

Volume 4, Issue 1  
Spring/Summer 2002

# The NYSFAAA Connection

*New York State Financial Aid Administrators Association*

**Web Letter Editor:**

**Laura Worley**

Citibank - The Student Loan Corporation

**Web Master and Publisher:**

**Vince Scalise**

College Loan Corporation

## The Why, Who and What of the NYSFAAA Lender Focus Group

*Cathy Bellomo, Wells College & NYSFAAA President*

In June 2001, the NYSFAAA Executive Council voted, after a lengthy and lively, discussion to form the NYSFAAA Lender Focus Group. During my term as NYSFAAA treasurer, I was approached by many lenders to see if NYSFAAA would be interested in allowing lenders to write one check for all NYSFAAA activities during a specific year. As we all know, there are many activities that each region sponsors throughout the year i.e. school counselor workshops, CAAN financial aid nights, and support staff workshops. Our generous lenders had to write eight checks to each region for the same event. They simply wished to simplify the process by writing one check for all of these events.

It was discussed at this meeting how many of our statewide chairs and regional chairs spend a good deal of time contacting these lenders for sponsorship of these events. As our jobs in our institutions become more demanding, the time of our volunteers becomes crucial. It was believed that the time spent by our statewide chairs and regional chairs would be better served in program development than in fundraising activities.

Also, we had as an organization no idea what it actually cost to sponsor these programs across the state since fundraising activities were held on the regional level and the only request Executive Council received was if a region was unable to raise the necessary funds for their event. The Executive Council felt that we could not appropriately assess these programs without knowing crucial information such as "cost" of the program. There were also the legal matters to be considered. NYSFAAA is a nonprofit professional organization meaning we are classified with the IRS as a 501(C) (3). Our auditor pointed out to us that there were rules and regulations involving the collecting of sponsorship funds. We had no way of knowing if they were being executed at the regional levels.

Thus, it was agreed that we would seek sponsorship support from lenders for only NYSFAAA statewide programs. We recognize that each region of NYSFAAA is unique and that ultimately this is one of our greatest assets. Lenders were notified that the request for sponsorship did not involve regional activities that were not part of NYSFAAA's statewide programs i.e. meetings, summer outings, and training programs desired by a particular region.

Mike McGraw, NYSFAAA's Treasurer contacted lenders throughout the state asking them to attend a lender focus group meeting to work out the details of undertaking such a project. Lenders arrived to this meeting with examples of how other state organizations raise sponsorship funds. (Continued on page 3)

### Inside this issue

Meet the Membership	2
Training Announcement - NEASEA	2
The Why, Who and What of the NYSFAAA Lender Focus Group (Cover story continued)	3
Members on the Move	3
HESC Update for June 2002	4
A Pat on the Back	5
Career Aspirations Affect Ability to Repay Loans	6
Region I & II Long Range Plan Suggestions for NYSFAAA	6
Novice Training Update EASFAA Federal Relations Update	7
NYSFAAA Election Results	7
Tales from the Big City	8
Increasing Access by Reducing Loan Fees	9
Student Loan Interest Rates Plunge	10
News from NASFAA	11
Conference 2002 Update	12
NYSFAAA History	12

**If you would like to contribute to "The NYSFAAA Connection", contact Laura Worley, Citibank - The Student Loan Corporation at [laura.m.worley@citicorp.com](mailto:laura.m.worley@citicorp.com)**

## Meet the Membership: Kerrie Cooper, SUNY Canton

Kerrie Cooper has been in financial aid for 21 years, the first six years were as a non-professional and college work-study student. She served as Assistant Director of Financial Aid at Monroe Community College in Rochester for five years and has been the Director of Financial Aid for the past ten years at SUNY Canton. She has recently been elected as NYSFAAA's Vice President of Membership and will take office at the fall conference in Buffalo.

Kerrie has been married to Tony, a high school science teacher, for fourteen years. They live in Madrid, New York about ten miles from the Canadian border – truly the North Country! They bought and live on a farm that has been in her family since 1857. Their only “child” is a psycho-neurotic cat named Josie.



Kerrie is a New York State certified EMT with the Madrid Rescue Squad. Her hobbies are traveling and camping. Her most interesting recent trip was to Prince Edward Island and Nova Scotia. This summer she is co-chairing the town of Madrid's Bicentennial Committee.

Kerrie has been very active in both NYSFAAA and SUNYFAP. She has served on NYSFAAA's Executive Council for the past three years and SUNYFAP's Executive Council for six years. She has been very active in NYSFAAA region 8 activities. She chaired the 1999 NYSFAAA Conference in Lake Placid – and she swears she had nothing to do with the lights going out!! She has participated in Novice training for six years. She has also been involved in Support Staff Workshops and FAAM/CAAN which she has co-chaired for the last three years.

Kerrie has been recognized for her volunteer efforts. She received the NYSFAAA Region 8 Service Award in 1999 and the Madrid Rescue Chief's Award in 2001. I am sure there is more recognition to come.

Everyone who knows Kerrie has come to count on her constant smile and laughter. She is always willing to help out where needed and always seems to find the time to get things done. If you don't know Kerrie, next time you see her, introduce yourself. One of Kerrie's fondest memories was meeting Mike Eruzione, the captain of the 1980 Olympic Gold Medal US Hockey team, at the 1999 NYSFAAA Conference in Lake Placid where he was a guest speaker at the conference.

---

## Training Announcement: NEASEA

The Northeast Association of Student Employment Administrators (NEASEA) is sponsoring Student Employment Essentials Training: The Foundation for Effective Student Employment Programs on August 2<sup>nd</sup> and 3<sup>rd</sup> at the Hyatt Regency Hotel, Buffalo, New York.

The **Student Employment Essentials** consists of two one-day, professional seminars that teach the skills critical to the success of every college student employment professional as well as to the university's student employment program. These “hands on” workshops immerse participants in all aspects of running a successful student employment office and provide a framework to sharpen existing skills and acquire new ones. Included is an extensive training manual with federal publications and examples and resources from universities around the nation. Each session can stand alone, so you need not attend one before attending the other.

This training is for college student employment administrators, financial aid advisors, human resource coordinators, career counselors, student affairs professionals, business and agency representatives, and anyone interested in college student employment issues. Cost = \$99 per day for NEASEA members; \$119 per day for non-members. **Space is limited so register early.** For more information and/or a registration form, contact Laura Till, NEASEA Vice-President for Professional Development at (781) 283-2350 or ltill@wellesley.edu.

*NEASEA is a nonprofit association of professionals involved with programs for students who work while attending college.*

---

## The Why, Who and What of the NYSFAAA Lender Focus Group

*by Cathy Bellomo, Wells College & NYSFAAA President (cover story continued)*

Many state organizations have a "menu" where lenders can choose the various programs they wish to sponsor throughout the year. We decided at this meeting to adopt this method that has worked so successfully in neighboring state associations. For the 2001-2002 fiscal year, we asked lenders to sponsor: the CAAN Wrapper, WEB advertising, CAAN statewide activities held throughout the regions, CAAN wall chart, Directory advertising, school counselor workshops held throughout the state, and statewide training activities. For the 2002-2003 fiscal year we have added the Scholarship as a menu item. Our future goals are to work with the Region V conference committee to see if sponsorship for the conference could be included in this mailing.

We are asking everyone to be patient as we refine this process. We realize that communication with our regions is important to ensure our success in this undertaking. If you have any questions or doubts, we encourage you to speak to your Executive Council representative. We are very excited about the upcoming year, Mike McGraw will be chairing the Development Committee and lenders will be asked to rotate in as active participants of this committee. Executive Council has learned a lot since we started this project in June 2001. Did you know we barely collect in membership dues what it costs to sponsor just CAAN and School Counselor Workshops throughout the state? The success of NYSFAAA truly is dependent upon the dedication of its members and the generosity of our lending community.

---

## NYSFAAA Members on the Move *Submitted by the Membership*



NYSFAAA would like to welcome Debra Schooley, a new Financial Aid Counselor at Finger Lakes Community College. Debra comes to New York from Villa Julie in Maryland.

Jennifer Thomas, Assistant Director of Financial Aid at SUNY Canton gave birth to a baby boy, John Jake on March 15, 2002. Congratulations!

Abbey Linsner (formerly of EFS Services) is a new Regional Account Executive with Nellie Mae. Abbey will be covering Regions 1, 2, 3, and 8.

Shannon Sheaff is a new Regional Account Executive for Nellie Mae, she will be covering Regions 6 and 7.

Andy Leardini will be the new Client Relationship Manager with M&T Bank. Andy will cover the western New York area.

Welcome to NYSFAAA! Jeannie Russo, Director of Financial Aid for Leon Studio One School of Hair Design in Buffalo, NY.

First Niagara Bank announces the addition of Stephanie Mosher to handle servicing of Stafford Loans and Jodi McHenry to handle PLUS loan servicing.

Ingrid Stinebrickner-Capron was promoted to Manager of Marketing Communications for Fleet Education Lending.

Kristen Carey (formerly with Key Bank) has joined Fleet Bank as their Marketing Manager for Regions 3, 4, 5 and 8.

Jason Cook has joined Citibank, The Student Loan Corporation as Account Manager to cover NYC, Westchester, and New Jersey.

Tor Shekerjan (formerly of Albany Medical College) has joined College Loan Corporation's Business Development Team.

Jason Kahn (formerly of ASA) has joined College Loan Corporation's Business Development Team in MA.

---

## HESC Update June 2002

### State Budget Update

**The 2002-03 State Budget, as agreed to by the Governor and Legislature, includes the following:**

1. Continuation of present law provisions of the Tuition Assistance Program (TAP). (Current law provides for the phase in of the \$5,000 maximum TAP award for an additional undergraduate class of first-time recipients, and increases the minimum undergraduate TAP award to \$500.
2. Continuation of \$14.6 million in funding for the Aid for Part-time Study Program (APTS), and \$14 million for Scholarships for Academic Excellence. Other scholarships administered by HESC continue to be funded unchanged from the prior year.
3. Establishment of a Volunteer Recruitment Service Scholarship, which will provide a tuition benefit up to the annual tuition charged by the State University of New York (\$3,400) to selected volunteer firefighters and ambulance workers. More details concerning the program will follow.
4. An amendment to statute which provides "that up to 30 percent of payments for payment terms made for the enrollment period beginning on or after January 1 may be paid in the following academic year, but no later than August 1." This provision will not affect summer or fall payments or payments for winter terms which begin prior to January 1, 2003. The method used for withholding payments will be confined to the accounting system; there will be no change to student awards. HESC will provide more details on the payment and accounting system changes which will be used to implement the statute.

### Grants and Scholarships

#### **2000-01 Close Out**

The last of the 2000-01 Payment Rosters have been processed. Any information needed from these Rosters need to be requested from Regina Helinski by fax (518) 486-7679, or by telephone at (518) 473-3762.

#### **2002-03 Update**

HESC has run IVP prior to issuing TAP award certificates. IVP was run the last week in May. Summer payment rosters and 2002-03 Student Status Listings were produced and are available. Award certificates will be printed and mailed during the first two weeks of June.

### Loans Update

#### Upgrades to e-MPN Process

At the request of the financial aid community, HESC has modified some features of the e-MPN:

- A "Complete e-MPN" selection has been posted to the homepage.
- A list of items needed to complete the e-MPN (i.e., references) has been prominently displayed.
- Detailed explanations of the eight-step process have been added.

### Electronic Services

#### **Additional e-Training Announced**

HESC is once again offering "E-Training at HESC" sessions. These training sessions for college administrators will be offered at HESC in Albany on June 12, July 10, July 31, and August 14. You can register and view the agenda at <http://www.hesc.com/Training/agenda.html>.

---

---

## **A Pat on the Back** *By Dan Brent, Citibank*

My youngest daughter graduates from college this year. As you can understand – I know you deal with this phenomenon all the time – this represents the triumphant end of a long and sometimes difficult journey.

I probably am in a better position than most parents to appreciate what kinds of efforts and talents go into making such an event possible. I work with people from Financial Aid offices doing various skills workshops. Often they are joined by other sister offices: bursar, admissions, records, housing, safety, etc. So I can appreciate that this is not simply a special day for our daughter and our family. It is also a special day for many people who opened doors and smoothed the way – for her and us!

Colleges are far more than professors and deans and classrooms. Without the consistent support of the people I meet on campuses, the “academic” part wouldn’t be possible – or necessary. I’m grateful to the many talented professors who provided my daughter with what I think has been a wonderful education. But also, more than most, I am grateful to the vast supporting staff that made it all work out!

In my work I look for occasions to point out to my “customers” how special their jobs are. Between the students and their dreams about “what they want to be when they grow up” are the skills, information, and credentials that the college can provide. But all of that is impossible without the persistent support that you provide to the students and the institution. So take a bow: my daughter is graduating! And so are a lot of other sons and daughters.

There is considerable research on work-related motivation. What moves people to show up at work and do a good job? The research has concluded that pay and benefits are not motivators. Of course pay and benefits are important to each of us, but not as motivators. If I feel I am being exploited by my employer, I will continue to work just as hard and effectively. But I’ll be looking for another job. On the other side, a raise is a nice way for my boss to tell me I’m valued. But my work will not look different the day after my raise from what it was the day before. Pay and benefits are low-wattage motivators at best.

What the research found was that work motivation comes from two other components that go together. The first is meaningful work: I’m persuaded that what I do is important. The second component complements the first: my work is appreciated. The most effective motivation is meaningful work – that’s appreciated.

So your work is meaningful – savor all the students who, like my daughter, have graduated or at least made some progress toward their academic goals. Without you and your colleagues, this would not have been possible.

The appreciation part of the motivation formula is trickier. I’m telling you that I’m grateful. And, as I said earlier, I know better than most how much goes into this on your side. Sometimes – it’s all too rare – a student or a parent will also say how grateful he or she is for your support. But don’t hold your breath for that to happen!

Bosses are responsible for telling you how appreciated you are. (If you’re a boss, hey! Go for it!) The problem is that bosses get preoccupied with crises and lots of work of their own. My suggestion: you look for opportunities to compliment your colleagues. You can see and appreciate their work better than anyone else around. Just make a point of telling them how good they are. Here is the formula I campaign for. Tell them what you saw or heard them do; and tell them how or why you liked it. The specifics are what make it credible. “You do nice work around here” doesn’t get the job done.

But aren’t these nice? “You were very patient with that angry student; it made us really look professional.” “You went out of your way to be helpful to that lady from admissions; she appreciated that.” “You resisted the temptation to scold that student for missing the deadline; I’m sure he was grateful.”

The work you all do has a special dignity. Now my suggestion is that you add the “recognition” dimension for each other! Here’s my contribution: “You helped make it possible for my daughter to get a college education; I owe some of my pride to you all.”

*Dan Brent is a Professional Development Officer with Citibank. He regularly offers workshops for Financial Aid Office staff and management people.*

### **Announcement:**

***NYSFAAA Membership Applications for 2002-2003 will be mailed in mid-June. Our Membership year runs July 1 - June 30. Watch your mail box and please be sure to submit your dues and form early!***

## Career Aspirations Affect Ability to Repay Loans *By Mark Krings, National Student Loan Program*

You've probably read research that shows that borrowers who are unemployed, or in low-income jobs, are more likely to default. There appears to be a correlation between a student's career choice, borrowing habits, and loan repayment. Students who borrow may especially need career guidance.

How can you help students understand the impact of their career choice on their ability to repay student loans?

- Help them evaluate how much they should borrow based on how much they will earn after school. Find typical starting salaries by contacting businesses in your community, checking with the campus career office, or by going to the Bureau of Labor Statistics' website at <http://stats.bls.gov/oco/home.htm> to find the *Occupational Outlook Handbook*.
- Remind students that there are flexible repayment plans and that repayment can be based on their income.

Give them examples based on borrowing averages at your school.

- Counsel students not to over borrow. Be prepared to use your professional judgment when evaluating the amounts students borrow. Schools have the authority to deny or reduce loans based on individual circumstances.

*"...There appears to be a correlation between a student's career choice, borrowing habits, and loan repayment."*

This default prevention tip was provided by the University of California, Berkeley during the Department of Education's Student Loan Repayment Symposium. You can read more strategies for preventing defaults in ED's *Ensuring Student Loan Repayment* on the web at <http://www.nslp.org/opsalert/pdfs/pos011901a.pdf>.

For more information about default and delinquency prevention, contact Connie Kent, NSLP's Debt Management Director, at 800-735-8778, ext. 6651 or e-mail [conniek@nslp.org](mailto:conniek@nslp.org). Watch NSLP's *Newsbriefs* online at [www.nslp.org/newsbref.htm](http://www.nslp.org/newsbref.htm) for more default prevention tips and tricks. You can sign up for *Newsbriefs* at [www.nslp.org/connect.htm](http://www.nslp.org/connect.htm).

## Region I & II Suggestions on NYSFAAA's Long Range Plan

By Lea Nicholson, Canisius College & Susan Romano, SUNY Geneseo, Chairpersons NYSFAAA Region 1 & 2

In March, regions I and II joined together for the monthly meeting. We were fortunate to have Cathy Bellomo present the Long Range Plan that was developed by John View and Bill Cheetham. Inspired by her lecture, the regions conducted a brainstorming session to think of ways to promote these ideals within our regions. Below are some suggestions.

- **Encourage Directors to support NYSFAAA.**  
Director should support and encourage professional and support staff to get involved. This includes not only becoming a member, but also going to Novice Training, workshops, participating on committees, and attending meetings. Communication from the top down is key.
- **Target new financial aid members or those that do not attend monthly meetings.**  
Regions could target members of the financial aid community who do not attend meetings, or those who do attend but are not involved with committee work. It's everyone's job to encourage participation. Do not let anyone feel left out.
- **Encourage volunteerism.**  
The group recognized intimidation as a factor driving

reluctance to volunteer. Aggressively seeking out new volunteers to partner with long-standing members of committees may empower the membership. A volunteer drive may be a source to identify interested parties.

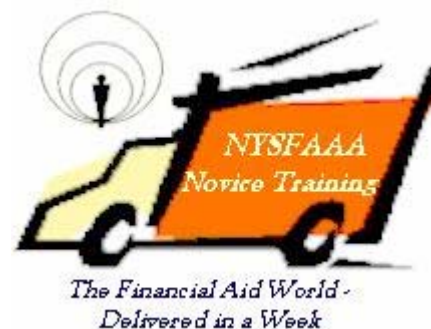
- **Get Bursars and HEOP Directors involved with NYSFAAA.**  
Communication with these areas of colleges will foster knowledge and understanding on the campus. Informative literature may help in this recruitment pursuit.
- **Communicate with those outside our campuses.**  
A NYSFAAA spokesperson should be established for each region to handle any issues that should arise for the media. This allows the NYSFAAA perspective to be seen by the public.
- **Communicate accomplishments.**  
It is important to tout the accomplishments of the region and accomplishments statewide. Enough praise cannot be given to the many volunteers that make the organization thrive.

## **Novice Training Update** *By Lisa Simpson, RPI*

Novice 2002 Training Workshop began on Saturday, June 8 and runs through Friday, June 14 at Oswego State University.

The workshop is designed for financial aid personnel with less than one year of experience, admissions, and enrollment management personnel, as well as other who would like to gain a complete, comprehensive understanding of financial aid administration.

This year there are 91 registered participants. Throughout the week check the NYSFAAA web site for updated *Post Cards from Oswego* to see what's happening with your colleagues. As is the case each year in Oswego, we all work hard, play hard and the sunsets are beautiful!



## **NYSFAAA Web Site Update** *By Vince Scalise, College Loan Corporation*

**W W W . N Y S F A A A . O R G**

The NYSFAAA Web Site continues to evolve into an important tool for NYSFAAA Members and the communities we serve. Most noticeable is that the site has taken on a new look to reflect NYSFAAA's patriotism and American pride. Jennifer Hales (Key Bank) has been assisting by updating the Regional News section of the site with upcoming meeting announcements. In the near future, Cindy Houlihan (Educaid) will be assisting as well.

Visitors to the site have been steadily increasing over the past year. Currently, we receive approximately 20,000 hits to the site each month. This is up from only 5000 hits/month last year.

The Financial Aid Advisors Resource Center is the most frequently visited at this time, followed by the Student and Family Resource Center. The NYSFAAA On-Line Directory is the most heavily utilized area of the site at this time. Soon, a printable version of the directory will be available. This will allow members to keep their contact information up-to-date on a quarterly basis and provide the benefit of being portable.

Other improvements planned for the coming year include:

- Scrolling banner ads for our sponsors with hyperlinks to their sites.
- Searchable database for students and families listing workshops being held during our annual CAAN promotion
- An on-line voting system for NYSFAAA Elections is being researched.
- Press and Media pages will be added as we increase our involvement in communities around the state.

If you have suggestions of updates and improvements you would like to see made to our web site, please e-mail them to Vince Scalise, NYSFAAA Web Master at: [nysfaaa@nysfaaa.org](mailto:nysfaaa@nysfaaa.org).

## **Congratulations to our NYSFAAA Officer Election Winners for 2002!**

VP of Membership - Kerrie Cooper, SUNY Canton

VP of Training - Mike Pede, Upstate Medical University - SUNY

Treasurer - Mike McGraw, Tompkins/Cortland Community College

Secretary - Evelyn DeStio, Learning Institute for Beauty Science

Special thanks to Karen Price Scott of the Pratt Institute and Margaret Loops from Buffalo State College for running in the election. And thanks to all the members who took the time to vote.

## Tales From the Big City: May 30, 2002 by William Mack, CUNY

I have attended hundreds and have marched in dozens of parades. This all started when I was a small child. Van Etten had an annual fireman's field days and associated fireman's parade. My mother wanted our family to participate. My father built a float out of plywood and doweling. On the each side of this "float" were the words "Mack's 1/2 Ring Circus" and "Lion Cage". The plan was that the family dog would pull this lion cage, which fit on the traditional "little red wagon". In the lion cage would sit the family cat. My sister and I would be dressed as circus clowns. On the back of the float dad had painted "Would you believe a cat cage?" It was cute.

There turned out to be a couple of small problems with the plan. First, nobody asked the cat what she thought of the idea. The spacing of the doweling bars of the cage was not narrow enough to keep the cat inside the cage. We did not realize before the parade that the cat had no skeleton. Second, nobody consulted with the dog regarding the plan. "Daisy" was part Alaskan Husky. However, it appears we did not get the part of the Husky that pulls little red wagons down the street. The new plan...the seven-year old boy pulls the wagon. The other family dog, "Doren" takes the place of the cat in the cage. The 11-year-old girl hides in her room. Dad changes the message on

the back of the float to read "Would you believe a dog cage", with cat having been crossed out.

I have pictures. No, you can't see them. Thus began my fascination with parades. I'm in the right city to be a fan of parades. I suspect

*"Today we had a different type of parade. Actually, it was a procession. Today they brought the last piece of structural steel out of the pit we call the World Trade Center."*

you have heard of the Macy's Thanksgiving Day Parade and the New York City St. Patrick's Day Parade. What you likely have not heard much about are some of the other parades. For example, the Puerto Rico Day parade, the Salute to Israel Parade, the Turkish American Day Parade, the March for Children's Rights, The Rites of Spring: Procession to Save our Gardens parade and the Scottish Day Parade, featuring the largest assembly of pipers and drummers in the world, 10,000. Just about every weekend in the Spring, Summer and Fall there is a parade in Manhattan. I enjoy them all. One weekend I was in Manhattan with a visiting friend and stumbled across the Sikhs (India) parade. I sat and watched for awhile, having a grand time, until my friend reminded me that

she hadn't traveled to the Big City to see the city's cab drivers stage a parade. Each parade brings something different to the Big City in terms of culture. However, they all share one central theme that holds them together. Screwing up traffic. Getting around the Big City on a weekday can be challenging. However if you know your bus and subway routes, and you know that even numbered streets go east and odd numbered streets go west, you should be ok. On the weekend though, it is different. You can never be sure which street will be shutdown and when. For example a couple of Saturdays ago Ninth Avenue was shut down from 37<sup>th</sup> street to 57<sup>th</sup> street. This was for a street festival. I don't know what they were celebrating, but I do know that my usual access to the Lincoln Tunnel had an Italian Sausage stand where I wanted my car to be.

All of this comes to mind because today is May 30, 2002. Today we had a different type of parade. Actually, it was a procession. Today they brought the last piece of structural steel out of the pit we call the World Trade Center. Most of the parades I have attended or participated in celebrated or commemorated something that was important to someone. This procession was about everyone. Everyone who marched in the procession deserved a parade. The procession had firefighters, police officers,



EMTs, construction workers, Red Cross volunteers, search and rescue dogs, the Salvation Army, the United States Army and in the rear, politicians, including America's mayor, Rudy.

It would have been easy for someone to use today's ceremony to make a point. To have a well-written speech that would have summed up how we feel, or how we should feel, about this past year. Thankfully, nobody tried. They rang a bell. They played Taps. We all saluted. The NYC Police Department helicopters flew over in formation. A bagpipe band played "God Bless America". I have never been more moved by a parade than I was today.

***Bill Mack currently lives in NYC and works for CUNY Central. He has been transplanted here from Rochester, NY***



9/11/2001

We Unite. We Embrace. We Remember.

## Increasing Access by Reducing Loan Fees: *by Kathleen Gibbons, Nellie Mae*

### **The Problem of Access**

Reauthorization is looming once again, and policies surrounding academic standards, accountability and access are shaping up as major discussion issues. The topic of financial access—or, more accurately, the growing lack of access—to higher education was the focus of several presentations at a recent American Student Assistance (ASA) symposium held in Massachusetts.

Many policy analysts, including Brian Fitzgerald, staff director for the Advisory Committee on Student Financial Assistance who presented at the symposium, believe the crux of the access issue is Pell Grant funding. According to Fitzgerald, inadequate grant funding coupled with increased levels of unmet need, are creating a “core financing problem” in higher education today. Because Pell Grants are targeted to help low-income students pay for college, many of whom are also minority students, lack of Pell funding directly impacts access to higher education for this distinct population.

This is a problem not only from an ethical standpoint, but also because the number of low-income and minority students is on the rise. According to Fitzgerald, by 2015, of the 5 million new college-aged students in this country, 80 percent will represent minority groups and 50 percent will come from low-

income families.

The financial aid community is not the only group concerned about lack of higher education access for this growing population of students. In a recent report called “Investing in People,” the Business-Higher Education Forum called for several measures, including increased Pell Grant funding, to help ensure diversity on campuses and in the workplace. “We are convinced that racial and ethnic diversity is absolutely necessary to excellence in education...to economic competitiveness, to success in the workplace, and to the very vitality of our democracy.”

### **Is Increased Funding Alone the Only Solution?**

Most members of the financial aid community (including students) agree that increased federal grant funding for higher education is imperative, particularly for low-income and minority students. The \$250 boost to a maximum \$4,000 annual Pell Grant in 2002-03 is welcome, but will hardly make a dent in what could be a record year for tuition hikes, especially at public institutions. Looking further down the budget road, the picture for financial aid isn't very rosy.

Other policy consultants believe that early academic preparation through programs like GEAR UP is what's needed to help underprivileged students get into and through college. Despite some debate over

which approach is better for improving access—early intervention or Pell Grants—most members of the aid community support increased funding for both. Unfortunately, both types of programs also face a similar battle for part of the shrinking federal budget earmarked for education.

### **Changing the Spin on Student Loans**

Even with increased federal grant funding, loan-grant imbalance is likely to exist for most college students for the foreseeable future. That said, it bears taking a closer look at how student loans are presented to and perceived by college-bound students and families, and how changing the spin on student loans can help improve access to college.

Historically, student loans have been portrayed as the “bad boys” of financial aid—or not even aid at all. This negative rap is the result of many factors, including increased average loan debt among graduating students, increased credit use and consumer spending, and record numbers of younger adults filing for bankruptcy. In response, the financial aid community has become so concerned about warning students against over-borrowing that we've created a mass of cautionary literature, which often frightens more than it informs. According to Advisory committee spokesman Fitzgerald, “The more information we give, the more

depressing the picture.” This over-abundance of caution particularly influences low-income families, many of whom don't have a lot of financing experience.

Educating students and families about their legal obligations in taking a loan is essential. But we could better serve many families of college-bound students by equally highlighting the positives about student loans, including these important facts:

- Student and parent loans for education are widely available.
- Loans can fully cover a student's cost of attendance.
- Student and parent loans have low interest rates.
- Federal student and parent loans have no minimum income requirements.
- There are many options for repaying student loans, including reducing the monthly payment amount and deferring payments altogether, when needed.
- Student loans are perhaps the most “friendly” form of consumer debt; loan providers are flexible and want to help borrowers be successful at repayment.

*Continued on Page 10*

## News from Washington: Student Loan Interest Rates Plunge

by Mark Brenner, College Loan Corporation

On July 1, 2002 student loan interest rates will reset to the lowest rates in the history of the student loan program. The new rate is based on the last Treasury Bill Auction rate for the 91-Day Treasury Bill of 1.76% plus a percentage based on the Higher Education Act. For Stafford and Plus Loans the rate reset means an exceptionally low rate for students and recent college graduates this year, and for consolidation loans the rate reset means that recent college graduates will be able to “lock-in” low rates for the life of their loans.

The impending rate reset and the long-term low rates for consolidation loans raised some concerns by lenders in the student loan program. During the months of March, April and May student consolidation loans were a center stage issue in Washington,

DC. A proposal that would convert what would otherwise be the lowest fixed interest rate student loans in the history of the program into variable rate loans was being “floated” by some in the student loan business. Under current law, borrowers that consolidate their student loans receive a fixed interest rate equal to the weighted average of the underlying loans rounded up to the nearest 1/8<sup>th</sup> of 1%. The proposal would have changed the fixed rate calculation to a variable rate.

Senator Kennedy and other members of the U.S. Senate spoke out about this in colloquies on the floor of the U.S. Senate. The discussion was on the tremendous opportunity for recent college graduates to lock in these record low rates. The issue reached its pinnacle when a hearing of the Health, Education, Labor and Pensions Committee took place on May 9, 2002. Deputy Secretary of Education William D. Hansen testified that the Bush Administration looked at and rejected a proposal to switch the rate calcu-

lation from a fixed rate. College Loan Corporation was invited to testify and submitted testimony on the record on behalf of lenders opposed to eliminating the fixed rate consolidation loan option for recent college graduates.

The Bush Administration and Congress have both rejected a conversion to a variable rate for consolidation loans and recent college graduates will be afforded the opportunity to choose fixed rate consolidation loans. College Presidents and recent college graduates as well as current students aggressively opposed this proposal and won a major victory for their constituents.

*Mark Brenner is employed as General Counsel for College Loan Corporation and works in CLC's Washington, DC office.*



Capital Building—Washington, DC

---

*“The discussion was on the tremendous opportunity for recent graduates to lock in these record low rates.”*

## Increasing Access by Reducing Loan Fees *(con't from Page 9)*

Perhaps the most important message we need to communicate to families is that taking a loan(s) to finance higher education is a *good* investment. It's common knowledge that having a college degree greatly enhances employment opportunity and lifetime earnings potential. The College Board cites that “People with a college degree earn 81 percent more on average than those with only a high school diploma. Over a lifetime, the gap in earnings potential between a high school diploma and a BA is more than \$1,000,000.”

Research also shows that being college-

educated positively impacts one's personal and physical well-being, which in turn enhances the well-being of society. Student loans are an important part of that positive return on investment.

Without question, providing more federal grant assistance to prepare students for college and to help them pay for it are desirable goals. Yet the reality is—even with increased funding—many families are still going to need loans to

help finance college. It's time we put a positive spin on student loans as part of a nationwide effort to ensure access for all to higher education.

*Kathleen Gibbons is editor and program manager for Nellie Mae, a leading originator of federal and private education loans. She can be reached at [kathleen\\_gibbons@nelliemae.com](mailto:kathleen_gibbons@nelliemae.com).*

## A Need for Checks and Balances Revealed *Submitted by NASFAA*

NASFAA partners with Dr. Stephen Collins to fill vital gap in auditor training Washington, D.C. (March 25, 2002) - Would you hire a lawyer who didn't go to law school? Or a doctor who didn't go to medical school? Definitely not. Yet many colleges and universities routinely hire auditors who have no training on the Title IV financial aid programs.

Auditors must understand the nuances of the financial aid programs and how technology is used in the financial aid office in order to conduct effective and accurate audits. Yet many auditors do not receive adequate training and often arrive at the financial aid office unprepared. "The auditors are not trained very well at all," said Nancy Hoover, Director of Financial Aid at Denison University in Granville, Ohio. "We spend too much time going over the basics of financial aid. The manuals that the auditors use do not seem to be updated frequently and we have to remind them that certain regulations are no longer applicable."

Dr. William A. Irwin, Director of Student Financial Aid at Lock Haven University of Pennsylvania, said, "Often they are relatively 'new' auditors and have very limited knowledge of financial aid. I spend a lot of time explaining the programs, the requirements, and acceptable variances to them. They should be better prepared before

they get here."

Laurie Neil, Director of Student Financial Aid at Central Oregon Community College, noted, "My concern is, if we are teaching relatively new auditors what to look for, how can they help us? They sure aren't going to uncover any fine points if we are just teaching them the basics." To address this growing concern of financial aid administrators across the country, the National Association of Student Financial Aid Administrators (NASFAA) has partnered with Dr. Stephen Collins of Student Financial Aid Audit Seminars. Since 1982, Collins has taught Audits of Federal Student Financial Aid Programs, a two-day CPE seminar for auditors that provides a review of key regulatory topics and procedural requirements. "I am excited about my relationship with NASFAA," said Collins. "They are the financial aid experts who know what it takes to administer the programs properly. Together, we can expand the information that we make available to our participants and train many more auditors in the process." The expanded program is three days long and includes a full day on Auditing Electronic Financial Aid Systems. Seminar locations and dates in-

clude:

1. Chicago, May 13-15
  2. Atlanta, May 20-22
  3. Kansas City, MO, Oct. 14-16
- The cost to attend all three days is \$825 and is recommended for 24 CPE credits (8 CPE credits per day). For more information, including daily rates, discounts, and hotel information visit [www.NASFAA.org/auditors.asp](http://www.NASFAA.org/auditors.asp) or contact Judy Schneider at 202-785-0453 ext.144 or [schneiderj@nasfaa.org](mailto:schneiderj@nasfaa.org).

The National Association of Student Financial Aid Administrators (NASFAA) is a nonprofit membership organization that represents more than 10,000 financial aid professionals at more than 3,000 colleges, universities and career schools across the country. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis and professional development for financial aid administrators. Each year, members help more than 8 million students receive funding for postsecondary education.

NASFAA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing profes-

sional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417. NASBA phone number: 615-880-4200 Web site: [www.nasba.org](http://www.nasba.org)



*The Annual  
NASFAA  
Conference  
begins on  
July 21, 2002  
and continues  
through  
July 24, 2002  
in  
New Orleans.*



New York State Financial Aid  
Administrators Association

### ***NYSFAAA Awards Program is Underway!***

The NYSFAAA 2002 Awards Committee urges you to consider your choice(s) for nomination for any of our existing NYSFAAA Awards to be issued at this year's Annual Conference in October. You may also nominate an individual for a NYSFAAA Achievement Award or a Certificate of Appreciation.

Take a few moments to reflect on the contributions of your colleagues and complete the relatively simple ballot form that was mailed to you. (Go to: [www.nysfaaa.org](http://www.nysfaaa.org) to print the form). If nominating and Active Member for a service award, please indicate the name of the award for which you are nominating the individual. You may print multiple copies of the form to nominate as many individuals as you like.

Our deadline date is August 6, 2002 and the NYSFAAA Awards Committee is again sincerely appreciative of your participation in this process. Thanks again and have a great summer.

### ***NYSFAAA History:***

*The first NYSFAAA Web Site was created in 1994 and hosted on server space provided by SUNY New Paltz. NYSFAAA was one of the first state associations to have their own web site. The original NYSFAAA Website won recognition at the NASFAA 1995 Conference. The award was presented at the NYSFAAA Conference in October 1997. NYSFAAA Executive Council and the current Web Site Committee would like to thank SUNY New Paltz and the original Web Site Committee of 1995 for a strong start and the sturdy foundation which has helped to make today's Web Site the excellent tool it has become for the communities we serve.*

**NYSFAAA**

### ***Committee Update: Time Flies When Your Having Fun: Conference 2002***

It sure seems that way for the Buffalo Conference Committee. As of this writing, NYSFAAA 34 is just six months away! It seems like just a moment ago that we were "Back to the Future". Now, the conference committee is "Spreading it's Wings" wide open to welcome everyone to Buffalo next October 22<sup>nd</sup> through 25<sup>th</sup>.

It may be coming fast, but we are not being caught off guard! The Program Committee has an excellent four days of thought provoking and current issues. There will be something for everyone to sink his or her teeth into. There will be over twenty-five different concurrent sessions.

The Adams Mark Hotel is also anxiously awaiting your arrival. Formerly the Hilton Hotel, the Adams Mark has been renovated and will provide us with ample space to work and play. Our vendor friends will be able to spread out their wares in comfort and class.

Speaking of play, our entertainment committee has also been hard at work planning to show you the best of the Niagara Frontier. There will be exciting trips available and a chance to see our Western New York nightlife first hand! Good food, good music, good friends, what can be better than that!

So, while my father told me never to rush my life away, I must admit that all of us on the conference committee cannot wait till October rolls around so we can take you "under our wings" in Buffalo! Look for more details in the months to come.

**Spread Your Wings in Buffalo**  
*Spread Your Wings in Buffalo*



**NYSFAAA 34th Annual  
Conference  
Buffalo, NY  
October 22 - 25, 2002**