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We're on the Web!
See us at:
www.wfaa.org

The Election

Thank you to those who participated in the recent election for 2011-12 (starting July 1). WFAA cannot exist without you!

The newly elected WFAA Executive Committee officers are:

- **President Elect:** Jordan Grant (Seattle Pacific University)
- **Treasurer-Elect:** Jim DeWilde (Western Washington University)
- **Vice President for Training:** Traci Stensland (Whitworth University)
- **Vice President for Ethnic Awareness:** Oscar Verduzco (Washington State University)
- **Secretary:** Lorraine Odom (Highline Community College)

Congratulations to our newly elected officers!

The WFAA membership due increase was approved by a large margin. Effective July 1, 2011 *the annual membership dues will increase from \$30.00 to \$40.00.*

Thanks to the membership for voting and taking an active role in our governance.

- Kathleen Koch, WFAA Acting Past President and Nominations & Awards Committee Chair

WFAA Summer Training



There is one thing that is always constant in financial aid and that is *change*. It is for this reason that ongoing training is so important and valuable to us as financial aid professionals. The WFAA Training Committee has been working hard this spring to design a summer training agenda that provides the latest information from the Department of Education and the HECB, presentations on two topics that have arisen as challenges for most offices: best practices in work-study and exploring the new SAP & program integrity regulations including

how schools are implementing them. Not only will you receive take-away information, but you will also have an opportunity to share and hear ideas and strategies.

Please mark your calendars for the WFAA Summer Training in your area.

- **West side - July 13, Seattle Pacific University**
- **East side - July 14, Whitworth University**

Leroy Burrell once said, "The more I train, the more I realize I have more speed in me." Don't lose speed - plan to attend the WFAA Summer Training. This training will consist of a solid day of information, the cost is minimal and lunch is always included. Look for more information in May on the WFAA web site at www.wfaa.org.

President's 2012 Budget Would End Year-Round Pell and Eliminate In-School Loan Subsidies to Grad Students

The Obama administration has submitted its 2012 federal budget request, which proposes significant changes in some federal student aid programs, largely to address a projected shortfall in Pell Grant funding.

To preserve the current \$5,550 maximum Pell Grant award, the administration proposes eliminating two Pell Grants in an award year (so-called year-round Pell Grants) and the in-school interest subsidy on federal student loans to graduate and professional students.

The Pell Grant shortfall stems from an increase in the number of eligible students, the recent increase in the maximum Pell Grant award, changes in the need analysis formula, and the year-round Pell Grant provision.

Enacted as part of the Higher Education Opportunity Act of 2008, year-round Pell Grants originally were proposed as a means to promote on-time college completion. Under the president's budget, the authority for a second Pell Grant in an award year would end effective with the 2011-2012 academic year. The action would save a projected \$600 million during the next two award years.

The elimination of in-school interest subsidies on loans to graduate students, proposed to take effect for the 2012-2013 academic year, would save a projected \$1 billion in 2012.

The administration's budget also proposes to permit student loan borrowers who have a mix of Federal Family Education Loan Program loans and Direct Loans to have their FFELP loans converted to federal ownership. The budget proposes to provide borrowers with an incentive of up to 2 percent of their loan balance to make this conversion. The proposal would allow such conversions only during the first nine months of 2012, and the administration projects this provision would save \$2 billion in 2012.

Other major student aid changes proposed by the administration include the following:

Perkins loans. The budget proposal renews a previous administration call to modernize and expand this program, beginning July 1, 2012. Like unsubsidized Stafford loans, the proposed Perkins loans would carry fixed interest rates of 6.8 percent with no interest subsidy while students are in school. Funding would be allocated to colleges based on a formula, to be developed, that would take into account college cost control efforts and the offer of need-based aid. The administration projects that \$8.5 billion would be available annually for Perkins loans, up from the current level of \$1 billion.

TEACH grants. This program would be eliminated effective June 30, 2012, to be replaced by a Presidential Teaching Fellows program. The new program would award grants to states to support scholarships of up to \$10,000 to promote teacher recruitment and retention.

LEAP. Funding would be eliminated for the Leveraging Educational Assistance Partnerships program.

Congress now will develop targets for spending and taxation for the upcoming fiscal year. Lawmakers are not bound to accept any portion of the administration's budget.

- John Blaine, Consultant USA Funds

Spring Workshops Clarify New Regulations

New federal financial aid regulations that take effect July 1, and additional regulatory changes that will follow next year, will significantly affect several key areas of Title IV aid administration.

USA Funds® University spring workshops, which begin April 19, will offer attendees the opportunity to engage with colleagues and learn more about the new regulations, how the changes will improve program integrity, who will be affected and how, and what policy and procedure changes will be required for compliance.

Final rules topics at the training sessions will include:

- Verification.
- Disbursements.
- Gainful employment.
- Retaking course work.
- Written agreements.
- Satisfactory academic progress.
- Additional guidance from the U.S. Department of Education.

The free workshops begin at 8 a.m. and adjourn at 12:30 p.m. Visit www.usafunds.org and click "Training" in the "Schools" section for workshop locations and additional agenda information, and to register. Contact your USA Funds consultant with any questions.

-John Blaine, Consultant USA Funds

USA FUNDS + NELA = MORE SUPPORT FOR YOU

Let's do the math: NELA® is well-known for its focus on customer service and for promoting higher education access. USA Funds® delivers a comprehensive array of products and services to help you support students and families as they prepare for, pay for and succeed in higher education.

Adding USA Funds and NELA together makes for a winning combination.

Call John Blaine, USA Funds School and Student Services consultant for Washington at (866) 329-7673, Ext. 0175 or send e-mail to John at john.blaine@usafunds.org.



Policy Experts Examine New Verification Rules

The program integrity final rules include numerous substantive changes to the verification process. These verification rules generally are effective July 1, 2012.

Major changes related to verification include the following:

- Schools must complete verification for all files selected by the Central Processing System, unless those applicants, parents or spouses are excluded from the verification process. Current regulations permit a school to limit verification to 30 percent of its applicants; this new rule eliminates that “cap,” effective July 1, 2012.
- An annual list of data elements will replace the five current verification data items — adjusted gross income, taxes paid, household size, number in college and untaxed income and benefits. The U.S. Department of Education will publish the annual list in the Federal Register. In addition, the Institutional Student Information Record for each selected applicant will list the specific items that must be verified for that individual — so an individual applicant’s verification requirements may be a subset of the annual list. Schools still will be permitted to select additional applicants for verification.
- Schools may accept the information obtained by the applicant and the applicant’s parents through the Internal Revenue Service data retrieval process, in lieu of collecting actual tax documents — provided the applicant has not changed the IRS information. Note that the Department has stated that schools may begin following this process now and are not required to delay implementation until July 1, 2012.
- Schools may — but no longer are required to — obtain from applicants who received a tax-filing extension a copy of the tax returns when they file them. If the school chooses to obtain the returns, it must verify the information and resolve any discrepancies. (Under current regulations a school must obtain the filed returns, but verifying the information once the return is received is optional.)
- The new regulations decrease to \$25 the tolerance permitted on dollar items. The current tolerance is \$400. There will continue to be no tolerance provided for non-dollar items.
- The new provisions eliminate some of the existing exclusions from verification. Specifically, effective July 1, 2012, schools no longer will be able to exclude from verification:
 - Incarcerated applicants.
 - Parents of dependent students who are deceased or physically incapacitated.
 - Spouses of independent students who are physically incapacitated.
 - Applicants who are immigrants arriving in the United States during either calendar year of the award year.
 - Legal residents (applicants and parents) of Guam, American Samoa and the Commonwealth of the Northern Mariana Islands.
 - Citizens (applicants and parents) of the Republic of the Marshall Islands, the Republic of Palau, or the Federated States of Micronesia.
- Schools must complete verification prior to using professional judgment to determine a student’s eligibility.
- Schools may — but are not required to — update a student’s dependency status during the award year to eliminate an inequity or to better reflect the student’s ability to pay.

For more information, contact USA Funds Ask Policy at askpolicy@usafunds.org, or visit the USA Funds website at www.usafunds.org.

- John Blaine, Consultant USA Funds

Key Steps Aid in Reviewing Cohort Default Rate Information

With last month's release of 2009 draft cohort default rates, USA Funds® suggests that schools compare their own records against the information from the U.S. Department of Education. Schools are advised to review the data and, if appropriate, submit an incorrect data challenge.

USA Funds also notes the following steps to take when reviewing – and potentially challenging – the draft cohort default rate data:

1. **Download the Department's Electronic Loan Record Detail Report** (DRCO35, School Cohort Default Rate History Report – extract version, message class 4SHCDREOP).
2. **Collect and review any relevant enrollment and repayment data.** This data should include the following:
 - Records from the financial aid office or the registrar's office.
 - Student Status Confirmation Reports or other electronic enrollment reports.
 - Transfer requests for new students and former students.
 - National Student Loan Data System borrower enrollment history or borrower aid history.
 - Lender or servicer records.
3. **Create a spreadsheet with data about borrowers in the cohort and when they entered repayment, based on your school's data.** The USA Funds Cohort Analysis ToolSM helps simplify the process of reviewing loan data and identifying records that may prompt potential cohort default rate challenges. Once the USA Funds Cohort Analysis Tool imports the LRDR data, it organizes the data in categories and presents it in tabs within a Microsoft Excel document. Contact your USA Funds consultant for additional information about the USA Funds Cohort Analysis Tool.
4. **Compare the internal data against the data on the LRDR.** For USA Funds Cohort Analysis Tool users, the tool will double-check time lines, such as when a borrower's grace period began and ended, and when the student entered repayment. If the tool finds a discrepancy, you can review account information to confirm the accuracy of the data. The function saves time in identifying potential cohort challenges by eliminating the need to manually analyze all accounts in the cohort and pinpoints only those accounts that you may need to correct. If there is data on the LRDR that you believe to be incorrect based on the internal data, then you should contest the LRDR data.
5. **Access the Department's eCDR appeals Web-based application.** The Department is the data manager for all Direct Loans and offers information about eCDR appeals at <https://ecdrappeals.ed.gov/ecdra/index.html>. You must file incorrect data challenges via eCDR – no paper challenges are permitted this year. Note that you must submit a separate incorrect data challenge to each data manager. Each challenge should list only the loans held by that particular data manager.
6. **Determine what kind of error has been made.** Allegations usually fall into one of the following categories:
 - Data incorrectly reported.
 - Data incorrectly excluded.
 - Data incorrectly included.
7. **Review and confirm the data.**
8. **Gather supporting documentation.** Schools must provide documentation to prove each allegation.
9. **Submit the incorrect data challenge.** The Department's guidelines set a 45-calendar-day time frame for submitting incorrect data challenges. You must submit your school's incorrect data challenge by April 8 in order for the Department to review it. You should maintain documentation that verifies the receipt of the incorrect data challenge, as well as all electronic documentation submitted as part of the incorrect data challenge.

- John Blaine, Consultant USA Funds

Executive Committee

President: Rebecca Wonderly
(Seattle University)

President-Elect: Darcy Keller
(University of Washington)

Vice President for Ethnic
Awareness: Lisa Fortson
(Pierce College)

Vice President for Legislation:
Ted Haase (Shoreline
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Secretary: Paula Nagel
(Seattle University School of
Law)

Treasurer: Corinne Soltis
(South Puget Sound
Community College)

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Sector Representative: Rick
Sinclair (Interface College)

**About Our
Organization...**

WFAA is a professional membership organization of individuals whose aim is to promote higher education through the availability, support and administration of student financial assistance programs. WFAA is an example of a variety of state, regional, and national financial aid associations. Voting members are comprised entirely of financial aid professionals employed at Higher Education Institutions. Vendors are not eligible for elected office. Go to the National Association of Financial Aid Administrators site at <http://www.nasfaa.org> for more information and many resources.

How to Make the Most of Your Calls to Delinquent Borrowers

In a time when many student loan borrowers are frustrated that their loans have moved several times or are split among multiple servicers, schools may be the only entity a delinquent borrower recognizes. That's why more schools are launching campaigns to call delinquent borrowers and guide them to the organizations and options that will get them back on track.

When planning a phone campaign, there are some easy steps you can take to make the most of your phone calls.

Before the Call

- Identify borrowers to contact. Use the NSLDS Delinquent Borrowers report and guarantor reports.
- Find phone numbers. In addition to the phone numbers in your records and from NSLDS and guarantor reports, check with your school's registrar and alumni offices for updated contact information.
- Consult with your school's legal counsel for guidance to ensure you are complying with federal and state privacy and debt collections laws.

During the Call

- State your name and that you're from the school.
- Verify that the borrower is speaking before disclosing private information.
- Motivate the borrower to contact their servicer and resolve the delinquency by letting them know what's in it for them. Examples include, "Protect your future credit," and "Save money in interest."
- Listen to the borrower as they voice concerns.
- Acknowledge the difficulty the borrower is having and let them know that you are there to help.
- Help. No matter the issue, encourage the borrower to contact their servicer and ask about available options.
- Verify the borrower's contact information. Ask for address, phone numbers, and email address.

After the Call

- Update your records with the date and outcome of the call and any changes to the borrower's contact information.
- Keep track of the borrowers you have called.

Schools that make the most of their calls to delinquent borrowers can make a difference, not only in the life of each borrower that they contact, but, over time, in their cohort default rates.

- Mike Doman, Regional Marketing Director Great Lakes Educational Loan Services, Inc.

From the President's Desk ...

In the blink of an eye, we're right back in the thick of things. Like many, probably most of you, I work my way through a busy season that seems to grow longer with each passing year, keeping a mental list of the things I will do when the office slows down. Uh-huh. Sure! Truthfully, although I am able to check off a few of the boxes, I always seem to have more to my list than I have time to complete. And then, suddenly, presto-chango, I'm right back where I started feeling like I never really left! Financial aid ... gotta love it!

The rhythms of our Association pretty closely match those of the work we do. After a summer and fall full of association activity, things on the association-front are now quiet with everyone hunkered down in their offices getting awards out to prospective students while simultaneously working continuously with current students and daily office jobs. As a result, there is not much to report at this time so I can quickly bring you up to date.

First of all, thanks and kudos to Kathleen Koch, our (Past) Past President for coordinating a very successful election process for 2011. We couldn't have done it without her. The new officers will join President Darcy Keller from the University of Washington, Vice President for Legislation Ted Haase from Shoreline Community College and Past President, yours truly, from Seattle University as your 2011-12 WFAA elected officers (see page 1 for election results).

Thanks also go out to the hard work of Jordan Grant, Vice President for Training, and his dedicated committee members: Traci Stensland, Isabelle Mora, Marilyn Ponti and Linda Weir. This year's one-day summer workshops will be held on July 13th at Seattle Pacific University and July 14th at Whitworth University. Mark your calendars and watch for more information about the agenda and registration.

Also, make sure to mark your calendars for the 2011 WFAA Annual Conference which will be held October 26-28th in Leavenworth, Washington. Co-chairs Lisa Whitehead and Wendy Joseph are already hard at work forming their committee and making plans for this much anticipated event. When their calls for help or input come out, please give your input freely and seriously consider volunteering to help out on one of the committees or to be a presenter or moderator, or both. Or all three! It's a rewarding contribution to your Association that's fun to boot!

As always, all the very best to the very best ...

Rebecca

Rebecca Wonderly
2010-11 WFAA President
Associate Director, Student Financial Services
Seattle University