

Federal Student Aid Training Conference

December 3 – December 6, 2013; Las Vegas, NV

Conference Summary

The 2013 FSA Training Conference was comprised of 4 General Sessions, 51 breakout sessions and 6 Birds of a Feather (BOF) sessions. Each day began with a General Session, between 8:30 and 10:15 am, followed by a series of 1.25 hour breakout sessions which began either on the hour or on the half hour. The staggered start times were necessary to accommodate the large amount of traffic moving between sessions. The Federal government estimated more than 6,000 people attended the four day training conference.

The General Sessions focused on either the President's Higher Education Initiative, announced on August 22, 2013, or changes made to the various programs, forms and supporting systems. Most of the breakout sessions also fell into these two general categories.

The Presidents Higher Education Initiative

The overall goal of the President's Higher Education Initiative is to make college more affordable for the middle class. The three main tenants of the initiative are Paying for Performance, Promoting Innovation and Competition and Ensuring that Student Debt Remains Affordable.

Paying for Performance

The Department of Education intends to tie financial aid allocation to student outcomes rather than student enrollment. To accomplish this, a new college rating system will be designed and implemented prior to the 2015 school year. The President will seek to enact legislation that will award financial aid based on these rankings by 2018.

In addition, the President intends to encourage states to increase funding for public higher education and to enact higher education reforms that reward institutions based on outcome rather than enrollment.

The President also proposes a Pell Bonus for schools that attain high rankings, possibly based on the number of Pell students they graduate. This initiative encourages students to graduate as soon as possible to limit the cost of education.

Promoting Innovation and Competition

The President's plan will encourage new approaches to delivering a college degree including awarding credits based on learning rather than seat time, using new techniques to deliver course content and student services and to reward experiential credit and develop dual enrollment opportunities to decrease the amount of time necessary to earn a degree.

This initiative intends to assist colleges to improve quality and outcomes by removing regulatory requirements that stifle innovation.

Ensuring Student Debt Remains Affordable

To keep student debt affordable, the President intends to make the pay as you earn option open to most borrowers. This program caps student loan payments at 10% of their monthly income.

Session Overview

Most of the general and breakout sessions were either directly or loosely related to changes that have been or will be implemented to support specific aspects of the President's initiative. A brief description of each of the sessions that I attended is below. Power Point slides and other supporting documentation for most sessions can be downloaded [here](#).

General Session 1: Federal Update

This general session went into some detail on the President's Higher Education Initiative and reviewed some of the tools now available for college choice, like the Federal Shopping Sheet, that includes metrics for determining the affordability and effectiveness of each institution.

Income based repayment plans will be expanded and marketed to borrowers before they begin their grace period, to help make student debt more affordable. Also, there was discussion regarding the importance of financial literacy and its delivery throughout the student's higher education experience.

The Federal Update portion of this session described changes to the FAFSA for DOMA and the requirement for financial data from both parents that live together regardless of their marital status. Changes have been made to data and reporting for the 150% Loan Subsidy eligibility as well as new tracking groups and messages for this year.

General Session 2: FAFSA & Application Processing Update

This general session reviewed specific changes to the FAFSA application, both paper and web. Arnie Duncan, US Secretary of Education spoke about the current Financial Aid system and the President's Higher Education Initiative.

FAFSA Changes:

- Changes to marital status.
- On the web, new dynamic labelling for parent names.
- New logic to prevent incorrect reporting of assets.
- New logic to prevent incorrect reporting of filing status.
- Better explanation why the IRS Data Retrieval Tool is not available.
- Field lengths for AGI and EFC were increased.
- Better communication to students that have corrected the FAFSA but have not completed the filing process.

Arnie Duncan:

This talk explained more of the changes underway to support elements of the Presidents Higher Education Initiative, specifically the creation of the college rating system to help students and parents choose effective and affordable higher education options.

He also spoke about the importance of keeping higher education affordable and collecting the outstanding student debt. A major component of this is communicating the income based repayment options and the importance of financial literacy training.

General Session 3: Verification

Changes to the verification process were reviewed. They eliminated the group based on receipt of SNAP, as they found very little incorrect information in this group. The group number remains, but is no longer used to prevent existing systems from breaking.

A new group was added that reports low earnings and a high number in household. In effect, the Fed is asking for documentation about how they can support themselves.

General Session 4: The Higher Education Act Listening Session

The last general session was a “listening session” where financial aid administrators were able to ask questions of the federal panel. Lots of divergent topics and opinions. Personally, I enjoyed this session the most as it really exemplified the issues that concern the different types of institutions in attendance.

Session 3: Pell Grant Duration of Eligibility Limitation

This session described the 600% Pell eligibility limitation, examples of how to calculate reduced awards, limits of liability for students and institutions when the 600% maximum is exceeded and how this information is displayed in the various systems. In addition the Pell LEU dispute process was described in some detail.

- Pell eligibility is limited to 12 semesters.
- Includes all Pell Grant/Basic Grant disbursements back to the 1973-1974 award year.
- The 12 semester equivalent is calculated by adding the annual percentage of schedule award that was disbursed.
- Examples of reduced award calculations are included in the Power Point slides available [here](#).
- Institutional liability for exceeding the limit:
 - If LEU was greater than 600% prior to 2012-2013 award year, no adjustment is necessary.
 - Institution may be liable if it had information at the time of disbursement that student would exceed 600%
 - Institutions may be liable if they fail to report Pell disbursement within the 15 day timeframe, and another institution disburses Pell that exceeds 600% limit.
 - Rounding rules do not apply.
- Student liability for exceeding the limit:
 - Student is liable if institution was compliant with all disbursing and reporting requirements.
- Pell LEU Dispute Process – guidance available at: <http://www.ifap.ed.gov/dpcletters/GEN1314.html>
- Pell LEU Contact Information:
 - Carney McCullough (carney.mccullough@ed.gov ph: 202 502-7639)
 - Marie Fitzpatrick (marie.fitzpatrick@ed.gov ph: 312 730-1549)

Session 4: Loan Counselling Tools

This session reviewed the loan counseling requirements and tools available on StudentLoans.gov. With rising loan default rates and increasing student debt, the federal government is committed to giving students better tools to manage their loan repayment obligations. Enhancements to the on-line tools:

- Entrance and exit counselling is required and can be completed online.
- Entrance counselling must be completed prior to the first loan disbursement, exit counselling must be conducted shortly before the student becomes less than half time.
- All counselling tools are available on StudentLoans.gov including entrance and exit counselling and financial awareness.
- Without logging in, students can complete a demo session for any of the three topics.
- Students that log in will receive a personalized counselling experience, (i.e., based on their loan information).
- Tools for Schools include on-demand or daily acknowledgements of completed counselling, individual and batch search functions and COD reports.
- Loan Counselling Contact Information and Resources:
 - Matt Staples (matt.staples@ed.gov ph: 816 268-0435)
 - Federal Loan School Support Team (DLOps@ed.gov)
 - COD School Relations Center (CODSupport@ed.gov - URL: <http://www.cod.ed.gov>)

- Grants (ph 800 474-7268)
- Direct Loans(ph 800 848-0978)
- Applicant Services (ph: 800 557-5794)

Session 5: COD Update for FAAs

This session recapped the changes included in each COD release in 2013 and reviewed the changes planned for upcoming releases.

- Release 12.0 – 3/22/2013:
 - Pell LEU Report in SAIG format, no longer in Pell newsbox.
 - Changes to Ability to Benefit (ATB).
 - Warning edit 199 - ATB does not match HS diploma or equivalent value.
 - Reject edit 994 – ATB is not submitted.
 - Direct Loan and TEACH disbursement detail available online.
 - Direct Loan Origination Tool (DLOT) enhanced.
 - Exit counselling available on StudentLoans.gov.
 - Repayment Estimator available on StudentLoans.gov.

- Release 12.1 – 5/13/2013:
 - Integrate Participation Management into COD web login.

- Release 12.2 – 6/28/2013:
 - Reject edit 201 for Pell 600% LEU limit.
 - COD will reduce disbursements until LEU equals 600%.
 - Pell LEU dispute process created.
 - COD Evaluates borrowers for Subsidized Usage Limit Applies (SULA) flag.
 - Entrance counselling and 150% direct subsidized loan eligibility.
 - Loan origination fee increased.
 - Enrollment school codes added to DI and TEACH rebuild files.

- Release 12.3 – 10/25/2013:
 - Added Spanish versions of Entrance, Financial Awareness and Exit counselling.
 - Spanish and English additions for 150% subsidy limits on StudentLoans.gov.

- Release 12.4 – 12/13/2013:
 - Loan consolidation application added.
 - Repayment estimator enhanced.
 - COD web will provide more information on Ability to Benefit.

- Release 13.0 – Spring 2014:
 - EFC field length expanded in COD.
 - Pell LEU dispute process streamlined on COD web.
 - XML Common Record Schema validation enforced.
 - Begin enforcement of 150% direct subsidized loan limit.
 - PLUS endorser code added to Endorser Addendum process in StudentLoans.gov.
- COD Update Contact Information and Resources:
 - Grants: Marie Fitzpatrick (marie.fitzpatrick@ed.gov ph: 312 730-1549)
 - Direct Loans: Chuck Harmon (chuck.harmon@ed.gov ph: 206 615-3643)
 - COD School Relations Center (CODSupport@ed.gov - URL: <http://www.cod.ed.gov>)
 - Grants (ph 800 474-7268)
 - Direct Loans(ph 800 848-0978)
 - Applicant Services (ph: 800 557-5794)

Session 7: Federal Loan Servicing Update

This session reviewed the changes to Federal Loan Servicing by the Department of Education and also included brief presentations from each of the four federal servicing agencies; FedLoan, Great Lakes, Nelnet and SallieMae.

- Loan Servicing Updates.
 - Direct Loan Servicing Center (ACS) closed beginning 10/1/2013.
 - ACS support and messaging ceased as of 11/16/2013.
 - Borrowers must make payments and communicate solely with their Federal Servicer.
 - Borrowers can access NSLDS to identify their servicer.
 - All Federal Servicers must comply with legislative and regulatory requirements.
 - Schools will deal with multiple servicers; borrowers will deal with only one.
 - The feds have launched an Income-Driven Loan Repayment Campaign:
 - Email to borrowers whose grace period is ending, who have fallen behind on loan payments, who have higher than average student loan debt or are in forbearance or deferment.
 - Encourage borrowers to access education resources on repayment options.
 - In January 2013, repayment plan preferences, collected during exit counselling, will be shared with loan servicers for informational purposes.
- Program Updates, Challenges and Improvements:
 - Standardization – Forbearance limits: requests to extend forbearance limits will not be automatically granted to borrowers that have 36 months of consecutive forbearance.
 - Standardization – Capitalization: allowed at the end of the grace period and at the end of deferment or forbearance.
- Nelnet – Regulation changes for total & permanent disability (TPD) discharge.

- Applications for TPD are submitted to the Department of Education (regardless of loan servicer).
- Only one application necessary (regardless of the number of loans).
- Individuals with Social Security Administration documentation indicating receipt of Social Security Disability Insurance or Supplemental Security Income benefits and next scheduled disability review is within 5 to 7 years, does not require a separate certification of disability from a physician.
- New TPD regulations apply to applications received on or after 7/1/2013.
- FedLoan/PHEAA – Public Service Loan Forgiveness:
 - Allows borrowers to cancel remaining balance of direct loans after serving at a public service organization, full-time, for ten years.
- FedLoan/PHEAA – TEACH Grants:
 - FedLoan manages support, processing and monitoring of TEACH Grants.
 -
- Great Lakes – Challenges and Improvements:
 - Challenges: servicer transfer questions, loan status discrepancies, payments made to prior servicer not applied in a timely manner, repayment options confusion.
 - Improvements: redesign of on-boarding communications, better coordination and collaboration with previous servicers, extended call center hours, increased awareness of income driven repayment options.
- SallieMae - Delinquency Support Activities:
 - Outbound contact campaigns and inbound call center representatives to help borrowers become current.
 - Electronic communication (email, chat, messaging, texts) to keep borrowers informed about account status.
 - Obtain current contact information from schools.
 - Work with school community to assist delinquent borrowers.
- On the Horizon:
 - 150% loss of interest subsidy.
 - Loan consolidation.
- Federal Loan Servicing Contact Information:
 - Sue O’Flaherty (sue.oflaherty@ed.gov ph: 202 377-3393)

Session 9: PLUS Processing A to Z

This session explained pertinent details of the PLUS loan, including eligibility, credit checks, counselling and processing.

- PLUS Loan Basics:
 - Borrowers can be parents of dependent students or graduate/professional students.
 - Can be used to cover EFC.
 - Limited to cost of attendance less estimated financial assistance.
 - Borrowers must undergo a credit check.
- Plus Loan Eligibility:
 - School eligibility: same as Direct Sub/Unsub loan program.
 - Borrower eligibility – dependent students:
 - Borrower and student must meet Title IV eligibility requirements and borrower cannot have adverse credit history.
 - Borrower must be biological or adoptive parent. Stepparent’s can borrow if their income and assets are used to calculate the EFC.
 - Legal guardian is not an eligible borrower.
 - Borrowers cannot be delinquent to the federal government or incarcerated.
 - Parents can borrow for multiple dependent students.
 - Borrower eligibility – graduate/professional students:
 - Available for 2005 – 2006 and forward.
 - Direct Unsub must be offered first.
 - Must meet Title IV eligibility requirements.
 - Must be at least half-time.
- Master Promissory Note (MPN):
 - Unique MPN – separate from Sub/Unsub MPN.
 - Includes borrower and student data.
 - PLUS MPN is used for all PLUS loans, and expires 10 years from date received at COD (expires in 12 months if no disbursements).
- Credit Check:
 - All PLUS loan borrowers undergo a credit check.
 - Initiated by school or borrower.
 - If otherwise eligible, you should originate the loan regardless of credit check results.
 - Must have borrower authorization to conduct credit check.
 - Credit check is reflected as an inquiry on borrower’s credit history. This does not adversely affect borrower’s credit rating.
 - Credit check results are valid for 90 days.
 - Denial of one parent is sufficient to offer additional un-sub loan.
 - Credit appeal is available.
- Entrance Counselling:
 - First time graduate & professional borrowers must complete PLUS entrance counselling.
 - Not the same as undergraduate entrance counselling.
 - Offered at StudentLoans.gov.

- Processing:
 - Same origination and disbursement requirements as Direct Sub and Unsub loans.
 - Origination:
 - A school can decline to originate, or originate a lesser loan amount on a case-by case basis.
 - Can be batch submitted via Common Record (CR).
 - Can be submitted individually online at COD.
 - Disbursement:
 - Assure eligibility of dependent student.
 - Disburse via batch or online.
 - Unless otherwise directed, all refunds will go to the parent.
 - Disbursement data must be accepted by COD within 15 days of actual disbursement date.
 - You must report actual disbursement date.
- Repayment:
 - Deferment and Forbearance available:
 - Parent can defer repayment while dependent student is at least half-time.
 - Parent can request deferment for an additional six months after student becomes less than half time.
 - Similar payment options for Sub/Unsub loans.
- PLUS Processing A to Z Contact Information:
 - Wood Mason (wood.mason@ed.gov ph: 770 383-9662)

Session 21: Return of Title IV Funds

This session described in detail the basic principles involved in returning Title IV funds to the federal government as well as specific examples of how to calculate the amount to return and how to determine when these returned funds are due.

- Basic Principles:
 - Title IV awards aid assuming the student will attend for the entire period. When the student leaves or reduces enrollment, the award may need to be returned to Title IV.
 - Student earns Title IV aid equal to the attendance or scheduled hours.
 - Aid earned is equal to the percentage of the payment period (PP) or period of enrollment (POE).
 - Once the student completes 60% of the PP or POE, the student has earned 100% of the Title IV funds.
 - If the school has disbursed less aid than the student has earned, a post-withdrawal disbursement (PWD) must be offered.
- Withdrawal Date and Date of Determination impact deadlines for return of Title IV funds. Factors that impact these dates include the institutions requirement to take attendance and the date the institution was aware the student is no longer attending classes.

- An approved Leave of Absence does not trigger an R2T4. A variety of rules are involved in an approved LOA.
- Possible outcomes of at R2T4 calculation:
 - Amount received exceeds amount earned – funds must be returned.
 - Funds received less than amount earned – post withdrawal disbursement must be made.
 - Funds received equals amount earned.
- The session notes contain several examples of R2T4 calculations.
- Return to Title IV Contact Information:
 - Dan Klock (dan.klock@ed.gov ph: 202 377-4026)

Session 23: Pay As You Earn and Other Income-Driven Repayment Plans

This session described the three main Income-Driven Repayment plans, offered an introduction to the on-line payment tools and application processes, and provided an overview of the Public Service Loan Forgiveness program.

- Three major plans are:
 - Income-Contingent Repayment Plan (ICR) - 1994
 - Eligible Direct Loans:
 - All DL's except Parent PLUS loans and DL PLUS Consolidations.
 - Income-Based Repayment Plan (IBR) - 2009
 - Eligible DL's and FFEL:
 - Except Parent PLUS.
 - Except consolidations including Parent PLUS.
 - Pay As You Earn Plan (PAYE) - 2012
 - Eligible DL's:
 - Except Parent PLUS.
 - Except consolidations including Parent PLUS.
- Payment Amounts:
 - ICR: borrowers pay the lesser of:
 - 12-year standard income percentage factor (payments based on income and debts).
 - 20% of discretionary income (income based payments).
 - IBR: borrowers pay the lesser of:
 - 15% of discretionary income.
 - 10-year standard (non-income based) payments.
 - PAYE: borrowers pay the lesser of:
 - 10% of discretionary income (income based payments).
 - 10-year standard (non-income based payments).
- Interest Subsidy Benefit:

- On subsidized loans, borrower receives subsidy for first 3 consecutive years on IBR and PAYE during periods of negative amortization.
- Subsidy amount = difference between amount of interest that accrues on subsidized loans and payment amount toward subsidized loans.
- 3-year clock does not stop except for Economic Hardship Deferments.
- Capitalization: rules differ for each plan type.
 - ICR:
 - Allowed annually during periods of negative amortization.
 - Only until principal balance is 10% greater than original principal.
 - IBR:
 - Allowed when borrower no longer has a financial hardship or leaves IBR entirely.
 - PAYE:
 - Allowed when borrower no longer has a financial hardship or leaves PAYE entirely.
 - Only until principal balance is 10% greater than original principal balance.
- Repayment estimator and Electronic Applications are available at StudentLoan.gov and StudentAid.gov.
- Public Service Loan Forgiveness:
 - Must make 120 qualified payments.
 - After October 1, 2007.
 - Must be for full amount due and within 15 days of due date.
 - Must work for qualified employer.
- Income Driven Payment Plans Contact Information:
 - Ian Foss (ian.foss@ed.gov ph: 22 377-3681)
 - Nathan Arnold (Nathan.arnold@ed.gov ph: 202 219-7134)

Session 32: Top 10 Audit & Program Review Findings for FAAs

This session reviewed the top ten Audit and Program Review findings. The findings themselves have not changed since last year, although there was some re-ordering.

- Top Ten Audit Findings:
 - Repeat Failure – Failure to Take Corrective Action.
 - Return of Title IV Funds Made Late.
 - R2T4 Calculation Errors.
 - Student Status – Inaccurate/Untimely Reporting.
 - Verification Violations.
 - Qualified Auditor’s Opinion Cited in Audit.
 - Pell Overpayment/Underpayment.
 - Entrance/Exit Counseling Deficiencies.

- Student Credit Balance Deficiencies.
- Information in Student Files Missing/Inconsistent.
- Top Ten Program Review Findings:
 - Verification Violations.
 - Student Credit Balance Deficiencies.
 - R2T4 Calculation Errors.
 - Crime Awareness Requirements Not Met.
 - Satisfactory Academic Progress Policy Not Adequately Developed/Monitored.
 - TIE: Lack of Administrative Capability – Information in Student Files Missing Incomplete.
 - TIE: Inaccurate Recordkeeping – Pell Grant Overpayments/Underpayments.
 - Account Records Inadequate/Not Reconciled.
 - R2T4 Funds Returned Late.
 - Entrance/Exit Counseling Deficiencies.
- Top Ten Contact Information:
 - Effie Barnett (effie.barnet@ed.gov ph: 312 730-1587)
 - Barbara Wingel (Barbara.wingel@ed.gov ph: 646 428-3760)

Session 36: How Schools Educate their Students about Financial Literacy

The beginning of this session featured Elizabeth Coogan from the department of education describing the various elements of a financial literacy program. She was followed by Jodi Kaus from Kansas State and Bryan Ashton from Ohio State. Each described in detail the financial literacy program they administer at their institutions, how they began and where they are heading.

- Elements of a Financial Literacy Program:
 - Budgeting:
 - A compass that keeps a person on the path to reach their financial goals.
 - Makes is easier to plan and save.
 - Stress reliever.
 - Helps a person avoid debt and improve their credit.
 - Helps to build decision making skills.
 - Borrowing:
 - Basic loan terminology (capitalization, consolidation, deferment, etc.).
 - Loan types: federal vs. private.
 - Subsidized vs. Unsubsidized.
 - Determining amount to borrow.
 - Borrowing and credit.

- Repayment:
 - Loan servicers.
 - Grace periods.
 - Repayment options.
- Financial Literacy Delivery:
 - Peer-to-peer counselling.
 - Involve other departments.
 - Incorporating into existing courses.
 - Workshops .
 - Outside resources.
- Kansas State University:
 - Powercat Financial Consulting (PFC):
 - Began in 2009 as a peer-to-peer financial education program.
 - Moved to Student Life division in 2012.
 - 1,200+ students have received individual counseling.
 - 60 students have been trained as peer counselors.
 - Outreach Methods:
 - Academic Units.
 - Student Financial Assistance.
 - Alumni Association.
 - Cashier's Office.
 - New Student Services.
 - Career Employment Services.
 - Division of Continuing Education.
 - Housing & Dining.
 - International Student Services.
 - Assessment Efforts:
 - 55% of clients have participated in assessment.
 - Evaluation results:
 - 99% rated services excellent or good.
 - 99% would recommend PFC to a friend.
 - 88% would return for additional help.
- Ohio State University:
 - Scarlet and Gray Financial:
 - One on one peer coaching.
 - Group presentations.
 - Online modules.
 - Marketing campaigns.

- Financial Aid Office:
 - Training sessions for staff.
 - 5 – 7 Financial Aid sessions per year.
 - Participates in Financial Wellness Advisory Board.
- Financial Literacy Contact Information:
 - Elizabeth Coogan (elizabeth.coogan@ed.gov ph:22 377-3825)
 - Jodi Kaus (jkaus@k-state.edu ph: 785 532-2889)
 - Bryan Ashton (ashton.53@osu.edu ph: 614 292-4527)

Session 37: FAFSA on the Web Skip Logic

This session described in some detail the definitions, requirements and logic involved in determining FAFSA filers who qualify for the Simplified Needs Test (SNT) and the Automatic Zero EFC (AZ-EFC).

- Simplified Needs Test (SNT) excludes assets for EFC calculation for low to moderate-income families who file simplified tax returns, are a dislocated worker or receive means-tested federal benefits.
- Automatic Zero EFC(AZ-EFC) designed for low income applicants that meet the criteria for SNT. The applicant does not need to supply full income and asset information on the FAFSA.
- Dependent Students:
 - SNT Criteria:
 - Parents have or will file 1040A or 1040EZ form and AGI is less than \$50,000.
 - Parents will not file a tax return and combined income is less than \$50,000.
 - Parents answer “Yes” to dislocated worker question and AGI is less than \$50,000.
 - Parents indicate receipt of federal benefits and AGI is less than \$50,000.
 - Parents were eligible to file 1040A or 1040EX and AGI is less than \$50,000.
 - AZ-EFC Criteria:
 - Parents meet SNT criteria and AGI or combined income is \$24,000 or less.
- Independent Students:
 - SNT Criteria:
 - Student has or will file 1040A or 1040EZ form and AGI is less than \$50,000.
 - Student will not file a tax return and combined income is less than \$50,000.
 - Student answers “Yes” to dislocated worker question and AGI is less than \$50,000.
 - Student indicates receipt of federal benefits and AGI is less than \$50,000.
 - Student was eligible to file 1040A or 1040EX and AGI is less than \$50,000.

- AZ-EFC Criteria:
 - Student meets the SNT criteria, AGI is \$24,000 or less and student has dependents other than a spouse.
 - Married and number of family members greater than 2.
 - Not married and number of family members greater than 1.
- Key Data Elements:
 - Student's state of residence (states that allow SNT flow).
 - Household size.
 - Financial information: filing status, type of tax return, AGI or income from work, dislocated worker status, receipt of means-tested federal aid, eligibility to file 1040A or 1040EZ.
- FAFSA Skip Logic Contact Information:
 - Misty Parkinson (misty.parkinson@ed.gov)
 - Ginger Klock (ginger.klock@ed.gov)

Session 38: Increasing Your Student Borrowers' Repayment Success

This session provided an overview of the repayment landscape and reviewed some of the online tools available for borrowers. These facts clearly demonstrate the need for more financial literacy regarding repayment options.

- Repayment Landscape:
 - Currently 37 million federal student loan borrowers.
 - New borrower median amount owed: \$10,000, average: \$20,000.
 - Graduate borrower median amount owed: \$31,000 average: \$51,000.
 - Majority of new borrowers choose standard ten-year repayment plan.
 - Cohort Default rates are rising:
 - 2 year CDR was 6.7 in 2007.
 - 2 year CDR was 10.0 in 2011.
 - Defaulter Characteristics:
 - Older: median age – 38.
 - Pell recipient/low-income.
 - Undergraduate loans.
 - Median loan balance \$5,800.
 - Poor financial literacy.
 - Did not complete degree.
- Borrowers in Grace Landscape:
 - 2.6 million borrowers with at least one loan in grace period.
 - 1.9 million undergraduate loans only.
 - 1.8 million Pell recipients.
 - 1.2 million are first generation.

- Median loan balances:
 - Undergrads: \$6,000.
 - Grads: \$14,500.
- Typical borrower in grace:
 - 26 years old.
 - Bachelor's degree.
 - Family income \$25,000.
 - Pell recipient.
 - Five loans in grace.
 - Undergrad loans only.
 - Has not consulted any resources about loan repayment.
- Repayment choices:
 - 46% choose standard 10 year repayment.
 - Only 9% choose income-based repayment.
 - 18% do not know enough about the choices.
 - 17% are undecided.
- Reasons for choosing plan:
 - 46% - automatic choice.
 - 53% - affordable monthly payment.
 - 37% - pay off loans as quickly as possible.
 - Less than 10% - recommendations from servicer or others.
 - 54% - did not consider income based repayment because they did not have enough information.
- Borrowers in grace snapshot:
 - 44% report not being contacted about their loans going into repayment.
 - 34% report not being aware of repayment options.
 - 26% are undecided about what action they will take at the end of their grace period.
 - 35% don't know or are undecided what they will do when their loans go into repayment.
- Online Repayment Resources:
 - StudentLoans.gov:
 - FACT Tool.
 - Loan Repayment Estimator.

Session 40: StudentAid.gov & NSLDS New User Interface

This session reviewed the changes made recently to StudentAid.gov and the NSLDS site. Changes to these sites were driven by a renewed focus on borrowers and digital engagement as well as feedback from users.

- StudentAid.gov:
 - Released July 2012.
 - Informational content for FSA programs.
 - Mobile-optimized.
 - Consolidated 5 FSA websites.
 - 100,00 visitors per day, 20% mobile users.
- NSLDS.ed.gov:
 - Displays customized loan, grant, overpayment information:
 - My Student Aid summary.
 - Loan details.
 - Grant details.
 - Overpayment details.
 - Access to other sites.
 - Data download.
 - Contact information for loan servicers.
 - Update address, enrollment, authorization.
 - TEACH exit counselling.
- Repayment Estimator Now:
 - Now available on StudentLoand.gov.
 - For current borrowers.
 - Uses NSLDS data.
 - Includes repayment plan options and amounts.
- Repayment Estimator Soon:
 - Available on StudentAid.gov.
 - For users with or without loans.
 - Spanish version.
 - Mobile-optimized.

Session 41: Detecting, Protecting, Preventing, and Reporting Computer Breaches

This session was a rehash of common sense items regarding data security. A very brief summary of this session follows.

- Because Financial Aid administrators have access to a great deal of sensitive personal data, they are a target for hackers.
- Passwords: protect and change them. Don't use the same password for personal and student/parent data access. Don't make these easy to guess by simply looking at your Facebook page.

- Mobile devices (laptops, mobile phones, flash drives) are the most likely candidates for inadvertent data loss/breach.
- Report any suspected loss of data immediately.