

BLUEGRASS STATE

NEWSLETTER

Fall 2010

Volume 16 Number 7

UPCOMING EVENTS

2010

**High School
Counselors Workshop**
Statewide
November 3-18

2011

College Goal Sunday
Statewide
January 30

SASFAA
Spring conference
Jacksonville, Fla.
Feb. 13-16

KASFAA
Spring conference
Crowne Plaza
(The former Campbell
House)
Lexington
April 6-8

NASFAA
Boston, Mass.
July 17-20

A Message from our President



Dave Cecil

Hello, KASFAA friends! I hope you had a wonderful summer and have made it through fall registration. It's been a very eventful few months, but so far I have thoroughly enjoyed representing KASFAA at both regional and national meetings and conferences. It is definitely a privilege to have the opportunity to interact with so many aid professionals and find out a little bit about how other financial aid associations operate.

Please take a few moments to review the members of the 2010-2011 Executive Board and Committee Chairs. These KASFAA leaders have amazed me already this year with their hard work, creativity and dedication to our association. It's an honor to be working with such an outstanding group of professionals.

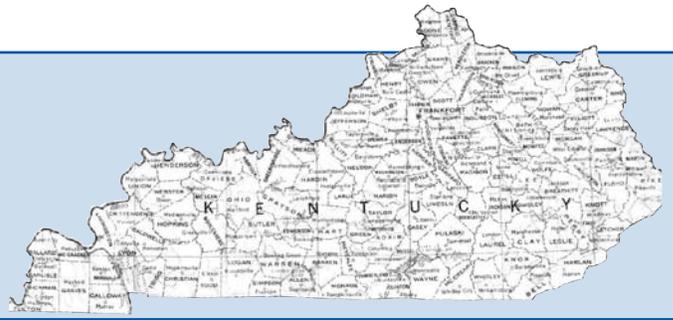
The Fall 2010 KASFAA Conference is just upon us. The conference theme is "KASFAA—Blazing New Trails". As the start of the fall term begins to fade from memory, I'm sure we all feel as though we've blazed a new financial aid trail or two. Join us as we talk about some of the new journeys we've embarked on, and how we might smooth out some of the rough spots in the future.

In addition to four sets of concurrent sessions, we are pleased to be welcoming David Bartnicki from the U.S. Department of Education back to Kentucky! We will kick off the conference with part one of the Federal Update at the opening session, and will round out the conference with part two of the Federal Update on Friday morning. You definitely won't want to miss his important and always interesting sessions!

For the first time, KASFAA will offer a one-day conference rate. You are welcome to choose the day you wish to attend, and pay only \$50 (plus membership dues, if not already paid) to attend all functions and sessions that day. We hope this will make it possible for more members to participate in our conference.

The Program Committee has worked hard to bring you relevant, useful, and interesting sessions, and we hope you'll join us for a few days of networking and learning. We look forward to seeing you in Louisville!

News from around KENTUCKY



Staff changes announced

Tony Meeks is a new Financial Service Liaison at Somerset Community College - Somerset.



Meeks



Muse



Griggs



Patterson

Amanda Griggs is a new Business Affairs Assistant assigned to Financial Aid for Somerset Community College's Financial Aid - Somerset Campus.

Sandy Neel is the new Senior Associate Director of Financial Aid at Bellarmine University.

ATA College has hired two new Financial Aid Advisors — **Britney Austin** and **LaKeesha Turner**.

Daniel Patterson is a new Financial Services Liaison for Somerset Community College - London.

Chris Muse - new Interim Financial Aid Coordinator for Somerset Community College - London.

Centre is pleased to report three personnel changes in our office. **Jackie Conley** has been promoted to Financial Aid Counselor. Jackie has worked in our office for 9 years.

Julie Graham has been promoted to a full time Financial Aid Analyst position. **Jennifer Phillips** is our new Office Coordinator.

The Financial aid team at Hazard Community and Technical College has added three new members. **Phenisha Fields** and **Erica Adams** were hired as Financial Aid Assistants and work at the Hazard Campus. **Bryan Combs** has been hired as Financial Aid Coordinator with his office based at the HCTC Campus in Jackson. All three are now members of KASFAA and we look forward to their growth and development as financial aid professionals.

FROM EDITOR April Tretter

We encourage letters to the editor, original articles, photographs, announcements and reports. Items of interest are gladly accepted.

Contact the editor for questions, rates and insertion dates. The KASFAA Newsletter is published three times a year.

Editor:
April K Tretter
ATA College
10180 Linn Station Rd.
Louisville, KY 40223
502.371.8330 ext. 339

Refer to List of Financial Aid Requirements When FFELP Borrower in Bankruptcy

Sue Allmon, USA
Funds Services

The Bankruptcy Act of 1994 prohibits a school (or lender) from denying a Federal Family Education Loan Program loan to an applicant based solely on the applicant's filing of a bankruptcy petition. So what are the requirements for the financial aid office when a student or parent FFELP loan applicant files — or filed — bankruptcy?

If the student files bankruptcy before the school certifies a Stafford loan:

The school must certify the loan if the student is otherwise eligible. The school may not certify the loan for an amount that is less than the student's eligibility, based solely on the bankruptcy.

Note: If the student obtained a prior loan that was discharged due to bankruptcy, the student is not required to reaffirm the loan to regain FFELP eligibility.

If the student files bankruptcy before the school certifies a Grad PLUS loan:

The school must certify the loan if the student is otherwise eligible. The school may not certify the loan for an amount that is less than the student's eligibility, based solely on the bankruptcy.

Note: If the student has adverse credit, the lender may deny the loan if the denial is not based solely on the bankruptcy. The student may obtain a creditworthy endorser if the lender so permits.

If the parent files bankruptcy before the school certifies a parent PLUS loan:

The school must certify the loan if the student and parent are otherwise eligible. The school may not certify the loan for an amount that is less than the student's eligibility, based solely on the bankruptcy.

Note: If the parent has adverse credit, the lender may deny the loan if the denial is not based solely on the bankruptcy. The parent may obtain a creditworthy endorser if the lender so permits.

If the lender denies the loan — or if the parent secures from the bankruptcy court a letter that states the parent is not permitted to incur additional debt — the school may certify additional unsubsidized Stafford loan funds for the dependent student.

If the student or parent files bankruptcy before FFELP funds are fully disbursed by the lender:

If the lender is required to file a claim with the guarantor:

When the borrower files a Chapter 12 or 13 bankruptcy (or converts a Chapter 7 or 11 to 12 or 13) or the borrower files a petition for undue hardship, most lenders will not disburse any additional funds on the loan and may ask the school return any undelivered loan funds. (Note that USA Funds® policy does not require the lender to ask the school to return undelivered loan funds.) The borrower is eligible to reapply for any remaining loan eligibility based on the cancellation of all or a part of the borrower's loan. The school must certify a loan for the borrower's remaining eligibility.

If the lender is not required to file a claim with the guarantor:

When the borrower files a Chapter 7 or 11 bankruptcy (and does not subsequently convert to a Chapter 12 or 13), some lenders will continue to disburse the loan funds without interruption, but some lenders will cancel any subsequent disbursements of the loan. If the lender cancels the remainder of the loan, the borrower will be eligible to reapply for the cancelled amount, and the school will be required to certify the loan. Some lenders also may require the borrower to complete a new Master Promissory Note.

PUT the Pieces Together

Dana Kelly,
Regional Director, Nelnet Partner Solutions



Through the Ensuring Continued Access to Student Loans Act (HR 5715) the Department of Education (ED) created the Loan Purchase Commitment Program. This program granted ED the authority to purchase eligible Federal Family Education Loan Program (FFELP) loans from lenders, thereby freeing up funds for lenders to make new loans during the capital markets disruption.

Loans that have been purchased are considered “PUT” and become ED-owned loans. The final phase of eligibility for this program affects Stafford, PLUS, and GradPLUS loans made during the 2009-2010 academic year that are fully disbursed by September 30, 2010.

As of July 2010, both PUT loans and Direct Loans now reside on the servicing platforms of the Title IV Additional Servicers (TIVAS).

With multiple servicers in the mix, it is important for schools to understand the types of loans a student may hold, as well as the designated servicer(s) for those loans.

PUT loans have been and will continue to be assigned to one of the four TIVAS.

Add the original Direct Loan servicer (ACS) to the mix, and there are five potential players in the servicing arena.

Schools do not have the option of choosing a servicing partner. Keep in mind that once a loan is sold (PUT loans), the original lender and/or guarantor are no longer the contact for the school; the assigned servicer assumes management of all aspects of the loan.

Servicer assignments are made for PUT loans when the sale of the loan to ED is complete. Servicer assignments for Direct Loans are made after the first disbursement of the loan.

Schools will need to determine which servicer(s) has been assigned to their respective students.

This information can be accessed via NSLDS or any specific servicer’s reporting tool.

There is no centralized method for the return of funds for PUT loans.

The return of funds must go through the specific servicer’s ED-assigned lockbox (an address unique to each servicer).

The borrower is also impacted when a loan is PUT due to the possibility of a servicer change. If that occurs, a paper “Welcome Letter” notifies the borrower of the change in loan ownership. Students should be counseled to utilize NSLDS if there are questions pertaining to the ownership of their loan(s).

Keep in mind that combined billing is not an option for students who hold both ED-owned and commercially owned FFELP loans. In this situation, split servicing is a possibility.

ED can only assign a student’s ED-owned loans to a single servicer; ED has no authority over commercially owned FFELP loans with regard to servicing.

The following information will assist you in determining which of the TIVAS are servicing your students’ loans. NSLDS will reflect the following information:

GUARANTOR

577	U.S. DEPARTMENT OF EDUCATION
578	DEPT OF ED/SALLIE MAE
579	DEPT OF ED/AES PHEAA
580	DEPT OF ED/NELNET
581	DEPT OF ED/GREAT LAKES
582	DEPT OF ED/TPD SERVICER
700577	U.S. DEPT OF ED/STUDENT LOAN SERVICING (ACS)
700578	DEPT OF ED/SALLIE MAE
700579	DEPT OF ED/PHEAA
700580	DEPT OF ED/NELNET
700581	DEPT OF ED/GREAT LAKES

ECASLA LENDER CODES

899577	US DEPT OF ED/2008-2009 LPCP
898577	US DEPT OF ED/2007-2008 STPP
897577	US DEPT OF ED/2009-2010 LPCP
895577	US DEPT OF ED/ABCP 09-10
896577	US DEPT OF ED/REHABS
894577	US DEPT OF ED/REHAB LPP

Servicer-specific contact information for schools is provided below.

Nelnet

1.866.463.5638

www.nelnetloanservicing.com

FedLoan Servicing (PHEAA)

1.800.655.3813

www.myfedloan.org

Great Lakes Educational Loan Services

1.888.686.6919

www.mygreatlakes.org

Sallie Mae

1.888.272.4665

www.opennet.salliemae.com

ACS

1.866.938.4750

www.ed-servicing.com

Anytime there are questions surrounding any ED-owned loans, schools should not hesitate to contact the respective servicer for more information.



We can help you make her future a brighter one.

If students need additional funds after applying for federal and state aid, the Kentucky Advantage Education Loan offered by the Kentucky Higher Education Student Loan Corporation (KHESLC) might be the answer.

The Kentucky Advantage Education Loan offers a fixed interest rate and competitive fees.

Students can apply at kheslc.com.
For additional information,
call 888.678.4625.





Update

Student Aid Disbursements

At the end of the 2010 fiscal year, the Student Aid Branch had disbursed \$199.9 million, or 99%, of the \$202.4 million in available funds for FY 2010.

PROGRAM	EXPENDITURES
Kentucky Educational Excellence Scholarship	\$93.8 million
College Access Program Grant	\$63.3 million
Kentucky Tuition Grant	\$32.4 million
Kentucky National Guard Tuition Award	\$4.6 million
Teacher Scholarship	*\$1.9 million
Early Childhood Development Scholarship	\$1.3 million
Osteopathic Medicine Scholarship	\$810,700
Robert C. Byrd Honors Scholarship	\$533,900
KHEAA Work-Study Program	\$624,100
Mary Jo Young Scholarship	\$333,500
Go Higher Grant	\$223,000

*Of this amount, \$595,534 was disbursed to Teacher Scholarship recipients and \$1,340,500 went to Best in Class.

Pharmacy Scholarship created

House Bill 2, passed during the Special Session of the 2010 Kentucky General Assembly, created a new scholarship program to provide students the opportunity to attend an accredited school of pharmacy in Kentucky and to become certified pharmacists. The program is targeted at Kentucky residents of coal-producing counties, and scholarship recipients must agree to practice pharmacy in a coal-producing county for each year a scholarship is provided. KHEAA has been charged with administering the new scholarship program. The first scholarships are expected to be awarded during the 2011-2012 academic year.

FY 2010 KESPT Report

For the state fiscal year ending June 30, 2010, the Kentucky Education Savings Plan Trust (KESPT) had total assets of \$110 million. This represented a 16.1% increase in fund value from 2009. The total number of accounts at the end of FY 2010 was 12,071, an increase of 4.4% in total accounts from 2009. For the year, KESPT generated 1,289 new accounts, which represents the eighth-highest yearly total in the 20-year history of the program.

Governor proclaims September College Savings Month

Gov. Steve Beshear proclaimed September as College Savings Month in Kentucky.

“Saving for college is important for all Kentucky families,” Gov. Beshear said. “It’s never too early or too late for families to start saving. College Savings Month is a good way to remind Kentuckians of the importance of obtaining a college education. An educated workforce helps the Commonwealth attract businesses that make life better for all of us.”

The state offers the Kentucky Education Savings Plan Trust (KESPT), administered by KHEAA and managed by TIAA-CREF Tuition Financing Inc. Accounts can be started for as little as \$25. Payroll deduction contributions can be as small as \$15. The trust offers several investment options, and any earnings used to pay for higher education are tax free at both the state and federal levels.

2010-2011 Publications

The 2010–2011 editions of *Getting In* and *Affording Higher Education* from KHEAA have been printed and distributed. *Getting Ready* for juniors, *Getting Set* for sophomores and *Getting Started* for freshmen are available online at kheaa.com/students and [parents/publications](http://kheaa.com/parents/publications). *Getting In* has been sent to high school counselors for free distribution to seniors. *Affording Higher Education* is a reference book and is available at high school and public libraries. *Adults Returning to School* is designed for nontraditional students. Copies can be requested by calling 800.928.8926, ext. 7372, or e-mail us at publications@kheaa.com.

Entries being accepted for “Promote Your School” scholarship contest

A junior at one of Kentucky’s public or private high schools may win a \$500 scholarship and a photo shoot at his or her school through the “Promote Your School” scholarship contest, sponsored by KHEAA. To enter, the student must submit an essay about the biggest challenge facing high school students. Photos from the winning school will be used in KHEAA publications and on KHEAA websites. The deadline for submissions is November 1, 2010. Students from high schools that have been featured in the past five years — Murray, Trimble County, Boyle County, Menifee County and Williamstown — are not eligible to enter this year’s contest. For more information, visit www.kheaa.com/website/contest/intro.

Regional Outreach being expanded

More funding from the College Access Challenge Grant will allow the agencies to expand our outreach efforts. Four new regional outreach counselors are being hired. The state has been divided into 13 different regions (instead of 9). The first new outreach counselor began July 12. Jo Newton has taken over the new West Central Kentucky region. The three other new outreach counselors are expected to be hired soon.

New KHEAA/KHESLC Board Members appointed

Governor Steve Beshear appointed four new Board members to replace Barbara Holsinger, Charley Simpson, James Henry Snider and Jim Jackson, whose terms expired. The new board members are:



Lamb



Blanton



Payne



Jones

Carla Blanton currently owns and operates a public affairs and communications consulting firm with clients throughout Kentucky. Ms. Blanton has a variety of communications experience in state and local government as well as the private sector. Ms. Blanton, a native of Wisconsin, graduated with honors from the University of Missouri with a degree in journalism.

Lawrence L. Jones II is a founding partner of Bahe Cook Cantley & Jones in Louisville. He was also appointed by Governor Beshear last year to serve as a Special Justice on the Kentucky Supreme Court. Mr. Jones earned his law degree from the University of Kentucky College of Law.

Becky Lamb is Director of National Network Operations at Humana and has responsibility for provider contracting initiatives for Commercial and Medicare Advantage lines of business that are undertaken across the country. Ms. Lamb and her husband, Bill, have lived in Louisville since 2002.

Lisa Payne has been Economic Development Executive at E.ON U.S. since 1997. She was President of the 2001 Kentucky Industrial Development Council (now Kentucky Association of Economic Development). Ms. Payne is a graduate of the Economic Development Institute, University of Oklahoma, and earned a bachelor of arts degree from the University of Kentucky.

Board member *John Chesbire* was reappointed to the Board for another term.

Wednesday, October 13, 2010		
7:30 – 8 a.m.	New Members Continental Breakfast	Pegasus
8 a.m. – Noon	Exhibit Setup	Atrium
8 a.m. – Noon	New Member Workshop	Claiborne
9 – 9:30	Program Committee Meeting	Triple Crown
9:30 – 10 a.m.	Program Committee Executive Board Coffee Break	Pegasus
10 – 1:30	Executive Board Meeting and Lunch	Carriage
12 – 12:45 p.m.	New Member Luncheon	Atrium
12 – 5 p.m.	Registration	Pegasus
12 – 2:30 p.m.	Charity Donations & Exhibits Open	Atrium
12 – 2:30 p.m.	Communication Center Open	Ashford
1 – 2:15 p.m.	New Member Workshop (continued)	Claiborne
2:30 – 3:45 p.m.	Welcome & Opening Session: Federal Update—Part I	Churchill/Keeneland
3:45 – 4 p.m.	Break	
3:45 – 5 p.m.	Charity Donations & Exhibits Open	Atrium
3:45 – 5 p.m.	Communication Center Open	Ashford
4 – 5 p.m.	Concurrent Sessions	
	Navigating COD	Carriage
	Verification and Tax Forms	Derby
	How to Write a Policy and Procedure Manual	Claiborne
5 – 6 p.m.	Opening Reception	Atrium
Dinner and Evening on your own		
Thursday, October 14, 2010		
8 – 10:30 a.m.	Late Registration	Pegasus
9 – 10 a.m.	General Session: Federal Potpourri —a Q & A Session	Churchill/Keeneland
10 – 11:30 a.m.	Charity Donations & Exhibits Open	Atrium
10 – 11:30 a.m.	Communication Center Open	Ashford
10 – 10:15 a.m.	Break—Hospitality Suite Available	Preakness
10:15 – 11:15 a.m.	Concurrent Sessions	
	Direct Lending Reconciliation	Carriage
	KEES: On Track to Graduate	Derby
	Getting to Know Excel	Claiborne
	PeopleSoft Session: Two Pells in One Award Year	Calumet
11:30 a.m. – 1:15 p.m.	Luncheon: SASFAA Update / Awards / Business Meeting	Churchill/Keeneland
1:15 – 4 p.m.	Charity Donations & Exhibits Open	Atrium
1:15 – 4 p.m.	Communication Center Open	Ashford

	Concurrent Sessions	
1:30 – 2:30 p.m.	Year Round Pell—It is Still Here!	Carriage
	Yellow Ribbon – Post 9/11	Derby
	Understanding Microsoft Word	Claiborne
	PeopleSoft Session: DL Reconciliation	Calumet
	Concurrent Sessions	
2:45 – 3:45 p.m.	SAP Best Practices & Developing an Appeal Process	Carriage
	CAP Cassidy and the KTG Kid	Derby
	Return to Title IV (R2T4)	Claiborne
3:45 – 4 p.m.	Break—Hospitality Suite Available	Preakness
4 – 5 p.m.	Sector Meetings	
5 p.m.	Dinner on your own	
7 – 10 p.m.	Family and Game Night / Cornhole Tournament	Ellis/Turfway
Friday, October 15, 2010		
8 – 9 a.m.	Breakfast	Churchill/Keeneland
9 – 9:45 a.m.	KHEAA Update	
10 – 11 a.m.	Federal Update—Part II	
11 – 11:30 a.m.	Closing Session / Adjourn	

Save the Date:

KENTUCKY COLLEGE GOAL SUNDAY

SUNDAY, JANUARY 30, 2011

WWW.KASFAA.COM/CGS



Join us on
facebook!



Calling all volunteers!

MARK YOUR CALENDARS NOW.

KASFAA 2010–2011

Executive Board

President

Dave Cecil, Transylvania University

Vice President for Training

Laura Keown, Centre College

President-Elect

Aaron Gabehart, Campbellsville University

Secretary

Rhonda Bryant, University of Kentucky

Treasurer

Chris Tolson, Campbellsville University

Past President

Chester Priest, KHEAA/ The Student Loan People

Committees and Chairs

Archivist/Historian

Chester Priest, KHEAA/The Student Loan People

Articles and Bylaws

Rhonda Bryant, University of Kentucky

Awards

Charles Vinson, Hopkinsville Community College

Budget & Finance

Derek Ball, Bluegrass Community College

College Goal Sunday

Shawn Anderson, Somerset Community College

Angela Black, University of Louisville

Diversity Concerns

Jennifer Anderson, Spalding University

High School Counseling Training

Rhyan Conyers, Georgetown College

Kate Ware, Midway College

Legislative Issues

Shelley Park, Eastern Kentucky University

Long Range Planning

Nancy Melton, Berea College

Membership

Robin Buchholz, KHEAA/The Student Loan People

Board of Directors

Four-Year Public School Representative

Shelley Park, Eastern Kentucky University

Private School Representative

Gina Kuzuoka, Spalding University

Two-Year Public School Representative

Chuck Anderson, Hazard Community College

Proprietary School Representative

Charlene Geiser, Sullivan University

Agency Representative

Jennifer Eastman, KHEAA

Lender Representative

Vacant

Newsletter

April Tretter, ATA College

Nominations

Chester Priest, KHEAA/The Student Loan People

Program (Fall)

Jennifer Priest, Transylvania University

Aaron Gabehart, Campbellsville University

Program (Spring)

Jennifer Priest, Transylvania University

Laura Smith, Midway College

Public Relations/FA Awareness

Michael Morgan, KCTCS

Training, NASFAA

Chuck Anderson, Hazard Community College

Training, Support Staff

Sabrina Holder, Gateway Community College

Vendor/Sponsor

Katie Conrad, Midway College

Website/Technology

Jason Tretter, KHEAA/The Student Loan People