OASFAA Newsletter

December 2015

A publication of the Oregon Association of Student Financial Aid Administrators, a not-for-profit membership organization.

Welcome from the Editor

Welcome to the December 2015 edition of the OASFAA Newsletter! Inside you'll find so many fun and fascinating tidbits of information. From association news to interesting articles on a variety of topics, there's something in here for everyone. Did you attend last year's Annual Conference? Reminisce with Shelle Riehl about all the fun she had. Thinking about going to next year's Annual Conference? Get a sneak peak at what to expect from Ashley Coleman. Registration is open now on the OASFAA website. Did you miss the Summer Drive-In or FA 101/201? Find recaps of both events on page 8. And Helen Faith's article on the tragedy at Umpqua Community College will remind you of the strength and compassion of our Oregon Financial Aid Community.

I hope you enjoy this issue of the newsletter and gain some insight into your practice that you didn't have before. Thank you for reading. And thank you for all you do for students and the Financial Aid Community.

Heather Hall Lewis
Communications Chair

Inside this Issue

Editorial Policy

OASFAA welcomes all views and invites submissions of articles, essays, photographs, or information of general interest to all members. Submissions should be brief, and should not advertise specific products or services. Submissions may be edited. It may not be possible to publish all articles submitted. Opinions expressed in the OASFAA Newsletter are those of the authors and not necessarily of OASFAA, its members, or the institutions represented by the authors. Email items for publication to the editor, Heather Hall Lewis, at hallh@up.edu.

Member News

Marija Hobbs joined the University of Portland staff as Financial Aid Coordinator.

Chemeketa Community College hired **Selina Ramon Sanchez** and **Cy Hill** as Financial Aid Outreach Specialists.

The University of Oregon hired two new Financial Aid Counselors, **Michelle Garibay** and **Tina Phifer. Ian Kwasowski** has also transitioned from Technical Reports Specialist to Financial Aid Counselor. **Kari Vasquez** replaced Ian as Technical Reports Specialist.

Ashley Coleman and **Holli Johnson** were promoted to Assistant Directors of Financial Aid at the University of Oregon.

Mary McGlothlan left Multnomah University to become Director of Financial Aid—On Ground at Concordia University.

Kara Westervelt Parker left the University of Oregon to become Assistant Director of Financial Aid at Western Oregon University. Kara also got married in the fall.

Brandi Kinsey joined the Southern Oregon University Staff as Financial Aid Counselor.

Lane Community College hired **Luna Lacey** and **Desiree Woodruff** as Financial Aid Representatives and **Karen Ash** and **Cassie Zimmerlee** as Financial Aid Advisors.

Sue Shogren has taken a position as a trainer for NASFAA.

Jennifer Satalino began managing ECMC's The College Place-Oregon in November.

Correction from July 2015 Issue:

Brian (not Ben) **Hultgren** joined the staff of Oregon State University as Associate Director of Financial Aid. Sorry, Brian!

Retirement Announcement

After 33 years employed at the University of Oregon, with 32 years in the Office of Student Financial Aid and Scholarships, **Nancy Hanscom** is retiring. Here are Nancy's parting words to OASFAA:

I would like to thank everyone in OASFAA, past and present, for providing excellent training and support to all Oregon financial aid administrators. I enjoyed my time as a Committee Co-Chair for the Support Staff Workshops, Volunteer Committee, Development Committee and serving as Vice – President for 4 year Institutions. I truly believe that OASFAA is the best in providing service to all its members.

Few outside of financial aid will ever know or understand the hard work involved and immense challenges that we face. I am looking forward to not attempting to describe my job to people, since they seem to lose interest when I explain in detail. Being a bureaucrat is not easy, but when you meet students that have achieved their dreams with your help, it is so rewarding. You go home tired, but very happy.

My time at the UO is about the people. Their support and caring kept me in financial aid when I was overwhelmed or disappointed. I have worked with the very best co-workers and leaders over the years. I especially would like to thank the Ford Family Foundation and others, for supporting OASFAA, and providing excellent service to our students. I will miss everyone very much. I look forward to reading about great innovations and accomplishments in service to students.

Congratulations, Nancy! We'll miss you.

2016 Annual Conference Preview—See You at Camp OASFAA!

By Ashley Coleman, Annual Conference Co-Chair

When was the last time you were at summer camp? 10...15...20 or more years ago? Or maybe never? Summer camp brings up images and memories of sunny days, s'mores, arts & crafts, team building activities, nature walks, learning, adventure and friendship. That's exactly what we hope to bring to Camp OASFAA, our 2016 Annual Conference (okay, we can't promise sunny days). The conference will be held Wednesday, February 3rd through Friday, February 5th, 2016, at Salishan Spa & Golf Resort in Gleneden Beach, OR. Registration is now open, and the schedule and session descriptions are posted to our website.

What's in store for you if you attend the 2016 conference? First and foremost, learning! We have over 40 sessions packed with information on verification, direct loans, Oregon Promise, policies & procedures, audits, diversity and much more.

Next, the conference will bring adventure. We have plenty of fun things in store for you! We are extremely pleased to welcome Jan Michael Looking Wolf Reibach as our Wednesday lunchtime keynote speaker and Wednesday night entertainment. Jan Michael is a renowned Native American flute recording artist, performer, educator and published author.

After dinner and entertainment on Wednesday, join us in the Attic Lounge for karaoke. That's right; karaoke is back by popular demand! Don't stay up too late, though, or you'll miss Abril Hunt's sunrise yoga class Thursday morning. Thursday night after dinner on your own is the President's Campfire in OASFAA President Mary McGlothlan's suite. Gather 'round the fire for s'mores and social time. Be on the lookout for arts & crafts time and special surprises throughout the conference.

Finally, the conference will be about friendship. Whether you have been to the conference many times or this is your first one, you're sure to meet many new colleagues that hopefully you may call friends. We have a special newcomer's session for first-time attendees, where we will encourage you to network with others. If you're a returning camper, be open to meeting many new faces. Last year a third of our registrants were newcomers! You'll have plenty of time to chat and socialize throughout the conference with the other campers and the vendors.

See you in February at Camp OASFAA!

2015 Annual Conference Reflection

By Shelle Riehl, 2015 Annual Conference Scholarship Recipient

It is that time of year when we all can take a little breather out of the crazy FA calendar now that GE and FISAP reporting deadlines have passed. Though in the "stillness" of our offices, as the seasons change, we are all wondering… WHAT'S IN STORE FOR US IN 2016-17???? There are ways to find out!!!

Last February, I was one of the lucky recipients of the Conference Scholarship. This came at an opportune time when our institutional training budgets were seeing major cuts.

I was excited to attend the many sessions offered on Financial Literacy at last year's conference. This fell in line with one of my main goals for our office: to set up a useful and informative Financial Literacy program. Though we are still working to set up our program, the information I received has been extremely beneficial.

I believe that those working in the world of financial aid must be connected to colleagues and our state Financial Aid Association. The connections that you make at the Annual Conference not only become lifelong friends, but valued partners in crime (work). I was excited to start working in Oregon knowing that OASFAA was a well-established training association. I started my financial aid career in Boston and my affiliation with MASFAA and EASFAA helped further my knowledge base and readied me for my future in the world of FA. The OASFAA folks I have made connections with are valuable resources, colleagues, and lifelong friends.

Do not miss the opportunity to attend the 2016 Annual Conference! Be present and volunteer to help if you can!

Backpacks for Kids

OASFAA is proud to be supporting Backpacks for Kids at the 2016 Annual Conference. This organization provides weekend meals to children and families in the Lincoln City area. Below is a list of suggested donation items. The organization with the best summer camp/camping decorated food box or back will win a prize!

ECMC will be matching donations up to $2,000! At the 2015 Annual Conference, we donated a total of $15,000 worth of goods to this organization! Let's see if we can beat that record!

- 100% Juice Boxes
- Chicken Noodle Soup
- Chili
- Cup of Noodles
- Fruit Cups
- Granola or Protein Bars
- Jam or Jelly (Plastic Jar)
- Macaroni & Cheese
- Oatmeal (Instant Packets)
- Peanut Butter (Plastic Jar)
- Pork & Beans
- Pudding Cups
- Ravioli
- Refried Beans
- Spaghettios
- Sugar Free Cereal (Single Serve)
- Top Ramen
- Tuna Fish
- Tuna Helper
- Visa-type gift cards

New or gently used backpacks are also appreciated!

Reflections on a Tragedy in our Community—#IAmUCC #UCCStrong

By Helen Faith, Lane Community College

October 1, 2015 brought an unthinkable tragedy to Umpqua Community College that rocked Douglas County to its core. With this terrible event still fresh in my mind, I feel compelled to write about my experience in supporting my financial aid colleagues at UCC. I also write from the perspective of an employee at a neighboring community college observing my campus's response to the tragedy. I apologize for any pain this article may rekindle for my colleagues, whom I hold in the highest esteem and wish only to support. I hope that this glimpse into my experience will serve to help others when responding to a traumatic event.

Umpqua Community College is a small community college located near the rural community of Roseburg, just 70 miles south of Lane Community College in Eugene, where I work. As with most rural community colleges, resources at UCC are thin, but staff and faculty embrace students from all walks of life with open arms. No school can truly be prepared for something as horrific as a mass shooting, and an under-resourced rural school is no exception. Fortunately, a support network quickly formed and organized to assist UCC through this unimaginable crisis. Lane Community College was called upon to participate in this effort, and I traveled with a small team to provide support to my dear colleagues on Monday, October 5th. I had no idea what to expect, and I wasn't sure how I could be of help, but I knew that I wanted to do everything I could to ease their burden.

In the aftermath of the shooting at Umpqua Community College, every staff member and student was impacted in some way. At a community college in a tight-knit rural county, the impact of this type of event is heightened further, as virtually everyone in the county has connections to the college. Each person responded to the crisis in his or her own way, yet the work on campus had to continue. The financial aid office faced unique challenges: the usual sequence and timing of classes, attendance tracking, add/drop deadlines, and financial aid disbursements were disrupted, necessitating major process changes and special considerations for students in trauma.

When I arrived, my colleagues in the aid office were reeling from the shock and heartache of the events that had occurred just days before, and I realized quickly that beyond showing my support and giving hugs, my presence was needed to help them work through the many puzzles and questions involved in reconfiguring their processes and requesting special consideration from the Department of Education due to the crisis. Emotional trauma strikes deep in the brain, interfering with our ability to concentrate and engage in the type of complex thought processes involved in tasks such as revising financial aid processes on the fly. One of the most supportive things we can do to help people manage crisis is to lend them our unfettered cognitive skills, mapping out processes and helping them think through all of the complications that may arise. As the weeks have passed, I have continued to check in and assist when needed by phone, email, text, and in person, and have involved my staff in supporting UCC's financial aid team when needed. When this term comes to a close, I hope to help them through the tide of R2T4 calculations and SAP appeals from students who struggle academically and withdraw from classes as they work through their own responses to the tragedy.

Beyond UCC

There have been many ripple effects beyond the UCC campus since the tragic incident on October 1st, ranging from "copycat" incidents nationwide to discussions about campus security and the role of firearms at Lane Community College. I attend Lane's board meeting each month to keep up on the issues impacting the college, and by extension, my office. The October 7th meeting began as it always does with public comments, and arming campus public safety officers was the most urgently discussed topic of the evening. Several pleas were made by and on behalf of the officers in support of arming them with handguns; many of the officers have extensive training and experience with firearms, and handle unpredictable and violent behavior in the course of their daily jobs. Others argued against arming campus public safety officers, voicing concerns that guns could be misused, causing more harm, and discussing the different ways individuals perceive law enforcement and security officers. In

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Reflections on a Tragedy in our Community (Cont.)

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particular, several argued that due to persistent historical patterns of racial profiling and the disproportionate persecution of minority groups, people of color may be more likely to be fearful of police and security officers. Arming these officers, they reasoned, would serve to worsen this fear. Despite the emotional charge and passion of those engaged in the discussion, the speakers were respectful and humble in their arguments, and I believe that we were all left with a deep sense of responsibility to think carefully about all of the potential consequences and to engage many voices in this important and difficult conversation.

As time passes, the intensity of our emotional response will fade, but the impacts will continue to leave their mark on the UCC community and everyone involved in the recovery efforts. I am deeply grateful to have been given the opportunity to help my colleagues in their hour of need. I've always found that the rewards of volunteerism far outstrip the effort involve—it truly is better to give than to receive. As I reflect on this indelible moment, I've learned lessons and gained tools to better prepare me for future crises. For starters, I now have some insight into the way individuals and institutions respond to crisis, and I feel better prepared to manage a crisis of this magnitude and to lead my staff through a traumatic experience. I feel prepared to ask for and accept help, knowing that the colleague on the other end of the phone line will be glad to assist and will be able to lend me a presence of mind I might not otherwise realize I'll need. And finally, I know that the conversations prompted by a crisis will be emotional, important, and difficult, and that points of view debated reflect a wide spectrum of the human experience, all of which must be given consideration and treated with respect.

Volunteer Spotlight—Abril Hunt, Summer Drive-In Co-Chair, Technology Chair

By Ashley Coleman, Volunteer Coordinator

This winter, the OASFAA Volunteer Spotlight shines on Abril Hunt, Senior Financial Literacy Trainer at ECMC. Abril was Co-Chair of the 2015 OASFAA Summer Drive-In and she is currently our Technology Chair and a member of the 2016 Annual Conference Committee. Abril has given her time and energy to our organization for more than 13 years! We appreciate her service!

How did you get started in financial aid?

I was living in Los Angeles working for the Screen Actors Guild and I was in Portland on vacation. I met my husband who was from Forest Grove. When I moved, Pacific University was the only major employer in town, and Financial Aid with all its regulations was an easy transition for me from interpreting union code.

How long have you been an OASFAA member?

Since 1998. I had a small break while I worked for WSUV from 2011-2014, when I was active in WFAA and WASFAA.

Tell us about your volunteering experience with OASFAA.

I first volunteered to be on the conference planning committee in 2000. I worked on the printed program, which has since evolved into the Gazette. I served two terms as Fund Development Chair. I did a ton of conference sessions, and I think I was Vendor Liaison for a bit, too.

What were your goals for the 2015 OASFAA Summer Drive-In? What are your goals as Technology Chair?

Summer Drive-In was a blast. I loved working with Shelle Riehl and Dacia Smith. Get them on your committees, STAT! We had a good turnout and met our revenue goals. As Technology Chair, in addition to managing the list-serv and job bank, I will be focusing on updating the website in general. So if you have any cool ideas on what you'd like to see, send 'em my way!

Any words of wisdom you'd like to share with your fellow OASFAA members?

Ha! Umm…Work hard, but don't take yourself too seriously. Get to know your colleagues; they are the only ones who truly get it and are a great support system. Cut helicopter parents some slack; they just love their kids...and BREATHE.

Insights on Student Borrowers and the Grace Period

By Sarah Arslanian, American Student Assistance

This past summer, your 2015 graduates hopefully got into the swing of post-college life: securing a job, finding a new place to live, and learning what it means to live on a budget. However, your alumni may have forgotten to factor in those pesky student loan payments and with the six-month grace period about to expire, now is the time you may start to receive some panicked calls as repayment looms.

Unfortunately, for many recent grads, the emotions that go along with starting repayment can be overpowering, and can often cause a state of near-paralysis when it comes to dealing with the debt burden. Higher education administrators can be of more assistance when they understand the challenges from their students' and alumni's perspectives, as well as available solutions.

Recently, American Student Assistance (ASA) had the opportunity to ask student loan borrowers about their mindsets as they approached the start of repayment. Reactions ranged from proud and excited, to anxious, surprised, overwhelmed and disappointed when they realized how much they'd have to pay each month.

> *"Initially, I was happy to start paying them back," said one of our members. "I knew I had this debt and I was excited to get rid of it and felt lucky to have a job to be able to do so! But then I saw how much I had to pay each month and how much interest had accumulated and I was more unhappy. I wish I knew more in advance how much I would have to pay each month."*

Challenges

Our members cited these specific challenges around grace period and repayment:

Lack of awareness – Some don't realize when their grace period will be over and what to do when it is, making the grace period a critical time for education and preparation before repayment begins.

Lack of understanding – Recent grads often don't understand the impact of interest or the terms of their loans.

Lack of familiarity – Borrowers are frequently unaware of who their loan servicer is and the role that the servicer plays in the repayment process.

Employment – Some are unemployed or underemployed and worry about facing payments they won't be able to afford.

Inexperience – Some are becoming financially independent for the first time and lack experience with factoring student loans into their budgets or living expenses.

Lack of option awareness – They don't know that they have options to deal with loans other than simply repaying them.

Our members reported a few different ways they cope with repayment. Some move back home with their parents, while others become more stringent with budgeting to make sure they can at least pay their minimum payment. Some said they explored loan forgiveness or refinancing to try and lower payments. Far too many, though, simply avoid the problem if they can't afford to repay and don't proactively engage with their servicers to find a workable solution.

That can have dangerous consequences, not only for the individual borrower, but for the higher education institution. Research has shown that the majority of student loan defaulters do so without ever making one payment. Making the first payment and getting into a regular repayment rhythm is crucial to long-term success.

Aside from federal student aid sanctions when too many students default on their loans, schools also face heightened animosity from former students who have difficulty repaying their debt. In *ASA*'s Life Delayed survey of young professionals, 54% of respondents said that, knowing what they know now about the struggle to pay back loans, they were either unsure or definitively would not have made the same college decisions. Meanwhile, 32% of respondents saw the school they attended as secondarily responsible for the debt they incurred.

Solutions

Higher education institutions can play a pivotal role in setting borrowers up for success by emphasizing the first payment. Exit counseling is the first step in explaining the borrower's responsibilities, but communications to alumni and stop-outs also need to be boosted during the grace period.

June - September: Since most students were too busy wrapping up school, finding a job, and focused on graduating during exit counseling, now is a good time to remind alumni that their grace period will be over soon. Continue to offer content on repayment options, especially deferment for those without a job.

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Insights on Student Borrowers (cont.)

By Sarah Arslanian, American Student Assistance

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Refer your students and alumni to reputable sources of information, such as any third party service providers your institution works with for financial education and loan counseling, the servicers themselves, or the *U.S. Department of Education* (ED). Tell them about ED's Repayment Estimator or the *Consumer Finance Protection Bureau's* tool for repaying student debt.

October - December: Ease the stress of repayment with budgeting and money saving materials – make it seem less overwhelming with actionable resources such as worksheets and calculators.

Continue providing information to help alumni understand their options if they can't make their payments or to help maximize their repayment plan.

January - March: This is the time when recent grads fall into delinquency or default if they haven't been making payments since their grace period ended. Therefore, content about how to fix the situation if they've fallen behind is especially important at this time.

2015 Summer Drive-In Recap

By Abril Hunt, Summer Drive-In Co-Chair

This Year's Summer Drive In was held at Multnomah University. We had a wonderful day with a great agenda featuring both federal and state updates, Thank you, thank you, thank you, Kim Wells and Susan Degen! The approximately 40 attendees (up 5 from 2014) were able to choose from three breakout session offerings on topics ranging from *Verification*, to *Resources for Undocumented Students*, to *Knock Your Socks Off Service*.

Lunch was catered by the university, which deserves mad props for accommodating so many unusual food allergy requests. Lunch was delicious! Many attendees commented on how wonderful it was to have a small and intimate event, which allowed for participants to network and allowed more time to ask questions of the presenters. Out of 41 attendees, 29 submitted evaluations, which put the event at an 82% approval rating of Excellent. As a committee of three, we were pleased to see the fruits of our labors be so positive.

If you have ideas for our 2016 Drive In be sure to share with President-elect Jennifer Knight.

See you next summer!

2015 FA 101/201: A Successful Experiment

By Kathy Campbell and Mike Johnson, FA 101/201 Co-Chairs

On Friday, November 6, 2015, Chemeketa Community College in Salem hosted OASFAA's FA 101/201. Experienced faculty provided basic and intermediate financial aid information to 24 attendees who represented 14 Oregon colleges and universities. The lasagna for lunch and cookies at breaks were outstanding.

That brief description sounds a lot like other versions of this event, but this year we did a couple of things differently. First, we moved the date from early February to early November – a time when we hoped that attendees were perhaps the least busy with day to day responsibilities on their campuses. Second, we separated FA 101 and FA 201 into different curricula presented by separate faculties, which we thought would allow more flexibility in each curriculum, and a greater exchange of ideas, especially in FA 201.

FA 101/201 Participants

In FA 101, Lois DeGhetto, Mike Johnson, Jennifer Knight, and Kevin Multop guided attendees through financial aid history, programs, applications, eligibility determination, need analysis, hand calculations and awarding. In FA 201, Jim Brooks, Kathy Campbell, Mark Diestler, and Peter Goss led interactive sessions surrounding "Big Picture" concepts of administering financial aid, including compliance, best practices, customer service, working with other offices, and managing and reporting expenditures, ethical considerations, and special topics such as professional judgment scenarios.

At several times during the day, attendees and faculty found themselves looking ahead to October 2016 when the 2017-2018 FAFSA will become available. To get ready for that change, we'll not only be rethinking the timing of all of our communications and processes, we'll also be a year closer to whatever changes the next HEA reauthorization has in store for us and our students. So, the next time FA 101/201 happens we'll have even more to talk about.

Leveraging Social Media to Engage Students

By Abril Hunt, ECMC

This generation of students has enthusiastically adopted social media. Yet utilization of social media by educational institutions lags far behind. Many schools struggle to define a social media strategy and are unprepared to link it to their recruitment and retention strategies. How can we be expected to tweet when we're still trying to figure out Instant Messaging?

What many of us don't realize is that instead of using traditional search engines, today's students now go to social media sites to search for content and learn about products & services. Facebook, YouTube, Twitter, and Pinterest have become search engines themselves. Over the past few years, social media audiences have grown and their demographics have significantly expanded. Currently, 55% of college students and 62% of young employees say they could not live without the internet.

The internet has become an integral part of our lives. Finding students where they are and offering a sense of instant connectivity is vital to effective communication. So, how do we reach our students?

The Blog

Let's start with blogging… A blog is a great way to maintain a consistent presence online. Blog posts should be brief and provide value. You can also encourage reader participation by asking questions and inviting them to post comments. Likewise, you can comment on other people's blogs, but be sure they are blogs that are relevant to Financial Aid and/or Higher Ed. You can also subscribe to blogs so that you are notified whenever a new post goes live. When it makes sense to comment, go for it. This is a great way to gain exposure.

Twitter & Facebook

Twitter and Facebook are great ways to reach out. Your students are most likely on one or both websites. Connect with your students, join groups, participate in discussions, and post your events, videos, and photos. You can provide links to forms, scholarships, or information on community outreach events. This gives your students an opportunity to get to know you and the Financial Aid Office better. A great tip is to link your Twitter account to your Facebook account so that one post will hit both sites.

E-Newsletters

Another way to engage students through social media is with an e-newsletter. (Hey, just like you're reading now!) Whether you send it out once a month, once a quarter, or once a semester, an e-newsletter provides you with a means for sharing your thoughts and ideas with your students. You can write an article that explains a particularly confusing reg., or post upcoming events so your readers will know where you'll be.

Think of social media as a way to build on the communication plan that you already have in place – a way to make it stronger. Think about where your students are online and be sure you are there, too. Share quality content that will make your students think, or ask for their opinion on a certain topic. Everything you share should be related to financial aid or higher education, and avoid sensitive topics such as politics or religion.

Let your students know that you value their feedback and appreciate their comments on your posts. If you use Facebook, 'like' what your students say. If you use Twitter, re-tweet their responses to your post. Ensure your students feel comfortable about sharing their opinions.

Follow the Rules

By following a few simple rules, you can win the hearts of your students and promote your office without facing any uncomfortable situations.

Be transparent. Write short and clear messages. Try to be as friendly and helpful as possible. If one of your students appears to be confused about something, elaborate on the issue in detail, so that others can also benefit from it.

Be courteous. Never argue in a rude manner with anyone, ever. Be collegial and polite in all your conversations. If someone is being offensive, just delete the comments that contain the offending language. Don't jump into a difficult conversation if you are tired or in a bad mood.

Be respectful. Try to take criticism constructively and turn negative comments into productive discussions.

Be real. Personalize your messages to let your students know that they are interacting with a real person. Use your real name whenever possible and acknowledge the customers who are active on your Facebook page. Try to avoid using a fake profile, as this approach can backfire,

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Leveraging Social Media (Cont.)

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but if you don't want to use your real name, use an alias that looks authentic.

While most people don't give much thought to the communication that takes place on social media websites, a rude or inappropriate conversation can ruin your reputation. In Internet slang, a "troll" is someone who posts inflammatory or off-topic messages with the intent of upsetting readers, or disrupting normal on-topic discussion. Moderate your discussions to make sure everyone can express their opinion safely. Your role is to launch a topic of discussion, by asking a question and encouraging and thanking the people who participate.

Are you ready to dip your toes into the murky waters of social media? You don't even need a Twitter account to see what's going. Hop on over to http://search.twitter.com and enter the hashtag **#finaid** in the search box!

Despite Nationwide Cohort Default Rate Drop, Prevention Remains Critical

By Ron Lee, Inceptia

The U.S. Department of Education recently released Cohort Default Rates (CDRs), and the news is surprisingly gratifying. Nationwide, loan cohort default rates have declined to 11.8% for students who entered repayment between October 1, 2011 and September 30, 2012. That's nearly a two percentage point improvement (or almost 14 %decrease) from FY 2011, when rates across all sectors of higher education (public, private and for-profit institutions) were at 13.7%. Clearly, default prevention strategies on U.S. campuses are making a positive impact.

So why should default prevention remain a top priority for schools, even though the national default rate is dropping?

Time Flies

You may think to yourself: "Our rate isn't so bad. It's a little higher than I'd like to see it, but it's not creating regulatory penalties." Although your rate may look good at the moment, things can escalate surprisingly quickly. The lengthening of the monitoring period used to calculate CDRs has shed light on the fact that incidents of default increase dramatically in the third year after repayment begins. This means students entering repayment now may be in the danger zone in a few short years. Regardless of whether a default affects your cohort default rate, the default will still have the same negative impact on your students' lives. Why wait to address the issue?

Reputation

As we look across all areas of higher education, CDRs are becoming a benchmark of reputation and success. The dialogue around rising student loan debt is growing, and students, parents, and the media are applying more scrutiny to institutions based on their numbers.

By taking the time for one-on-one conversations with borrowers, allowing for a customized discussion specific to a student's situation, and making sure students are informed about their repayment options and responsibilities,

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Default Prevention (Cont.)

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schools can increase the chances of students' successful repayment – all while bolstering their institution's reputation.

Empowerment

As financial aid professionals, you provide students with knowledge, career mentoring and the skillsets needed for success. But students need additional tools – like an understanding of personal finance – to help them achieve successful repayment. You're empowering former students by giving them confidence to work with their loan servicers and find financial wellness in adulthood.

The Greater Good

No matter what your CDR is, defaulted loans are an additional weight each student must carry as the student tries to get a career off the ground. In addition, there is a financial cost to taxpayers and communities. Sanctions and benefits are persuasive motivators to schools to work with their borrowers to reduce default, but there is a larger, "we're all in this together" incentive as well.

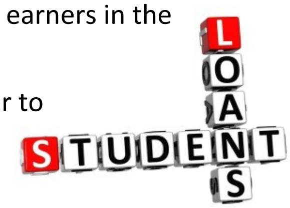
You owe it to your students to proactively implement effective default prevention strategies to ensure your students have the financial tools required for successful student loan repayment. Crafting a comprehensive default prevention strategy on your campus demonstrates compassion that goes beyond the classroom.

Shield your Students from Fee-Based Repayment Help

By Chris Jordan, USA Funds

Some student loan borrowers are paying third-party organizations to consolidate their federal student loans, enroll in an income-driven repayment plan, or apply for loan forgiveness programs. Many of these students are struggling to keep current on their loans and see this as their only option for relief. But the very services for repayment relief that they are paying big bucks for are available for *free* through the federal government.

Struggling borrowers who are in repayment are not the only target. According to some financial professionals, companies are also contacting students while they still are in school, especially those likely to be high earners in the future, like medical students.



Students report receiving mailers that offer to help them determine the best repayment plan for their situation or that advertise "Obama loan forgiveness," which the mailer claims is available only if you sign up with that company. The mailers look legitimate, but often contain misleading information.

Some state attorneys general and agencies like the Consumer Financial Protection Bureau have been working to advise consumers and shut down companies that run illegal debt relief services. A recent email campaign by the Department of Education cautioned borrowers and included a sharable video message from former U.S. Secretary of Education, Arne Duncan.

As you work with students, you also can help get the message out. You can advise students about available repayment options and how to learn more.

Here are some suggestions to help students avoid scams:

Include warnings in your financial aid materials. Include information on your website or publications for student loan borrowers that shares these messages:

- "Be wary of student loan assistance scams, expensive loan management services, and private debt consolidators."
- "Some unscrupulous companies offer to handle paperwork for you for a high fee. You can do the paperwork yourself for free."
- "Never give anyone your FSA ID."
- "Nonfederal consolidators may offer lower interest rates, but be sure you read the fine print of loan terms and understand what repayment programs and benefits you may be giving up by transitioning federal debt to private debt."

Offer financial literacy training. Educate your students about making wise choices in money management and student loan repayment.

Keep the information you share with borrowers focused and relevant. Too much detail can cause a student to tune out the entire message. Focus on the message that there are free options if they are struggling to make a payment and where to turn if they need help. Caution them about student loan assistance programs that charge a fee, and refer them instead to their servicer or the Federal Student Aid website at www.studentaid.gov.

Early Engagement is Essential to Wise Borrowing

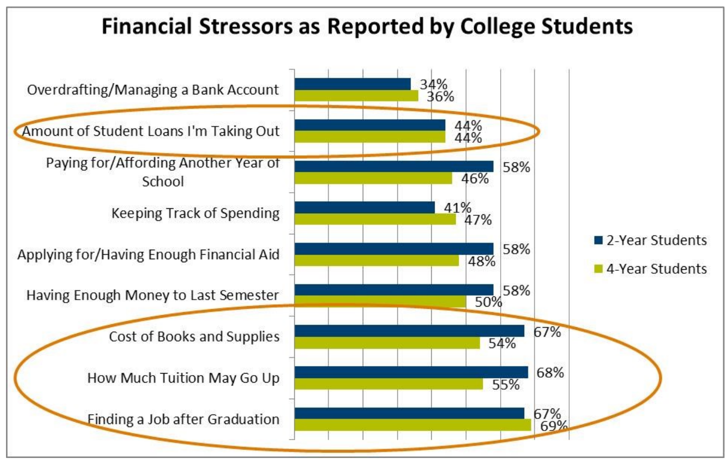
By Sun Ow, Great Lakes Educational Loan Services, Inc.

A debate at the NASFAA National Conference on the existence of a student loan crisis explored several issues, including college completion, educational financing, and loan repayment. While there's much to debate, it is clear that early engagement with student loan borrowers encourages wise borrowing. Let's look at five reasons why this is true.

1. **Early engagement helps students be aware of their debt as they incur it.** A 2014 *Journal of Financial Aid* article, Do You Know What You Owe? Students' Understanding of Their Student Loans, reported that 13% of undergraduate students said they hadn't borrowed a student loan when they actually had. Even for those students who know they have loans, keeping track of their debt seems to be a challenge, with 37% of students underestimating the amount of student loan debt they carry and 10% of them underestimating their debt by more than $10,000.

2. **Early engagement increases financial literacy among high-risk borrowers.** While student loan borrowing in general has increased, in The Changing Profile of Student Borrowers, *Pew Research Center* reports that the highest rate of increase in borrowing among dependent college students has been among those from middle- and high-income families. These borrowers are less likely to be financially independent and less financially savvy than their peers from low-income families and more likely to benefit from financial literacy resources.

3. **Early engagement forces students to consider their financial obligations while in school.** *Money Matters on Campus* performed a three-year longitudinal study of financial attitudes, knowledge, and behavior of college students. They found that the three greatest financial stressors for in-school borrowers relate to things they have little control over – cost of books, tuition increases, and finding a job after graduation. Students report less worry about the amount of loans they're taking out, keeping track of spending, etc. Access to detailed loan information and budgeting resources could lead to informed decisions while in school which could reduce other financial stressors.



4. **Early engagement increases the likelihood of students finishing their education.** Many students worry about their loans while they're in school without having complete information**.** With a thorough understanding of their loan obligation while they're borrowing, students may be more likely to understand the value of their student loans and continue their education, rather than leaving school early without a degree and in debt.

5. **Early engagement helps students transition successfully into repayment.** In-school borrowers are generally unfamiliar with the repayment options that will be available. Some borrowers who leave early, because they worry they won't be able to afford their loan payments, may make a different decision to complete their programs if they know about income-driven repayment plans that help make loan repayment possible and easier.

Indiana University – One Example of Early Engagement Success

In 2012-13, Indiana University initiated an annual email/letter campaign to students before they took out loans for the next year. The letter detailed their monthly federal loan payment based on current debt. IU also instituted a personal finance course, peer-to-peer advising, and added more information to their website. They also required students to actively accept loans on their website rather than just passively accepting them through the federal online form. Students noted that seeing the grand total rather than just the semester's loans added perspective. A senior nursing student borrowed less and planned to use more summer job earnings to cover costs. A chemistry major reduced his borrowing as a result of the letter by contributing more from his summer job and cutting unnecessary expenses.

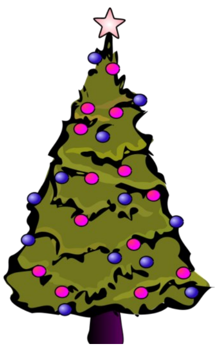
Additional information on the IU program can be found in the *Bloomberg* Business article, How Students at a U.S. University Borrowed $31 Million Less.

Oregon Association of Student Financial Aid Administrators

The purpose of OASFAA shall be to foster and promote the professional preparation, effectiveness, recognition, and association of administrators and counselors of student financial aid in educational institutions beyond high school and individuals in public or private agencies or organizations concerned with student financial aid.

Winter Holiday Trivia

Disclaimer: These "facts" were collected from a variety of internet sources, most with "wiki" in the title. Factuality and accuracy not guaranteed. Enjoy!



1. The first White House Christmas tree was decorated by President Franklin Pierce.
2. Kwanza was created in 1966 by a professor of Black Studies at California State University, Long Beach.
3. Gift giving was not originally part of the Hanukkah festival; however, the Christmas tradition of giving gifts has become part of the festival.
4. Boxing Day is a British holiday celebrated on December 26. It was created because servants worked on Christmas Day but took the day after off. As servants prepared to leave work, their employers would give them gifts in boxes.
5. Winter Solstice, which falls on December 21, 2015, marks the shortest day and longest night of the year.
6. Oregon grows more Christmas trees than any other state in the country.
7. The most popular News Years resolution in the United States is to lose weight.
8. The seven principles of Kwanza are unity, self-determination, collective work and responsibility, cooperative economics, a sense of purpose, creativity, and faith.

9. Each nigh of Hanukkah, an additional candle is placed in the Menorah from right to left, and then lit from left to right.
10. Alabama was the first state to recognize Christmas as an official holiday in 1836.