student Aid. Of that total, 1656 were students, which is an increase of 140 students, or 9% over 2005.

There was a total of 426 volunteers at the 34 sites across the state. That was an increase of 6 volunteers over 2005. Several sites had impressive increases in attendance, including Anderson, Bloomington, Gary, Hammond, Indianapolis Perry Meridian, New Albany, South Bend, and Terre Haute. There were 15 sites that hosted FAFSA on

the Web computer labs, 4 more sites than in 2005. The new FAFSA on the Web sites included Ft. Wayne, Merrillville, New Albany, and Terre Haute. In 2007 we hope to increase the number of sites offering FAFSA on the Web as the Department of Education moves FAFSA processing to more and more electronic rather than paper processing. There was more than a 200% increase in the number of FAFSA on the Web applications completed compared to 2005.

As NASFAA is becoming more involved in setting up CGS at the national level, the leadership of College Goal Sunday is looking to Indiana as a continuing

model project success. ISFAA members and volunteers will see a new progressive structure begin to develop within the CGS Committee. Members also have more opportunities to serve in the new framework that will make CGS 2007 even more successful — as Indiana continues to serve as a model for states who are developing their own programs.

Thank you to all the volunteers, site coordinators, media coordinators, and interpreters who helped make CGS 2006 successful. We appreciate your willingness to contribute to this worthwhile cause and look forward to your help in the 2007 campaign.



The Indianapolis North Central site had 22 volunteers. Many of the volunteers are returning "veteran" volunteers which helps the site run like a well-oiled machine. The site coordinator has perfected starting and end times to within seconds. She also provided H₂O and pick-up snacks to energize volunteers.

This newsletter submission from SSACI is a little bit like making a pot of soup—lots of good stuff all mixed up. So without further ado . . .

SSACI's Recipe for Alphabet Soup

Kathryn Moore, SSACI Grant Division Staff

Use one fresh (2006-2007) FAFSA.

Season liberally with student and parent (if required) information.

Simmer at the Federal Processor until done.

Cool to a workable temperature at SSACI.

Serve accompanied by a SSACI Grant Notification.

What is the process a FAFSA goes through at SSACI? It sounds like an alphabet soup of sorts: APCR, APPD, APCL, APED, APNA FAFSA, SSACI, WAIT—HELP!

When a FAFSA is made available to SSACI from the Federal Processor, it comes to us in an Application Download and is placed in either an APCR (Application created) status or APPD (Application is potential duplicate) status.

When the FAFSA application is in an APCR status, SSACI undertakes a review process which results in either:

APCL (Application is clean and an award can be calculated—which will include FAFSAs with Edits 16 and 24 which are applicable only to the Twenty-first Century Scholarship program.)

WAIT (The award is on hold awaiting further information such as Default/Overpayment information to resolve an Edit 17 or PJ resolution code to clear an Edit 18 or 19.)

APED (Edits exist on the FAFSA and must be cleared before an award can be calculated—i.e. the FAFSA likely needs to be corrected and sent back to the Federal Processor.)

If the status is APPD to start with, SSACI can not review it. That's where you can help yourself and SSACI. If you see a file in APPD status, you might want to check the student's name, date of birth, and social security number and if you notice a problem, let SSACI know by providing Kathy Moore with the correct information. The information probably should not travel via e-mail for security reasons.

At this time, SSACI is making application information available electronically to colleges in the APPL files (generally March to late June.) Colleges should focus on clear-

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ing a WAIT due to a Professional Judgment or Default/Overpayment and providing TUIT codes and helping students clear Edits/Rejects/Issues by the June 10, 2006 FAFSA correction receipt date deadline. Once the needed information is provided by the college or the FAFSA is corrected at the Federal Processor, SSACI will again review the FAFSA to determine if it can move to an APCL status.

Once SSACI makes awards (generally during the first week of July), the file type made available electronically to colleges changes to Notification (NOTIF). At this point, a student's record can be in one of several statuses:

APAC (Award created.)

WAIT (Award was created, but it is in a WAIT status and can not be reconciled—likely SSACI needs the college to clear a default/overpayment if the student is eligible to have that done.)

APNA (Application was clean, but no award created—most likely because the student did not demonstrate need according

to SSACI's parameters.)

APCL (Application is clean and award can be calculated—likely SSACI is still waiting on a TUIT Code.)

From the Notification phase, SSACI goes to the Reconciliation phase. That is the time during which colleges must claim (i.e. reconcile) the awards with SSACI. SSACI completes reconciliation on a term by term basis. A Reconciliation Processing Schedule will be provided to the colleges later this spring. Colleges must reconcile by the published dates or else SSACI will not be able to pay the student award for the term, meaning the money should then come out of the college's wallet to pay the student's account!

More will be written about the Notification and Reconciliation phases as we enter that stage of the academic year. Right now, help your students correct any problems with the FAFSA. Encourage your students to check eStudent early and often so that we can have as many clean applications as possible come award time!

Other SSACI Items of Note

eGrads to eStudent transition:

SSACI bid a fond farewell to eGRADS on March 1, 2006 retiring the old guy with a rocking chair and gold watch. Now colleges and students alike use an improved eStudent to review student records (www.ssaci.in.gov/estudent/). Colleges must use their SSACI issued Username and Password for login. Don't attempt to change your Username and Password or you may lock everyone from your institution out of the application. SSACI is discovering that some institutions are not aware that they had a SSACI issued Username and Password, that they had been accessing student records via the old eStudent, which required only knowledge of the student's last name, date of birth and social security number. Trying to access the new eStudent in that fashion won't work because students now register for eStudent by verifying their account information and creating a unique login. If you need your institution's user name and password, first

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check with the Director of Financial Aid. If it's nowhere to be found, the Director of Financial Aid should contact Kathy Moore at SSACI.

Once in eStudent, it's pretty much business as usual. Student Information, Application History, Award History and Print Grant Notification options are all displayed on tabs across the top of the screen. The biggest bonus for the colleges is that financial aid office staff may now make a change of college choice in eStudent. No more late afternoon, last minute phone calls and e-mails to SSACI to ask us to change a college choice for you. You may now do so at your convenience! The change must be made in time for SSACI to calculate an award and place it on a reconciliation roster so that the college can reconcile it by the end of the term.

As with any new application, there may be some growing pains with eStudent. If you have questions, concerns, or comments about eStudent please let a member of the SSACI staff know. We are open to suggestions and looking for ways to improve the application for the user.

Edit, Reject, Issue

A problem by any other name still smells not so sweet. The eStudent system still notifies students of problems with their FAFSAs which will prevent SSACI from determining award eligibility. Look for the red stop sign in the upper left corner of the screen on those files where problems exist. All problems must be fixed by the SSACI June 10, 2006 correction receipt date deadline. SSACI will send a notice to affected students via mail in mid April to remind them to fix their FAFSA as well. The Application roster made available to colleges now reflects any problems associated with a student record. Remember, the best thing to tell a student regarding their FAFSA is, "If it ain't broke, don't fix it—and if you are not sure if it's broken or not, check the SSACI eStudent web site at www.ssaci.in.gov/estudent/, look at your file, and fix

anything that needs fixing by the June 10, 2006 correction receipt date deadline." It's not bad advice to tell students to check the SSACI eStudent web site after any FAFSA submission because sometimes a student or parent misses the signature requirement and we are left with a FAFSA which is not acceptable to SSACI (or likely the college, either.)

On the SSACI Horizon

Mid-April—Edit Notification communication via mail to students (information is also posted on eStudent)

April 11—SSACI Update at the closing session at ISFAA Spring Conference

Early May—Tuition and Fee Survey to College Campuses—response due back to SSACI late May

June—Budget and application population review and award determination

July—Award Notification sent by mail to students (information is also posted on eStudent)

The SSACI staff looks forward to working with students and college staff in the 2006-2007 academic year. As always, contact your favorite, friendly, SSACI staff member with any questions, comments, or concerns you may have about our programs or processes.

Kathryn Moore, phone 317-232-2372 • fax 317-2323-3260
e-mail kmoore@ssaci.in.gov



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Who says you have no night life?

13,000+ Attend High School Financial Aid Nights

Julie Wonderlin, High School Financial Aid Nights Chair, Ivy Tech Community College, Terre Haute

It has been another year full of Financial Aid presentations. During the 2005-2006 academic year, 257 High School Nights were conducted with 13,108 people in attendance. From mid-October to the end of February, Regional Coordinators have been busy conducting events or recruiting various volunteers from ISFAA to help students and parents across the state.

We received 87 evaluations, of which 86 ranked at average or better. It is clear from the comments received that the time and hard work put into the presentations was greatly appreci-

ated. Here's a sample of the comments received:

"He did an excellent job of covering the important info of financial aid while using humor to lighten up the topic. He is an excellent presenter!"

"She was knowledgeable and considerate. She also covered several areas that I thought should be included."

"Excellent presentations! Our school appreciates this service."

"He did an excellent job explaining the information and answering

questions. The parents were very pleased."

"She explains it in a down-to-earth, understandable way. She does an excellent job!"

"He was great—very easy to understand and covered all areas. Very knowledgeable on Financial Aid. Excellent coverage!"

"Thank you for this valuable service!"

"Thank you for providing these presenters. It was a very well attended and informative meeting."

"She is always great at putting parents at ease and is open to phone calls with further questions as the process is worked with in the coming weeks."

I just would like to end the year with a big, big *Thank You* to all who participated in or helped organize a High School Night. You have been wonderful about volunteering your time and energy for this valuable statewide effort. This service would be impossible without the help of members such as yourselves.

I would also like to thank each of the Regional Coordinators for the extra time they put in to help organize these presentations. The Regional Coordinators for the 2005-2006 award year were:

Ann Franzen-Roha	Theresa Ek
Gerry Lewis	Debra Sizemore
Deb Watkins	Ken Nieman
Susan Tharp	Vickie Dahl
Gary Cottrill	Jo Ann Laugel
Guy Fisher	Jamie McGrath
Bill Wozniak	Doug Hess
Christine Parker	Janet Trimble
Christina Coon	Sharon Woods

I look forward to working with you next year, and that's not too far away in the wonderful world of Financial Aid!



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William M. Wozniak, Editor

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Answers to Your Questions

Student-Aid Provisions of the Deficit Reduction Act of 2005

Kevin McKeown, Vice President USA Funds Services

USA Funds®' Vice President, Policy and Compliance Greg Ayers answers key questions about the student-aid provisions of the Deficit Reduction Act of 2005. Note that the following answers reflect USA Funds' current understanding of the provisions contained in the Deficit Reduction Act of 2005. The information is subject to change based on anticipated guidance from the U.S. Department of Education and future final regulations.

Consolidation Loans

Q: Can a borrower with a defaulted Federal Family Education Loan Program loan consolidate into the William D. Ford Direct Loan Program?

A: Yes. The Deficit Reduction Act of 2005 provides two possible scenarios under which a borrower with a FFELP consolidation loan is eligible to reconsolidate the loan into the FDLP.

The borrower is past due on payments to the lender, and the lender has filed a default-aversion-assistance request with the guarantor. The borrower indicates that he or she wishes to repay the loan under the income-contingent-repayment component of the FDLP.

The borrower's FFELP consolidation loan already is in default, and the borrower wants to reconsolidate into the FDLP.

Correspondence Courses and Distance Education

Q: Is the required evaluation of distance-education programs separate from an institution's accreditation process?

A: The legislation does not stipulate whether the evaluation that is necessary for schools providing courses through correspondence and telecommunications can be completed

through the normal accreditation process. The legislation states only that the school must be evaluated and determined to have the capability to effectively deliver distance-education programs by an accrediting agency or association that meets both of the following conditions:

- Is recognized by the U.S. secretary of education.
- Has evaluation of distance-education programs within the scope of its recognition by the education secretary. The Department of Education still must address the procedural issues identified in this question.

Disbursement-Requirement Waivers

Q: What is the effective date of the two waivers for low-default-rate schools regarding single disbursements for single terms and the 30-day delayed-delivery requirement?

A: The waivers for low-cohort-default rate schools regarding single disbursements for single terms and the 30-day delayed-delivery requirement were effective Feb. 8, 2006, the date of enactment of the Deficit Reduction Act of 2005. The legislation does not specify a particular triggering event. The Department of Education will have to provide further guidance on the implementation of this provision.

Fees

Q: What is the effective date for the Federal Default Fee provision?

A: The Federal Default Fee is effective for loans guaranteed on or after July 1, 2006.

Q: Can the 1-percent Federal Default Fee on FFELP loans be paid on behalf of the borrower? Is there any

information about whether this might be happening? Can or will some guarantors pay this? Will lenders?

A: The legislation permits the 1-percent Federal Default Fee to be paid by either the borrower or by other nonfederal funds. The legislation does not identify or limit the sources of those other nonfederal funds. Individual guarantors and lenders will have to determine whether they will pay the fees on behalf of the borrowers.

Q: What is the effective date of the origination-fee reductions?

A: The origination-fee reduction from 3 percent to 2 percent is effective for FFELP Stafford loans first disbursed on or after July 1, 2006.

Q: Do the origination fee and Federal Default Fee changes apply to PLUS loans? If so, does that mean that PLUS borrowers will pay 4 percent in fees?

A: The origination-fee reductions do **not** apply to PLUS loans. The Federal Default Fee requirement does apply to PLUS loans. As a result, for PLUS loans disbursed on or after July 1, 2006, the borrower will be assessed a 3-percent origination fee, which the lender may choose to pay on behalf of the borrower. In addition, the borrower is subject to a 1-percent Federal Default Fee, which may be paid on behalf of the borrower through nonfederal sources. If the fees are not paid by other sources, the PLUS borrower would be required to pay 4 percent in fees.

Interest Rates

Q: When are the new interest-rate provisions effective?

A: Effective for Stafford loans first disbursed on or after July 1, 2006, the

Deficit Reduction Act

interest rate will be fixed at 6.8 percent. Similarly, for FFELP PLUS loans first disbursed on or after July 1, 2006, the interest rate will be fixed at 8.5 percent.

Q: What interest rates apply to a borrower who has an existing Master Promissory Note with a loan first disbursed before July 1, 2006, and who then obtains a serial loan that is disbursed on or after July 1, 2006?

A: The loan first disbursed prior to July 1, 2006, will continue to carry a variable rate adjusted annually as of July 1 of each year. The loan first disbursed on or after July 1, 2006, will have a fixed interest rate of 6.8 percent.

Q: What is the interest-rate calculation for Stafford loans disbursed prior to July 1, 2006?

A: The interest rate for Stafford loans disbursed prior to July 1, 2006, will continue to be a variable rate adjusted annually as of July 1. The rate will be based on the 91-day Treasury

bill rate as of the last auction prior to June 1 of each year.

Q: Do the new interest rates apply to the in-school, grace, deferment and repayment periods?

A: A Stafford or PLUS loan subject to the new fixed interest rate will carry that same rate throughout the life of the loan.

Loan Limits

Q: When do the changes to the Stafford-loan limits take effect?

A: The effective date for the changes in Stafford-loan limits is July 1, 2007. The legislation does not specify a particular triggering event. The Department of Education must provide further guidance on the implementation of this provision.

Q: Did the legislation also change the aggregate loan limits?

A: The legislation does not contain any language expressly changing aggregate loan limits. Questions have

surfaced in the student-loan community as to whether the aggregate loan limits have changed as a result of various cross-references between the new provisions and other existing language in the Higher Education Act. We anticipate that the Department of Education will address this issue in the near future.

Military Deferment

Q: Where can I find details about the new military deferment?

A: The military deferment is discussed in section 8007(a) of the Deficit Reduction Act of 2005.

Need Analysis

Q: The legislation refers to small businesses that do not have more than 100 employees. Can you elaborate on that provision?

A: For determinations of need under the Title-IV programs, except for LEAP, family "assets" do not include the net value of a small business with



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100 or fewer full-time or full-time equivalent employees or any part of such a business that is owned and controlled by the family.

Pell Grants

Q: What is the effective date for the new Academic Competitiveness Grants and National SMART Grants?

A: These new categories of Pell Grants will be effective July 1, 2006. Other specific dates affecting student eligibility for these grants include:

Students enrolled or accepted for enrollment in the first academic year of a qualifying postsecondary program must have successfully completed a rigorous secondary-school program of study after Jan. 1, 2006.

Students enrolled in the second academic year of a qualifying postsecondary program must have successfully completed a rigorous secondary-school program of study after Jan. 1, 2005.

Q: Will the Academic Competitiveness Grants and the National SMART Grants be awarded in addition to traditional Pell Grants, or are these intended to be in place of traditional Pell Grants?

A: These new categories of Pell Grants are available in addition to traditional Pell Grants. The legislation stipulates that the combined amount of an Academic Competitiveness Grant, National SMART Grant, traditional Pell Grant, and other student financial assistance available to the student cannot exceed the student's cost of attendance.

Q: If a student meets the requirements for the Academic Competitiveness Grant or National SMART Grant, will the student automatically receive one? Or is it competitive?

A: The availability of these new categories of Pell Grants are based on eligibility criteria contained within the new legislation, including, but not limited to, such factors as high-school coursework, high-school grade-point average, previous postsecondary

GPA, and cost of attendance. The legislation does not identify any type of competitive process for awarding the grants.

Q: Who is determining what constitutes a rigorous high-school curriculum with respect to qualifying for an Academic Competitiveness Grant?

A: The curriculum must be established by a state or local educational agency and must be recognized as such by the U.S. secretary of education.

Q: Who is defining "critical foreign languages" for purposes of determining if a student is pursuing that course of study and thereby qualifying for an Academic Competency

Grant or a National SMART Grant?

A: The U.S. secretary of education, in consultation with the U.S. director of national intelligence, will determine whether a particular foreign language is critical to the national security of the United States.

Q: Is the Academic Competitiveness Grant available only for community-college students who came out of high school with the right coursework? Will students who attend a two-year school and later transfer to a four-year school with the appropriate GPA and major be eligible without consideration of their high-school work?

A: The Academic Competitiveness Grants will be available to students



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enrolled or accepted for enrollment in first- and second-year academic programs. Therefore, the eligibility criteria include consideration of the students' high-school coursework and GPA. The National SMART Grants will be available to students enrolled or accepted for enrollment in third- and fourth-year academic programs. The eligibility criteria for these students do not include consideration of prior high-school curriculum or GPAs. Instead, eligibility will be determined by the type of postsecondary programs in which the students are enrolled, and the students' GPA in their prior postsecondary-education coursework required for the qualifying program of study.

Q: How will a school know if a particular borrower qualifies for one of the two new categories of Pell Grants?

A: The Department of Education will have to assist in identifying the process by which students apply for these grants.

PLUS Loans for Graduate and Professional Students

Q: When does the provision allowing professional and graduate students to obtain PLUS loans take effect?

A: The legislation indicates that professional and graduate students are eligible to obtain PLUS loans as of July 1, 2006. The legislation does not specify a particular triggering event. The Department of Education will have to provide further guidance on the implementation of this provision.

Q: Has anything been said about parents' being able to borrow PLUS loans for independent undergraduate students?

A: The current Higher Education Act allows parents to borrow PLUS loans only for dependent students. The Deficit Reduction Act of 2005 did not extend that provision to include parents' obtaining PLUS loans for independent students.

Q: Can professional, nongraduate students obtain PLUS loans under the new law?

A: The legislation does not identify "nongraduate students" as being eligible for PLUS loans. Under current federal requirements, a "graduate or professional student" is an individual who meets all of the following criteria:

- Is enrolled in either a program of study above the baccalaureate level or a program leading to a first professional degree.
- Has completed the equivalent of at least three academic years of full-time postsecondary study.
- Is not receiving aid under Title IV as an undergraduate student for the same period of enrollment.

We anticipate that this same criteria will be applied to the new provision regarding the availability of PLUS loans to graduate and professional students.



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Q: Can graduate/professional schools offer PLUS loans to their own students? Does a graduate school have to be approved by the Department of Education to process PLUS loans?

A: To participate in any of the federal financial-aid programs, schools must obtain approval from the U.S. Department of Education. The Department provides that approval on a program-by-program basis. If a school has not previously received approval from the Department specifically for its participation in the PLUS-loan program, the school will have to pursue that approval prior to certifying PLUS loans for its students.

Q: Will graduate and professional students that obtain PLUS loans be eligible for in-school deferments?

A: The legislation does not provide any new deferment eligibility for

graduate and professional students who obtain PLUS loans. Under current federal requirements, PLUS loans made on or after July 1, 1993, are not eligible for in-school deferments based on the in-school status of the students for whom the loans were made.

Q: Do the amounts borrowed by a graduate or professional student under the PLUS program count toward the aggregate loan amount borrowed by the student?

A: The new legislation does not address the impact of PLUS loans obtained by graduate and professional students on the aggregate loan limits. We anticipate that the Department of Education will address this issue in future guidance.

School as Lender

Q: In light of the new provision that

states that a school as lender cannot make loans to students who are not attending that institution, can two schools operating under a multi-campus system use a single lender code for all of their students?

A: If the school previously received approval from the Department of Education to use a single lender code in processing applications for students attending both schools, the school may continue to use that same single lender code under the new provisions.

Other

Q: How do the lawsuits challenging the legality of the legislation affect all of this?

A: Although Congressional leadership is committed to resolving this issue, because of the legal nature of the debate, it is impossible to predict the ultimate outcome.

"USA Funds was there for us when we needed funding to expand a special program."

The College of Education at the University of Nevada, Reno, has a cooperative program called Dean's Future Scholars. The program recruits sixth graders from diverse, low-income backgrounds into teacher education. When funds were needed to expand the program, I brought USA Funds and the College of Education together. Thanks to financial assistance from USA Funds, the program is now in its third year. USA Funds is more than a guarantor; they're a true partner supporting higher education.

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Nancee Langley
Director of Student Financial Services
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Everyone involved in higher education knows how valuable it can be. Whether the course of study leads to a career—or a degree—the experience and knowledge gained in college can enhance anyone's life.

That's easy enough to say, but when you've got a student in your financial aid office worried about their future and whether they're making the right higher education decisions, a little more ammunition is needed. It's understandable—realizing that they're facing thousands of dollars in debt as soon as they graduate can make a student think twice about continuing their education.

Here's some ammunition for you: in October 2005, The U.S. Department of Labor's Bureau of Labor Statistics show that median weekly earnings in 2004 varied significantly according to level of education. The department's data found that men and women with bachelor's degrees (or higher) earned nearly double that of those with only

When you've got a student in your office worried about their future, a little more ammunition is needed.

high school diplomas. Female high school graduates earned \$488 per week, while women with at least a bachelor's degree earned \$860. Male high school graduates earned \$645, while male degree-holders earned \$1,143.

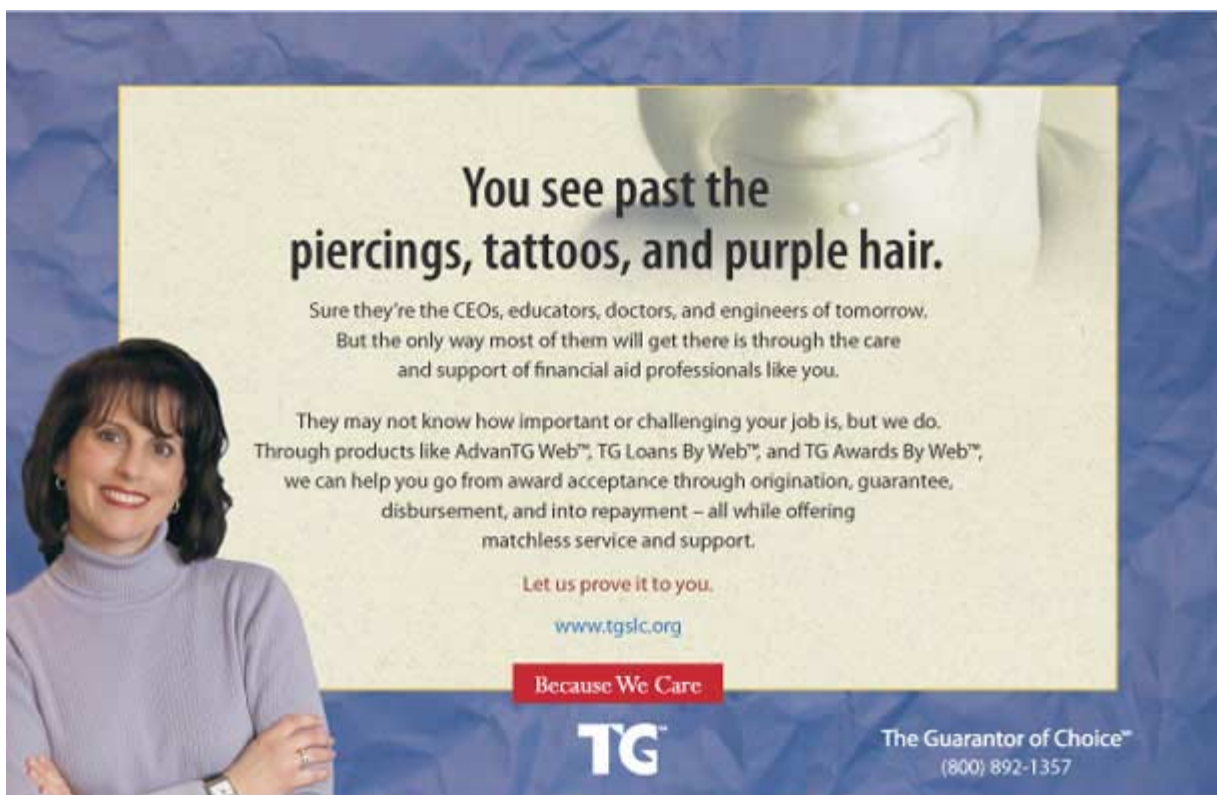
Of those with some college or an associate degree, women earned \$577, while men earned \$761, weekly.

Great Lakes Higher Education Guaranty Corporation also offers some

guidance for students considering their future. "The College Justificator" is an online and/or print guide that shows how education, occupational opportunities, income, and student loan debt can be closely related. It allows students to compare various occupations and the education necessary to get them. It shows that debt resulting from education isn't necessarily bad, since more education allows for more career choices and leads to even greater benefits down the road.

"The College Justificator" is part of Great Lakes' series of Student Success Guides, colorful and entertaining brochures that help students prepare for a successful college experience. They are designed to help students and their families plan for college, understand the types of financial aid available and how to get it, and make financially responsible choices once they get to college.

For more information on these guides, contact your Great Lakes' marketer, or visit www.GreatLakesGuaranty.org.



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