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President's Message:

WELCOME FROM SARA BETH HOLMAN



Sara Beth Holman, Lawrence University
MASFAA President

Greetings MASFAA Members and welcome to the fall edition of the MASFAA Moments Newsletter!

When I attended my first MASFAA conference in 2000 in Minneapolis - the focus of which was on how the Internet and World Wide Web would impact our professional lives - I never imagined I would be here today, serving as your MASFAA president. MASFAA has given me so much over the years and I look forward this next year and the opportunity to give back.

I want to extend a huge thank you 2013 MASFAA President Lori Vedder for her tireless dedication to MASFAA during the past year, to the 2013 Executive Council for their countless hours of work, and to the many volunteers who served MASFAA. It is your time and talent that makes MASFAA the wonderful association that it is.

Although we are only a little more than a month into things, the 2014 MASFAA committees are hard at work. If you have not already volunteered to serve on a committee, there is still plenty of time to do so. Simply fill out the Volunteer Opportunity Application on the MASFAA website or email the current chair(s) of the committee(s) to express your interest. Whether you are interested in access, diversity, federal issues, research, professional development, social media, donor development, technology, or retiree involvement, there is a committee for you! If you aren't sure where to volunteer, please contact me by phone or email so that we can discuss the opportunities and find the one that will be a good fit for you.

Speaking of committees, I'm very excited to introduce our newest committee, the Diversity and Inclusion Committee, chaired by Sue Allmon of Western Governor's University - Indiana. The Diversity and Inclusion Committee will focus on how we embrace the differences of those we work with and those we work for regardless of socio-economic background, gender, sexual orientation, religion, race, ethnicity, education level, ability or disability, or any other factor that makes us different. In addition, they will explore what steps we take to capitalize on diversity so that we can move toward building inclusive environments in our workplaces.

In mid-November I attended my first official NASFAA board meeting as an observer, a role I will serve in through the 2014 NASFAA Conference after which I will become a voting member of the NASFAA board for the 2014-2015 year. The highlight of the meeting for me was my conversations with the presidents of the other regions. In fact, we have scheduled monthly

MASFAA Moments is published quarterly with the purpose of providing a forum for communicating with members about issues affecting our profession as well as to inform members of the ongoing activity of MASFAA committees and the Executive Council.

Articles may be submitted by any person, committee, state association or organization. All submissions are subject to final acceptance and review by the editorial board prior to the publication of the newsletter. Submissions may be rejected, edited for content or edited for length. Articles must be intended for the benefit of MASFAA members and not for company marketing or promotional purposes.

Please send articles, photos and comments to:

Mary Jo Smith
Newsletter Committee Chair
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President's Message — continued

conference calls starting in December so that we can share thoughts, ideas, activities, and initiatives with each other. If you have thoughts or questions about how other regional organizations do things or you've heard about something they've done and you want to learn more about it – or you want me to learn more about it, let me know so that I can ask their president!

Although these events are still months away, I'm sharing them with you so that you put them on your radar – or your calendar – now.

| | |
|-----------------------|---|
| June, 2014 | MASFAA Summer Institute |
| June, 2014 | MASFAA Leadership Symposium |
| October 12, 2014 | MASFAA Pre-Conference Workshop on Diversity and Inclusion |
| October 12 – 15, 2014 | MASFAA Conference in Charleston, WV |

Best wishes to all of you for a safe and happy holiday season.

NEW COMMITTEE ON THE BLOCK: DIVERSITY AND INCLUSION

Sue Allmon, Western Governors University, Committee Chairperson

Hello everyone! I wanted to take this opportunity to introduce the MASFAA community to a new ad hoc committee that has been created by the MASFAA Executive Board – the Diversity and Inclusion Committee.

Our goal and commitment is to research and address issues of diversity (such as race, gender, sexual orientation, transgendered, transitioning) within our lives and the lives of our students and work to develop methods of inclusion so all of us – MASFAA members and our students – feel a part of our larger communities and institutions. I am excited to be chairing this committee this year!

One of our plans is to research and provide to the membership resources that you can use in educating yourself and your staff about diversity and inclusion on your campus and within your offices. We shall be looking and asking you for insights from your own experiences and offices as you tackle these issues on your campuses. I am a firm believer in not reinventing the wheel and I am certain that many of you have excellent resources and programs on your campuses now that could be utilized by others in our membership.

A second plan is our pre-conference workshop that will be held on Sunday morning, October 12, 2014, before the start of our MASFAA conference in beautiful Charleston, WV. The Committee is still working on the details for the event (so if you have suggestions or ideas send them my way!) but knowing this hardworking team of individuals; it will be engaging, fun and enlightening!

So, stay tuned for more details on our creation of the repository of resources as well as our pre-conference workshop. We are planning a great year and want to share it with all of you.

If you are interested in joining our merry band of committee members, let me know as we are always searching for folks who can help us achieve our goals and bring a fresh perspective to all we are striving to obtain.



RACE TO MY 1ST MASFAA CONFERENCE IN INDIANAPOLIS

Jeurell Smith, Financial Aid Counselor, Adrian College Office of Financial Aid

I had the opportunity to attend my first MASFAA convention this past October 6-9th during their momentous 50th Anniversary. My experience started with checking into a great hotel, The Marriott in Downtown Indianapolis. A very comfortable room but I knew in the back of my mind, that I would not be able to spend much time in due to the action packed schedule of sessions, events and entertainment. Not a problem let the conference begin.

My first session I attended welcomed attendees with a great serenade of music playing over the room speakers. The session was titled 'You've got a Social Media Site...Now What?' and conveyed a fun and entertaining way that set the tone for the information pack sessions to come. All the sessions I attended were helpful in so many ways not only for me but our entire office. I attended every time slot session not missing a beat. Upon returning to work a few days later I did my best to summarize all sessions and replicate all presenters for my coworkers, only to realize just how easy the presenters made the material look and sound.

Sessions were not the only events happening at MASFAA conferences. The guest speakers during meal times were very motivating. It is not often or ever do we have the opportunity to see the success stories of financial aid involvement in student lives. We know it is there but to hear it from that many voices and emotions was inspiring for me. I made sure to pass on all the 'Thank You' and kind words from the panels to our office. MASFAA is not short of entertainment as well. There were many opportunities to meet new people at various casual environments. My favorites were the MASFAA gathering at local spot, Harry and Izzy's. Followed by the evening celebration at Dallara IndyCar Factory where watching guests speed away in an IndyCar ride and ride in IndyCar video simulators was an experience to remember.

Getting opportunities like this in some offices is difficult. To those that are not offered the opportunity to, needs to bring these events to the attention of decision makers. This conference was not just an informative event or a networking event or a career developing event or just merely a social event but is all this wrapped into a highly concentrated amount of time that will pay off for many years to come or at least a year (until the next conference).

Special Thanks and shout out to all those that I got a chance to meet, all MASFAA staff and to Adrian College.

Until next time,
Jeurell Smith

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MASFAA AWARD PHOTOS



Student Success Award: Valerie Fisher



State Award Recipients: Virginia Washington (Indiana), Amy Gaffney (Iowa), David Vikander (Minnesota), Vicki Crupper (Michigan), Michelle Trame (Illinois) and JoAnn Ross (West Virginia)



20 Years of Service



25 Years of Service



30 Years of Service



Craig Slaughter, DePauw University, President's Award Recipient and Lori Vedder, MASFAA President, University of Michigan-Flint



Vicky Lubeya, Haywood Legacy Scholarship Winner, and Lori Vedder



Marvin Smith, NASFAA Leadership Award, and Craig Munier, NASFAA National Chair



Lori Vedder and JoAnn Ross, Meritorious Service Award

US DEPARTMENT OF EDUCATION OPEN FORUM HELD IN MASFAA REGION

A Report from Heather Gaumer, Assistant Director for Student Loans and Compliance, Simpson College

At the urging of MASFAA Federal Issues colleagues, I traveled to the University of Northern Iowa to participate in the US Department of Education Open Forum on Friday, November 15, 2013. I was able to testify (but was incredibly nervous because of the hearing style format and video cameras!). My institution, Simpson College, was glad for me to attend and comment.

When the forum began at 10am I counted less than 60 individuals in attendance and the forum ended an hour early because all testimony had been heard. I did get a sense that the Department of Education was eager to hear our concerns and does not want to unintentionally hurt students.

The open forum began with a welcome from the University of Northern Iowa President, Dr. William Ruud, followed by short speeches from Iowa Senator Tom Harkin and Department of Education Under Secretary Dr. Martha Kanter. Senator Harkin focused on items such as the College Score Card and other recent initiatives designed to make college choice more transparent. He indicated that work on this front is not done and Dr. Kanter will be asked to provide comment as the Senate HELP committee begins to craft legislation to implement the new college rating system and other aspects of the College Affordability Initiative. Dr. Kanter's remarks focused on the general environment of postsecondary education. She spoke of her opinion that education is the key to our future success of developing a strong workforce and a community that exemplifies civic strength. She spoke of rising higher education costs even though legislative efforts have attempted to address this issue. Dr. Kanter indicated the rating system will force higher education institutions to be more innovative and would be designed with two outcomes in mind:

1. Informing students and families so they can compare and choose a college
2. Helping students be the best with positive outcomes

She went on to state that over \$150 billion of federal aid dollars are spent each year and there must be better proof to our taxpayers on the return of that investment. Dr. Kanter acknowledged a ratings system would not be perfect as there are many aspects of higher education that can't be rated, and the Department of Education is not interested in developing a "cookie cutter" approach to the ratings.

Dr. Kanter's final remarks indicated the ratings will be published and ready for full implementation by spring 2015. She spoke specifically of IPEDS reporting changing soon to include data on part-time and transfer students. Dr. Kanter called the initial rating "1.0," indicating the higher education community will likely see changes to the rating system over the coming years.

Below is a summary of testimony provided by attendees of the open forum. I have only included the major themes and realize my summary may not be fully representative of the speaker's message.

- Costs of operating higher education institutions are rising, state and federal funding is down and schools are asked to make education more affordable. Affordability is a complex issue that can't be solved easily. Schools have long waiting lists of students that want to utilize Federal Work Study.
- Schools need increased ability to limit borrowing and student loan repayment plans, specifically income driven plans, need simplified.
- A rating system that uses graduate earnings as a measure of "success" will hurt students by pressuring them to study academic areas they are not interested in. An institution may be inclined to not offer certain academic areas of study or counsel students to study in higher earning academic areas inappropriately. An example of this would be that 3 out of 4 teachers in Iowa receive a degree from UNI. The ratings system would "penalize" UNI because teachers that historically earn low incomes by teaching in Iowa.
- The Department of Education needs to clarify how community colleges will be rated since so many of the students take a nontraditional approach to higher education or transfer to four-year institutions.
- There needs to be further transparency in relation to student loan interest rates and repayment plans.
- A college rating system that is tied to student aid funding will limit choice and reduce opportunities in "unrateable" aspects of the higher education experience. An example was provided that professors are currently interested in student as individuals, but a ratings system will not support disadvantaged students because professors will only be interested in outcomes.
- If a student's choice in where they attend college is strictly tied to affordability then that student does not have the choice to attend where they will be most comfortable and therefor the most successful.

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- Students and families will not feel confident they can afford to fully fund an education if a school's ratings and the amount of aid tied to those ratings changes each year.
- The higher education community needs clarity on what type(s) of federal aid will be tied to the rating system.
- IPEDS and other data collection sources are not accurately providing metrics the Department of Education needs to rate schools. Specific populations are not represented such as part-time, transfer and veteran students.
- The ratings system will unintentionally hurt students at all institutions. An example was provided that when the economy is down schools typically serve higher numbers of Pell Grant recipients and when the economy is better schools serve less Pell Grant recipients. In an improving economy students might only need a few courses rather than a credential so schools and students will be penalized when students don't seek a degree.
- There is a need for a complete revamp of the campus based aid allocation formula.
- A college rating system will lead to standardization of higher education institutions and decrease innovation.
- A system that uses graduate earnings for rating ignores the fact that schools have no way to collect the income data on former students. It is optional for former students to report employment and income levels. Often the data that is reported back to the institution is inaccurate or statistically insignificant.
- Schools will be unable to adequately help students if the ratings system groups schools by type.
- States should not fund higher education. The majority of the tax base does not utilize higher education so the state should not fund higher education.
- Schools have no morals in accepting a student's federal financial aid. Schools only care that the student paid the bill and has no interest in the success of the student. Schools need additional controls and accountability.
- The College Score Card is confusing and does not provide students with more transparency. Specifically, the timing of when the Score Card must be delivered to students is problematic.
- A ratings system that relies on the outcome of a student will not be objective. Institutions will begin to focus on the outcome. An education focused on outcomes is more in line with a for profit business model. An institution might be tempted to reduce graduation criteria to ensure that outcomes for rating purposes are achieved.
- Students should be required to complete a certain percentage of a program or number of credits before they receive federal aid. This model would put accountability on the student and then the student would have eligibility remaining if they change majors or need to utilize a fifth plus year to complete a program.
- At many institutions there is a significant amount of education and learning outside of the classroom, such as internships, groups, clubs, and community service work. How will the ratings system measure this major component of higher education?
- Schools that focus on providing resources to disabled students should receive higher funding.

It was said that a full transcript of each of the open forum events would eventually be made available online at www.ed.gov.



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MISSOURI UPDATE

Gena Boling, Assistant Director, Missouri University of Science and Technology
Missouri President-Elect and MASFAA State Representative



What a fall this has been for the Missouri Association of Student Financial Aid Personnel! It's truly an exciting time to be involved in the financial aid process and our membership has been increasingly involved on the state and regional levels.

This year the Missouri delegation made the decision to move from the current President serving as MASFAA board representation to the President-elect serving in this capacity in an effort to provide more focus on regional initiatives. Therefore, I'll be serving as your Missouri representative this year and I'm looking forward to assisting in bridging the gap between the region and the Show Me State. I am one of four Missouri members serving on the MASFAA board over the upcoming year. Brice Baumgardner will chair the Donor Development committee, Justin Brown will co-chair the Research Committee, and Nick Prewett will serve as Delegate-at-Large. We look forward to contributing to lively conversation and meaningful debate as we fulfill the responsibilities of the positions in which we have been elected or nominated to serve.

Thirty one Missouri attendees participated in the 2013 MASFAA Conference in Indianapolis. Members made presentations, moderated and assisted with the Pit Crew in making sure help was available when needed. What an excellent opportunity for colleagues to gather, visit, brainstorm, and become inspired to bring information back to our states to share with our offices and those with whom we work. We had a little fun outside of meetings, as well!

We carried on the momentum from the MASFAA conference to our own state conference, which was held at the Lake of the Ozarks, November 10 through the 12th. 285 attendees joined us for a Seusstacular three day conference which breaks all kinds of records for the organization! We kicked off our conference, themed "Oh the Places You'll Go...with Creativity, Collaboration, and Innovation," with a motivating keynote speech from Daryl Price, who brought us into the creative world of Dr. Seuss and encouraged us to approach difficulties with creativity, care and compassion. We heard from Tom Babel, Vice President of Regulatory Affairs for DeVry Inc, who shared insight on NASFAA's REA Task Force and Congressional matters as well as Jeff Baker who provided a federal update. Missouri's own Leroy Wade, Deputy Commissioner with the Missouri Department of Higher Education, provided us with an encouraging forecast of state aid.

We were honored to be joined by Amanda Sites, MASFAA representative from West Virginia. Amanda shared information about the 2014 MASFAA Conference which will be held in her home state, and I can tell you, Missouri looks forward to making the trek to attend!

In addition to hearing from Amanda, we honored several influential people with prestigious awards during our conference. Megan DeWitt was honored as the Bob Berger Newcomer Award recipient, an award which recognizes the outstanding contributions of those new to the financial aid profession within the past five years. Megan is the Director of Admissions and Financial Aid at North Central Missouri College, where she has been employed since 2009. Megan serves as an exceptional student advocate on campus and blazes a path for her colleagues to follow. Congratulations, Megan! The Budget and Finance Committee was honored as Committee of the Year for their time and dedication to moving the organization in the right direction and Kelly Fleming was recognized for eight years of service as the organization's Site Chair. Kelly has worked tirelessly to provide the organization with meeting space, has dedicated hours of pouring over contracts and keeping us in line.

Ray Bayer, Executive Director of MOHELA, was honored with the President's Award, which was established in 1996 to give



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Missouri Update — continued

recognition to individuals for their exceptional devotion of time and energy to the organization. Mr. Bayer played a very important role in the success of the Fall 2013 MASFAP Conference, as he visited with the executive board in the summer of 2013 and challenged us to increase our conference attendance, in an effort to provide professional development and training to aid administrators throughout the state. Mr. Bayer followed his challenge with generous financial support which allowed us to offer free conference registration to anyone who's Director of Financial Aid, or similar position, registered, paid, and attended the conference. It was a tremendous gift and we're thrilled we had such an outstanding turnout.

Leroy Wade, Deputy Commissioner with the Missouri Department of Higher Education, was honored as the Missouri Award recipient. The Missouri award recognizes an individual from Missouri who has contributed to the field of financial aid and is considered to be the state's most prestigious award. Mr. Wade has more than 27 years of service at the Missouri Department of Higher Education and has served as Deputy Commissioner since his appointment in July 2013. Previously Mr. Wade served as interim Deputy Commissioner and Assistant Commissioner. But in the eyes of Missouri's seasoned financial aid professionals, Mr. Wade is so much more: he is an authority on state financial aid, the educational pipeline, and Missouri legislative issues. He has always put students first and is willing to assist the organization in many ways, from providing information on state aid to serving as auctioneer for charity benefits. Thank you, and congratulations, Leroy!

The Missouri association is excited for a very busy and training intensive upcoming year under the reigns of President Janice Barnes. President Barnes has laid out 10 training opportunities for our membership over the course of the upcoming year. In addition to that, I will be working to continue our state's growth at the regional level. As Dr. Seuss wrote, "You have brains in your head. You have feet in your shoes. You can steer yourself any direction you choose. You're on your own. And you know what you know. And YOU are the one who'll decide where to go..." We couldn't be more thrilled about the places the Missouri association will go in the upcoming year!

ISFAA UPDATE

Debbie Schumm, University of Saint Francis, ISFAA President-Elect

With the MASFAA conference being held in Indianapolis this year, many of our members were able to attend. Many of our members also chaired or were on committees to help with the planning and running of the conference. Great job to all who were involved!

The State is in the process of revising our state grant programs and our Governmental Relations Committee is working closely with our state grant division to ensure the new legislation is "student friendly" and we can all work within the parameters.

We have been hosting High School Guidance Counselor Workshops throughout the state. These are workshops to explain any changes to the upcoming FAFSA and to give updates on the State Grant Programs. We have had over 500 attendees so far!

Many exciting things are in our future and I look forward to sharing them as they start happening!

IASFAA UPDATE

Jen Sassman, Wartburg College, IASFAA President

There were some exciting things happening in IASFAA this fall. We hosted a Leadership Symposium, orchestrated a Real Life Zone and held our fall conference.

The Leadership Symposium was held at Camp Hantesa in Boone, IA where nine financial aid professionals embarked on a personal and professional journey together. Feedback from the first meeting was very positive. The faculty members have already started planning the second meeting that will happen in February.

Our Community Outreach Committee saw firsthand how a little financial literacy can create financial awareness in students as young as eighth grade. Several students in Ogden, IA simulated a game of "life" coordinated by the Community Outreach Committee and staffed largely by the Leadership Symposium participants and area financial aid professionals. A common theme heard from the eighth graders participating in IASFAA's Real Life Zone was that "Kids are expensive!"

In early November one hundred twenty-six higher education professionals gathered in Dubuque, IA Rollin' Down the River: Keeping Up with Changing Currents. The Program Committee ventured uncharted waters this fall by hosting two pre-conference workshops that encouraged both business office and student employment professionals to join us. The collaboration was phenomenal! The focus of the charity was also uncharacteristic. This year we decided to fundraise for a scholarship that would be granted to a student attending college in Iowa. Conference attendees were very generous at the auction that will lead to a lucky student at the College of Health Sciences in Des Moines, IA becoming the recipient of the first ever scholarship created by IASFAA. Our evening of entertainment was also hugely successful as several conference participants toured the various colleges in Dubuque via trollies filled with trivia between stops. Another highlight of the conference centered around special guests including Jamie Malone, US Department of Education Trainer, Dr. Laurie Wolf, member of NASFAA Reauthorization Task Force and Minnesota President, Meg Calabrese. It was evident, too, that the Awards Committee had been busy. They recognized Aundrea Watkins from the University of Iowa with the Student Success Story. She is a fabulous young lady beaming with eagerness to touch young lives as an elementary school teacher. Chad Olson was honored with the Meritorious Service Award as well as Mary Jacobsen with the John Parker Distinguished Service Award and Kristi Fuller with the John Heisner Lifetime Achievement Award. We are fortunate in Iowa to have such dedicated professionals.



Aundrea Watkins from the University of Iowa with the Student Success Story

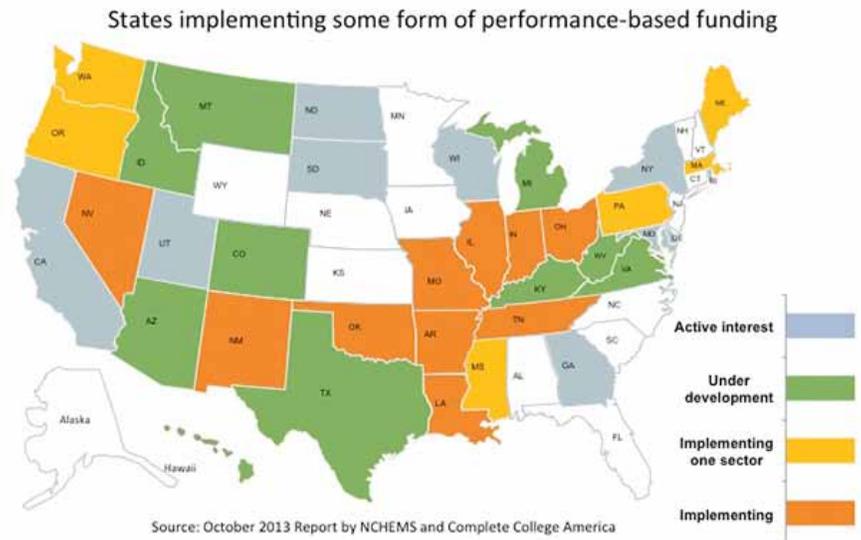
PERFORMANCE-BASE RANKINGS TO AFFECT HIGHER ED PLANNING: HOW ANALYTICS CAN HELP SCHOOLS PREPARE FOR STUDENT SUCCESS

Ted Lannan, Inceptia Director of Market Research

This month the Department of Education will conduct public forums on college campuses across the country to discuss a possible federal college rating system that will determine student aid awards.

Many states today have already reconsidered the enrollment-based funding model and instead are allocating money to colleges and universities based on the number of students who complete courses and degrees.

According to a report released last month by the National Center for Higher Education Management Systems (NCHEMS) and Complete College America, 16 states have a funding formula in place—that's four additional states since February 2013.



The funding formulas are based on performance indicators like course completion, time to degree, transfer rates, the number of degrees awarded, or the number of low-income and minority graduates. This illustration [see map] shows states that are already transitioning to some type of performance funding or are considering it.

Ten additional states are transitioning to some type of performance funding and more states have started the process with formal hearings held at the Legislature or meetings conducted by governing boards.

Based on these changes, higher education institutions must focus on student success and retention to generate an acceptable rate of return and maintain financial viability.

The starting point is analytics. My favorite business quote from Peter Drucker is: "What gets measured gets managed." Instinct will only go so far; schools will need to quantify the size of the problem to convince others to take action.

Today, higher education institutions are collecting more data than ever before. However, much of the data is being used to satisfy credentialing or reporting requirements rather than to address strategic planning questions. Much of the data collected are not used at all. The problem is not the amount of data, but the challenge of integrating it, and the time and expertise to analyze it.

That's where professional analysis can help. Analytics:

- provides evaluation of data to determine patterns unique to each school
- helps mine and integrate vast amounts of information not normally connected
- offers a predictive view of upcoming challenges
- makes available a means to efficiently use available resources

Data should be used to identify the variables in student success. It's not just about recording the data, but rather using the data to tell a story—a story that identifies trends and develops new ideas to help students be more successful at your institution.

At a time when our government will require more justification when credentialing and ranking an institution, the objective must be to use data analysis to promote retention, improve graduation rates and enhance loan repayment.

DEBT RATIO CALCULATORS CAN HELP STUDENTS MAKE MORE INFORMED BORROWING DECISIONS

Chansone Durden, TG Account Executive Team Manager

How much should a student borrow to finance a degree? While college graduates typically earn more than high school graduates, not all college graduates earn the same. Students often want to pursue their “dream job,” and may struggle with finding the right balance between following their hearts into lesser paying careers on the one hand and building a stable financial future on the other.

For counselors and other student-services professionals, it may be easier to show, rather than explain, how a student’s college major may affect his or her ability to repay student loans. Thankfully, reliable resources are emerging that counselors can use to help give students a clearer picture of their income and repayment prospects, given particular schools and majors. In particular, several states and organizations have produced online debt and income calculators that students can “play around with” to get an idea of various debt and income levels after graduation. Here are a few of these tools along with a description of their particular features.

College Reality Check

Provided by the Chronicle of Higher Education, College Reality Check (www.CollegeRealityCheck.com) allows students to compare up to five public or private colleges. Once a user has chosen their selected schools, the tool provides information on average net price, graduation rate, debt levels, and earnings for each institution. The interface is clean and user friendly, with schools compared side by side in each of the above categories. The results page provides easy-to-understand explanations for terms such as “net price” and “repayment,” with links to more extensive definitions. Students can also input family income level to have the calculator indicate what may be an affordable net price for the family.

The College Reality Check tool also provides a “Find Colleges” feature, allowing students to search for schools by type of degree, selectivity, size, location, net price, and graduation rate.

Economic Success Measures

Produced by CollegeMeasures.org, Economic Success Measures (www.CollegeMeasures.org/ESM) is an initiative aimed at helping state agencies provide students with information about the income and debt levels of graduates in the state. The initiative provides calculators for five states so far — Arkansas, Colorado, Tennessee, Texas, and Virginia — with more on the way. Once they’ve selected a state, students can choose a school or an area of study. Choosing a school will provide students with information on that school’s type, location, and Carnegie Classification. A chart also displays average first-year earnings for the three most popular programs and compares them to the statewide average for those programs. Finally, students can also click to expand a chart displaying information for each “disclosable” program at the school, including average first-year earnings, percentage of above-average earners, the five-year trend for the program (up or down), the number of completers, and the percentage of completers with wage data available. The tool links to explanations of the disclosure requirements and the state’s particular data-gathering methodology at the bottom of the page.

Major Choices

Provided by TG and housed on the public-service Adventures In Education (AIE™) website, Major Choices gives students an idea of how pursuing particular majors at particular schools in Texas may impact their bottom line after graduation. The tool allows students to compare the same major at different schools or different majors at the same school. The tool also provides information on median first-year earnings and loan debt levels for graduates in particular majors at particular schools, as well as the percentage of monthly income that would go to repaying student loans. This ratio can help students estimate the amount of their first year earnings that will go toward student loan payments.

The calculator employs a clear, student-friendly interface, and can be viewed from desktops and many types of mobile devices, including mobile phones, tablets, and personal computers; provides pop-up help in understanding postsecondary education terminology; and includes links to essential information specific to a student’s needs, including:

- Scholarship searches tailored to a chosen major
- Institutional net price calculators
- Money management tips and student loan repayment options

Debt ratio calculators: A tool students need

All of these calculators are state specific. If you live in one of those states, hopefully your students will find the calculator to be a useful resource. If your state doesn’t yet have such a tool, hopefully these tools will point the way for other states to produce their own versions soon.

COHORT DEFAULT RATES: THE THIRD YEAR OF THE THREE-YEARS

Chansone Durden, TG Account Executive Team Manager

We are in the midst of one of the most notable transitions in federal student aid history: the conversion to the 3-year cohort default rate (CDR). Toward the end of this federal fiscal year, the Department of Education (ED) will issue the third 3-year CDR. As of September 2013, the 2-year CDR is no more; starting in September 2014, the 3-year CDR will be the only game in town.

What's the big deal? Now we'll just have a longer time frame for tracking the borrowers who default on their student loans after leaving school.

Except that it is a big deal. The third year of the 3-year CDR is also the first year that schools will be subject to sanctions based on these longer measures. And whereas ED estimates that only 8 schools may be penalized for 2-year CDRs based on the latest rates issued for FY 2011,¹ it looks like a significantly larger number of schools may be subject to sanctions based on 3-year rates.

While we won't know exactly how many schools will be caught up in the first wave of penalties until September 2014, let's look at some relative data. For FY 2009, 255 schools exceeded either the 30% or 40% threshold for sanctions associated with the 3-year CDR.² And for FY 2010, 221 schools are above these thresholds.³ How many schools will be on this list in this third year of the three-years?

Taking a proactive approach

Even if your school isn't in immediate jeopardy, perhaps you're examining your institutional CDR trends and aren't happy with what you see. Or maybe you want to provide a forward-thinking, comprehensive service to your student borrowers, so that they start repayment strong and your school's CDRs stay in the clear.

Whether you recruit from within, hire from without, or enlist a third party to provide this service, make sure that your goals are well defined. It's also important that you can track, measure, and improve your outcomes. Need a resource to get started? TG has published the white paper *Taming the Default Rate Beast* (<http://www.tgslc.org/pdf/Taming-default-rate-beast.pdf>), which offers key strategies schools can implement to help reduce CDRs and better prepare students for responsible loan repayment. It can serve as a guide to help your school make key decisions as we complete the transition to the 3-year CDR.

¹ Per <http://www.ifap.ed.gov/eannouncements/attachments/2013OfficialFY112YRCDRBriefing.pdf>.

² A school is subject to sanctions if it has three consecutive years of official 3-year CDRs of 30% or higher, or if it has a single official 3-year CDR higher than 40%. Information on schools exceeding these thresholds retrieved from <http://www.ed.gov/news/press-releases/first-official-three-year-student-loan-default-rates-published>.

³ Per <http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>.

Smart Banking Can Help Your Students Achieve Financial Success

John Brown, Midwest Regional Marketing Director, Great Lakes Educational Loan Services, Inc.

Often, students are in a position where they need to select a financial institution in which they can manage their everyday finances. With so many options, it can be hard for them to decide on a financial institution that actually fits their needs; it's often easier to get set up with the most readily available institution that might not always be the best option. The following are some tips you can offer students on how to assess their own finances in order to choose the right financial institution for their needs.

Do Research

- **Know Personal Finances**
One of the most important things to maintaining healthy finances is to know personal finances inside and out. It sounds simple, but there are a lot of intricacies to finances and knowing current state as well as future planning can help in making the best decisions along the way.
- **Know Expectations of a Financial Institution**
What's needed? A simple checking account or an account that involves much more opportunities (e.g., investing)? Financial institutions offer many services, so it's important to know exactly what is needed now - and in the future - to take full advantage of each.
- **Ask Questions**
One of the worst things students can do is pick the first financial institution they come across. It's important to choose an institution that can do everything they want it to, at the least cost. The easiest way to know that is by talking to someone at the institution to ensure all questions are answered.
- **Beware of Fees**
Be aware of institutions' fees. Many financial institutions have fees that aren't always immediately obvious. For example, many banks charge customers fees for using other companies' ATMs, which is a fairly obvious fee. But they might also charge a fee for accepting the fee to use the other company's ATM, ultimately charging two fees on one transaction. It's important to always take the time to read the fine print of any agreement.

Select a Financial Institution

While a standard bank might be the right choice for some, they are not the only financial institutions available. Credit unions offer most banking-type services, as well. They're usually nonprofit, member-owned organizations whose members have a vested interest in the company. This means they're often able to offer higher interest rates for customers' applicable accounts than banks can offer. However, it may be less convenient to find an ATM if you bank through a credit union versus at a well-known bank. Regardless of the institution, first consider every service they offer - or don't offer.

Financial Management Tips

Managing Finances

Selecting a financial institution is just one step toward achieving healthy finances; there are additional steps to help manage finances. Whether by hand or online, keeping track of all transactions is important. Budgets are a great way to manage money while also keeping a close eye on general spending. Some people prefer to balance a checkbook or to do all maintenance online if their financial institution has an online banking system. Controlling all banking online is very convenient, especially via a mobile device if the financial institution has a mobile app and banking can be done anywhere and at any time.

Saving Money

Most financial institutions offer some sort of saving system, whether it's a savings account with regular contributions or something like a certificate of deposit (CD), which is a longer-term investment. Budgeting is another great way to plan for saving money as it allows for planning it into regular monthly finances. It's usually recommended to set aside around 10 percent of monthly income for savings, if possible.

Financial Safety

Whether tracking all finances manually or online, it's always important to keep personal financial information safe. Financial institutions generally have many different types of security in place, but each person is their own best protection. It's always a good idea to shred paper documents that are no longer needed, keep records of those that are needed in a safe location, and change online passwords often, ensuring they're as secure as possible.