

In-Line With LASFAA

Louisiana Association of Student Financial
Aid Administrators

Fall/Winter Edition 2011



Letter From the President

Dear LASFAA Members:

As the year draws to a close, I want to say THANK YOU for the opportunity to serve you as LASFAA's 2011 President. It has truly been an honor, privilege and pleasure to represent you and our State Association.

I want to express my sincere appreciation to the 2011 Board Members and those who worked on committees to help serve LASFAA – all I can say is JOB WELL DONE!

We had a great Fall Conference which was well attended. It was held on October 26 – 28 at the Crowne Plaza Hotel in Baton Rouge, LA. I want to once again thank EVERYONE who attended, and those who helped to coordinate Boot Camp and the Conference. The theme was: **The Evolution of Financial Aid: Past, Present and Future – Are we there yet?** A theme so fitting for our profession due to the fact that we have truly evolved over the years. The field of Financial Aid has come a long way, and we are all aware that the evolution process is continuous ~ it is inevitable that future changes are still to come.

Participants at the conference received useful information and were afforded the opportunity to network with fellow colleagues. Additionally, our Silent Auction was held during the Evening Social “Disco Night – Let’s Go Retro”.

Due to your contributions, we raised \$1,000 which will be put toward our Mildred D. Higgins Scholarship Fund to help students within our State. The Community Project this year was “Breast Cancer Awareness ~ LASFAA Goes Pink: Helping Hands for a Cure”. Thanks to your generosity we raised close to \$850, which was donated to Cancer Services of Baton Rouge.

I want to encourage anyone who is not presently serving on a committee to get involved with LASFAA. There are several committees that can use your assistance. Please complete the online Volunteer Form at www.lasfaa.org- Serving LASFAA is a rewarding experience!

I look forward to continuously serving LASFAA throughout this year and beyond. I will continue to work as President through December 31, 2011, and eagerly anticipate my charge and responsibilities as Immediate Past President, as we forge into year 2012.

Please have a happy and safe holiday season, and thanks again for your support.

Denise B. Spellman

Implement an Effective Financial Literacy Education Program

Submitted to LASFAA by: USA Funds

As I've worked with postsecondary institutions to implement effective financial literacy education programs on their campuses, I've shared practical advice I've gleaned as schools build and expand their programs. I've also gathered valuable "lessons learned" from many of these schools that use USA Funds® Life Skills® as a core part of their financial literacy efforts.

USA Funds Life Skills is a Web-based financial literacy and student success program that equips schools to teach students how to manage their money and time wisely on campus and after graduation.

As you consider building or expanding a financial literacy program, here are the most important questions to ask, best practices to follow and lessons learned in developing and implementing an effective financial literacy program.

Questions to ask

- What do you wish your students knew about managing their time and money?
- What is your main objective for implementing a financial literacy initiative?
- Who is your target audience?
- How and when will you implement your program?
- What information will be covered? What do students want to know?
- How will the information be delivered?
- Who will be responsible for managing the program?
- How will you measure its success?

Importance of communication

- Integrate financial literacy wherever you can, in any way that you can.
- Communicate and educate — again and again and again.
- Use an ongoing communication tool.
- Consider using phone, email, text messaging and social networking to share information.

Lessons learned

- It's not enough just to make financial literacy information available. Integrate it into your process, whether administrative or academic.
- Use positive messaging to encourage students to take part — don't make it seem like a form of punishment.
- Offer students a choice of lessons or topics to increase their likelihood to become engaged in the learning.
- Demonstrate how financial literacy education supports the school's overall goals to aid in getting the administration's buy-in.

Read USA Funds Life Skills case studies posted on the USA Funds website at www.usafunds.org to learn how other schools have created successful financial literacy programs on their campuses, or contact your USA Funds representative for more information about USA Funds Life Skills.



A Tale of Two Credit Scores

Submitted to LASFAA by: TG Communications

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 a consumer, it has become more challenging for consumers to understand their credit scores. Although it is commonplace to talk about credit scores, too few of us really understand what we are talking about.

Welcome to the ever-evolving world of credit!

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, although 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

Now, **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!

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.

So the student did his or her homework by researching 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!

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A Tale of Two Credit Scores ...Continued

What did the student do wrong? Nothing! 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

So, what to do? Here are a few suggestions that might make the 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, 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 be reviewing.

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 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.

A tale of woe? Or a tale of success? This tale of two scores can end happily. 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!

~Sharon Cabeen, TG Director, Financial Literacy Operations

Sharon Cabeen is the director of financial literacy operations with TG. You can reach Sharon at (800) 252-9743, ext. 6781, or by email at sharon.cabeen@tgscl.org. Additional information about TG can be found online at www.tgscl.org.



LASFAA has joined Facebook!

We would like to encourage all of our members to "like" our page. Log in to your own Facebook page and search for LASFAA (our profile pic is the blue seal).

Check out LASFAA news, pictures from past conferences, and keep in touch with colleagues. We will be posting important information and all the latest happenings pertaining to LASFAA throughout the year. This is another great way to stay informed with LASFAA!

MERRY CHRISTMAS

to you and yours.

From, LASFAA



The "DOs" and "DON'Ts" of Scholarship Searches

Submitted to LASFAA by: Sallie Mae

Searching for scholarships can be overwhelming for both students and their families. Here are some simple (but effective!) steps that can help your students cut through the confusion.

Dont's...

1. DON'T wait until your senior year to search and apply for scholarships. Junior year is an ideal time to start the search-- in fact, the sooner, the better. Many scholarships repeat year after year, so you can get a headstart on seeing what will be available.
2. DON'T avoid searching for scholarships because you're not a high school student. There are scholarships for students at every stage of their education, whether undergraduate, graduate, or returning adult student.
3. DON'T assume that only top scholars and athletes get scholarships. Your and your family's cultural, geographic, religious, and ethnic affiliations, hobbies, music, and other capabilities can all help you qualify for certain scholarships. The broader your search criteria, the better your chances of finding matches.
4. DON'T overlook small scholarships. Nothing says that you can only win one scholarship. If you apply for several, \$1,000 could turn into \$5,000 or more-- and that's money you won't have to borrow (with interest).
5. DON'T rely on scholarship databases that charge you to register or charge a large processing fee, companies that claim to do all the work for you, or out-of-the-blue announcements telling you that you won a scholarship for which you didn't apply.

DO...

1. DO include private resources in your search-- KFC, Coca-Cola, McDonald's, and Walmart all offer scholarships.
2. DO research local businesses and state opportunities. (Sometimes the best opportunity is right in your own neighborhood!)
3. DO use free national scholarship search sites. The Sallie Mae Scholarship Search (SallieMae.com/ScholarshipSearch) has a database of over 3 million scholarships (valued at more than \$16 billion) that can be sorted by name, deadline, award amount, or eligibility criteria. Other search sites include Fastweb.com/College-Scholarships, and Scholarships.com.
4. DO carefully read and understand the rules and requirements of the scholarship for which you're applying.
5. DO stay positive! This is a long-distance marathon, not a sprint. Be creative, be upbeat, and keep working to uncover the right scholarship.

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LOSFA Makes Financial Literacy a Priority

Submitted to LASFAA by: Louisiana Office of Student Financial Assistance

In these challenging economic times, with growing unemployment, it is more important than ever that students understand what financial literacy is and how planning now can assure their financial security in the future. In research conducted by the US Department of Education, financial reasons were the primary catalysts reported by students that left school before completion. Louisiana Office of Student Financial Assistance (LOSFA) needs to be on your campus presenting financial literacy to your students.

Financial literacy is the student's ability to make appropriate decisions in managing their personal finances. According to Sallie Mae, in 2008, college seniors with at least one credit card graduated with an average of \$4,138 in card debt, up 44% from 2004. This is important as money is a huge part of life, and can determine what the student can do and where they can go. Learning how to manage their money the right way is an important step in taking control of their life.

LOSFA is focused on educating students about their financial literacy and the options available to them through presentations and web-based tools. Our financial literacy team is available to present directly to student groups, and will also work with school staff to train on how to engage students face to face on becoming more financially literate. Topics covered include: Credit, Banking, Money Management, Credit Cards, Identity Theft, Budgeting, Debt, Student Loans and many more. Financial literacy information sheets are also available on our website, www.osfa.la.gov.

Understanding student loans, what they are, how to determine how much to borrow, and repayment options, are also part of a student's financial literacy. According to a 2007-2008 National Postsecondary Student Aid Study conducted by the National Center for Education Statistics at the US Department of Education, two-thirds (65.6%) of 4-year undergraduate students graduated with a Bachelor's degree and some debt in 2007-08, and the average student loan debt among graduating seniors was \$23,186 (excluding PLUS Loans but including Stafford, Perkins, state, college and private loans). At LOSFA we are dedicated to assuring that a potential borrower understands that a student loan is a debt that must be repaid and all other options for financing their education should be exhausted before applying. We also make sure the student understands the consequences of defaulting on their student loan(s).

LOSFA is partnering with Louisiana schools to provide financial literacy information from beginning to end of a student's post-secondary career. These programs include financial literacy/loan workshops prior to students receiving a loan disbursement, ongoing financial literacy training during their post-secondary careers and exit counseling/financial literacy just prior to graduation.

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...Financial Literacy continued

Paul Monteleone, Financial Aid Director at LSU at Alexandria provided the following testimonial after partnering with LOSFA's financial literacy team.

"A couple of years ago the LSU System obtained data from the various institutions involving student loan debt. This data demonstrated that students who had attended Louisiana State University at Alexandria had a higher loan debt than students who attended any of the other LSU System institutions, despite our tuition and fees being amongst the lowest of the 4 year schools in Louisiana. There was no explanation for this high borrowing rate by our students, yet we knew we needed to seek ways to reduce the future holes our students were placing themselves and their families into.

This high loan debt rate, combined with a continued increase in the amounts students were borrowing and an increase in our institutions Cohort Default Rate, led us to seek out ways we might curb the unnecessary borrowing patterns of our students. Therefore, we implemented added requirements for Stafford Loan disbursement that a student must attend a Financial Literacy Workshop in efforts to help students realize that borrowing student loan funds is not always necessary as there may be better ways to manage their resources. Furthermore, we wanted to help those students who had been borrowing at such high levels in the past learn about the various methods to manage their loan debt to help prevent defaulting.

To accomplish these things we opted to bring in staff from LOSFA to assist in conducting Financial Literacy Workshops where topics of "Managing Student Loans", "Money Management", "Budgeting", and "Debt Management" are discussed. The Fall 2011 is the first semester that we have required attendance at these workshops for receipt of loan disbursement. Thus far we have noticed an approximate \$100,000 reduction in the total dollar amount our students borrowed for Fall 2011 in comparison to Fall 2010. We hope to continue educating our students on what it means to be wise and frugal when it comes to borrowing and placing yourself into debt of any type -- thus hopefully noticing a continued decline in the amount of loan funds our students borrow in the future."

LOSFA is also working with high school and middle school students through the FLY Tour, College Access 4U and the sixth annual America Saves Week. As these programs expand, they will assist in sending financially literate students to college and university campuses. **America Saves Week is scheduled for February 19-26, 2012.**

Financial calculators are another excellent tool for students and borrowers. Multiple calculators are available on our partner site, www.MappingYourFuture.org. The calculators available include: Budget – Helps to develop a saving and spending plan; Checkbook Balancing – Reconcile checking account records with bank records; Income-Based Repayment – Estimates monthly payment amount under the income-based repayment plan; Student Loan Debt – Useful tool to determine how much to borrow; Repayment – Estimates student loan payment amount; and Loan Consolidation – Estimates consolidation loan interest rate and payment amount.

Closing remarks on next page...

LOSFA is determined to assist young adults on every college and university campus become financially literate as they enter Louisiana's workforce. Join us by contacting your Financial Literacy and Development representative for all financial literacy needs on your campus.



LOUISIANA CONNECT

your first choice for college and career access...

LOSFA announces LouisianaConnect Launches on October 24th

The LouisianaConnect web portal (www.LouisianaConnect.org) launched on October 24th, following in-person “preview” demonstrations offered at each of LOSFA’s Professional Guidance Counselor Workshops conducted across the state. The turnout was strong at each workshop location and participants consistently asked engaging questions about the web portal, as well as implementation best practices.

The launch is following a phased approach to best meet the needs of individual high schools. In the first phase, LouisianaConnect will be made available exclusively to Guidance Counselors. In the second phase, students and parents will be able to activate their accounts.

Phase 1: Guidance Counselors are Welcomed to LouisianaConnect!

Phase 1 is all about Guidance Counselors. On October 24th, “lead” Guidance Counselors, as identified by LOSFA, began receiving automated emails from LouisianaConnect inviting them to activate their accounts in the web portal. Known as the “Community Administrator” role in LouisianaConnect, the lead counselor is able to create counselor and teacher logins for members of their staff, manage school-specific web portal settings, and much more.

To build on the web portal preview offered at the workshops, ConnectEDU had provided seven (7) live, web-based “Getting Started” trainings offered through November 16th. These trainings cover in-depth web portal functionality and best practices for high school implementation. All school staff members are welcome to join. Additionally, Guidance Counselors can access LouisianaConnect’s “Support Portal”, which provides:

- On-demand training sessions, compiled from live webinars conducted through mid-November
- Comprehensive Training Guides
- Best-practice materials for parent engagement in the web portal
- FAQs

Phase 2: Students & Parents Activate Accounts in LouisianaConnect

Student and Parent account activation follows Phase 1. As discussed at the guidance counselor workshops, STS

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LOUISIANA CONNECT

your first choice for college and career access...

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and SIS data is being loaded into LouisianaConnect directly from the Louisiana Department of Education (LDOE). In addition to driving LouisianaConnect's comprehensive planning tools, this data enables students and parents to create accounts in the web portal by simply "validating" their identity (a process that requires confirmation of Name, State Student ID and High School Name).

As this data is made available by LDOE over the next 3-4 weeks, the LouisianaConnect team will complete initial quality assurance on a high school-by-high school basis. Guidance counselors will be that Students & Parents are ready to activate their accounts in the web portal when this process is completed for their school.

We are excited to have you join the LouisianaConnect community and will be sending periodic updates throughout the launch. Please take advantage of the training sessions and have your school's "Community Administrator" create accounts for your staff (as you will see, there are roles for Counselors, Teachers, Scholarship Managers and more!)

Let's Get Rollin' SWASFAA Boot Camp 2011

SWASFAA Boot Camp 2011 offered novice financial aid officers a chance to "Get Rollin'" into the world of administering financial aid. The knowledgeable presenters provided attendees with a comprehensive introduction to Campus Based Programs, Federal Methodology, Application and Student Eligibility, Pell Grant, Direct Loans, Verification, R2T4, customer service, and Professional Judgment as well as a list of electronic tools and resources that can be referred to once back in the office. Many thanks go out to our guest presenters Trevor Summers, USDE Trainer and Pam Cole, Financial Aid Coordinator, Oklahoma Career Tech. We also appreciate Lacy Myers, Oklahoma College Assistance Program, for her assistance on our graphic designs.

The Conference and Local Arrangement chairs Andrew Hammontree and Kelli Kelnar worked very closely with the Boot Camp committee to ensure we had a successful workshop and to them we extend our sincere gratitude.

But most importantly, we thank our 88 boot camp attendees. Without your involvement and participation, our boot camp would not have been so successful. So, HAVE YOU SUBMITTED YOUR VOLUNTEER FORM YET???

Volunteer form link: <http://www.swasfaa.org/docs/forms/memVolunteer.html>

Sincerely,

Your SWASFAA Boot Camp 2011 Committee:

John Jefferson (AR), Mary Sue Rix (LA), Brent Small (NM), Linda Good (OK), Denise Welch (Co-chair and 2012 Chair, TX), Shannon Guillory (2011 Chair, LA)

Moffett Announces UNO Move to the UL System

The University of Louisiana (UL) System's President, Dr. Randy Moffett, announced on Friday, December 2, 2011, that SACS Approved UNO's move to the UL System.

According to Dr. Moffett, the Southern Association of Colleges and Schools-Commission on Colleges gave final approval for the University of New Orleans to join the University of Louisiana System. This action concluded the five-month transition of UNO from the LSU System since Act 419 of the 2011 Louisiana Legislative Regular Session was signed into law in July.

The addition of UNO complements our eight regional, comprehensive, research universities truly making the UL System *Nine Universities Strong*. Historically the largest system in Louisiana in terms of student enrollment, the addition of UNO brings total enrollment to about 94,000 at Grambling State University, Louisiana Tech University, McNeese State University, Nicholls State University, Northwestern State University, Southeastern Louisiana University, the University of Louisiana at Lafayette, the University of Louisiana at Monroe and the University of New Orleans.

The UL System collaborates in a variety of ways and it is in that vein that the Board of Supervisors and each of the system's universities extend warm wishes to UNO.

NSLP Unveils New Speakers Bureau, Topics for 2012

Submitted to LASFAA by: NSLP

LINCOLN, NEBR – October 10, 2011 – NSLP announces a dynamic group of speakers available to address pertinent regulatory and financial education issues that impact institutions of higher education and their students. The new NSLP Speakers Bureau features financial counselors accredited through the Association of Financial Counseling, Planning, and Education (AFCPE) and well-informed speakers with more than 20 years of experience in higher education finance.

The Speakers Bureau capitalizes on NSLP's leadership and 25 years of experience in financial education. NSLP presentations provide information about resources available to help colleges reduce student loan defaults, and to support schools in learning how to educate students about their financial responsibilities. This information is

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NSLP Speakers Bureau Topics

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especially relevant since borrower default rates are on the rise across the country; a high default rate can negatively affect a school financially.

NSLP offers a variety of topics to serve national, regional, and state conferences, symposiums, and annual meetings. Speakers also are available to address administrative and managerial meetings at colleges and universities.

A featured speaker, Kate Trombitas, previously served as the associate director of The Ohio State University Student Wellness Center, where she founded Scarlet & Gray Financial, a peer-to-peer financial education program. Her expert financial advice for college students was recently featured in the 9th edition of Gardner, Jewler and Barefoot's *Your College Experience: Strategies for Success*.

"We knew on our campus that money was the second-leading cause of stress, and that it was creating a barrier to academic success," says Trombitas. "We wanted to look at it as a wellness issue as important to campus administrators as alcohol abuse prevention, nutrition and sex education."

In her presentation, Trombitas presents data from the Ohio Student Financial Wellness Survey (OSFWS), which was given to students across Ohio. She discusses the results gleaned from the survey about student loan and credit card debt, stress related to debt, personal money management habits, and feelings about their financial futures. The study points out an increased need for financial education for students.

Another featured speaker, Todd Woodlee, is vice president of business development for NSLP. He has 20 years of experience in higher education and higher education finance. Before joining NSLP, Woodlee served as associate vice president for business development for Citibank's student loan division. He also previously worked at Augusta State University in Augusta, Georgia, where he managed student loan and student employment programs. Woodlee holds a master's in education from Augusta State University. He is part of the NSLP team that provides dynamic solutions to the higher education community.

Presentation topics available for national and regional venues:

- The Real Price of Student Loan Default
- Setting up Students and Campuses for Financial Success
- Turn Your School into a Financial Stress-free Zone
- Do You Know Your Money Personality?
- Everyone's Asking, "Is Higher Education Worth the Investment?"
- A Forecast of National Default Rates Based on the Economy: What's Ahead?
- Financial Education: Who's Doing it Right and How Can You Do it Better?
- 10-Point Plan for Ensuring that Your Financial Aid Office is Running Effectively

Other featured speakers include NSLP state representatives who work closely with college administrators to help them understand and respond to regulation changes that affect their schools. Representatives also address relevant topics such as what it means for a school to provide education about gainful employment, what can trigger a federal review of a school's financial aid program, and how student loan defaults affect not only the school's financial aid program, but the overall financial health of a school.

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NSLP Speakers Bureau Topics continued...

Presentation topics available for state venues:

- Policy & Procedure Manual: What's in Yours?
- Gainful Employment: It is NOT Just the Other School's Responsibility
- Getting Ready for a Program Review
- The Real Price of Student Loan Default

Complete descriptions of the topics and speaker biographies are available by contacting Susan Helmink at NSLP, 402.479.6802. To request information electronically, contact NSLP at SusanH@NSLP.org.

ABOUT NSLP

Headquartered in Lincoln, Nebraska, NSLP is a private, not-for-profit company with a 25-year legacy in the higher education marketplace. A former Top 10 student loan guarantor, NSLP continues to be a passionate leader and advocate for student success; providing colleges and universities nationwide with financial education, delinquency prevention, default aversion, financial aid related support, and Title IV training and compliance programs. NSLP collaborates with schools to develop programs that will ultimately help our future generations thrive financially.

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LASFAA in Pictures

If you would like to check out photos from our Fall Conference, please visit our facebook page!

The Publications Committe would like to thank all LASFAA members who contributed articles and updates for this edition of In-Line. The newsletters could not have been completed without you, so THANK YOU FOR YOUR INVOLVEMENT!