

Letter From The President - Sherry Gladney

SPRING 2005

Greetings, Colleagues!!

MAY 16, 2005

Many wonderful and exciting ideas were generated for the benefit of the membership at the 2004 Fall Board Meeting. I have been busy working with committee chairs as they work diligently to implement those ideas.

In response to the specific needs of the association, these projects have been completed and approved by the LASFAA Board:

- An amendment to the LASFAA constitution and by-laws which changes the timing of elections from at the annual fall conference to a time period prior to the fall conference.
- New election procedures.
- The Long Range Planning Committee, chaired by Mary Sue Rix, developed a five year strategic plan for the association. The detailed plan will be available on the LASFAA website for members to reference.
- The Site Selection Committee, chaired by Tricia Dubroc, has developed an eight year conference rotation list for fall and spring conferences. The rotation list will be posted on the LASFAA website.

There are many more projects “in progress” that will further enhance our organization.

The conference and workshop committee chairs have done an excellent job of incorporating my goal of “Building a Better LASFAA” into their conference themes and program agendas. Our goal is to offer you a variety of tools and information that will be needed to keep pace with the ever-changing elements of financial aid. Special thanks to Cynthia Thornton, Kim Tanner, Jo Ann Boudreaux, Denise Spellman, Rebecca Vessel, and their teams, for an informative and fun Spring Conference and Boot Camp. Thank you, Associate members, for your support of the New Aid Officers reception, which was held in the vendor area. You guys are the best!

Some upcoming events to remember: LASFAA Upper Management Meeting, SWASFAA/SASFAA Midlevel Training, NASFAA Annual Conference, LASFAA 2005 Fall Conference, and LASFAA Support Staff training.

It’s been a great year, so far, because of the many colleagues and friends helping me along the way. I’m always amazed at the amount of time and dedication that members put forth into this organization. Thank you, LASFAA members. I wish each of you good health and success during this processing season.

Best Regards,

Sherry

Sherry Gladney
Director of Student Financial Aid
LSU Health Sciences Center – Shreveport
LASFAA President



In-Line With LASFAA

Where Are They Now? - Sherwin Hibbets

D. Sherwin Hibbets left his role as Assistant Director in the Office of Student Aid and Scholarships at Louisiana State University, after almost five years of service, in February, 1995. His destination, upon leaving LSU, was Appalachian State University in the beautiful mountains of Boone, North Carolina. As destiny would have it, Sherwin again worked for Esther Hill, his former manager at LSU. In this tenure at Appalachian State he served as Associate Director of the Office of Student Financial Aid.



D. Sherwin Hibbets
Director of Central Financial Aid
Regent University

Sherwin had anticipated moving to Boone, and working at Appalachian State, until he retired (what a great ski area), but a year later he was "tracked down" by his graduate school alma mater (where he earned an M.B.A.), Regent University. After deliberations, he accepted the challenge of moving to Virginia Beach, Virginia, to help Regent University begin participation in the federal student aid programs. This offered a unique opportunity in today's student aid world. While Sherwin reports that the short timeframe in which he was asked to get the financial aid programs off the ground was a challenge, it was also very rewarding! He has now been serving as the Director of Central Financial Aid at Regent University for the past nine years.

Continued on page 8.

Spring 2005 Conference A Success

Submitted by: Kim Tanner, UL Lafayette, Spring Site Chair

LASFAA held its annual Spring Conference on March 23, 2005, at the Lafayette Hilton Hotel. The conference theme was, "Offering The Tools You Need To Get The Job Done," and our corporate sponsors stepped up with great theme-related giveaway items and door prizes. There were 210 conference attendees, and the interest sessions provided great information for all.

The Spring Site Committee would like to thank everyone who participated in making the Spring 2005 Conference a great success!

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STUDENT FINANCIAL AID
ADMINISTRATORS

Serving the students of Louisiana
for 35 years.

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"In-Line With LASFAA" is
produced by the LASFAA
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LASFAC Appoints Advisory Committee

Submitted by: Jennifer Guhman, Louisiana Office of Student Financial Assistance

The Louisiana Student Financial Assistance Commission (LASFAC) has named its Advisory Committee members for 2005.

The members are Misti Adams of Northwestern State University, Patrick Gorman of Louisiana State University Health Science Center at New Orleans, Shelly Jinks of Louisiana College, Kenn Posey (Chair) of Louisiana State University at Alexandria, Shonda Rosinski of South Louisiana Community College, Lisa Simms-Thomas of Nelnet/Intuition, Connie Williams of Camelot College and Kathy Woods of Southern University at New Orleans; in addition to Sherry Gladney of Louisiana State University Health Science Center at Shreveport (Ex Officio) and Jack L. Guinn of the Louisiana Office of Student Financial Assistance (LOSFA - Ex Officio).

The Advisory Committee consists of 10 members, eight of which are appointed by the Louisiana Association of Student Financial Aid Administrators (LASFAA) from its membership and subject to approval by the LASFAC. Two additional members serve in the capacity of ex officio — the president of LASFAA (voting) and the executive director of LOSFA (nonvoting).

The committee is responsible for providing technical advice and recommendations to the commission or its executive staff on matters related to student financial assistance programs. As much as possible, the committee's advice represents the LASFAA consensus.

LASFAC is the governing body for LOSFA, the state agency charged with guaranteeing student loans and administering the Tuition Opportunity Program for Students (TOPS) and the Student Tuition Assistance and Revenue Trust (START) Saving Program.

LOSFA Participates in Constituent Opportunities Expo

Submitted by: Jennifer Guhman, Louisiana Office of Student Financial Assistance

The Louisiana Office of Student Financial Assistance (LOSFA) presented a series of one-hour workshops at U.S. Rep. Richard Baker's first-ever "Constituent Opportunities Expo," held Saturday, April 30 at the State Police Training Auditorium in Baton Rouge.

The event was designed by Baker as a comprehensive venue to provide Sixth District residents with information about opportunities available to them through federal, state and local government agencies, as well as national, state and local service organizations.

The "Constituent Opportunities Expo" offered educational seminars, breakout sessions and a chance for constituents to receive one-on-one attention to questions they may have of representatives on hand from the various agencies and organizations.

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To Consolidate or Not Consolidate...

Submitted by: Steve Greenough, American Student Assistance



We knew the good times couldn't last forever. Interest rates influenced by the federal government are slowly creeping upward, and it looks like federal student loan interest rates will be no exception.

To understand why student loan interest rates are expected to go up, we first have to identify how the rates are established. Federal Stafford Loan and PLUS interest rates are variable (although they cannot exceed 8.25 percent and nine percent, respectively) and are set annually each July 1. These rates are determined by adding a certain percentage to the bond equivalent rate of the 91-day Treasury bill (T-bill) auctioned at the final auction on the last business day in May.

Last year Stafford and PLUS interest rates hit an all-time low: 2.77 percent for current students and recent graduates; 3.37 percent for Stafford borrowers in repayment; and 4.17 percent for PLUS borrowers.

Since that time the 91-day T-bill rate has been steadily rising, and economic prognosticators say it won't come down anytime soon. "Shorter-term bills that are controlled by the federal government, such as the 91-day T-bill, are rising faster than long-term bonds," explains Betsy Mayotte, ASA director of privacy and compliance, "and there are no signs to indicate a reversal of this trend in 2005."

Even if short-term rates don't rise any higher than their current levels between now and the end of May, the 91-day T-bill right now is still significantly higher than it was last summer. Last year by June 1 the T-bill rate was at 1.07 percent. According to the Treasury Department, the rate of the 91-day T-bill as auctioned during the quarter ending March 31 was 2.6 percent. This would translate into an in-school Stafford interest rate of 4.3 percent and a repayment rate of 4.9 percent. While these rates are still well below the Stafford interest rate cap of 8.25 percent, they are more than double the historically low rates we've experienced this last year. Therefore, it is almost assured that borrowers will experience a significantly higher rate than they have been enjoying.

What will this increase mean in actual dollars? The average student loan borrower has a total cumulative balance of roughly \$17,000. The total monthly payment amount, based on an interest rate of four percent and a standard 10-year repayment term, would be \$172 and the borrower would pay a total of \$3,564 in interest. If rates were to rise by one percentage point to five percent, that same borrower's monthly payment amount would increase to \$180 and the total interest paid over the life of repayment would be \$4,637 – a difference of more than \$1,000.

<u>Interest Rate</u>	<u>Total Loan Debt</u>	<u>Monthly Payment</u>	<u>Total Interest Paid</u>
4%	\$17,000	\$172	\$3,564
5%	\$17,000	\$180	\$4,637

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A Diversity Moment - Gender Discrimination

From: Inc. Magazine, April 2005

By: Jennifer Gill

Sex-discrimination suits against small companies don't make headlines but they are just as common. In fact, nearly half of all sex-discrimination charges -- running the gamut from sexual harassment to gender-related firing -- filed with the Equal Employment Opportunity Commission last year were aimed at firms with 200 or fewer employees. And claims could surge in the years ahead as more women gain confidence from high-profile cases in the news, according to Cari Dominguez, chairperson of the EEOC. Many female baby boomers are entering their 50s and are "looking to leave a legacy," Dominguez says. "Women are taking on the role of whistleblower."

Smaller companies are particularly vulnerable because they tend to have less structured atmospheres and are less likely to have formal sex-discrimination policies in place, Dominguez adds. "A lack of infrastructure and awareness of the issues can lead a small business to run afoul of the law," she warns. Many female baby boomers are entering their 50s and are looking to leave a legacy. They're taking on the role of whistleblower.

Donna Salyers, founder and president of Donna Salyers's Fabulous Furs, a faux-fur retailer based in Covington, Ky., learned that lesson three years ago. Back then, the retailer -- which has 35 full-time employees, an online store, a retail shop in Covington, and celebrity clients such as longtime Cosmopolitan editor Helen Gurley Brown -- was struggling to recover from the economic impact of the 9/11 terrorist attacks. Then Salyers received more shocking news: The EEOC was suing Fabulous Furs for sexual harassment on behalf of four temporary employees in the company's distribution center who claimed that their supervisor made offensive remarks to them. The women, who had been let go after the company's busy season, also claimed that they were fired in retaliation for their complaints. Salyers soon found herself consumed with the lawsuit, watching as her legal bills skyrocketed to \$100,000. Finally, last fall, she decided to settle. Her company, which admitted no wrongdoing in the case, paid \$45,000 in damages to the plaintiffs and agreed to implement a new sexual-harassment policy. "Small businesses like ours aren't equipped to handle these claims," says Guy van Rooyen, CEO of Fabulous Furs. "It's like a smack in the face."

Salyers, who founded Fabulous Furs in 1989, is determined that this never happen again. Before the lawsuit, her company's sex-discrimination policy consisted of little more than the standard guidelines in an employee handbook. After the suit was filed, however, she hired a full-time human resources director to develop and review her company's employee policies. As part of the settlement, she also created a complaint hot line for workers and began holding annual sex-discrimination seminars for managers. By being up-front about what is and is not permissible, Salyers hopes to limit her company's exposure to any future claims.

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LASFAA Has Record Sponsor Participation

Submitted by: Rebecca Vessel, Corporate Sponsorship Chair

LASFAA appreciates the generous support of our sponsors for 2005! Below is a list of corporate sponsors and the levels of sponsorship. There were 38 vendors who exhibited at the spring 2005 conference, the highest participation rate to date! I am always open to suggestions, comments and ideas intended to make the corporate sponsorship experience a better one. If anyone has suggestions, please do not hesitate to contact me at rebecca@louisiana.edu.



PLATINUM (\$5,000 or greater)

Hibernia Bank
Nelnet
Bank One
First United Bank
LELA
AmSouth

GOLD (\$1,500 – \$2,400)

Nellie Mae
AMS/Academic Management Services
OSLA
SunTrust Education Loans
TG
USA Funds
College Loan Corporation
MOHELA
Wachovia Education Finance/Educaid

BRONZE (\$500 - \$999)

A+ Funds/Medfunds
Campus Federal Credit Union
Edfinancial Services
Southwest Student Services Corp.
LOSFA
Independence Federal
Wells Fargo
NextStudent, Inc.

TITANIUM (\$2,500 – \$4,999)

BancorpSouth
Citibank
COLLEGE Loans
Sallie Mae
Bank of America
Sallie Mae Education Trust
Edamerica
Chase
Regions

SILVER (\$1,000 – \$1,499)

National Student Loan Program
American Student Assistance
National Education
Whitney Bank

EXHIBITOR (\$100 - \$499)

Campus Door
Hancock Bank

Understanding Credit

Submitted by: Brenda Paqanelli, National Student Loan Program

Pay nothing until 2006! Whether it's the holidays or summer clearance specials, your students are continually enticed to use their credit cards to finance their purchases. Using credit can be easy and convenient, if your students use it wisely. That means understanding how credit works. Here's a brief overview:

When students sign a credit agreement, they agree to pay back some or all of the borrowed money, or principal, sometime between the date when their bill is calculated and the due date. This grace period usually lasts between 21 and 30 days.

If students don't pay back the full principal within the grace period, they'll have to pay the creditor a finance charge. For credit cards, this charge is the interest that accumulates on any unpaid balance, calculated as a percentage of the amount they owe. Certain creditors calculate this charge using a fixed interest rate, which stays the same throughout the loan or credit agreement. Other creditors calculate this charge using a variable interest rate, which changes as market interest rates change. Encourage your students to compare what the cost of credit would be on different cards by comparing the annual percentage rate (APR). That's the annual interest rate they pay on the amount of money they owe the credit card company.

Creditors may also charge students a number of fees for late payments, uses of credit over their limit, or administrative services. If they're careful about choosing a card and using credit wisely, they can avoid paying fees in addition to finance charges.

Want your students to learn more about budgeting, credit cards, and student loan repayment? They can visit <http://www.nslp.org/creditanddebt> and take a free interactive course called "Credit and Debt."

Financial Aid Support Staff Training For Fall

Submitted by: Connie Thibodeaux, UL Lafayette

The annual Financial Aid Support Staff Training (FAS Training) will be held during the first week of November 2005. The event will be hosted by the University of Louisiana at Lafayette. The agenda will be designed to offer support staff the ability to enjoy a day out of the office and receive training and inspiration. As always, the training will include a LASFAA-sponsored luncheon. All support staff are encouraged to attend, share ideas and get to know one another. The support staff in our financial aid offices are crucial to our ability to provide services to our students and LASFAA appreciates their service!



LASFAA Approves Amendment to Constitution

Submitted by: Sherry Gladney, LASFAA President

In order to allow LASFAA to move forward with available technology, an amendment to the LASFAA constitution was proposed to work in conjunction with recent voting changes and change the language concerning the election of officers. In the past, prior to online voting, officers were elected during the business meeting at the annual Fall Conference. Now that online voting has been implemented, LASFAA has the ability to elect officers prior to the Fall Conference, with election results being announced at the Conference. Below is a summary of the amendment.

The changes to the LASFAA Constitution and By-Laws, Article II, Section 2 are as follows:

CURRENT: "Officers will be **elected at** the Annual Fall Conference and will serve a period of (1) year".

PROPOSED: Officers will be **elected prior to** the Annual Fall Conference and will serve a period of one (1) year.

The proposal to amend the LASFAA constitution passed with a majority vote. The amendment will go into effect immediately. The revised Articles of Constitution and Policy and Procedure Manual will be posted to the LASFAA website soon.

Where Are They Now? - Sherwin Hibbets (continued from page 2)

Until a little over two years ago, most of Sherwin's interests outside the office were...financial aid professional activities! He is just finishing his term as Immediate Past President of VASFAA, the Virginia Association of Student Financial Aid Administrators. This term followed numerous other professional involvements with NASFAA, SASFAA, and VASFAA, in various capacities. He has presented at more than 40 financial aid conferences, workshops, and seminars.

But, four years ago, a change in interests began to take place! After open heart surgery, at a "very young" age, to correct a birth defect, his life was changed forever! As a result he began running, and has since run three half-marathons, with his personal trainer, his wife! Yes, through the process of cardiac rehabilitation, Sherwin met his beautiful wife, Kathy! Hence, the change in interests in the last two and a half years! When Sherwin is not running he also enjoys a new hobby, started about five years ago, writing poetry. Additionally, he and Kathy have shared interests in white water rafting and traveling to Europe (for pleasure and on church-sponsored missions trips).

Sherwin has two grown sons, Shane and Scott, and Kathy has two children; Jim (in college) and Shannon (finishing her junior year in high school). Having both children at home keeps Sherwin and Kathy quite busy, including a recent CD release of Jim's award-winning college a cappella group, "The Madison Project," concerts, and Miss Teen Virginia Beach responsibilities. Through all of these activities, Sherwin is certainly living life to the fullest, and he had the following suggestion for his former Louisiana colleagues, "if LASFAA folks get tired of the beaches in Florida and Mississippi, Virginia Beach is awesome"!

If anyone would like to get in touch with Sherwin, you can contact him at sherhib@regent.edu.



Future LASFAA Conference Rotations

Submitted by: Tricia Dubroc, Lela

The following list represents a rotation for future LASFAA Conferences. This list was approved by LASFAA in March 2005. If anyone has questions, please contact Tricia Dubroc at dubroc@lela.org.

	<u>Fall</u>	<u>Date</u>	<u>Spring</u>	<u>Date</u>
2005	New Orleans	10/05 - 07	Lafayette	3/21- 22
2006	Lake Charles	10/11 - 13*	Alexandria	2/09 – 10*
2007	Shreveport	TBD	Lafayette	3/14 - 15
2008	Baton Rouge	TBD	Alexandria	TBD
2009	New Orleans	TBD	Lafayette	TBD
2010	Lafayette	TBD	Alexandria	TBD
2011	Shreveport	TBD	Lafayette	TBD
2012	Baton Rouge	TBD	Alexandria	TBD

* - Tentative Dates

TBD - To Be Determined

- Lake Charles has been added to the rotation, assuming completion of a facility that will meet LASFAA's needs.
- Alexandria has been removed from the Fall Conference rotation due to lack of an adequate facility, and Lafayette has been removed for the Fall 2006 Conference due to no available dates in October.
- The Shreveport Convention Center and Hotel (Hilton) is scheduled to open in late 2006.

Bright Ideas: Tips To Help Student Build And Maintain Good Credit

Submitted by: Teresa Spruill, USA Funds

As they deal with debt from holiday shopping and spring-break adventures, your students already could be on the path to establishing a poor credit history.

The USA Funds Life Skills financial-literacy program equips financial-aid administrators with information to help their students avoid unmanageable credit-card debt and the risk of a poor credit rating. Before your students accumulate unmanageable credit-card balances, share with them the following ways to “tame” credit-card debt:

1. Make an effort to pay off the entire balance each month.

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Basic Shortcut Keys

Submitted by: Kenn Posey, LSU Alexandria

Listed below are basic shortcut that will work with almost all IBM compatible computers and software programs. It is highly recommended that all users keep a good reference of these shortcuts and try to memorize the keys. Doing so will dramatically increase your productivity.

If you have any questions, please contact me at poseyK@lsua.edu.



Alt + F	File menu options in current program.
Alt + E	Edit options in current program
F1	Universal Help in 90% of Windows programs.
Ctrl + A	Select all text.
Ctrl + X	Cut selected item.
Shift + Del	Cut selected item.
Ctrl + C	Copy selected item.
Ctrl + Ins	Copy selected item
Ctrl + V	Paste
Shift + Ins	Paste
Home	Goes to beginning of current line.
Ctrl + Home	Goes to beginning of document.
End	Goes to end of current line.
Ctrl + End	Goes to end of document.
Shift + Home	Highlights from current position to beginning of line.
Shift + End	Highlights from current position to end of line.
Ctrl + Left arrow	Moves one word to the left at a time.
Ctrl + Right arrow	Moves one word to the right at a time.

Online Resources to Help Spanish Speaking Families

Submitted by: Bill McFarland, TG

According to the U.S. Department of Education, over the previous decade Hispanic enrollment in higher education has increased nearly 70 percent – from 782,000 in 1990 to about 1.3 million in 1999. Though these statistics demonstrate a vast improvement in the number of Hispanics pursuing a higher education, there are still many Hispanic high school students who do not pursue a higher education because of financial concerns.

Continued on page 14.

Gender Discrimination (continued from page 5)

The EEOC's Dominguez wishes more privately owned companies would follow suit. Until recently, the commission's efforts have been focused on large corporations. But now, smaller companies are the top priority, says Dominguez, who has launched an aggressive outreach program to educate small and midsize businesses. "They're the brave new world for us," she says. "That's where the growth opportunities are for the country's economy, but I see liability potential, as well."

Federal antidiscrimination laws apply to businesses with 15 or more employees, and state or local statutes often cover even smaller ones. In Chicago, for instance, companies with just a single employee can be sued for discrimination. To find out where your company stands, call the small-business liaison at your local EEOC field office (see www.eeoc.gov for a list of offices). The liaison will explain the law, provide educational materials for your staff, and even make free presentations at your workplace.

Next, spell out your firm's antiharassment and equal-opportunity policies in an employee handbook. Most companies follow a standard template, which can be found on the website of the Employment Law Information Network (www.elinfonet.com). In the handbook, tell employees whom to contact in the event of a complaint. Be sure to name someone besides the employee's direct manager, in case the issue involves that person. Merely providing the information in a handbook may not be enough, so follow Salyers's lead by posting your policy in areas frequented by employees, such as the kitchen or the restroom.

Bear in mind that guidelines written in legalese can be difficult to understand. For instance, an employee may realize that telling a dirty joke is a no-no. But he may not be aware that asking a female subordinate about her childcare arrangements is a bad idea. One comment isn't an actionable offense, and federal law does not prohibit simple teasing, offhand comments, or isolated incidents that aren't extremely serious. But there could be trouble if the conduct is frequent and severe enough to create a hostile work environment or results in a tangible employment action, such as firing or demotion. To help clarify the law for your staff, hire an employment lawyer to hold annual sex-discrimination seminars. Some trade associations and chambers of commerce also offer workshops for members.

Finally, be sure to keep a written record of your employees' shortcomings, advises Susan Stahlfeld, a partner at law firm Miller Nash's Seattle office. In a surprising number of cases, managers criticize employees verbally during reviews but give them high marks on written evaluations. Such evaluations can be critical to your company's defense if, say, an employee claims she was fired based solely on her sex. "It comes down to what you have in that person's file," Stahlfeld says.

Of course, even if you take every precaution, sex-discrimination complaints may arise. To prevent them from snowballing into lawsuits, investigate each one immediately. "Putting your head in the sand is never a good idea," says Jill Schwartz, of Jill S. Schwartz & Associates, an employment law firm in Winter Park, Fla. For instance, if a female worker questions why she's being paid \$10,000 less than her male counterpart, go over performance reviews and take her tenure into consideration. If there's a reason other than gender for the pay difference, explain it to her. If not, fix the discrepancy. As the recent spate of high-profile lawsuits has proved, granting a raise will cost much less than going to court.

Louisiana Meets Enrollment Needs, Provides Opportunity

Submitted by: Kent Wolfe, National Student Loan Program

Louisiana is providing students with higher education opportunities. According to U.S. Department of Education data, Louisiana's degree-granting postsecondary institutions enrolled about 214,000 students in the fall of 1996. Five years later, the state's enrollment expanded by nearly 15,000 students to 228,871.

Academic Year	First-time Freshmen	Upper-classmen	Total Enrollment
1996-97	39,710	174,283	213,993
2001-02	47,167	181,704	228,871
# change	7,457	7,421	14,878
% change	19%	4%	7%

Louisiana's first-time freshmen showed a similar growth pattern as 1996 fall enrollment rose 19% from 39,710 to 47,167 five years later. Additionally, Louisiana's degree-granting schools provided access to over 7,400 more upperclassmen in 2001-02 than in 1996-97.

By meeting the increased demand for higher education, Louisiana's postsecondary schools are making it possible for students to reach their educational dreams.

For more information about postsecondary enrollment, contact Kent Wolfe at 800-735-8778, ext. 6940 or Brenda Paganelli at 662-837-1584.

Parents Have High Expecations, Financially Unprepared

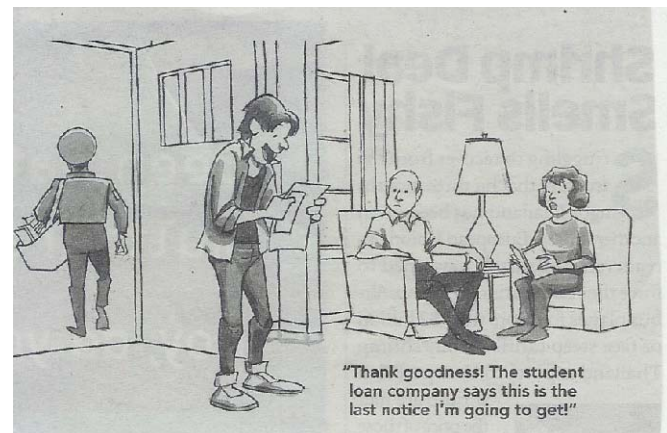
Submitted by: Michael Amaloo, EdFund

Many parents nationwide want their children to attend college but feel financially unprepared to handle tuition and expenses. According to a national survey by Collegiate Funding Services, 65 percent of parents expected their children to pursue a college education at a four-year college, yet 44 percent felt they were not really prepared to pay for that education.

"Parents are beginning to feel that sending their child to college is no longer an option they can afford," said J. Barry Morrow, CEO of Collegiate Funding Services. "In fact, our survey indicated that more than half a million households feel that the rising cost of tuition would contribute to their decision to forego a four-year college education all together."

Middle-class parents – those with household incomes of between \$25,000 and \$74,999 – were notably unready to pay their teenager's college education, with 56 percent indicating they were not prepared.

Continued on page 16.



Online Resources to Help Spanish Speaking Families (continued from page 11)

A survey conducted by the Tomas Rivera Policy Institute at the University of Southern California found that 75% of Hispanic youth who aren't currently in college said they would have been more likely to attend if they had known more about financial aid.

This is an issue of concern for many involved in student financial aid. In order to promote access to higher education to Hispanics throughout the country, many organizations provide online resources for Spanish speaking parents who are seeking to expand educational opportunities for their children.

Web sites such as *AdventuresInEducation.org*, *CollegeBoard.org*, and *Mapping-Your-Future.org* offer content in Spanish concerning all aspects of pursuing a higher education. There are also many publications online that cover education-related issues, such as the Spanish digital newspaper *La Opinion*, www.laopinion.com, and the television network Univision's Web site, www.univision.com.

In addition, the U.S. Department of Education's Web site, www.ed.gov, provides content in Spanish for parents to help their children learn and succeed. Some of the resources found on the government Web site include:

- *Serie de cómo ayudar a su hijo* - <http://www.ed.gov/espanol/parents/academic/hyc-esp.html>
A publication series that aims to provide parents with the tools and information necessary to help their children succeed in school and life.
- *Preparándose a tiempo para la universidad* - www.ed.gov/pubs/GRFC_Span/grfcspan.html
A guide for parents of students in their middle and junior high school years to get ready for college.
- *Cómo pagar tu educación 2003-04* - www.studentaid.ed.gov/students/publications/FYE/2003_2004/spanish/index.html
An introductory publication for students not yet enrolled in a postsecondary institution.
- *FAFSA on the Web* - www.fafsa.ed.gov/FOTWebApp/scomplete013.jsp
The Spanish version of the *Free Application for Federal Student Aid* (FAFSA) form and instructions on how to apply for federal and state financial aid.
- *Guía para estudiantes: Ayuda económica 2004-05*
http://www.studentaid.ed.gov/students/publications/student_guide/2004_2005/spanish/index.htm
A comprehensive resource on student financial aid.

Another useful resource is the *English-Spanish Glossary*, an easy-to-use reference tool to facilitate the creation of more consistent Spanish-language materials about higher education and student financial aid. The glossary is maintained and supported by a group of organizations involved in student financial aid and in promoting access to higher education to Hispanics throughout the country. To view the English-Spanish Glossary and other Spanish education resources, visit TG's Spanish Resources page, located at <http://www.tgslc.org/spanish/index.cfm>.

Bill McFarland is a National Account Representative with TG serving schools in Louisiana. You can reach Bill at (800) 252- 9743, ext. 2505, or by e-mail at william.mcfarland@tgslc.org. Additional information about TG can be found online at www.tgslc.org.

Helping Students Maintain Good Credit (continued from page 10)

2. Stop using your credit cards. When your balance spills over into the next month, you should put away your cards.
3. If you don't have the cash, don't buy it. It doesn't make sense to charge a sale item with your credit card, only to have to pay it back at 21-percent interest.
4. Beware of instant credit that some department stores are offering. Don't be tempted. Just say no.
5. Some credit-card companies offer "teaser" interest rates. The rates are very low initially, but within a matter of a few months, you pay high interest rates on any unpaid balance. Be wary of such "deals." Always read your credit-card statement carefully.
6. When all else fails, cancel your credit cards.

Financial-aid administrators can share with students information that USA Funds Life Skills provides about credit reports. Explain to them that their credit history is a permanent record of every account they have either repaid as agreed or have failed to pay on time. Since they first started buying things on credit, their credit habits have been documented. Emphasize to students that poor credit habits today will stay on their credit record for many years to come.

Just as grade-point averages document your students' academic achievement, their credit scores reflect their management of credit. Higher scores indicate that they are good credit risks and will help ensure that they have access to credit for future purchases like houses or cars. Lower ratings indicate that they are poor credit risks and they may be denied credit or pay higher interest rates on major purchases in the future.

Establishing and losing good credit

Financial-aid administrators also can offer these tips for establishing good credit:

- Pay off revolving credit balances (bank and store credit cards) in full.
- If you can't pay your balance in full, make at least the minimum payment.
- Pay your bills on time.
- Undercharge. Don't charge as much as your limit allows.

Be sure to discuss some of the ways to lose good credit:

- Making late payments.
- Exceeding the credit limit on your credit cards.
- Writing bad checks.
- Defaulting on a loan.

High Expectations, Financially Unprepared (continued from page 13)

The survey also shows:

- More than one-third of parents understand very little about the different financial options available to help parents pay for college.
- 43 percent of middle-income parents said they had little or no understanding of their financial options, as compared to 24 percent of parents with household incomes under \$25,000 and 29 percent of parents with household incomes higher than \$75,000.
- 16 percent of those who will send their children to college plan on dipping into their retirement savings.
- 7 percent plan on using credit cards to help finance their child's college education.

In addition to impacting financing options, increasing costs are also affecting respondents' enrollment decisions:

- More than one-third of those surveyed said the cost of tuition and expenses was the most important factor in choosing a college.
- More than 25 percent of those whose children will not be attending a four-year college said the rising cost of tuition contributed to that decision.

The survey, "Planning and Paying for Your Teenager's College Education," was conducted through telephone interviews of 502 American parents of children aged 15 to 17 in spring 2004.

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To Consolidate or Not Consolidate... (continued from page 4)

So with all indicators pointing to higher interest rates, the next logical question for student aid administrators is, "Should I advise my students to take advantage of consolidation?" But like so many other issues in the often-confusing world of financial aid, this question does not have a black or white answer.

"Consolidation Loans have their pros and their cons," cautions Mayotte. "While consolidation may be an effective and necessary repayment solution for some students, for others it can be a short-term fix that ends up being more costly in the long run."

Concluded on next page.

To Consolidate or Not Consolidate (continued from previous page)

Here are some facts to consider when counseling your students on choosing consolidation:

What is consolidation and how can it benefit borrowers? When a borrower consolidates his student loans, his separate individual loans are paid off by the consolidating lender and one new loan is created. The terms for this new loan will generally range between 12 and 20 years, rather than the standard 10-year term on the borrower's existing loans. By having longer to pay the loan off, the borrower is allowed to make a lower monthly payment amount. Another advantage (and the benefit that will be touted the most in coming months because of the expected interest rate rise) is that Federal Consolidation Loans have *fixed* interest rates, versus the variable rates of all other Federal Family Education Loans. The interest rate on a Consolidation Loan is determined by taking the weighted average of the borrower's current loans' interest rates and rounding up to the nearest one-eighth of a percent. By consolidating, the borrower ensures that for however long it takes to pay the loan off, the interest rate will never change. This means that, assuming student loan interest rates go up over the next few years, the borrower will save money in interest.

But here's an added wrinkle to the "to consolidate or not to consolidate" debate: the upcoming reauthorization of the Higher Education Act may include a proposal to switch the interest rate on Consolidation Loans from fixed to variable. "The historic low interest rates of the past few years, which we've never seen before in the industry, are causing concern that the federal government is losing too much money on Consolidation Loans," states Mayotte. "For borrowers considering consolidation, this could be a strong argument for pulling the trigger now instead of waiting."

Who should consolidate? Borrowers who have multiple loan payments and excessive loan debt are the ideal candidates for a Consolidation Loan. If borrowers have numerous monthly payments to different servicers and record keeping is a huge hassle, consolidation can streamline the process because they need only make one payment to one company per month. Additionally, if the total amount of a borrower's monthly payments is more than his budget can allow, he should look to a Consolidation Loan for a lower monthly payment.

What are the drawbacks of consolidation? The longer repayment term of a Consolidation Loan means the borrower will pay more in interest over the life of the loan. Borrowers are charged interest on the outstanding balance -- so the longer they take to pay, the more they pay. However, this scenario is favorable to borrowers potentially falling behind on student loan payments because they are unable to make the minimum monthly requirement or become overwhelmed with paperwork. Additionally, borrowers can counteract the longer repayment term/more interest combination by pre-paying or accelerating payment (there is no pre-payment penalty on student loans). Another potential drawback of consolidation is that the borrower may lose out on some repayment benefits or loan forgiveness options, since consolidation loans are not always eligible for these special programs. **When should borrowers consolidate and who should they contact to start the process?** Borrowers should first discuss consolidation with their existing lenders. Lenders who do not consolidate should be able to recommend another lender. While the general terms will not vary between lenders, some may offer incentives, such as interest rate reductions for on-time payments, to their customers that others do not. Borrowers should "shop around" for these incentives before deciding on a consolidating lender. Borrowers interested in consolidating should be encouraged to start the process ASAP. The projected rising interest rates will most likely spark a huge consolidation rush, so borrowers should make every effort to have paperwork completed and submitted sooner rather than later.

FFELP guarantor American Student Assistance® (ASA) helps your students and parents secure student loan financing and successfully manage debt after school. By giving education loan borrowers the right information at the right time, through proactive outreach and education, we help them achieve on-time loan repayment and overall financial wellness. If you would like to know more about how ASA can help you educate your students, contact Steve Greenough, ASA's Louisiana account executive, at sgreenough@amsa.com or 601-919-1393.

LOSFA Participates in Expo (continued from page 3)

During the half-day event, LOSFA presented several workshops on the Tuition Opportunity Program for Students (TOPS) and the Student Tuition Assistance and Revenue Trust (START) 529 college savings plan. LOSFA public information representatives and mascot Earl E. START were also available on-site to distribute program literature and answer questions about student financial assistance.

“In the past I’ve put together successful but single-issue conferences on such things as Veterans issues, health care and small business, and each time I’ve been amazed by both the amount of valuable information provided and the number of people eager to absorb it,” Baker said.

The “Constituent Opportunities Expo” covered areas of interest relating to personal finance, educational resources, consumer protection, business and worker’s issues, career counseling, grant searches, healthcare and disabilities, social services, senior services, veterans affairs, housing and community development, and government procurement and property assistance.

In addition to LOSFA, expo participants and presenters included representatives from: NASD, the IRS, Parent University, National Guard Youth Challenge, Louisiana Office of the Attorney General, Office of Workers Compensation Program, the U.S. Department of Labor, Baton Rouge Career Center, East Baton Rouge (EBR) Public Library Foundation Center, Capitol City Family Health Clinic, Disability Determination Services, Louisiana Rehabilitation Services, Dept. of Social Services, Support Enforcement Services, Office of Community Services, Gov.’s Office of Women’s Services, the EBR Council on Aging, Center for Medicare Services, the Social Security Administration, Senior Health Insurance Information Program, Alzheimer’s Services, Capitol Area Legal Services (Elderly Protective Services), Gov’s Office of Elderly Affairs, U.S. Department of Veterans Affairs and Veterans hospitals, EBR Housing Authority, EBR Office of Community Development, MidCity Alliance, LAPTAC, and Federal Property Assistance.

LOSFA's SLS Hosts Financial Planning Fair

Submitted by: Jennifer Guhman, Louisiana Office of Student Financial Assistance

The Louisiana Office of Student Financial Assistance (LOSFA) School and Lender Services (SLS) section recently hosted a carnival-themed Financial Planning Fair at the Louisiana State University campus in Alexandria. More than 150 students participated in this informative, one-stop-shopping opportunity that addressed a broad range of future financial needs.

The LSU-A event, held March 24, 2004, from 10 a.m. until 2 p.m. in the centrally located university quadrangle, provided university students with information regarding financial planning, debt awareness and default prevention. To capture the carnival feel, attendees were treated to free, fair-style foods including hot dogs, popcorn, peanuts, cotton candy and soft drinks. Carnival games and a festive clown kept the crowd entertained.

More than a dozen lenders were on hand to share financial expertise and help educate students in all areas of financial planning. They were encouraged to join in the spirit of the festival, offering carnival-inspired games and prizes for the student participants.

Continued on next page.

LOSFA's SLS Hosts Fairs (continued from previous page)

SLS representatives Kelly Hutson and Jennifer Guhman served double duty during the fair, filling the roles of event hosts and on-the-spot consultants for state and federal financial aid inquiries.

The LSU-A event was the fourth such fair presented by SLS. Previous fair locations include the University of New Orleans, Louisiana State University in Eunice and Dillard University in New Orleans.