KASFAA
KENTUCKY
BLUEGRASS STATE

NEWSLETTER

Spring 2010
Volume 16 Number 5

Upcoming Events

2010

NASFAA
July 18-21
Denver, Colorado

KASFAA Fall conference
Holiday Inn Hurstbourne
Louisville
October 13-15

2011

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

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

A Message from our President


Chester Priest

I hope everyone's spring semester got off to a great start! Let me start by saying "Thank you!" to the KASFAA volunteers that made the SASFAA Conference at the Marriott Louisville a success! Outside of SASFAA there have been many KASFAA members who have been very busy with the High School Counselor Workshops held November 2-18, the KET Financial Aid Call-In Show on January 26, and College Goal Sunday on January 31. It takes a lot of volunteers and elbow grease to make these events successful and KASFAA has done a great job in doing so! One other event I am going to mention is the Support Staff Workshop that will be held March 24 at KHEAA's office in Frankfort. Planned topics are the A-Zs of Financial Aid, a Verification Session, a stress management session and a brief Federal update. This workshop is a great opportunity for individuals who normally do not get the opportunity to attend this type of training to get out of the office and gain some specific financial aid knowledge. There is no charge for the workshop, and any financial aid office employee of a member school is welcome to attend, regardless of whether or not the individual is a KASFAA member. This year's Support Staff Workshop committee is chaired by Sabrina Holder of Gateway Community and Technical College.

KASFAA's online elections were held from February 4 through February 18 the results are as follows:

President – Elect, Aaron Gabehart, Campbellsville University
Vice President for Training, Laura Keown, Centre College
Secretary, Rhonda Bryant, University of Kentucky
Lender Representative, Marion Shute, 5/3 Education Lending
4 Year Public Representative, Shelley Park, Eastern Kentucky University

Thanks to all the candidates for their willingness to run for office! Jennifer and the nominations committee did a great job selecting this year's slate of candidates.

Last but not least, plans for the spring conference are in the works and I hope everyone is making plans to attend! Cindy Burnette and Terri Parchment, spring conference chairs, have been working very hard to make this an outstanding conference! The conference will held April 7-9 at the Holiday Inn University Plaza in Bowling Green. With all the changes in our profession the program committee chose "KASFAA-Getting Your Game Face On!" as our theme, so let's get it on! We

Breaking NEWS

House Clears Health Care and Student Loan Reform Bill

National Council of Higher Education Loan Programs, Inc.
Daily Briefing, 3.22.10

By votes of 219—212 and 220 - 211, House lawmakers last evening approved H.R. 3590, the Patient Protection and Affordable Care Act and H.R. 4872, the Health Care and Education Affordability Reconciliation Act of 2010, respectively. H.R. 4872 includes sweeping reforms in the area of student financial aid, including elimination of new lending under the FFELP beginning July 1, 2010. No Republicans voted yes for either bill; 33 Democrats voted no on the reconciliation bill.

Following roughly 10 hours of debate on Sunday, the House approved the rules for final debate on a Senate-passed health-care bill and a House package of changes to the Senate-passed bill by a vote of 224 to 206. Later in the evening House voted to approve the Patient Protection and Affordable Care Act. Since this bill has already passed the Senate, the health care overhaul now awaits signature from President Obama.

The reconciliation bill, which includes both adjustments to the health care bill and changes to the student financial aid programs, now moves over to the Senate. As summarized in the Briefing last week, the reconciliation bill would eliminate future lending under the FFELP beginning July 1, 2010. The bill includes other provisions drawn from the House-passed Student Aid and Fiscal Responsibility Act (SAFRA), but those provisions have been scaled back due to funding considerations and the need to use some of the savings from the elimination of the FFELP to help pay for the healthcare reforms. See the March 18 edition of the Daily Briefing for an analysis of the education portion of H.R. 4872.

After the vote, House Education and Labor Chair George Miller (D-CA) praised the House for passing the largest investment in college aid in United States history:

"Today Congress voted to stop wasting billions of taxpayer dollars to subsidize big banks, and start investing that money directly in our students and families. With this one move, we will help students pay for college, prepare them for our global economy, keep jobs in America and reduce the deficit," said Miller. "We are now just one step away from sending President Obama reforms that are good for students, good for taxpayers, and good for U.S. jobs."

Senate to Consider "Fixer" Bill This Week

The Senate is expected later this week to consider the "fixes" to the healthcare bill, which also includes the provisions on student financial aid, under reconciliation procedures that are filibuster proof. It is reported that Republicans could throw a curveball in final passage of the "fixes" bill by finding a budget point of order against the bill. According to CongressDaily, Senate Republicans contend that because the package of changes to the Senate bill would affect Social Security tax revenue, the reconciliation package violates language in the Congressional Budget Act barring use of budget reconciliation to alter Social Security law. The lawmakers believe the Senate Parliamentarian should allow a point of order vote against the language. Further, if any provision violates the reconciliation rule that requires every provision to have a budgetary impact, it will be automatically stricken from the bill unless there are 6 0 votes to retain it (there are currently 59 Members of the Senate Democratic Conference). As all 41 Republicans have previously pledged to vote together in reconciliation, any change to the package in the Senate could force another House vote and subsequently delay overall passage.

For more information, related articles from the Washington Post, Roll Call, CongressDaily, Inside Higher Ed, and The Chronicle are available in the expanded version of today's Daily Briefing in addition to a letter from Senate Majority Leader Harry Reid in support of an up-or-down on healthcare reform "without delay." The Congressional Record on yesterday's debate is available at http://www.access.gpo.gov/su_docs/aces/digest.pdf will be having a tailgate party complete with games and a Cornhole Tournament!

We also have Michael Roberts from the Department of Education joining for the federal update, as well as, some very informative concurrent sessions! For more information about the conference including registration and hotel rates please visit the KASFAA webpage.

If you have questions or need anything, please let me know!

Look forward to seeing everyone in Bowling Green!

— Chester Priest

SUPPORT STAFF WORKSHOP

March 24, 2010

Tentative Agenda

8:45 a.m. – 9:15 a.m.	Registration (Coffee and Doughnuts)
9:15 a.m. – 9:30 a.m.	Welcome
9:30 a.m. – 10:30 a.m.	Verification 101

Presenter: Victoria Owens, Jefferson Community & Technical College

10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 11:45 a.m.	Financial Aid A – Z

Presenter: Rick Wilson, Bowling Green Technical College

11:45 a.m. – 1 p.m.	Lunch (provided)
1:00 p.m. – 2 p.m.	Federal Update

Presenter: Shelley Park, Eastern Kentucky University

2:00 p.m. – 2:15 p.m.	Break
2:15 p.m. – 3:15 p.m.	Reflexology Massage

Presenter: Janet Samples, Gateway Community & Technical College

3:15 p.m. – 3:30 p.m.	Evaluation and Closing

Committee Members:
Chuck Anderson,
Hazard Community & Technical College

Sabrina Holder,
Gateway Community & Technical College

Pennie Little, KHEAA

FROM The 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.

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The KASFAA Newsletter is published three times a year, with graphic and web design provided by KHEAA/The Student Loan People.

College Goal Sunday affected by snowy weather this year

College Goal Sunday was held January 31, 2010. 125 volunteers braved the snow and cold to assist more than 1,000 students and parents complete the FAFSA at this year's event.

For the first time in KASFAA's 10 years of hosting this event, 11 College Goal Sunday sites were canceled due to the weather. Several site coordinators from the cancelled sites did indicate they would work with area high schools to offer assistance with completing the FAFSA to students and parents in their area. Despite the weather, the event was hosted at the following sites . . .

Ashland
Frankfort
Crestview Hills
Lexington (both sights)
Louisville (all three sights)
Morehead
Richmond

The committee would like to thank all site coordinators and volunteers for their continued support of College Goal Sunday.

Financial Aid requirements when a FFELP Borrower files 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.

Three-year cohort default rates: Cause for awareness

Sam Casarez
TG Senior Regional Account Executive

The Higher Education Opportunity Act of 2008 (HEOA) amended the Higher Education Act (HEA) by changing the length of time during which a school's cohort default rate (CDR) is measured from two years to three. While the first official three-year CDRs will not be released until 2012 — for fiscal year (FY) 2009 — schools are already in the thick of their first three-year cohort default rate period.

That's why last year, on December 14, the Department of Education (ED) posted trial, three-year cohort default rates (CDRs) for FY 2007 on its Federal Student Aid Data Center Web site at http://federalstudentaid.ed.gov/datacenter/cohort.html. ED released this information to assist schools in preparing for the transition to the three-year CDR provisions. The projected three-year rates were meant to get schools thinking about the impact of that third year on their institutions' CDRs.

Consequences of high CDRs

A dire consequence of high CDRs is loss of eligibility to participate in Title IV aid programs. Effective with the third three-year CDR (for FY 2011, published in 2014), any time a school's three most-recent three-year CDRs equal or exceed 30 percent (increased from the current 25 percent), the school will lose eligibility to participate in the Federal Family Education Loan Program (FFELP), the Federal Direct Loan Program (FDLP), and the Federal Pell Grant Program. This sanction could be applied as early as 2014, based on the school's FY 2009, 2010, and 2011 three-year CDRs. Note that FFELP and FDLP eligibility loss is also triggered by a single CDR over 40 percent (this threshold is unchanged with the implementation of the three-year CDR).

The HEOA established some additional consequences that take effect with the issuance of the new three-year rates. The first time a school's three-year CDR is equal to or greater than 30 percent, the school must establish a default prevention task force and prepare a default prevention plan to:

- Identify the factors causing the rate to be 30 percent or greater,
- Establish measurable objectives and steps to improve future rates, and
- Specify actions that can be taken to improve student loan repayment, including counseling regarding loan repayment options.

The school's plan must be submitted to ED for review. This could happen as early as 2012, based on the school's official FY 2009 three-year CDR.

If the school's CDR remains equal to or greater than 30 percent for two consecutive fiscal years, the school's default prevention task force must review and revise the plan, and submit the revised plan to ED. ED may require the

Quick reference chart

The following chart provides a quick reference for FYs 2008–2012, including applicable cohort periods, official CDR publication dates, and the CDR used for school benefits and sanctions.

Fiscal year (FY)	Denominator (enter repayment)	Numerator (in default)	Official CDR publication dates	CDR used for school sanctions
2008	10/01/07 – 09/30/08	2-yr: 10/01/07 – 09/30/09	2-yr: Sept 2010	2-yr rate (25%)
2009	10/01/08 – 09/30/09	2-yr: 10/01/08 – 09/30/10	2-yr: Sept 2011	2-yr rate (25%)
		3-yr: 10/01/08 – 09/30/11	3-yr: Sept 2012	3-yr rate (30%)
2010	10/01/09 – 09/30/10	2-yr: 10/01/09 – 09/30/11	2-yr: Sept 2012	2-yr rate (25%)
		3-yr: 10/01/09 – 09/30/12	3-yr: Sept 2013	3-yr rate (30%)
2011	10/01/10 – 09/30/11	2-yr: 10/01/10 – 09/30/12	2-yr: Sept 2013	2-yr rate (25%)
		3-yr: 10/01/10 – 09/30/13	3-yr: Sept 2014	3-yr rate (30%)
2012	10/01/11 – 09/30/12	3-yr: 10/01/11 – 09/30/14	3-yr: Sept 2015	3-yr rate (30%)

school to make further revisions to the plan and/or take actions to improve student loan repayment success. This could happen as early as 2013, based on the school's FY 2009 and 2010 three-year CDRs.

Action steps

A school can take actions now to make a difference in its future CDRs. Here are just a few examples of steps that a school can take. First, a school can beef up the frequency and accuracy of its enrollment reporting. Second, a school can increase its outreach to students at risk of withdrawing from school, which may prevent those students from completing their programs of study and, in turn, from being able to repay their student loans. Third, a school can educate its students on the potential pitfalls of loans with multiple loan holders and the importance of communicating with those holders to stay on track in repayment. Finally, a school can enhance its entrance and exit counseling sessions with "add-ons" beyond regulatory requirements, and consider offering or enhancing a financial literacy program for its students.

ED issued additional default management practice guidance for schools (including a sample default management plan) in Dear Colleague Letter GEN-05-14 (released in 2005), available on the Information for Financial Aid Professionals (IFAP) Web site at http://www.ifap.ed.gov/dpcletters/GEN0514.html.

— Sam Casarez is a senior regional account executive with TG serving schools in KASFAA. You can reach him at (800) 252-9743, ext. 4655, or by e-mail at sam.casarez@tgslc.org. Additional information about TG can be found online at www.tgslc.org.

Gov. Beshear launches new College Access site, proclaims February College Access Month

FRANKFORT — Gov. Steve Beshear declared February College Access Month and announced the launch of a new one-stop Web site to help students of all ages and their parents plan for college.

The site, www.gotocollege.ky.gov, is a single gateway to connect students to existing online planning resources and also provides the ability to compare college costs.

The Web site, which was developed with no additional state investment, provides helpful information ranging from high school curriculum to guidance on how to pay for college.

The website offers special sections specific to military families, transfer students and adults returning to school as well as online course offerings. Through gotocollege.ky.gov, high school students can access their Individual Learning Plan (ILP) and GoHigherKy.org accounts.

High school students planning to attend a higher education institution next fall found information and assistance on paying for college and applying for financial aid at more than 80 events held statewide from January until the end of February, including KASFAA's KET Call-In Show and College Goal Sunday. Kentucky Higher Education Assistance Authority (KHEAA) workshops included details on financial aid, how to fill out the Free Application for Federal Student Aid (FAFSA) and financial literacy.

CHANGES ON THE HORIZON FOR PRIVATE EDUCATION LOANS:
Impacts of 2008 Higher Education Opportunity Act

By Joe Fries
Account Executive
Sallie Mae

The newest regulations in private lending will soon impact students, schools, and lenders. The Higher Education Opportunity Act (HEOA) was signed into law in August of 2008 and is designed to provide transparency to borrowers of private education loans. The Federal Reserve Board published final regulations applicable to private education loans August 14, 2009 and instituted a February 14, 2010 compliance deadline.

The new regulations change the disclosure requirements for the Truth-In-Lending-Act (TILA) for private education loans made expressly for postsecondary educational expenses. The amendments impact the loan originations process, not the availability of private student loans. Chief among the changes are three new disclosures that will be sent to customers at different stages in the private loan application process, in addition to a Borrower Self Certification Form that will have to be signed by the customer and returned to the lender. Additionally, there are limits to co-branding and additional requirements regarding preferred lender list arrangements.

While these changes will involve additional attention from all parties involved—students, schools, and lenders—the additional disclosures ensure that the customer makes informed decisions regarding a private student loan.

Four Primary Changes

1. New Disclosures

The amendments introduce three new disclosure documents to the originations process:

- Application and Solicitation Disclosure:
  Provides general ranges of rates and fees so that borrowers can make informed decisions when choosing a private loan
- Loan Approval Disclosure:
  When an applicant is conditionally approved for the loan, this disclosure will be sent with borrower-specific rates and fees
- Final Disclosure:
  Sent after loan terms are accepted and school has certified the loan, the Final Disclosure gives the customer a three business-day right to cancel period

2. Limit Co-branding

Lenders cannot use the name, emblem, mascot, symbol, picture, or logo of a school/educational institution in marketing in a way that could imply the school endorses that lender. If a loan is endorsed by the school, clear and conspicuous disclaimers are necessary.

3. Borrower Self Certification Form

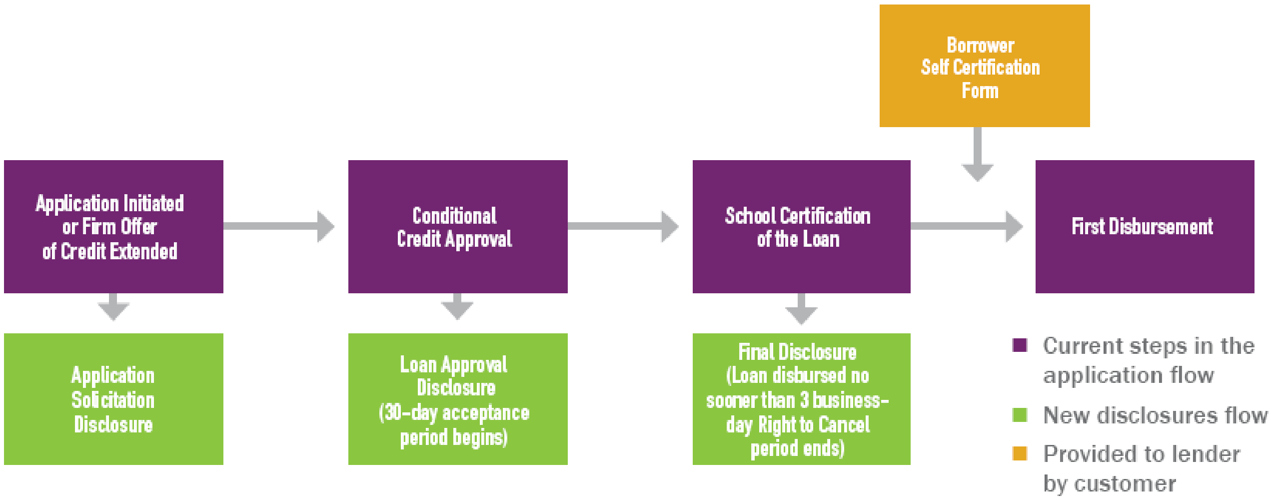
A Department of Education form that shows students gap funding needs and Federal financial aid alternatives. This form must be signed by the customer and returned to the lender.

4. Preferred Lender Disclosure

Lenders on a school's preferred lender list must provide an annual document outlining the basic loan terms for each private education loan they will offer.

HEOA Private Loan Reauthorization Disclosure Flow February 2010

New disclosures will be provided to customers during the private loan application process. Customers will need to carefully review the information included on each disclosure, and take appropriate action when necessary.



Application and Solicitation Disclosure

The Application and Solicitation Disclosure is the first new disclosure in the process, provided when an application is initiated or a firm offer of credit is extended. The Application and Solicitation Disclosure includes general information about loan rates, fees, and terms, including an example of the total cost of a loan based on the maximum interest rate the lender can charge.

This disclosure also informs a customer of the potential availability of federal student loans and the interest rates for those loans, and that additional information regarding federal loans can be obtained by the school or by visiting the Department of Education website.

Lenders on a preferred lender list must provide schools with an annual document, such as the Application Solicitation Disclosure, outlining the basic loan terms for each private student loan the lender will offer students attending the school. This disclosure of information is to be shared annually by April 1, or within 30 days of the lender becoming aware that they are on a school's preferred lender list.

Loan Approval Disclosure

After the application is conditionally credit approved, the Loan Approval Disclosure is sent. The Loan Approval Disclosure includes actual information about the rate, fee and other terms of the loan. Lenders are required to provide the borrower up to 30 days to decide whether or not to accept the terms of the loan. During this 30-dayperiod, the lender is prohibited from making adjustments to the loan terms other than standard interest rate index changes. The borrower must actively accept the loan terms and can do so any time within the 30-day period. Once accepted the loan can proceed through the application process.

Final Disclosure

The Final Disclosure is sent after the borrower has accepted the terms of the loan offer and the school has certified the loan amount but prior to disbursement. The Final Disclosure is similar in content to the Loan Approval Disclosure, with just a few noticeable differences. Primarily, the Final Disclosure includes a right to cancel notice, which gives customers a three business-day window to cancel their loan without penalty. Lenders are prohibited from disbursing the loan until the expiration of the Right to Cancel period.

Borrower Self Certification Form

The Borrower Self Certification Form is a document created by the Department of Education. A lender must obtain a signed and completed form from the borrower prior to disbursement. The self certification form includes information about the availability of federal student loans, the student's cost of attendance, estimated amount of financial assistance, and the difference between the two, which is the student's gap in funding. Students may obtain this information from their school.

Lender/School Co-branding

There are new limitations to co-branding, also. Lenders cannot use the name, emblem, mascot, symbol, picture, or logo of a school/educational institution in marketing in a way that could imply the school endorses that lender. However, if marketing materials makes reference to a school the lender must use a clear and conspicuous disclaimer, equal in size and proximity to the school co-brand image, stating the school does not endorse the lender's products and there is no affiliation. Also if a legitimate endorsement agreement exists, a disclaimer must indicate that the loan is made by the lender, not the institution.

The School's Role in TILA Changes

While the new disclosures have the greatest impact on lenders and students, certain measures can be taken by schools to help alleviate impacts to the loan origination process. The bottom line is that schools and lenders must work together with students to make sure they get the money they need to attend college.

Potential Delays in Loan Processing

The additional disclosures may mean a longer application process. Customers will be required to actively take additional steps to complete their application such as accepting loan terms and completing the signed self certification form.

You Can Help

While the additional disclosures may lengthen the application process, you can help by

- Ensuring that students are aware that they must actively accept a private education loan
- Certifying loans earlier, particularly around peak periods
- Ensuring that all students have accurate information about their enrollment, cost of attendance and financial aid as early as possible

Delayed Disbursement

The customer's right to cancel period is three business days during which loan disbursement is prohibited. Schools will not be able to request disbursement of funds during this period oftime. If the disclosure is sent through the postal service, an additional three business days is added as standard mail time. Funds cannot settle in the school's account until the day following the expiration of the right to cancel period.

You Can Help

Schools can avoid most delays to disbursement by:

- Certifying earlier, perhaps as soon as the application is received
- Minimizing changes during the school certification to minimize the possible re-disclosure scenarios
- Allowing for flexible disbursement dates. Many schools limit disbursement dates to one day a week and that can add additional delays for last minute applicants

Request for Information

Students are going to be increasing their requests for information such as cost of attendance and financial aid packages because of the Borrower Self Certification Form.

You Can Help

Provide students with the information they need, as early as possible. Perhaps you can modify award letters to include this information, if your school is not already doing so. Getting students the answers they need early can help them be prompt with their Borrower Self Certification Forms.

President’s Welcome

The KASFAA Program Committee invites you to attend the 2010 Spring Conference, “KASFAA-Get Your Game Face On.” The conference will be held on April 7-9, 2010 at the Holiday Inn University Plaza in Bowling Green. The Program Committee worked hard to find sessions that are compelling, timely, and interesting, and we hope the result is a conference that you won’t feel that you can miss.

In addition to four sets of informative concurrent sessions, the conference will offer general sessions that will benefit the entire KASFAA membership. We are excited that Michael Roberts from the U.S. Department of Education will provide our Federal Update. We are also very pleased that our opening session speaker will be George Duvall, Motivational Speaker, Consultant, and Comedian from Kentucky.

New KASFAA members are encouraged to attend a New Member Workshop on Wednesday, April 7. This workshop will not only offer an introduction to our association, but will provide an intensive introduction to the financial aid profession. More information regarding this event will be forthcoming from Robin Buchholz, so watch your email for details.

Networking and fellowship is an important part of any conference, so Wednesday night will and evening for all to gather for the President’s Tailgate Party and Cornhole Tourney!

Conference registration will open on March 3, 2010. The hotel group rate is only $105 per night plus tax; you must make your reservation by March 15, 2010. Be sure to mention our group name, KASFAA, to get the discounted room rate.

We look forward to seeing you in Bowling Green!

Sincerely,
Chester Priest
KASFAA President

Cindy Burnette and Terri Parchment
KASFAA Spring 2010 Program Co-Chairs

2010 Spring Conference
April 6-9, 2010
Holiday Inn University Plaza - Bowling Green, KY

Tentative Agenda

NOTE: ALL TIMES ARE CENTRAL STANDARD TIME

TUESDAY, April 6, 2010

2:00 – 5:00 p.m. Executive Board Meeting

6:00 – ???? p.m. Dinner

9:00 p.m. Packet Stuffing

WEDNESDAY, April 7, 2010

7:30 – 8:00 a.m. New Members Continental Breakfast

8:00 – 9:00 a.m. Program Committee / Executive Board Breakfast

8:00 a.m.– noon Exhibit Setup

8:00 – 12:30 p.m. New Member Workshop

12:30 – 1:30 p.m. Executive Board / New Member Luncheon

12:00 – 5:00 p.m. Registration

12:00 – 3:00 p.m. Exhibits and Communication Center Open

1:45 – 2:45 p.m. New Member Workshop (continued)

3:00 – 4:00 p.m. Opening Session (Pep Rally)/ SASFAA Update/Motivational Speaker – George Duvall

4:00 – 4:15 p.m. Break

4:00 – 5:15 p.m. Exhibits and Communication Center Open

4:15 – 5:15 p.m. Concurrent Sessions

1. PJ (All)
2. Repayment Realities; Preparing Your Students to Succeed (Advanced)
3. Diversity (All)
4. Excel - Tips and Tricks (All)

6:00 – 8:00 p.m. President's Tailgate Party

8:00 – ???? p.m. Games and Cornhole Tourney

THURSDAY, April 8, 2010

8:00 – 10:30 Late Registration

9:00 – 10:00 Year Round Pell - General Session
10:00 – 11:30 Exhibits and Communication Center Open
10:00 – 10:15 Break
10:15 – 11:15 Concurrent Sessions

1. Verification (Beginner)
2. Default Rates (Advanced)
3. Private Loans (All)
4. Student Loan Consumerism (All)

11:30 – 1:15 Luncheon / Business Meeting

1:30 – 2:30 Concurrent Sessions

1. Veterans Issues (Yellow Ribbon) (Beginner)
2. Work Study Best Practices (All)
3. KHEAA: Student Loan Marketplace (All)
4. Ask a State Legislator (All)

1:30 – 4:00 Exhibits and Communication Center Open

2:45 – 3:45 Concurrent Sessions

1. NSLDS (Beginner)
2. General Provision and Non-Loan Program Issues (All)
3. Direct Loans (All)

3:45 – 4:00 Break

4:00 – 5:00 Sector Meetings

Dinner and Evening on your own

HOTEL INFO

Holiday Inn, University Plaza
1021 Wilkinson Trace
Bowling Green, KY 42103

Reserve online or call 1-888-HOLIDAY (1-888-465-4329) The conference group rate is $105.00 per night plus tax for single or double occupancy. If you call, be sure to mention our group name KASFAA to get the discounted room rate.

FRIDAY, April 9, 2010

8:00 – 9:00 Breakfast
9:00 – 10:00 Federal Update

10:00 – 11:00 KHEAA Update

11:00 – 11:30 Closing / Adjourn

The FAFSA and Parent PLUS Loan Eligibility

By Sue Allmon
Account Executive
USA Funds Services

Parent PLUS loan borrowers are not required by federal regulation to complete the FAFSA to be eligible for parent PLUS loan funds. Some schools require that parent applicants complete the FAFSA; others do not. For those schools that do not require the parent to complete the FAFSA, there are additional loan certification tasks that must be administered.

Example 1: **"Our school does not require parents to complete the FAFSA for us to certify a PLUS loan. We have a separate form that the parents sign, indicating that they will use the loan monies for educational expenses. Does the student also need to sign that statement?"**

Yes, the dependent student for whose benefit the loan is requested is required to sign a statement of educational purpose — or the school's equivalent document —for his or her parent to receive PLUS loan funds. If the student completes a FAFSA, the requirement of signing a statement of educational purpose will be met. If the student has not completed a FAFSA because it is not required by the school, the school must obtain the statement of education purpose document, signed by both the parent and the student, and retain it in the student's records.

Example 2: **"Our institution waives the requirement that our students' parents complete the FAFSA if they apply only for a parent PLUS loan. What other processes must we have in place to support this choice?"**

A school that chooses not to require the FAFSA for parent PLUS borrowers must establish its own processes to obtain data to substantiate both the parent's and the student's loan eligibility, and to document that eligibility in the appropriate student and borrower files. The student must meet the same eligibility criteria applicable to other FFELP student loan borrowers, and the parent must fulfill each of the regulatory eligibility requirements for parent-borrowers.

Please consult the Common Manual for a full list of borrower and student eligibility criteria. Note in particular that the school must establish a process to confirm the information that, via FAFSA processing, otherwise is confirmed by federal data matches. For example, as part of FAFSA processing, the parent and student SSNs are compared with the federal database to confirm that neither has defaulted on a federal student loan and that neither owes an overaward of Title IV grant funds. FAFSA processing also compares student and parent data and provides information related to their citizenship status, and compares male student information to the Selective Service database to ensure that the student registered appropriately. Each of these data matches addresses a key aspect of the student's or parent's loan eligibility, so the school must obtain and retain this information.

If you have questions regarding federal student loan policy, USA Funds can help. Please e-mail your policy questions to askpolicy@usafunds.org.

Apply now for a KASFAA Professional Development Scholarship!

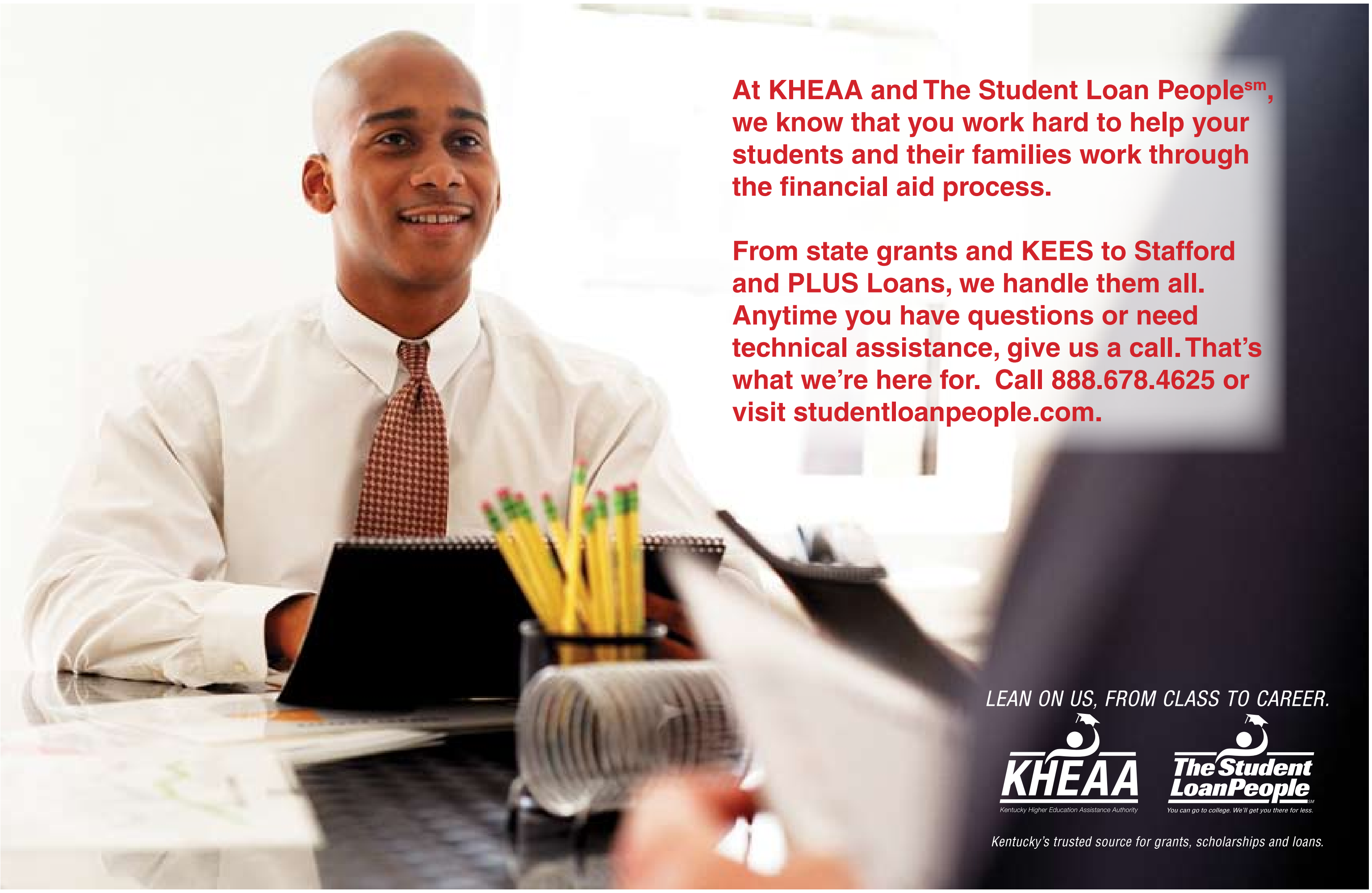
New Financial Aid Officers with an active membership to KASFAA and a desire to continue in the financial aid profession will have the opportunity to receive a paid registration to the SASFAA new aid officer training!

The scholarship will be awarded at the KASFAA 2010 Spring Conference in Bowling Green, Kentucky. Applications must be submitted no later than March 30, 2010.

The summer new aid officer's workshop will be held June 13-18, 2010 at Clemson University, Clemson, SC.

Go to https://www.kasfaa.com/awards_professional_development_nominate.html to access the form and receive additional information.

If you have questions, please contact Aaron Gabehart at algabehart@campbellsville.edu.



Over the past 40 years, we've worked together to help millions of people build better lives through higher education. Now more than ever, the right partner makes all the difference. In these changing times, we remain steadfast in our commitment to provide the highest level of support for professionals and students.

Working together, we will ensure that future generations can pay for college and fulfill their dreams. To learn more, call 866-464-7855 or visit **mygreatlakes.org**.

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FOR THE BETTER

KHEAA The Student Loan People Update March 2010

Governor Beshear launches new education initiative

Governor Beshear has launched a new education initiative, Transforming Education in Kentucky (TEK). The goal is to create a unified vision of what schools in the Commonwealth must offer to better serve students.

Gov. Beshear appointed the TEK Task Force to help develop new strategies while reinvigorating public and business support for K-12 education in the Commonwealth. The group will examine efforts currently under way, such as the Common Core Standards Initiative, Graduate Kentucky, the Gates Foundation/Southern Regional Education Board (SREB) college and career readiness initiative, the Race to the Top competition and the Governor's Task Force on Early Childhood Development and Education. The panel will recommend ways to channel all of these efforts into an integrated and comprehensive system of education in Kentucky.

In addition, the task force will explore career and technical education, expanded use of technology for learning, increased opportunities for students to earn college credit in high school and other issues that affect student success. The goal is to formulate recommendations by the end of 2010, for consideration during the 2011 legislative session.

New newsletter created for financial aid directors

The second edition of ZipLine, KHEAA's new online newsletter for financial aid directors, has been posted. The newsletter contains pertinent information about KHEAA's services and products, the student loan industry, helpful tips on using ZipAccess and answers to compliance-related issues. ZipLine will be distributed quarterly, but back issues will always be available on kheaa.com.

KHEAA offers Student Loan Marketplace

KHEAA has partnered with Overture Technologies to create the KHEAA Student Loan Marketplace, an online education financing resource that helps students and their families learn about and compare reliable private loan terms in an open and transparent network of lenders.

This loan comparison resource provides side-by-side comparisons of personalized private loan rates and terms to students attending colleges and universities served by KHEAA. This innovative online resource enables unprecedented comparison capabilities for students, provides a transparent resource for colleges and offers an efficient system for lenders. The KHEAA Student Loan Marketplace delivers personalized rates and terms to users based on their own credit information.

Detailed rates and terms are fully explained and standardized between lenders. The Marketplace also offers students, families, counselors and higher education institutions the following:

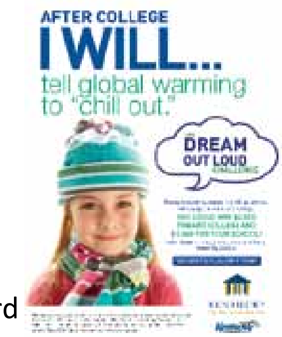
- Private loan terms from multiple lenders: The Marketplace gives students the ability to compare and select detailed financing options with a complete listing of loan terms including total cost, monthly payment, interest rate and APR.
- Preservation of borrower credit scores and privacy: The Marketplace enables a safer, more efficient loan shopping experience for students by using a single credit report to match borrower information with multiple lenders' products, and allows them to choose which lender, if any, receives their information.
- Enhanced transparency: The Marketplace is an open network of lenders that provides a safe and trustworthy shopping environment.

The Student Loan Marketplace connects students and their families to loans from a range of lenders, including attractive products from credit unions aiming to serve their communities with affordable student loans. It can be found at www.kheaamarketplace.com.

Kentucky's 529 college savings plan announces lower fees, additional investment option

KHEAA is now offering an additional investment option and a reduction in fees for the Kentucky Education Savings Plan Trust (KESPT).

A Balanced Option has been added to the range of investments. The Balanced Option seeks to provide favorable returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income by investing in a balanced combination of equity and fixed-income mutual funds.



KESPT has also reduced the total annual asset-based fee for the Managed Allocation Option, the most popular option among account owners, from 0.70 percent to 0.65 percent. The total annual asset-based fee for the Equity Index Option was also reduced from 0.58 percent to 0.55 percent. This is the second fee reduction in the last 14 months for KESPT. KESPT does not pay commissions or have additional annual administrative fees.

KESPT "Dream Out Loud" challenge provides Kentucky K-6 graders a chance to win cash toward college (picture)

KESPT is sponsoring the Dream Out Loud Challenge to prompt family discussions about how higher education can help children realize their dreams and to promote the importance of saving early for college. To enter, Kentucky K-6 graders can submit a creative work of art on how they will change the world after college for a chance to win $2,500 cash toward college. And the winner's school will also win $1,000. Entry requirements, official rules and entry forms can be found at www.DreamOutLoudKY.com. The contest began January 18, 2010, and ended March 15, 2010.

Student Aid Disbursements

By the end of the second quarter, KHEAA had disbursed $105.6 million, or 52%, of the $201.6 million in available funds for student aid programs in FY 2010.

2010-2011 State Grant Award Amounts

The state grant maximum award amounts have been set for the 2010-2011 academic year.

CAP

- Maximum award amount remains at $1,900 for full-time students.
- Hourly rates for less than full-time students will remain at $79 for semester-based institutions and $53 for quarter-hour institutions.
- The expected family contribution (EFC) for CAP Grant consideration remains at 4,617.

KTG

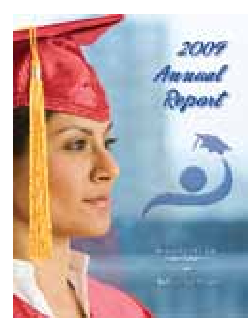
- Maximum award amount remains at $2,964.

KHEAA hopes to begin loading Institutional Student Information Records (ISIRs) for 2010-2011 state grant consideration before the end of March, depending on the status of the state budget process.

New Student Aid Estimator

KHEAA has partnered with studentaid.com to offer the KHEAA Student Aid Estimator, a net price calculator that meets the federal Net Price Calculator mandate for Title IV institutions, but also offers many unique capabilities and features for your institution. The estimator will allow students to more accurately determine the cost associated with their school of choice.

Annual report



The FY 2009 KHEAA/Student Loan People annual report is available online at www.kheaa.com and www.studentloanpeople.com.

Highlights of the report include amounts of student aid disbursed and guaranteed as well as examples of how our local partnership with Kentucky schools, agencies and organizations has made a positive difference in the lives of Kentuckians.

Promote Your School scholarship essay contest winner announced

The winner of the annual Promote Your School scholarship essay contest was announced Monday, January 4, at Williamstown High School.

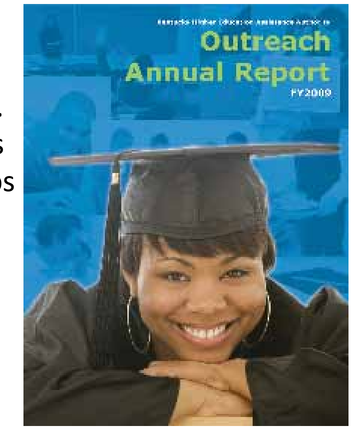
Junior Steven E. Faulkner submitted the winning essay months earlier, so he was surprised when Sen. Damon Thayer presented him with his award and citations from the Senate and House of Representatives.

KHEAA received more than 500 entries from 89 schools in the annual contest, a record number since launching in 2003. Winners receive a $500 scholarship, and students from the winning school are featured in KHEAA publications and marketing materials.

This year, KHEAA developed a Promote Your School microsite attached to kheaa.com. The microsite features winning essays and selected photos from the photo shoots since 2003. You may visit the microsite at http://www.kheaa.com/website/contest/intro.

Report details Outreach activities for FY 2009

The FY 2009 Outreach Annual Report is now available at the Reports page of www.kheaa.com. This report includes information about our nine regional outreach counselors, provides a breakdown of contacts made and materials distributed and highlights selected partnerships and activities. Information about the College Info Road Show, which visits schools and other sites, and GoHigherKY.org is also featured.



Student Loan bill details; may pass with health care

The legislative text of H.R. 4872, the Health Care and Education Affordability Reconciliation Act of 2010 includes student loan reform with a nonprofit servicing provision similar to the one included in H.R. 3221. A summary of some of the key higher education provisions of the bill follows.

- **The Secretary is directed to contract with eligible nonprofit servicers to service direct loans. The bill provides $1.5 billion in mandatory funding for the purpose of implementing this provision. It also provides $50 million in mandatory money for the current fiscal year (FY 2010) for technical assistance for schools transitioning to direct lending, and $25 million for FY 2010 and 2011 to retain loan servicing jobs at their existing locations within the United States. (The $50 million for transition expenses was also included in H.R. 3221.)**
- **The measure contains several enhancements to the nonprofit servicing section relative to the provisions contained in the Student Aid and Fiscal Responsibility Act (SAFRA): The Secretary is required to establish a separate pricing tier for the first 100,000 borrower accounts, and all qualifying eligible nonprofit servicers would get an initial allocation of 100,000 borrower accounts. H.R. 3221 provided that nonprofit servicers would initially receive the accounts of the LESSER of 100,000 borrowers or all the borrowers in their states. This new language eliminates the cap that would cause many nonprofit lenders in less populous states to receive an allocation of less (in many cases considerably less) than 100,000 borrower accounts. Consequently, there is no longer a requirement that borrowers assigned under the allocation be based in the state of the nonprofit servicer.**
- **The College Access Challenge Grants created under CCRAA are continued and funding is increased. The bill authorizes and appropriates $150 million per year for each year from 2010-2014 for these grants. This Challenge Grant funding is the only portion of the President's proposed $2.5 billion College Access and Completion Innovation Fund that made it into this legislation.**

Should the reconciliation package pass the House, the Senate will likely take it up the week of March 22. Reconciliation rules allow for 20 hours of debate, and then amendments can be offered but not debated. Congress Daily also reported that the GOP is preparing a "slew of amendments" to offer. Republicans will also try to force changes to the reconciliation package through points of order under the Byrd Rule. Sixty votes are needed to waive a point of order under the Byrd rule, a threshold the Democrats will find hard to meet with only 59 members and the GOP united in opposition to the bill. Should a point of order be sustained, then the provision in question would be struck from the bill. The entire bill would then need to be passed again in the House before heading to the president's desk for his signature. According to Roll Call, it is expected some Byrd rule challenges would be upheld as the Senate Parliamentarian has yet to make rulings on several provisions in the bill that the GOP is likely to challenge under the rule. Conrad added that while House members are insisting the Senate pass the reconciliation measure unamended and unchanged, House leaders are aware that some Byrd challenges will be successful.

Satisfactory Academic Progress: Using Federal SAP Provisions to Write and Enforce Policies

By Sue Allmon
Account Executive
USA Funds Services

To be eligible for Title IV aid, students must make satisfactory academic progress, and institutions must have a published policy for monitoring that progress. The policy explains the qualitative and quantitative standards used to check SAP, and it applies to all programs and students, regardless of their enrollment status.

The most important aspect of federal regulation regarding SAP is that the school must develop and consistently enforce its own standards of satisfactory academic progress. Regulations include minimum standards but do not cover the varied scenarios of SAP and its effect on transfer students and students who re-take classes, for example. Schools are expected to have, to update, and to enforce consistently standards of satisfactory academic progress that meet minimum regulatory requirements.

Here are several examples of questions that reinforce the need for a school to have a regulated mechanism to enforce its own SAP policies and procedures.

Q: We have a student who was not meeting SAP progress at the end for 2008-2009 academic year, so he was not eligible for federal aid for the 2009-2010 academic year. Now that he has completed the 2009 fall term, he is making satisfactory academic progress. Can we approve this student to receive federal aid for the spring semester 2010?

A: The length of the student's program of study and the school's own policies regarding satisfactory academic progress will determine how the school determines whether and when the student regains eligibility. Federal rules govern some aspects of programs of two or more years, and they provide minimum standards for shorter programs. To a large extent, the details of how SAP policies are administered are governed by the school because SAP policies should be written and applied consistently from student to student. Consult the Federal Student Aid Handbook, which describes the federal minimum qualitative and quantitative standards for SAP.

Q: At our institution, we must follow different SAP for different programs. If a student transfers from a non-term program to standard semesters at the same school, in the middle of a non-term academic year, should we follow the SAP policy for the non-term or standard term next time funds are due to the student?

A: The school's documented SAP policy must address those students who transfer from one program of study (major) to another. In general, the school would count all periods of enrollment when calculating the student's SAP. However, the school's policy may permit the exclusion of certain credits attempted and grades earned for those students who transfer from one program to another.

Q: Is there a policy or regulation that would prohibit students from receiving federal funding for a class they choose to retake? One of our students has received transfer credit for a class, but he wants to waive the credit and take the class anyway. Can the student do this and still receive federal funding?

A: A school must define the effect of course "retakes" on a student's satisfactory academic progress as part of its official SAP policy. In doing so, the school defines the impact of the retake on both the qualitative and quantitative progress components. A student enrolled in a term-based credit hour program may receive federal funds for retaking coursework, provided the student continues to meet the school's SAP requirements. In general, schools do not give a student credit for retaking a course to achieve a better grade unless the student initially failed the course and received no credit. If the student is merely completing coursework to erase a previous grade of "incomplete," the student is not considered to be enrolled in the course. If a student retakes the entire course due to a previous grade of "incomplete," the student is considered to be enrolled in the course and may receive Title IV funds.

If you have questions regarding federal student loan policies, USA Funds® can help. Please e-mail your policy questions to askpolicy@usafunds.org.

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