Greetings OASFAA members!

Summer has arrived and it brings with it a new financial aid year and new challenges. One great way to deal with the many challenges is to reach out to colleagues for information, advice, and sometimes just to vent a little. The wealth of knowledge within the Association makes it a valuable resource.

This year we will offer three training opportunities for our members: the Summer Drive-In, the Annual Conference and FA 101/201. I wish to extend a giant ‘Thank you!’ to those who have agreed to co-chair training opportunities for the coming year:

- **Annual Conference**: Michelle Holdway and Russell Seidelman
- **FA 101/201**: Kathy Campbell and Mike Johnson
- **Summer Drive-in**: Chippi Bello and Helen Faith

If you would like to see a specific topic covered during these trainings, please notify one of the co-chairs. Better still, volunteer to serve on the committee.

Finally, I would like to encourage you to take some time to de-stress this summer in a healthy way – take a walk, connect with family and friends, accept the things you cannot change and remember to laugh often.

Enjoy the summer and I hope to see you at the Summer Drive In.

Donna Fulton
OASFAA President
2012-2013
Letter from the Editor
by Sue Shogren, USA Funds

Jim Collins, author of “Good to Great” and “Great by Choice,” shared some thoughts at a national conference I attended recently. One of the concepts he and his colleagues have been exploring is the role of luck in successful outcomes. He defines luck as something you didn’t cause that has potentially significant effect, yet with an element of surprise. He suggested that the source of most of our luck is actually the people in our lives: the luck of finding a great friend, partner, family, employer, team member, leader or mentor. He asked: “What are you doing to nourish and honor what you have – those people in your life who help you find and use your potential for the greatest good? Who is your best luck?” If this concept resonates with you, consider becoming part of OASFAA’s Mentoring Program, designed to help prepare you to earn a high return on your next luck event.

In this issue of the Newsletter, be sure to check Member News in this issue for many updates about fellow OASFAA members, and through the School Profile, get to know more about Linfield College. Review the plans in place for the Summer Drive-In on August 21; see the back page for further details. OASFAA volunteers continue to work hard on your behalf to provide valuable training and other support services.

You’ll also find a collection of articles that reflect the nature of financial aid administration today. An article on the NASFAA Staffing Survey confirms that we’re doing a lot more with a lot less… and the numbers might surprise you! From the IRS data retrieval tool to defining withdrawals, to cohort default rates and Income-Based Repayment, to credit scores and financial literacy, there’s a lot of helpful information in these articles about things we need to know to continue to serve our students well. We rely on each other for information and advice, and the network of friends and colleagues is one of the greatest membership benefits!

Publication of the next issue is scheduled for September. We’re looking forward to receiving your contributions by August 31, 2012.

…and if you haven’t already, be sure to renew your membership so you continue to have access to this newsletter and the many other resources OASFAA provides!

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Welcome, New Members!

Lisa Gonzalez, Heald College
Ian Jackson, Heald College
Marilyn Newman, Mt. Hood Community College
June Zimmerman, Mt. Hood Community College

Final year end membership for 2011-12.

Welcome back, Past Members!

It’s time to renew your OASFAA membership for 2012-13. For those of you still completing the renewal process, membership access to the OASFAA website and listserv has been extended to July 31, 2012. Renew your membership soon to ensure that you receive updates and announcements regarding upcoming OASFAA events!

The membership fee for 2012-13 is still only $25. To renew your membership, please go online to www.oasfaaonline.org/docs/forms/memApp.html.

Be sure to complete the volunteer interest form while you are completing your renewal. OASFAA offers many different volunteer opportunities throughout the year. We look forward to having you join us!

Contact Stacie Englund (stacie@pacificu.edu) if you have any questions regarding your membership renewal.

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Editorial Policy
Opinions expressed are those of the authors and not necessarily of OASFAA, its members, or the institutions represented by the authors.

OASFAA welcomes all views and invites submissions of articles, essays, photographs, or information of general interest to all members. Submissions should be brief and may be edited. It may not be possible to publish all articles submitted. Email items for publication to the Editor.

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Two-Factor Authentication

As Ben Wessel explained in his article in the March 2012 issue of the OASFAA Newsletter, tokens that generate a one-time password are being distributed to authorized users of specific Federal Student Aid systems, including NSLDS and COD.

In an electronic announcement dated June 6, 2012, the U.S. Department of Education indicated that schools in groups 4 and 5 – which include Oregon – can expect to receive their security tokens during June 2012. The Department will work with Primary Destination Point Administrators (PDPAs) and Common Origination and Disbursement (COD) Security Administrators to distribute and help register these tokens. Individual users must use their registered tokens to access FSA systems no later than 45 days after receipt.

If you have questions about this initiative, contact the Department at TFA_Communications@ed.gov.

On the OASFAA Calendar

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OASFAA Summer Drive-In
by Helen Faith, Lane Community College

This year, the Summer Drive-In will take place on Tuesday, August 21st at Lane Community College from 8:15am to 4:00pm.

This year's theme is "Surfing the Financial Aid Wave." There will be a federal update, an OSAC update, and three breakout periods with two session choices each period.

We are taking suggestions and proposals for sessions through the end of June. Suggestions can be sent to Helen (faithh@lanecc.edu).

If you or someone you know has received a promotion, taken a new job or experienced a significant life event, e-mail: susan.shogren@usafunds.org.

Two-Factor Authentication

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If you have questions about this initiative, contact the Department at TFA_Communications@ed.gov.
Staffing Survey Documents Growing Workload for Financial Aid Offices

by NASFAA staff

Financial aid offices are serving more students and administering more student aid dollars with fewer operating expenses, according to a recent staffing survey of National Association of Student Financial Aid Administrators (NASFAA) members.

The survey collected 2010-11 award year data from nearly 1,000 financial aid offices at different types of institutions from across the country. The data was used to develop the 2012 NASFAA Staffing Model and Staffing Model Report, two resources designed to help financial aid offices compare their staff size with similar institutions.

Findings from the 2012 survey suggest that financial aid offices are doing more with less when compared to results from the 2006 report. Specifically, the report finds:

**More Applicants and Recipients**

On average, financial aid offices served nearly 50% more student aid applicants and recipients in 2010-11 than in the 2004-05. Financial aid offices reported serving an average 8,586 applicants and 5,911 recipients – up from 5,773 applicants and 3,961 recipients.

**More Aid Dollars**

Aid offices reported administering almost twice as much student aid dollars than they reported for the 2006 report. On average, financial aid offices administered $76.5 million in student aid compared to $40.2 million in the 2006 report.

**Fewer Resources**

On average, campuses have slightly increased spending on financial aid staff salaries and benefits. However, funding for "all other operating expenses" has been cut by more than 50% since 2006. In 2010-11, financial aid offices reported having $7,243 in other operating expenses per full-time equivalent (FTE) employee -- down from $16,043 in 2006.

**Staff Size**

The average financial aid office has 12 full-time equivalent (FTE) staff or four FTE staff per 1,000 applicants. However, specific staffing levels varied greatly between institutions and institution types. Public institutions reported having an average of two FTE staff per 1,000 applicants compared to five at private not-for-profit institutions and 16 at for-profit institutions. Considering that two-thirds of financial aid offices reported facing a "moderate" or "severe" resource shortage in NASFAA's 2010 Administrative Burden Survey, these FTE averages could be below the optimal staffing level.

**Factors Impacting Staff Size**

NASFAA’s 2012 Staffing Model uses survey results to identify and quantify key factors that impact financial aid office staff size. The Staffing Model allows users to enter the factors that impact their aid office to develop a customized estimate of the appropriate staff size.

The Staffing Model Report highlights trends in these factors, including:

- **Verification** – Most respondents reported verifying 50% or less financial aid applications. Sixty-five percent of respondents verified between 21% and 50% of applications.

- **Need Analysis** – A large majority (81%) of institutions only used federal methodology and did not use additional or institutional need analysis procedures.

- **Automation** – Similar to 2006, nearly all respondents (95%) used computer software to automate financial aid functions. Administrators reported either completely or partially automating many financial aid functions. At least 40% of respondents have completely automated document tracking, awarding/packaging federal aid, electronic award notifications, view web access to student records, and batch processing of student records.

- **Other Campus Offices** – The number of FTE staff working on financial aid related administration, but employed in other campus offices, ranged from an average of 0.1 to more than 30. More than a third (36%) of respondents had an average of 2-10 FTE working on financial aid but employed in other offices. Another 17% had more than 30 FTE in other offices and most of these respondents were at public or private not-for-profit institutions.
OSAC Update
by Josette Green, Oregon Student Access Commission

OSAC welcomes Bob Brew as its new Director of Administrative Services. Bob will oversee the agency’s fiscal responsibilities, information technology, and grants, including the Oregon Opportunity Grant. Formerly the Director of Budget for the Secretary of State, he lives in Springfield where he recently was elected to serve on the city council.

Annual Foster Youth Conference: July 30 - August 1
OSAC and the Oregon Department of Human Services are hosting the second annual statewide “ASPIRE for your Future” Conference for foster youth from July 30 through August 1 at Willamette University in Salem. More than 100 former foster youth ages 14 to 20 and professional advocates will participate in sessions focusing on educational options and access to postsecondary education.

For more information, contact conference coordinator Peggy Cooksey (Peggy.d.Cooksey@state.or.us).

Annual Aspire Fall Conference on October 6
This year’s fall conference takes place at the University of Oregon on October 6 and offers workshops on financial aid, scholarships, and college access.

For details, contact (Lorianne.m.Ellis@state.or.us).

OSAC Proposes Legislative Concept to Unify Foster Youth Definitions
OSAC is proposing a legislative concept that will unify the definitions of “foster youth” for the Chafee Education and Training Grant and the priority Oregon Opportunity Grant so they are consistent for the benefit of Oregon’s foster youth applying for these grant awards. If the bill passes, it would happen in Spring 2013.

For details, contact Susan Degen, Opportunity GrantAdministrator (Susan.R.Degen@state.or.us).

Oregon Opportunity Grant Update
The parameters for the 2013-14 OOG are still under development. The current discussion centers on maintaining policies and the fixed award as they exist for 2012-13, but there is no firm decision as of yet. The OOG Advisory Group will next meet on August 16 from 1:00-4:00 p.m. at Chemeketa Community College and will continue the discussion on the 2013-14 OOG.

For details, contact Susan Degen, Opportunity Grant Administrator (Susan.R.Degen@state.or.us).
A Tale of Two Credit Scores
by Sharon Cabeen, TG

Once upon a time, when FICO was the only option available, understanding your credit score was only moderately confusing. Given that creditors now have a choice of scores to provide, it has become more challenging for consumers to understand their credit scores. Though it is commonplace to talk about credit scores, too few of us really understand what we are talking about.

Start with the basics: FICO versus VantageScore

Let's break it down a bit and talk about one aspect of this complex subject — the fact that there are now two sources for credit scores.

Many of you and your students are familiar with the FICO score, formulated by the Fair Isaac Corporation. The FICO score has been around since 1956, and was the only credit score available until 2006. Up until that time, all three major credit reporting agencies (Equifax, Experian, and TransUnion) delivered a version of the FICO score to its customers. Then those three agencies developed a competing scoring mechanism they call the VantageScore. The VantageScore has been available for five years now. Much like the FICO, it also has a scoring formula, except that it offers different categories with different weights, along with a different scoring range (FICO 350-850, Vantage 501-990).

Just when we thought we had this scoring thing down!

The situation all consumers find themselves in now is that whether they receive a VantageScore or a FICO score depends on the agency from which they request their credit score. Credit reports do not include credit scores. And, though each consumer may request one copy of their credit report at no cost from each credit reporting agency once per year, the credit reporting agencies can charge a fee for providing a credit score. Each credit reporting agency chooses which credit score it will offer to the consumer. Currently, Experian and TransUnion are providing the VantageScore, while Equifax is still using its version of the FICO score when consumers obtain their credit scores directly from its website.

Two scores can lead to confusion

Why do you and your students need to know about the two scores? How does this affect someone seeking to apply for credit? Well, it is perhaps easiest to say that the effect can be pure confusion!
This past February, the Department of Education (ED) released the first draft 3-year cohort default rates (CDRs). Meanwhile, official 3-year rates won’t be available until September, and the first set of CDRs on which sanctions could be based won’t be released until September 2014. Many schools are already worried about the increase in their CDRs, however, and for good reason. Trial 3-year data provided by ED indicates that all school sectors will experience a surge in rates, with some schools seeing a rate increase that could expose some schools to serious consequences, including a loss of eligibility for federal student aid.

The 3-year CDR doesn’t bring all bad news, however. With the longer monitoring period, loan rehabilitation can have a positive impact on a school’s CDR. Remember that a borrower can rehabilitate, or bring a loan out of default, by making nine on-time monthly payments during a period of 10 consecutive months. The loan is then sold to a lender, and the default is removed from the borrower’s credit history.

How does this help a school’s CDR? If the borrower rehabilitates the loan before the end of the cohort default period, the borrower is not in default anymore and so not included in the school’s CDR calculation. Even better, the borrower once again becomes eligible for federal aid after the sixth consecutive payment, meaning he or she could potentially return to school to complete a degree or certificate. (Keep in mind, however, that borrowers can renew eligibility only once.)

Helping borrowers and cutting default

Until the 3-year CDR was introduced, loan rehabilitation wasn’t something that could feasibly affect a school’s rate. Now, borrowers who default in the first year of repayment have time to meet rehabilitation requirements within the three-year CDR window.

How can schools use loan rehabilitation to help their borrowers and mitigate default? Here are some tips for integrating loan rehabilitation into your school’s default prevention plan.

- **Identify borrowers with defaulted loans.** With each CDR notification, ED provides schools with the Loan Record Detail Report, or LRDR, an itemized listing of borrowers, including borrowers with defaulted loans. Download and use this information electronically.

- **Develop a communication campaign.** Use LRDR information to create a communication campaign for defaulted borrowers that outlines the process and the benefits of loan rehabilitation. Consider contacting borrowers via mail, email, and phone, with messages that reinforce each other. Some things to cover in your communications:
  - Borrowers will need to establish a loan rehabilitation agreement with the guarantor or collection agency that holds the defaulted loans.
  - Borrowers will need to stay in touch with their guarantor or collector throughout repayment, especially if they change their mailing address.
  - Borrowers can benefit greatly from loan rehabilitation and from establishing healthy repayment habits. The removal of default from a borrower’s credit history can be invaluable — an improved credit record means easier access to credit later on if borrowers wish to borrow for a car or house mortgage.

You can also use LRDR information to help your default prevention efforts in other ways. For example, analyze the data on your defaulted borrowers, looking for common factors which may have predisposed borrowers to default. Do certain majors contribute a disproportionate number of borrowers in default? Did many borrowers withdraw without giving notice? How was their academic performance? You may be able to use this information to help current students who share such characteristics by offering academic and career support to students at greater risk of defaulting in the future.
Linfield College, a private, comprehensive, undergraduate institution located in the Pacific Northwest, connects the traditional liberal arts with a practically-based education through collaborative, service and experiential learning opportunities.

What year was your institution founded? Was your institution ever known by any other name?
Founded in 1858 as the Baptist College at McMinnville, the name was later changed to McMinnville College, and then changed again to Linfield College in 1922.

What is your current enrollment?
We have 2,600 undergraduate students, 2,100 of whom are enrolled full-time.

How many staff do you have in your financial aid office?
We have 7 staff members led by our director, Keri Burke.

What types of degrees do you offer and what's your largest or most popular program?
We offer BA, BS and BSN programs, with Business and Nursing as the most popular.

Is your campus primarily residential? Commuter? Online?
Linfield is primarily residential.

Do you use credit or clock hours? Semesters or quarters?
Linfield runs on credit hours and semesters.

What sports do you offer?
We offer lots of sports, including football, softball, golf, swimming and tennis. The softball program won the NCAA Division III National Championship in 2011!

What are your mascot and school colors?
The Linfield Wildcats wear purple and red.

Do you offer institutional grants and/or scholarships?
Yes, we offer academic scholarships, as well as transfer, international, music and need-based awards, to name a few.

What type of financial aid management system do you use?
We use Datatel to process financial aid applications.

What should EVERYONE know about your institution that they may not already know?
- 1998 World Series MVP Scott Brosius is our baseball coach.
- Linfield is the only school at any level with a coach with national championships in two sports: Ad Rutschman, baseball and football.
- Linfield is the home of the Oregon Wine Archives.

Editor's Note: Information provided by Sharon Sweeney, Linfield College.

What Qualifies a Student as ‘Withdrawn’?
by John Blaine, USA Funds

The USA Funds Ask PolicySM team receives many questions about how to determine if a student is withdrawn from all classes. There often is some confusion as to what “withdrawn” means for financial aid purposes.

Why is understanding the concept of “withdrawn” important for financial aid professionals? If a student withdraws from all classes, you must perform a Return of Title IV Funds calculation to determine the amount of aid the student earned prior to withdrawing. If a student has not withdrawn, but only has changed enrollment status, you don’t need to perform a return calculation — but you may need to recalculate the student’s aid.

Withdrawn

For financial aid purposes, a student is considered to have withdrawn if that student meets any of these criteria:
- Completes the school’s official withdrawal process.
- Does not complete an official withdrawal process, but no longer is attending any classes.
- Fails to receive a single passing grade in any course attempted during the period, unless the school can document the student’s attendance through the end of that period.

Not withdrawn

On the other hand, a student is not considered to have withdrawn if that student meets any of these criteria:
- Is on an approved leave of absence.
- Is attending at least one class.
- Drops out of a module during a term, but advises at — or near — the time of dropping out of the module that the student will re-enroll in a subsequent module during that same term and in the same program of study.
- Completes one or more terms in a period of enrollment but fails to return to class after a break between terms.
Another Tool for Helping Students with Financial Education
by Jeff Southard, ECMC

The President’s Advisory Council on Financial Capability recently released its set of financial lessons that are essential for kids to learn in order to be financially savvy adults. The program and web site, titled “Money as You Grow” http://moneasyougrow.org/# offers a series of life lessons to be shared with kids starting at age three to just beyond eighteen years old.

The web site is divided into a series of age ranges with milestones to master. A three year old, for example, needs to start to understand needs and wants, while an eighteen year old should know that he or she needs at least three months of emergency fund savings available. To reach the milestones there are several suggested activities to complete.

The graphics and navigation on the site are simple and appealing. Overall, it’s a really nice summary tool for those of us who educate young people on financial literacy and a good way to help students reach reasonable milestones. The site is targeted to help instructors and parents deliver the suggested curriculum and activities. As a financial educator, the recommended milestones are helpful as targets to aim for.

OASFAA members may find the “Money as You Grow” site a helpful tool to ensure that those who are able to educate students on financial literacy topics are hitting the essential milestones to grow financially savvy college students. The site also includes a printable poster that you can share with your staff. The poster may help staff in garnering useful talking points to further their education level in these important areas.

All in all, it’s marvelous to see something come from the Council that serves as another way to standardize the milestones we’d like our young people to master in personal finance. While there is no shortage of readily available financial literacy curricula, there is still a need for ideas and best practices for how to implement financial literacy education in a way that’s compelling, immediate and sustainable.

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The Personal Finance Management Series has been designed to help students make informed decisions about their financial future.

- Student materials and webinars on a variety of personal finance topics
- Training for school professionals on financial education best practices
- Online loan counseling
- Interactive calculators

To learn more, contact:
Jeff Southard
Senior Trainer
206-497-9098
jsouthard@ecmc.org
www.ecmc.org/financialliteracy
Is Income-Based Repayment the Best Option for My Students?

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

You’ve heard a lot about Income-Based Repayment, or IBR, but is it a one-size-fits-all solution for every student loan borrower? Below are some things to consider as you advise your current and former students on this repayment option.

IBR Has Benefits

Under current provisions, the benefits of IBR include a lowered monthly payment amount, currently capped at 15 percent of the borrower’s discretionary income, and forgiveness of any balance that remains after 25 years and 300 payments. If the borrower is eligible for Public Service Loan Forgiveness, that forgiveness may take place after just 10 years. Additionally, if the borrower’s IBR payment does not cover the interest accruing on any subsidized loans, the government will pay the remaining interest for up to three consecutive years from the date the borrower begins IBR.

IBR Also Has Drawbacks

IBR can be more expensive for the borrower in the long run. The lowered payments can cost the borrower more interest over the life of the loan, though—in most cases—the increase in interest will be less than the late fees and collection costs of a defaulted loan. Also, if the borrower’s income rises to the point that they no longer qualify for the lowered IBR payment, their payment will return to the standard payment level, and the borrower will begin to make more progress toward paying down their balance.

Identify Borrowers Who Benefit Most from IBR

While IBR isn’t the right option for every borrower, it is a plan that may work well for those with lower earnings, relative to their debt, looking for an affordable payment based on their income and family size. It is also a good option for borrowers entering public service careers, as they could also take advantage of Public Service Loan Forgiveness, and receive loan forgiveness sooner.

Not Every Loan Type is Eligible

IBR-eligible loans include FFELP and Direct Stafford, Grad PLUS, and Federal Consolidation loans, as well as Perkins loans included in a FFELP or Direct consolidation loan. However, Parent PLUS loans, consolidation loans that include a Parent PLUS loan, private and alternative loans, and defaulted loans are not eligible.

IBR Forgiveness Amounts Will Be Taxed as Income

As the regulations stand now, the forgiveness amount will be taxed as income. There has been legislation proposed to change this, but it has not made progress in congress since its introduction.

Changes to IBR Are on the Way

New borrowers, on or after July 1, 2014, will be eligible for two new IBR provisions. First, their payment will be limited to only 10 percent of their discretionary income, rather than the current 15 percent. Secondly, they will be eligible for forgiveness after 20 years, instead of 25.

The IBR Application Must Be Completed Annually

Borrowers must apply for IBR every year in order to receive reduced payments, and the application can be tricky to complete correctly. Some tips to help ease the process:

- To offer proof of adjusted gross income, borrowers can submit a copy of their tax return or complete a 4506-T, or, if they are non-tax-filers, they may be required to submit other forms of documentation.
- When married borrowers file their taxes jointly, both spouses’ income and federal loan debt will be considered in the eligibility calculation. If they file separately, only the applicant’s income and debt will be considered.
- The family size includes the borrower, his or her spouse, children, unborn children, and others who live with and receive greater than 50 percent of support from the borrower during a given year. The applicant must recertify this number each year, or it will default to a family size of one.

Understanding IBR is the key to making sure that this option is matched with the borrowers who can benefit most. IBR may not be the best option for every borrower, but for some it can be an ideal solution for making student loan payments more manageable in the long run.
According to Caito, Limper, and Fischer, some of the most common problems that families encounter with the DRT include:

- IRS data not being available for transfer within the 2-3 calendar days that had been promised (thus FAFSA processing was delayed).
- Delays in receiving IRS transcripts when requested because of address match issues.
- DRT or transcripts not being available to those who owed money to the IRS for 2011.
- Delays in the availability of either the DRT or the transcript request process for taxpayers who filed towards the end of the cycle in April.

To reduce some of the administrative burden caused by processing delays, the Department of Education recently adjusted its guidance to allow schools to use paper tax returns to verify data for filers "who have unsuccessfully attempted to use the DRT or obtain a transcript" until July 15th. But many schools are continuing to ask families to use the tool or the transcript anyway. "The process is here to stay and we'd rather have families stay on this path whenever possible," says Heather McDonnell, Associate Dean of Financial Aid and Admissions at Sarah Lawrence College.

Thinking ahead to next year, aid colleagues suggest the following tips to help better prepare your applicants for the DRT or transcript request process:

- Clearly explain the DRT process to parents on your initial verification document or institutional application and ask them to "check off" which process they intend to use (DRT, transcript request, or non-tax filer status). Use this data to help track application results in your FAMS system and send targeted follow-up messages to families as needed.
- Remind parents that the DRT or transcript request process works faster if they file their tax returns electronically, rather than by paper.
- Inform joint tax filers that the IRS will only recognize data transfer requests from the filer whose name is first on the tax return and/or whose IRS PIN is being used to identify the IRS record. As an example, if the mother is helping the student file the FAFSA, but is not listed first on the parental joint tax return, and attempts to access and complete the IRS data transfer site, the IRS will neither recognize nor approve the data transfer.
- Remind families that although FAFSA guidance indicates that the DRT or the transcript should be available around three weeks after they have filed, this timeframe is extended towards the end of the federal tax deadline in April. If FAFSA filers wait until April to file their returns, they can expect that the DRT or transcript request will take up to six weeks to process.
- Explain that when requesting a paper transcript, the filer’s mail address must exactly match what the IRS system has on file. In cases where the postal service has abbreviated addresses or the filer has moved, the IRS may delay sending out a transcript until the issue is resolved.

Let's say a student purchases a FICO credit score through Equifax, but the lender from which he or she wishes to request a car loan or credit card uses the VantageScore to determine the student's creditworthiness. In this case, the student is operating under the false assumption that he or she knows the information the lender intends to use to formulate a decision on the credit application.

The student researched the likelihood that the student's FICO score would generate a positive response; but, what an unhappy surprise to receive a rejection notice from the lender!

The student understandably but incorrectly assumed there was only one score available, and believed that both the student and the lender were looking at the same figures.

**Sorting it all out**

Here are a few suggestions that might make credit score mania a little less manic.

First, when a student is contemplating an application for a car, a credit card, or a mortgage loan, he or she can contact the lender and ask which score (FICO or VantageScore) the lender uses to make credit decisions.

Second, a student can then pull his or her own credit reports beginning at the only authorized source for a free annual credit report at [www.annualcreditreport.com](http://www.annualcreditreport.com). He or she can choose to receive the credit report from the agency that provides the same type of score the lender will using.

Third, the student can request his or her credit scores from the agency or agencies that provided their credit reports. The student will have to pay for those scores. Students can also go directly to [www.myfico.com](http://www.myfico.com) to receive their FICO scores, but there is no direct option for receiving the VantageScore.

Fourth, the student can review his or her reports for any discrepancies. It's a good idea for a student to fix whatever he or she can before applying for credit.

These few steps can help your students sort through the credit score craziness. And who knows, you might end up with a few little "e-tales" (emails) of appreciation!
SAVE THE DATE!

OASFAA Summer Drive-In Workshop
Lane Community College
Eugene, OR

~Come Surf with Us!~
August 21, 2012 9am-4pm

A continental breakfast will be served beginning at 8:15 a.m.