5 May 2014
Spring 2014 Newsletter

THE ADVISOR

In this Issue…

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

Dear Members,

Years and processes succeed one another in financial aid as legislation promotes regulations making others obsolete.

WFAA follows fluctuating movements also as one president makes way for another with one's dream for accomplishments passed on to another. The continuity is vital like the threads of a knit garment. The dropped loop can be difficult but not impossible to pick up as transitioning officers pass the gavel and history, both old and new, to incoming leaders. The inevitable endearment to goals and mission of the organization unfolds in a micro season of effectiveness for any one leader of the organization. Goals, both accomplished and not, become bittersweet realities in the end. And, we move on!

It serves as a reminder of the commitment of volunteers, both elected and non-elected, to benefit WFAA. They work collaboratively to move the organization forward meeting challenges of changing times and needs of colleagues for training and legislative guidance where regulations are added and deleted on a panoramic financial aid screen.

We thank Newsletter Chair Marilyn Ponti who scanned countless documents to a thumb drive to preserve history. And we thank those who will contribute in the future to draft a narrative of the organization from this history so we can tell those who follow, the '*what* and *how*' of this great organization. We have a history, and a story to tell!

So we spent the last three quarters of this Executive Council prodding the past for cues and visiting the future with vision and new plans to keep the organization relevant through time while honoring our By-Laws roadmap. The five-year Strategic Plan guided our activities while the work of the Fiscal Planning Committee looked to preserve the fiscal solidity and growth of the organization. The 2013 conference stirred unique excitement in the hearts of many members who said, 'I want to be involved' and as a result, we have budding committees and renewed energy to forge ahead.

(Continued on next page)

(Letter from the President, continued)

We thank all who stepped forward in these amazing times and others who will, *together to make a difference*. Organizations such as WFAA do well with a mix of old and new to bridge the gap yet add new interest and developing perspective. Therefore the call is out for your involvement.

Conference projects are now underway for fall 2014 and requests for volunteers will be issued for various committees to form and meet immediate needs. Not all members may have the ability to give of their time to the organization but **all can provide support by renewing their membership early and attending the conference**, in a sense, giving to receive! Our hope is to make conference information available early this year to facilitate registration and plans for attendance. Please be posted for developments.

As you may have noticed, I like to tell stories but I will not tell one this time.

I am rather thinking of legacy. The WFAA logo with the little man straddling the green mountains reaching for the star is the subject of my thoughts. Will the trail left behind be a shooting star or breadcrumbs? Both have value in marking a path to our ever-coming future and time tells what our actions mean in the end.

To use a word considered archaic by a dear WFAA colleague, are we *prudent* or careful of the measure of our actions? And having exercised prudence, are we taking well-calculated risks to move into tomorrow? I believe that the 2013-14 elected board has been adept at both and will leave the organization a better place for our continued affiliations and demonstration of professional acuity in handling the concerns of the association.

We began our term with a reminder of our Board Effectiveness in Governance as outlined by MMP Associates. I received a copy of this document at the 2013 NASFAA National Leadership Conference and Legislative Symposium and it has affected all WFAA considerations to date in my term as president. You are ever welcome to comment at president@wfaa.org.

Best wishes to all for a fulfilling spring season and successful new financial aid cycle!

Thank you, WFAA and
Thanks to all who serve you!

Monique C. Thériault
WFAA President 2013-14

SAVE THE DATE!

WFAA 2014 SUMMER TRAINING EVENTS

The WFAA Training Committee – listened to you! The 2014 WFAA Summer Training Agenda reflects your feedback. Please mark your calendars to attend one of the training days. Registration will be available on the WFAA web site in late spring. We hope you will join us!

When & Where:	**July 22nd – St. Martin's University** **July 24th – Gonzaga University**
Cost:	**$75.00 for training event and 14/15 WFAA Membership** (Training Event Only - $35.00)
9 – 9:30 a.m.	**Registration, Breakfast, Agenda Overview**
9:30 – 10:15 a.m.	**Washington State Student Aid Update** *Steve Thorndill, Associate Director for Training and Compliance, Washington Student Achievement Council*
10:15 – 10:30 a.m.	Break
10:30 – 11:45 a.m.	**Direct Loan – SULA 150% Limit/Loan Repayment Options** *Chuck Hirman, Program Analyst, U.S. Department of Education, Federal Loans School Support Team*
11:45 – 1 p.m.	**Lunch provided –Customer Service Research Presentation** *Sarah Everitt, Associate Director, Gonzaga University*
1 – 2 p.m.	**Implementing the New Way of Verifying** *Abril Hunt , NASFAA Credentialed and Regional WASFAA Trainer, will provide an overview of the new verification requirements. Following her presentation, there will be time for schools to share their processes with each other.*
2 – 2:15 p.m.	Break
2:15 – 3:30 p.m.	**Federal Update Training Office** *U.S. Department of Education, Region X*

The Campus Financial Aid Office Pressure Cooker

Inceptia's Recent Survey

Inceptia's release of their 2013 online national survey has garnered striking results. Inspired by a pioneering 25 year-old California stress study and built upon the indispensable findings of surveys such as the Parthenon Groups' 2013 release, "How Can Improved College Services Better Retain Students?", Inceptia's recently completed stress study survey has uncovered a correlation between stress levels in nationwide financial aid offices, employee productivity, and student/borrower dissatisfaction that is difficult to dispute.

Briefly stated, the results of the survey show a critical need for relief. A 2008 NASFAA survey of Financial Aid Administrators' Job Satisfaction reported that more than 96 percent are proud of their job in the financial aid office, however nearly two-thirds of survey respondents regard the level of stress in a financial aid office to be different - *more intense* - than other offices. More than 60 percent of financial aid officers report inadequate budgets and number of staff. Partnered with high-stress indicators like a perpetually growing bump in financial aid applications, the expansion of the Pell Grant program, consistent regulatory paperwork and policy changes, and increasing demand for quality student-FAO face time, a measurable recipe for disaster is in the making.

Inceptia's stress study breaks down these high-stress indicators into four "pain point" categories delineated by the Parthenon Groups' 2013 study. Each category is studied empirically through respondent answers and compared with foundational survey studies of the past to measure growth over time, current relevancy, and create attainable solutions for institutions.

The conclusion is clear: financial aid offices are in need of reinforcements in order to keep up with demand, and barring that reality, student borrowers and their families suffer the consequences of less-than-adequate services regarding their education, financial capabilities and future success.
To find definitive solutions as to how can your institution can alleviate Financial Aid Office woes while offering students innovative solutions to their financial aid needs, download Inceptia's full brief for more detail here.

By Ted Lannan, Inceptia Market Research Director

Use Grace Period Counseling to Reinforce Education Value

"Is college worth all that debt when I probably won't find a job anyway?"

These words could be echoing the halls of high schools across the country. Student loan debt. Graduate unemployment. The media hasn't been kind to higher education lately.

Despite the statistics quoted in news stories, a college education is still a sound investment. Unfortunately the economic downturn has impacted recent college graduates who are experiencing 8.9 percent unemployment. But according to a 2013 study by the Center for Education and the Workforce, unemployment rates are even higher for job seekers with a recent high school diploma at 22.9 percent, and devastating for high school dropouts at 31.5 percent. Plus, the potential for earnings are far greater for college graduates as detailed in Education Pays by the CollegeBoard.

When a family considers investing in a college education, often their decision hinges on who will provide the best value for their future college student. In addition to quality of academics, living arrangements, payment options and placement opportunities, a family wants to know how an institution will nurture their student throughout his or her tenure.

Grace period counseling is one way to demonstrate you care about the success of your students. This low cost program has a high rate of return for students' peace of mind. Even if you have a low cohort default rate, prospective students and families will be impressed with your level of commitment to student success.

Often overlooked, grace period counseling fills the gap between exit counseling and the borrower's first student loan payment. Although graduates and withdrawn students learn about repayment options during exit counseling, grace period counseling reinforces accurate communication during a time of uncertainty.

By having highly trained counselors reach out to the students who graduate or are no longer enrolled at least half time, you can prevent potential issues that may come up during this crucial period. Their grace period is the perfect opportunity to help them understand their:

- student loan status
- repayment start date
- repayment options
- rights and responsibilities

Plus, grace period counselors can answer repayment questions and direct them to resources like NSLDS. When considering a grace counseling outreach service, be sure they are up to date on regulations and abide by the Fair Debt Collection Practices Act (FDCPA) for your own protection.

No matter what the media says, a college degree still delivers a lifetime of value. By offering grace period counseling, you're adding one more benefit that you can promote to future students and families. Grace period counseling can be that final, caring touch point that reassures students on how to navigate the repayment process as they transition from your institution to their future careers.

For more information about grace counseling outreach, visit Inceptia.org.

By Pam Beckmann, Inceptia Director of Customer Service

A Look Back on Financial Aid History Reflects Astute Perspective

Timeline

In 1643, Lady Anne Radcliffe Mowlson gave Harvard College 100 English Pounds to support needy scholars. With that, the first financial aid event was recorded in what is now the United States.

Three hundred and seventy-one years later, college-bound students still need assistance to help pay for college. The events that took place between Lady Anne's gift and 2014 shaped our present-day financial aid offices.

So, what were the major moments in financial aid history? Inceptia takes a look back to reflect on the events that shaped the financial aid industry in an interactive timeline.

Add your favorite moment in financial aid history by tweeting to hashtag #FinAidHistory. Was it the signing of the Higher Education Act in 1965 or was it the day you paid off your own student loan? One of Inceptia's favorite moments was in 2011 when school partners began benefiting from performance-based pricing.

Join the conversation and make your own indelible imprint on Financial Aid History.

By Sara Whitwer, Inceptia Marketing Director

It takes a Campus to Prevent a Default: Gathering Internal Support to Promote Financial Education

When I first began working in financial aid, I was amazed at how much I did not know about the student aid process. My time in academics, records, admissions and student services had never required that I learn anything beyond how to file the FAFSA; the rest of the details were to be covered by the experts in the financial aid office. It was only after I became part of their ranks that I realized what a travesty it was that more offices weren't made aware of financial aid policy, not only to help educate students, but to make the most of our clearly interconnected working relationship.

Fast forward several years, and I now see the same situation playing out as it applies to financial education. Although important to all, the execution of a financial education program almost always falls squarely on the shoulders of the financial aid department. For an all hands on deck approach, such a massive and critical undertaking is daunting and may simply be a system overload for one department to manage alone. Here are the reasons and data as to why financial education is everyone's job, and how to gain buy-in for campus-wide collaborative efforts.

Why: Doing well by doing good

Schools need students to survive, plain and simple. Thus a renewed focus on retention is a hot topic on many campuses. But seldom do discussions address the influence that external factors (like money) can have on student retention levels. This is surprising, given that financial pressure is the number one reason that students leave school (Chiang, 2007). An absence of consideration for this leading cause is presumably because a student's finances are considered to be outside the college's sphere of influence, or too taboo to discuss. However, an ESDA study shows that students disagree and are looking for schools to address this need: 100% of respondents feel their schools should provide financial education, but 79% find school efforts inadequate (2010). Clearly, higher education is doing itself a huge disservice by viewing student retention through a purely academic lens and not utilizing a holistic approach.

Additionally, 89% of survey respondents indicated that they would have a more favorable view of schools with financial literacy programs (NFEC, 2013). So by addressing the number one drop-out factor, helping students understand how to manage money while balancing education costs, and providing comprehensive financial education, schools may be able to see an increase in retention rates and a competitive advantage over schools with no financial education programs. All while doing immeasurable good for the students they serve.

How: Help create top-down momentum

Let's face it, your program has a much increased chance of success if your leadership team makes student financial literacy a priority. And yet that support is hard to come by; just ask any financial aid director who has been banging this drum for years.

Fortunately, those at the top are usually motivated by numbers and hard data. Even more fortuitous is the recent focus on shopping sheets, college ratings systems, and other proposed legislation that has put the financial aid office in the spotlight. These developments, in addition to the aforementioned retention facts, can be used to spark an interest at the higher level. Some key points to consider:

- Help upper administration to understand how cohort default rates work, where yours currently stands, and the consequences of an increased rate. It is possible that they are not aware of the effect of CDR on an institution's Title IV eligibility.
- Highlight specific components of your program that would focus on default prevention (i.e. mandatory entrance counseling every year, for every student) and decrease the amount of students who over borrow (i.e. staggered disbursement schedules). With shopping sheets allowing students to compare default rates and median borrowing amounts, it is important for leaders to understand how increasing financial literacy can help to improve those numbers.
- Stress the advantages to be gained from a proactive approach. A number of pending new legislative proposals will continue to require schools to take more responsibility for student borrowing and default management:
    - The college ratings system (Pay for Performance) will evaluate factors such as keeping tuition low and helping students avoid excessive loan debt to determine a school's financial aid eligibility.
    - The Smarter Borrowing Act would hold schools accountable for entrance and exit counseling requirements.
    - The Protect Student Borrowers Act would require schools with high default rates to pay a penalty that represents a portion of their students' defaulted loan amounts.

By forming your argument for a financial education program and presenting your case for approval, you will have taken two big steps in positioning your program for success. In part two of this article, we will address how to inspire and empower other campus departments to become program ambassadors.

If you have tips or suggestions for turning financial literacy into a campus initiative, we'd like to hear your thoughts. Email carissau@inceptia.org.
To learn more about how Inceptia can help you train and prepare your campus for financial education, please contact us via email at inceptiasales@inceptia.org or dial 888.529.2028.

By Carissa Uhlman, Inceptia Vice President of Student Success

It Takes a Campus to Prevent a Default: Rallying the Troops to Promote Financial Education

In part one of this article, we discussed how to present your case for financial education and gain upper level support. Here, we look at the equally important task of gaining the support of your departmental colleagues, and how to keep them engaged.

Who: Self-interest gains the most interest

Human nature dictates that appealing to one's self-interest is a powerful motivator. With this in mind, by helping other offices to see the benefits of promoting financial literacy, you're likely to win over some enthusiastic ambassadors. Here are some suggested messages to motivate staff and faculty on your campus.

<u>Admissions</u>

A robust financial education program could be the unique campus resource that sets your school apart from the rest. Work with your admissions team to provide them with program specifics such as how the program is administered, how many students have gone through the program, and the resources you provide. Make a brief survey available to prospective students that measures their level of financial literacy; it may help to drive home the value of the program, and be a factor in the decision making process. Admissions representatives also have the unique job of having the initial conversation about cost and career earnings; make sure your messages are simpatico.

<u>Student Advising</u>

If your financial education program calls for students to determine how they will pay for college (which it should), what their expected starting salary will be (per DOL statistics), and what they need to do to remain in good standing (think SAP and enrollment status), they will be one step up on Maslow's hierarchy. Having those initial needs met should allow your students to better focus on goal-setting and academic planning. In turn, your advisors will jump for joy at the chance to form a developmental advising relationship with students. Additionally, training advisors to incorporate financial aid requirements into academic planning is a form of just-in-time counseling that further enforces the goals of your program, and strengthens the advisor-advisee connection.

Career Services

Speaking of expected salaries, career advisors know all about gainful employment. Those who assist students in career planning are keenly aware of the unrealized correlation between student loan debt and expected earnings. How much easier would those conversations be if students had already completed this analysis themselves, through your financial education program, and had adjusted their borrowing and/or major accordingly? Your Career Services partners would be a powerful ally in reinforcing these concepts.

Alumni Services

An ASA study links alumni giving to how well students feel their alma mater provided education regarding loans, debt management, and repayment options (2011). Additionally, with graduated borrowers buried under average debt loads of $29,400, most are too busy treading water to even begin to contemplate giving back to their schools (2013). It should not take great convincing for alumni officers to make the connection between a strong financial education program and strong alumni giving. They may help sponsor an event or workshop, and may even be able to solicit alumni guest speakers. Having former students, especially those within the financial field, carry your message to current students can be quite effective.

Faculty

Knowing that student stress level and school abandonment are most often related to finances, you can make the argument that financial education contributes to a more focused and full classroom. As they are often the first to hear about a student's intent, instructors should be encouraged to make referrals as necessary to ensure students can make informed decisions. Faculty in the economics and finance departments may be valuable resources to your program for content development, guest speakers, and to potentially integrate your program into the classroom.

These are just a few examples of how to gain buy-in; a myriad of other reasons can be found to champion departments to your cause. From the business office to records to student life, there is a common link to be found if you focus on what appeals to each.

Call to Action: Empower your ambassadors

Finally, once you have achieved widespread support, you must find ways to keep your team engaged and empowered to carry the message. Provide literature and advertising about your program so they can make student referrals; train appropriate staff and faculty on key financial education concepts that directly link to their job functions; partner with others to sponsor student events and workshops for increased participation. And always provide opportunities to join the movement.

Financial education should be a forum open to all. You may be surprised to find many who share your enthusiasm and passion, and are just waiting in the wings for someone to start the movement.

If you have tips or suggestions for turning financial literacy into a campus initiative, we'd like to hear your thoughts. Email carissau@inceptia.org.

To learn more about how Inceptia can help you train and prepare your campus for financial education, please contact us via email at inceptiasales@inceptia.org or dial 888.529.2028.

By Carissa Uhlman, Inceptia Vice President of Student Success

Six Tips for Connecting with Millennials

Because many millennials are at a key point in their lives—college and post-college years—it is critical to reach out to them in order to assist them in a period where many important financial decisions need to be made. Millennials themselves are often misunderstood and viewed as an age group that's difficult to connect and communicate with, but by taking the right steps to contact them you can develop a healthy and successful relationship.

Here are some suggestions to effectively reach millennials and start discussions on their finances and student loans.

Don't water down your message. Due to the instant messaging and 140-character-limit age we live in, one might be tempted to scale down their message to the bare minimum in order to grab millennials' attention. However, this is an ambitious and intelligent generation that appreciates intelligent discourse. As the Pew Research millennial study states, "Millennials are on course to become the most educated generation in American history, a trend driven largely by the demands of a modern knowledge-based economy, but most likely accelerated in recent years by the millions of 20-somethings enrolling in graduate schools, colleges or community colleges in part because they can't find a job." This is why discussions with them must be of intelligent nature.

Embrace social media. Reports vary in stats, but the majority state that at least 90 percent of millennials use social media and well over 50 percent use smartphones. This is a rich environment for fostering dialog that allows for two-way conversation and an opportunity to engage with your organization. Not only can you start a conversation, but by posting links and flexible content you give millennials the opportunity to further share your posts and increase your following and exposure.

Reach out at all hours of the day. Millennials are plugged-in 24/7 thanks to mobile technology and social media. If you have any updates, reminders and information to share, then schedule them on social media at all hours without any hesitation. However, be prepared to respond in a reasonable amount of time to keep the conversation going.

Don't overload this age group with information. You're not the only one who has social media available to them 24/7, so be aware that millennials' attention spans will be put to the test. If you feel that you're posting too much information, target individuals who need the most attention and instant message them. Nearly every social media platform allows for individual, private messages, so use them to your advantage.

Interactive media is a must. Rather than *telling* millennials about the grace period process, for example, *show* them what to do through a short video. Include infographics as often as possible and photo sharing sites such as Instagram are booming in popularity. The best thing about interactive and rich content is that it's usually inexpensive to create and is easily shareable.

Remember millennials are career and future-oriented. When reaching out to them, seek to aid them, show them how your program or services cannot only help them in the immediate sense but also how it can set them up for future successes. Focus on the gratification aspect of your relationship and what you can do for them.

When reaching out to millennials to discuss finances and financial educations, do not be afraid to use all methods available. Millennials are receptive to communication as long as you employ their preferred methods and in a manner in which they'll appreciate. For more research on this generation, visit the Pew Research Millennial Generation research center. It's slightly dated but still provides excellent data on this generation.

For more information about grace counseling outreach and financial education, visit Inceptia.org.

By Miran Saric, Inceptia Marketing Intern and Graduate Student

College Administrator Study: Attitudes and Approaches to the Student Debt Issue

American Student Assistance® (ASA) recently conducted a study of university decision-makers to better understand their perceptions and opinions about rising student debt, increasing cohort default rates (CDR), and how to address both concerns on campus.

The research consisted of in-depth, qualitative interviews with administrators at public, private, and community colleges across the nation and revealed five findings:

- **New Urgency of Student Debt.** There is a new urgency to provide financial literacy and debt management programs given the economic climate and lack of jobs upon graduation. This urgency is being fully felt by campus administrators, as rising student debt can have serious repercussions on both an institution's CDR and its long-term success. These implications played out in the study as over two-thirds of respondents are considering programs around financial literacy and debt management.
- **Obligation to Educate is Two-Fold.** Institutions feel they have an obligation to educate prospective students, before college, on whether they can afford higher education. And, the desire of campus administrators, as lifelong educators, to nurture and educate students is often at odds with the reality, as businesspeople, to encourage buyers of their "product." They now realize there is a way to balance the two. By equipping students with the resources to make smart borrowing choices and a full understanding of future repayment obligations, universities can empower them with the tools to make sure that investment has a strong return.

- **Responsibility Lies With the School.** Campus administrators feel passionately that financial literacy and debt management is, in part, the responsibility of the university. Furthermore, many feel that a comprehensive financial literacy program could help administrators shift the student debt conversation from fear towards confident, well informed action.
- **A Proactive Approach is Key.** Institutions are now thinking more proactively, and expansively, about financial literacy and student debt education, seeing it as part of a comprehensive curriculum—and even a student wellness program. By enabling students to make smarter borrowing decisions at each stage of their higher education cycle—before, during, and after college—they are empowered to take control of their finances, remain in school, and work towards a bright future after graduation. All while gaining financial management skills for life.
- **Responsible Borrowers Become Happier Graduates.** Overall, the sentiment in the study reflects that responsible borrowers become more financially aware students and, ultimately, more engaged alumni. By teaching students to borrow smart, borrow less, and repay well, schools can start to address the concerns over student debt on campus. In turn, a Responsible Borrower Program can help universities fulfill their promise to educate students while also protecting the school's long-term financial success.

To access the full report and review peer perspectives, please visit schools.saltmoney.org.

Consider Three Questions Before Challenging Your Draft Cohort Default Rate

You received your school's draft 2011 three-year cohort default rate. Now what?
There are a variety of steps to consider for preventing student loan default and managing default rates, some short-term and others long-term.
Let's start with a short-term strategy: challenging your school's draft cohort default rate. Just because you *can* challenge your school's draft rate doesn't necessarily mean you *should*. Consider these three key questions to help guide your decision:

1. What is the potential impact of the challenge?
If your school's rate is low and you have many files to review, will the potential benefits be worth the time and effort? Is there a certain default rate goal that taking the time to challenge might help you reach?
2. What are the time constraints?
You have 45 days to submit your challenge, which means you have until April 11, 2014. Financial aid offices often are stretched thin, especially as you move into processing for the upcoming award year. Think through the other tasks you'll have during this period and whether those commitments will allow you the time you'll need to devote to a challenge.
3. What are your available resources and staff?
Who will work on the challenge? Is there someone you can pull away from another assignment? If you have a staff member who specifically handles default prevention, that person might be the most likely to tackle the job. If you use USA Funds Borrower Connect™ or USA Funds Borrower Connect InTouch℠, you can access a tool that will help you analyze your draft data.

More information
If you'd like to find out more about cohort default rates and challenges — as well as strategies for default prevention — contact USA Funds at **https://support.usafunds.org/ContactUs** or visit our website at **www.usafunds.org**.

Submitted by: Dianne Fulmer, USA Funds Account Executive

Schools Communicate With Borrowers for Default Prevention Success

Representatives of two schools recently shared their student loan default prevention success stories — successes they attribute in part to their use of USA Funds Borrower Connect™.

"USA Funds Borrower Connect has been very beneficial to us," said Dean Riling, vice president of administration at Spartan College of Aeronautics and Technology. "We've been able to lower our cohort default rate by 3 percentage points in a short amount of time."

Spartan College of Aeronautics and Technology has been using USA Funds Borrower Connect to assist in communicating with borrowers for nine months.

Riling joined Sharon Wurm, director of financial aid and student success at Truckee Meadows Community College, in reporting on their default prevention experiences during the webcast "Creating Effective Default Prevention Strategies."

Wurm reported that combining USA Funds Borrower Connect InTouch℠ with USA Funds Borrower Connect helped her Reno, Nev.-based school to maintain a cohort default rate that was projected as the best-case scenario.

USA Funds Borrower Connect is a Web-based tool that automates borrower communication through telephone, letter and email campaigns, using loan information schools upload from their various loan servicers. USA Funds Borrower Connect InTouch is a staffing solution that provides all the benefits of individual counseling with borrowers — without all the work.

Wurm told the webcast's 100 participants that her school began using USA Funds Borrower Connect in 2011, adding USA Funds Borrower Connect InTouch last August.

Keeping borrowers on track

Tulsa, Okla.-based Spartan College uses USA Funds Borrower Connect to conduct call and email campaigns of varying frequency — daily, weekly or monthly — to reach borrowers to help them stay on track in repayment. The school also relies on USA Funds Borrower Connect's reports to create those communication campaigns and then remind staff to follow up when appropriate.

"Having information in USA Funds Borrower Connect allows us to contact students early in their delinquency," Riling said.

Truckee Meadows uses mail and email campaigns to contact borrowers.USA Funds Borrower Connect's dashboard and reports, Wurm said, serve as a valuable tool for the school's staff, keeping them abreast of the effectiveness of their communication efforts.

Truckee Meadows added USA Funds Borrower Connect InTouch to communicate with borrowers on the school's behalf because "we consider USA Funds® to be the experts," Wurm said. "They've been doing this for years and years and years."

Learn more about USA Funds' default prevention tools and solutions — contact USA Funds at **https://support.usafunds.org/ContactUs** or visit our website at www.usafunds.org.

Submitted by: Dianne Fulmer, USA Funds Account Executive

Take a Proactive Approach to Default Prevention

As you evaluate your school's draft 2011 cohort default rate, you may be seeking ways to improve your rate — now and in the future.
Let's take a longer-term look.
Often a proactive approach, emphasizing debt management and student success, is a more effective way to keep your default rates low. By working to prevent default, you'll help your school enjoy the benefits of a lower cohort default rate — while also helping the students you serve to avoid the consequences of default. Here are tips, gathered from USA Funds and the U.S. Department of Education, that can help you ensure your students repay their loans and succeed in their postsecondary education or training:

1. **Communicate with borrowers at key decision points**. From counseling and orientation to ongoing communication and online tools, tailor your default prevention tactics and messages according to each borrower's specific stage in the life of a student loan. Those stages are: application and the first 90 days; in school; final year and program completion; and post-graduation.
2. **Introduce financial literacy programs**. The Department recommends that schools teach students about debt management strategies and tools, loan repayment options, and the potential income for their chosen fields. USA Funds offers financial literacy training tips in our Teachable Moments for Personal Finance Education guide. The guide is available from the Resource Library at **www.usafunds.org** under Financial Literacy.
3. **Maintain communication across campus**. Default prevention is not the responsibility of the financial aid office alone. Communicate with other departments on campus about the impact of cohort default rates and the importance of collaborating to manage those rates. Then develop a default prevention plan to guide your team effort.
4. **Focus on retention and student success**. More than 70 percent of defaulted borrowers left school without earning degrees, so consider having dedicated default prevention and retention staff members who focus on fostering student success. Your goal should be to provide services that students will need — even before they know they need them.
5. **Employ early identification and counseling for at-risk students**. Analyze borrower data to determine which students at your school are most likely to default, and develop interventions that will address their specific barriers to success. Because the majority of those who default are those who withdrew — and typically within their first three terms — default prevention and debt management should begin when the student first walks in the door at your school.
6. **Use timely and accurate enrollment reporting**. Performing this regulatory requirement helps ensure that borrowers can take advantage of their full grace period before entering repayment, and that they receive repayment assistance that is timely and appropriate.
7. **Review NSLDS and repayment information to ensure accuracy**. Regulations also call for regularly checking report, enrollment and repayment information in the National Student Loan Data System. These reviews verify that the Department's cohort default rate data for your school is accurate — and put you a step ahead when preparing draft rate challenges.
8. **Maintain contact with former students**. Encourage those who withdrew from school to return to complete their academic programs. Conduct borrower outreach, ideally starting during each borrower's grace period, to ensure successful repayment.

USA Funds offers a variety of resources to help with your default prevention efforts. Contact USA Fund at **https://support.usafunds.org/ContactUs,** or visit the USA Funds website at **www.usafunds.org** to learn more.

Submitted by: Dianne Fulmer, USA Funds Account Executive

Ten Steps to Review Cohort Default Rate Information

With the Feb. 18 release of draft 2011 three-year cohort default rates, you'll want to compare your school's own records against the information from the U.S. Department of Education. Examine the data and, if appropriate, submit an incorrect data challenge.

Let's review 10 key steps in evaluating your cohort default rate data from the Department and potentially issuing a challenge:

1. If you believe that your cohort default rate is incorrect, review information about cohort default rate calculations in the Department's Cohort Default Rate Guide, available at ed.gov.

2. Download the Department's Electronic Loan Record Detail Report (DRCO35, School Cohort Default Rate History Report — extract version, message class SHCDREOP). The Department offers information about downloading the report.

3. 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.

4. Create a spreadsheet with data about borrowers in the cohort and when they entered repayment, based on your school's data.

5. Compare the internal data against the data on the LRDR. If there is data on the LRDR that you believe is incorrect, based on your internal data, you should contest the LRDR data.

6. Access the Department's eCDR appeals Web-based application. The Department is the data manager for all Direct Loans and offers information about filing appeals through eCDR.

7. Determine what kind of error you believe has been made. Allegations usually fall into one of these categories:

- Data incorrectly reported.
- Data incorrectly excluded.
- Data incorrectly included.

8. Review and confirm your data.

9. Gather supporting documentation. You must provide documentation to prove each allegation.

10. Submit the incorrect data challenge. The Department's guidelines set a 45-calendar-day time frame for submitting incorrect data challenges — which means you have until April 11, 2014, to challenge your draft 2011 three-year cohort default rate. Make sure you maintain documentation that verifies the receipt of the incorrect data challenge, and all electronic documentation that you submitted as part of the incorrect data challenge.

If you need additional help as you review cohort default rate information, contact USA Funds at (800) 766-0084.

Submitted by: Dianne Fulmer, USA Funds Account Executive

New Hires

Bellevue College would also like to congratulate and acknowledge that Melanie Ruiz was promoted from Associate Director to Director.

Mr. Ben Beus was hired as the Director for Financial Aid and Student Employment at Columbia Basin College. Ben replaced Ceci Ratliff who retired at the end of June 2013. We are extremely fortunate to have been able to hire a seasoned financial aid director with experience in the Washington community and technical colleges system. For the past four years Ben has directed financial aid at Grays Harbor College in Aberdeen, WA and also had three years' experience as the financial aid program director at South Puget Sound Community College in Olympia. Ben is not new to our area, having been raised in Benton City. In fact, he was a Running Start student at CBC before completing his BA and MBA at Washington State University.

Legislative Update!

Linnea Todd- VP of Legislation

There have been several significant updates in regards to federal and state legislation this past quarter, but the most significant change likely came in the form of the passage of the Senate Bill 6523: Real Hope Act by the Washington State Legislature on February 18th. This bill, which was officially signed into law by Governor Jay Inslee on February 26th, extends Washington State Need Grant eligibility to previously-ineligible undocumented students residing in the state and also adds $5 million dollars in SNG appropriations for fiscal year 2014-2015. According to the text of the bill, undocumented students are eligible if they: 1) completed their full senior year of high school and obtained a high school diploma (or the equivalent) in Washington state; 2) lived in Washington state for at least three years immediately before receiving the diploma; 3) have continuously lived in Washington state after receiving their diploma; and 4) have been granted deferred action for childhood arrival (DACA) status pursuant to U.S. Citizenship and Immigration Services guidance.

The Washington Student Achievement Council will be working as quickly as possible to design and implement an online application, similar to the FAFSA, solely for undocumented students to apply for State Need Grant. The Council recognizes that getting a state application into place for the 2014-2015 academic year will be a time-sensitive priority, and further instructions will be sent to schools by the Council as soon as additional information is available. Additionally, the Council will place updated information regarding residency and state aid eligibility on the ReadySetGrad.org website, to which institutions can refer students and families.

WFAA Student Budget Committee

Helping needy students bridge the gap between what their families can afford to pay and the full cost of attendance for postsecondary education is one of the primary functions of financial aid. One cornerstone of determining student financial need the student's Expected Family Contribution (EFC). The components and calculation of the EFC are codified and regulated by Congress. The other cornerstone is the student budget that is developed by the financial aid administrator at each institution. One of WFAA's services to the aid community is to develop well-researched student budgets annually. Because there are many regional differences in housing, food and transportation costs, the WFAA student budget uses data from students across the state through a student expense survey that is administered periodically. This year, as in the past, we benefit from the assistance of the Washington Student Achievement Council.

The WFAA Student Budget Committee typically directs its attention to assessing average costs of books and supplies, room and board, transportation, and personal expenses. With the addition of the institutions own tuition and fees, the student can establish institutional budgets. Over the Spring, the student budget committee will be conducting another survey of student expenses. Look for the announcement of the survey so you can have your students participate. If you would more information about the committees work or want to consider joining the committee, you are invited to contact Janet Cantelon (jcantelon@yvcc.edu), committee chair.