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2010-2011



## Newsletter

A publication of the Oregon Association of Student Financial Aid Administrators, a not-for-profit membership organization

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### President's letter

The EC Budget Committee met recently to set the 2010-11 OASFAA operating budget. Our task was to determine anticipated funds from our income sources and then review the budget needs for each of our training and operating committees. We established our operating budget at \$60,975, which is \$20,000 less than last year, and does not require the use of our asset reserves. We were able to maintain our training programs with the exception of the support staff workshop. We discussed the importance of this event and noted with the increased workloads many financial aid offices are experiencing, it appears difficult for staff to get release time to attend this training. Due to a decline in participation over the last three years for the event, and with our declining funds, the decision was made to not offer the workshop for this year.

As we move forward, it is important for us to stay committed as an association to support the training needs of our membership through various channels. The EC committee continues to look at cost reduction methods to offer training, such as webcasts, and enhancing our partnership with WASFAA, our regional association.

Mentoring is an excellent means to provide training and guidance to fellow colleagues. Volunteer support is vital to our success and to the success of our profession. Start by completing our online volunteer form ([www.oasfaaonline.org/docs/forms/memVolunteer.html](http://www.oasfaaonline.org/docs/forms/memVolunteer.html)) and indicating your interest in being a mentor.

If you have questions or concerns you would like to share with me, please email me at [patti.brady-glassman@oregonstate.edu](mailto:patti.brady-glassman@oregonstate.edu).

Patti Brady-Glassman  
OASFAA President 2010-11



President Patti Brady-Glassman (left) accepts the gavel from Past-President Donna Fossum at the 2010 OASFAA Annual Conference.

### Inside Every Issue...

Letter from/to the Editor . . . . .	2
New Members . . . . .	2
Member News . . . . .	3
VP Reports . . . . .	8
OSAC Update . . . . .	9
Member Profile . . . . .	11
On the OASFAA Calendar . . . . .	16
On the Lighter Side . . . . .	16
In Closing: Starfish . . . . .	14

### Inside This Issue...

OASFAA Awards . . . . .	2
Reflections for OASFAA . . . . .	3
Annual Conference Experiences . . . . .	5
President-Elect Report . . . . .	8
OSAC FAFSA Fridays . . . . .	9
A Short History of the GSL Program . . . . .	10
GEN-10-05: Enactment of the HCERA . . . . .	10
Three-Year CDRs: Cause for Awareness . . . . .	12

## Editorial Policy

Opinions expressed are those of the authors and not necessarily of OASFAA, its members, or the institutions represented by the authors.

OASFAA welcomes all views and invites submissions of articles, essays, photographs, or information of general interest to all members. Submissions should be brief and may be edited. It may not be possible to publish all articles submitted. Email items for publication to: [susan.shogren@nelaservices.net](mailto:susan.shogren@nelaservices.net)

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## Letter from the Editor

by Sue Shogren, NELA Services

Have you ever stood by the ocean's shore, at that point where the waves pass over and around your feet? You can stand in one place for a while, but when the waves keep coming, one after another in quick succession, you feel increasingly unsteady. In many ways, this is what we've been experiencing in the financial aid industry in the past five years or so.

Change may be constant, and change may be inevitable, but constant change is unsettling. In times like these, more than ever before, your affiliation with this association matters. Tap into OASFAA's collective wisdom and experience by reaching out to your fellow members when you need to, and share your own knowledge and talents by volunteering in any way you can. Every role is important because it keeps us moving forward... together.

In this issue, you'll find an article by Barb Griesel in which she reflects on what she's learned about financial aid professionals through her affiliation with OASFAA over the years. You'll also find an article by Doug Severs, OASFAA's new Legislative Chair, on the history of the Guaranteed Student Loan Program, as well as advice from Craig Berkley related to the urgent need to monitor cohort default rates and help keep students from defaulting on their federal education loans. And whether you attended the OASFAA Annual Conference or not, be sure to check out the articles written by some of this year's scholarship recipients.

Keep sending in your news! Publication of the next issue is scheduled for July 2010.

## Welcome, New Members!

**Paul Allen**, Western Oregon University  
**Dan Brewer**, Portland Community College  
**Michele Burton**, Tillamook Bay Community College  
**Mary Chuinard**, Linn-Benton Community College  
**Debra Clayton**, Native American Youth Association  
**Karen Cook**, Heald College  
**Jeff DeMott**, ITT Technical Institute  
**Keema Echols** (not affiliated with an institution)  
**Dawna Flanagan**, Eastern Oregon University  
**Lilly Foxx**, Marylhurst University  
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**Aaron Waldron**, Portland Community College  
**Sarah Wegner**, Portland Community College  
**Mary Yonker**, Concorde Career Institute  
**Mark Zillmann**, Heald College

## OASFAA Awards



*Sue Shogren of NELA Services receives Distinguished Service Award.*



*Sheila Jacob of NELA Services receives the Unsung Hero Award.*



*2010-2011 President Patti Brady-Glassman honors 2009-2010 President Donna Fossum.*

## Member News

**Dina Birmingham**, NELA Services, announced she will leave her position on May 5, 2010.

**Helen Faith**, University of Western States, and her family welcomed their newest addition: Robin Elliott was born on October 12, 2009.

**Barb Griesel**, The Ford Family Foundation, will retire at the end of May 2010.

**Abril Hunt**, formerly with Clackamas Community College, will join the staff of the Financial Aid Office at Washington State University in Vancouver on May 10, 2010.

**Cindy Pollard**, Warner Pacific College, resigned her position as Financial Aid Director effective April 2, 2010. Cindy will continue as an instructor at the college, where she can be reached at the same email address. **Bryan Cook** will serve as Interim Financial Aid Director while a search is conducted.

**Aaron Waldron** joined the staff of Oregon State University as a financial aid advisor.

**Dr. Anne Leavitt**, former Director of Scholarship Programs with the Ford Family Foundation, passed away on April 11, 2010.

To express your condolences, you may sign the [online guest book](#) or cards may be sent to:

Brad Leavitt and Family  
c/o The Ford Family  
Foundation Scholarship Office  
440 East Broadway, Suite 200  
Eugene, OR 97401

If you or someone you know has received a promotion, taken a new job or experienced a significant life event, e-mail: [susan.shogren@nelaservices.net](mailto:susan.shogren@nelaservices.net).

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## Member Article: Reflections for OASFAA

by Barb Griesel, The Ford Family Foundation's Scholarship Program

*As of the end of May 2010, I officially retire from The Ford Family Foundation's Scholarship Programs. My journey has been very rewarding and I appreciate the friendships and assistance I have received from OASFAA's members. I would like to share some reflections from my journey...*

"Once an educator, always an educator," words of wisdom from Roger Wood, a former career counselor at Springfield High School, which I've always taken to heart. I was an extremely involved parent while my four children were growing up. As a former teacher, I was always interested in all aspects of my children's education, understanding the importance of parent support and involvement. Through local and state PTA, I worked hard to enrich the education of students in Oregon, a natural transition when my oldest started high school. I assumed parent volunteers would also graduate to high school. What I found was most high school parents were

involved mainly as booster for sports, not much else. Then I found Roger, who willingly helped design a parent-volunteer career center. He included me in college campus visits and financial aid trainings. As a result, I networked with other high school counselors,



helping create a Lane County network of counselors and parents, interested in helping students move toward higher education. After four years of

volunteering, my husband said, "You could get paid for this." I enrolled at Oregon State University for a M.S. in counseling and soon became an *employed* high school counselor.

I loved helping students expand their potential, helping them finance and meet their college dreams. The natural progression: accept a job with the (former) *Oregon State Scholarship Commission (now OSAC)*, and then a scholarship counseling position in the Ford Opportunity Scholarship seemed a great match. I learned so much more about the workings of financial aid, the processing of scholarships, and was soon helping with the selection and counseling of all the Ford Scholars.

Jim Beyer (my boss) was adamant about me getting involved with OASFAA. I found a wonderful support group of financial aid professionals, and learned what *was and was not* possible within the confines of certain policies and procedures.

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Looking back, I realize that all of us who work with students in financial aid share some common traits...

**Facilitator:** Balancing the needs of the institution with the needs of the interested parties. At OSAC, I was a liaison for The Ford Family Foundation and dealing with two bosses. It was imperative to balance the needs of a state agency with the wishes of a private foundation. In the process, I found it was always best to keep the good of the students in mind—all agreed on that point.

**Fairness:** Two opinions are better than one. In 1998, I experienced my first selection season with OSAC. During those days we were deep in paper processing—stacks and stacks of applications piled high. While *volunteers* reviewed and scored the applications, I worried that some of the applications were only read by one person; if they didn't like the applicant, he/she

was done. Everyone deserves a second read. I stayed late and coerced co-workers (like Vicki Merkel) to reread the “No” applications, making sure we didn't miss a deserving applicant.

One such diamond in the rough was Heather. Her goal of becoming an astronaut, her troubled home life with a chronically ill mother and absent father, and trials raising her sister were almost unbelievable. She was bright but almost abrasive in her attitude. While she did not score high on an initial review, she had a compelling story, worthy of an interview. She was selected as a Ford Scholar, attended OIT, participated in NASA space camps, and became an aerospace engineer, still aspiring to become an astronaut. She is the one of the reasons the Foundation accesses the expertise of over 50 volunteers for 3 levels of application review before interviews.

**Creative:** Keep things interesting. While attending my first OASFAA Conference, I

realized how fun and creative you all are. Dan Preston and company would put on skits that made us laugh at ourselves as well as learn more about our profession. He inspired me to include more fun in our summer leadership conferences and so we added the “Hokey Pokey” to the formal dinner at the Ford Scholars conference. Ever see 250 people (including Ford family members) shake a little booty? Now it's tradition.

The summer leadership conferences offered to Ford Scholars gave us time to plan activities and build community with our recipients. One summer at Salishan, we planned some beach games which included kite flying. At the end of the conference, Amanda came up to me and asked if she could have her team's kite. She had never been to the beach and it was the first time she had ever flown a kite. She wanted to stop on her way home, feel the sand, and fly it again. You never know when

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# OASFAA Annual Conference 2010: "Bridges to Success"

We asked several conference registration scholarship recipients to share with us their thoughts about their experience at the OASFAA Annual Conference in Portland on January 24-26, 2010. Here's what they had to say...

## Debra Clayton, Native American Youth and Family Center

The three-day OASFAA conference was everything I thought it would be, and better. The event was held at the majestic Red Lion on the River and everything was planned with our comfort in mind. The food was incredibly thought-out and prepared; gourmet entrees and desserts were lavishly assembled and they never seemed to run out.

Since I am new to the organization, I started out at the new-comers session. I quickly learned that OASFAA is a very welcoming community and I was soon at ease with all the others in the room. We were introduced to the various things that OASFAA had to offer and how we could be involved. Then we were introduced to the current OASFAA President Donna Fossum and other members of this amazing organization. I must say, I never stopped being impressed by all the obvious hard work of all those who planned out this event because it was quite evident from start to finish.

I enjoyed many excellent workshops during the conference, but will only talk here about my personal favorites.



Enjoying a meal together are Thyra Dehaven of US Bank (left), WASFAA President Mindy Bergeron of JFK University, and Karen Dowlall-Gumin of Great Lakes Higher Education Corporation.



Anna Manley of Rogue Community College (left) with Keynote Speakers Jack Heims and Mandy Martin.

One of the things I really enjoyed best was the talk by Jack Heims and Mandy Martin, "G.I. News." That is one area where I really could use some help. I enjoyed the history lesson that Jack started out with; we were told about how in 1944 a soldier told Eleanor Roosevelt what he was scared of and how the creation of the G.I. Bill came into effect, and that in 1946 Van Port was a central location for soldiers who had served and were attending Portland State University. I enjoyed how real Jack and Mandy were with their stories of life and death and the trauma for soldiers when they are deployed and how life becomes a struggle when post-traumatic stress disorder (PTSD) becomes an issue. I learned about traumatic brain injury from a perspective I never knew about, and about how suicide often becomes a terrible and sad option when the veteran cannot readjust to his or her civilian life. Jack and Mandy opened my eyes and broke my heart, but I am now wiser and actually want to learn even more. I am working on creating a workshop at the NAYA Family Center for this particular group of students that are returning from the war, so this was very helpful.

Besides the great food, the wonderful entertainment was also quite a hit for me. I really enjoyed the Financial Aid Rhapsody sung by two of our committee members who had me humming the Rhapsody all through the conference. Very ingenious, and fun!



The Portland Irish Dance Company.

We were also given a special dancing treat after a magnificent meal. The Portland Irish Dance Company came out and did an amazing performance for us. I was just amazed at how they could move their feet at incredible speeds and smile at the same time!



Josh Puhn and Shamra Clark of University of Oregon perform the "Financial Aid Rhapsody."

Other workshops where I learned more valuable information that will be quite helpful to me in my work at NAYA is: The OSAC workshop and the Ford Family Foundation workshop.

Thank you so much for the scholarship to the conference. I had a wonderful time and learned much valuable information to take back with me to the Native American Youth and Family Center. NAYA is a nonprofit organization and we have many wonderful wrap-around services with a cultural component that is specific to Native Americans; however, services are provided to all members of our community, regardless of race. I help students make the transition to college with the overall goal of retention and graduation. I also work directly with the Individual Development Program (IDA) which is basically a matched savings account for students who want to invest in their education. For more information, please call me at 503.288.8177, ext. 296, or email: [debrac@nayapdx.org](mailto:debrac@nayapdx.org).

Being a member of OASFAA has been a great way for me to learn all about financial aid so I can better help my students. I must say, I also have had the pleasure of making some great connections with some of the nicest people I have ever met.



*OASFAA members gathered in the Exhibit Hall between conference sessions.*

### **Dawna Flanagan, Eastern Oregon University**

I was very excited to get the email stating that I had received a scholarship to go to the OASFAA Conference in Portland. As a relatively new financial aid counselor, there was a very steep learning curve. I spent the beginning of my new job learning the acronyms (still don't have them all memorized), understanding budgets and adjustments, how to do verifications, checking for academic progress, understanding professional judgments, learning about loans, and helping people with their FAFSA, just to name a few! Whew! I came from the Registrar's Office, so luckily, I wasn't completely bereft of FA knowledge, but it was definitely bare bones. I'm in an office with awesome colleagues who have been in financial aid for years.

Everyone in my office was supportive, but I felt like I was a step behind. Conferences provide so much professional and personal development, and they are a great way to catch up!



*Ryan West of Western Oregon University, Julia Reisinger of Portland Community College, Donna Fossum of Western Oregon University and Tracy Reisinger of Marylhurst University.*

At the Newcomers Session, I remember meeting Shamra Clark, Bert Logan, Sue Shogren, and Donna Fossum. I probably remember their names because I saw them in the OASFAA Gazette, which I really used a lot, and I can put faces to names better that way. Afterwards, I learned that there were around 160 people at the conference, so I sort of gave up trying to remember very many names!

The keynote address with Jack Heims and Mandy Martin gave me a new appreciation of what our soldiers go through when they've been deployed. It was sobering to be given the National Suicide Hotline number because today's soldiers are facing more hardships than ever.

Both Part One and Two of the Federal Update were informative, and the New Pell isn't as hard as I thought it would be. I went to the Ford Family Foundation session; I don't work directly with scholarships, but I'm always asked about them.

I also went to the session about communication with students, which is very important. Financial aid is complicated enough without a communication barrier. Brian Clem's story reminded me a little bit of my colleague, as she was a single mom in Coos Bay going to school. He's a great speaker and advocate for financial aid.

The food was amazing, the vendors were awesome, everyone was friendly, and the whole conference was great! I can't tell you how much I appreciated the opportunity to attend, and I'll definitely be using what I learned.



*Jeannie Kupper of ECMC with Keynote Speaker Brian Clem.*

## Russell Seidelman, University of Portland

The 2010 OASFAA conference was uniquely special for me for two reasons. First, I was a member of one of the mentor groups and our group presented a session on the career paths in financial aid. The preparation needed for this group presentation allowed me the opportunity to get to know my group members well, and to make new friends. Our mentors were great as well, as they provided us with the guidance needed when we began to feel overwhelmed with our presentation. I now will feel confident in my abilities to do future presentations at the OASFAA conference.

The second reason the conference was special for me this year was that I knew a lot more people than I did two years ago when I went to my first OASFAA conference. I tried to be involved in a variety of OASFAA events in 2009, which paid off



*Financial aid professionals and industry partners meet in the Exhibit Hall.*

handsomely in my development of trusted friends and colleagues on whom I feel confident I could call with questions or for assistance. I've had many phone and email conversations with other OASFAA members who I had not met in person, so the conference allowed me an opportunity to put a name to a face. I look forward to continuing to build relationships in 2010 so that the 2011 OASFAA conference is that much better.



*Ashley Kikukawa of Lewis & Clark College (left) with Russ Seidelman and Kacy Keippela of University of Portland.*

The only down-side to the conference was that, as a commuter, I feel that I missed out on the after-hours socializing which helps solidify lifelong working relationships. I thank OASFAA for the conference scholarship which greatly assisted my office in being able to send staff to the conference this year.

## Maia Hoover, Oregon State University

I started working as a financial aid advisor one year ago. I've come to realize that while our financial aid programs are largely affected by government regulation and the current economic climate, they are also shaped by the people who administer them. While a primary responsibility when managing aid programs is to ensure compliance with existing regulations, it is also necessary to be forward-thinking and maintain an awareness of how administration can be improved. With the challenges schools are facing now, the highest level of ingenuity and resourcefulness is required.

The OASFAA Annual Conference provides an environment where aid administrators can exchange ideas and educate one another about topics and issues that affect our schools and students. I can gain knowledge by discussing verification policy over breakfast with an administrator from another school, sitting in on the Year Round Pell breakout session, or listening to Oregon Representative Brian Clem inform us about how Measures 67 and 66 will affect public funding. The knowledge I accumulate helps me understand my programs and how to administer programs more effectively and efficiently.



*Conference attendees absorb the Federal Update delivered by Bruce Honer, USED.*



*OASFAA volunteers are recognized for their work during 2009-2010.*

One of the greatest benefits of being a financial aid advisor is being part of such a cohesive and supportive community that lends such an incredible volunteer effort to sharing information and improving the field we are in. I learned of a plethora of volunteer opportunities, and was able to facilitate a break-out session on 2- and 3-year Cohort Default Rates, which was very interesting and informative. Since gaining more experience in my work, I have begun to participate in more volunteer events and this helps me to feel more engaged and connected to the community and the students I work with. I see the training and the opportunities OASFAA provides as a resource for doing more and doing better.

## VP Report: Public 4-Year Schools

by Josh Puhn, University of Oregon



Well, hello. I didn't see you there. What's new you ask? Well let me tell you the latest.

At the end of March the president signed a new bill with many changes to financial aid. In addition to some mandatory increases to Pell, a change to IBR, the big news is the elimination of the FFELP. This means our friends at Portland State, Eastern Oregon, and Oregon Institute of Technology will be embarking on the great adventure that is Direct Loans.

I would also like to congratulate our own Holli Johnson who was recently promoted to Financial Aid Counselor at the University of Oregon. Holli has been active with OASFAA since her days at Portland Community College. Most recently Holli presented a session "Customer Service and 2010-2011 FAFSA Updates" at the OASFAA Support Staff Workshop last November.

With the 2010-2011 awarding season upon us, it makes for both an exciting and stressful time. When you look at a pile of verification documents, it makes you wonder what ED has planned for the IRS matching that is already active for 2009-2010 FAFSAs. I am also pleased to see that Entrance Counseling and Master Promissory Notes are now housed together at [www.studentloans.gov](http://www.studentloans.gov). This site is brand new, but I am hopeful this "one-stop shopping" model will be a win-win for us and our students.

Lastly, a quick reminder that I am your very own representative for our segment. I am your voice and vote on OASFAA's Executive Council. If you have any issues/questions/concerns that need to be brought to the attention of the Executive Council, don't hesitate to email me at [jpuhn@uoregon.edu](mailto:jpuhn@uoregon.edu).

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## VP Report: Community Colleges

by Chris Hainley, Lane Community College



I'm looking out my window and the wind is blowing and the rain is coming down in buckets. This brings to mind the question. If April showers bring May flowers, what do May flowers bring? If you said Pilgrims, you're wrong. It's just more FAFSAs, more appeals, and more verifications. If your office is similar to ours, you most likely have been inundated with FAFSAs. Currently our count of total FAFSAs received is up approximately 34% over last year. That just means more files to verify and more appeals to process and less time for anything else.

Just remember to breathe. Get up from your desk and stretch. Go take a walk. Stop and smell the flowers. We're here to help students and we can't do that if we don't take care of ourselves as well.

Everyone is trying to get a handle on year round Pell grants and seeing what comes out of Washington, D.C. now that the health care legislation has been passed. As all of us know who have been in financial aid over the years, things change and it is up to us to make it work. So I'll end this diatribe with a quote from Captain Picard: "Engage..."

## President-Elect Report

by Bert Logan, Lane Community College



Greetings, OASFAA Members.

Our President, Patti Brady-Glassman, is off to a great start and I am looking forward to her leadership for 2010-11. She has some great ideas and initiatives coming from the Executive Committee and members at large. We'll be meeting to form our budget for another successful year.

I had a great trip to Washington DC to participate in NASFAA's Leadership Conference. All of our state and regional associations are dealing with less revenue and resources. It's clear to me that Financial Aid Associations are going to have to become leaner and meaner, possibly to the point of only offering no-frills conferences and training.

I accompanied Doug Severs and OSU's Legislative Representative to the Hill. The conversations centered on issues in the SAFRA legislation, the outcome of which has now become law. I believe we will fare well with the legislation, although we will have to deal with ED's interpretation of the statutes.

Pay attention to the next Notice of Proposed Rule-Making coming out of the Department now that the last round of negotiated rulemaking has been completed. There will be some significant proposals that I am sure will significantly impact us, so we will want to comment heartily during the comment period.

I'm looking forward to working with all of you this year. New members, newcomers, and even you seasoned veterans, who have yet to participate in OASFAA activities, please submit your information on our volunteer form at our website. We need your help.



## OSAC Update

by Susan Degen, Oregon Student Assistance Commission



Because Measures 66 and 67 passed in January, the Legislature was able to appropriate additional funds for the OOG in February. This means no mid-year award reductions will be required for 2009-2010.

Next year (2010-2011) is another story. Less state funding is available, the demand is again off the charts, and VERY early deadlines are in effect for first-round awards in all sectors. Late awards will be made in the fall, when we know how many eligible students have shown up to claim their awards.

The Oregon Student Assistance Commission (OSAC) has prepared a tip sheet on the new federal education benefit, called the American Opportunity Tax Credit, and how to claim it. With the passage of President Obama's stimulus bill in 2009 (American Recovery and Reinvestment Act), the American Opportunity Tax Credit enables a parent(s) or student to claim the tax credit and receive a refund check from the IRS, even if no income tax is owed. The credit amount can be up to \$2,500 per eligible student and up to 40% or \$1,000 may be refundable.

The tip sheet is available on the OSAC website at: [www.GetCollegeFunds.org/tipsheets.html](http://www.GetCollegeFunds.org/tipsheets.html).

## OSAC FAFSA Fridays

from a press release distributed by Carrie Matsushita, Oregon Student Assistance Commission

The Oregon Student Assistance Commission is hosting FAFSA Friday, a free online training webinar that helps college-bound students and parents complete the Free Application for Federal Student Aid. Financial aid experts will be available to answer questions about completing the FAFSA. The FAFSA determines eligibility for need-based federal, state, and campus-based financial aid programs, including the Oregon Opportunity Grant. Students are encouraged to file their FAFSA as soon as possible to increase their chances of funding for the 2010-11 academic year.

The next FAFSA Friday webinar is planned for March 26 at 7:00 p.m. Future FAFSA Friday webinars are scheduled for April 30, May 28 and June 25. To register, email [contactus@AspireOregon.org](mailto:contactus@AspireOregon.org).

Students should include their parent/guardian, if possible, and have on hand both their own and their parents' most recent completed federal income tax return; current value of assets, including cash, checking, savings, investments, and any value of business/farm; social security numbers; driver's license (if any); and alien registration card (if not a U.S. citizen).

Visit the website for more information at [www.CollegeGoalOregon.org](http://www.CollegeGoalOregon.org).



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### To learn more, contact:

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# Legislative Update: A Short History of the Guaranteed Student Loan Program

by Doug Severs, Oregon State  
University



The recent passage of the HCERA legislation marks the end of a program that in the beginning was a small part of financial aid and then grew to become a huge part. From the mid 1960's to the mid 1970's it was difficult for students to obtain what was then called a Guaranteed Student Loan. Banks were hesitant to lend and most were only approving loans if the student had an account with them. Then somebody figured out in the banking system that the guarantee was for them too . . . and the floodgates of lending began.

While it was good to have the program that helped many students, it was a very difficult program to run during those early days. It was a total paper process, each guarantee agency had its own application form and there wasn't much, if any computer support. For a short period schools were even required to notarize the loan application!

Since there also no electronic funds transfer at that time, a lot of effort was spent handling loan checks. We would have these multiple stacks of loan checks moving through a final approval process. Of course we would have students asking us every day . . . "is my check ready?"

By the eighties on line computer systems were being introduced to help track and control the loan process. In the early nineties a standardized loan application form was introduced. In the mid nineties Direct Lending was established as a competitor. To compete, lenders and guarantee agencies introduced electronic fund transfer and web based application processes.

The guaranteed student loan process has served many students and schools all these years. It was challenging at times, but we always worked together to make higher education affordable.

## GEN-10-05/P-10-02: Enactment of the Student Aid Provisions of the Health Care and Education Reconciliation Act of 2010

Publication Date: April 2, 2010

Summary: This letter provides the higher education community with a high level description of two of the major Federal student aid provisions of the recently enacted Health Care and Education Reconciliation Act of 2010.

Dear Colleague:

As I am sure you are aware, on March 30, 2010, President Obama signed the Health Care and Education Reconciliation Act of 2010 (HCERA) (Public Law 111-152), that, among other things, makes significant changes to the Federal student aid programs authorized by Title IV of the Higher Education Act of 1965, as amended (the HEA). Over the next weeks and months we will be providing the financial aid community with details on those provisions. The purpose of this letter is to provide high level discussions on the provisions of the HCERA that impact the Federal Pell Grant Program and those that end the authority for lenders to make new loans under the Federal Family Education Loan (FFEL) Program.

### Federal Pell Grant Program

The HCERA amends the HEA to provide for more stable and predictable funding for the Federal Pell Grant Program. It also modifies, beginning with the 2010-2011 Award Year, the calculation for determining an individual student's Pell Grant award. The HCERA increases the maximum Expected Family Contribution (EFC) for Pell Grant eligibility for the 2010-2011 Award Year to 5273. Note that the 2010-2011 Pell Grant Payment and Disbursement Schedules published on January 13, 2010, (see DCL P-10-01) established 4617 as the maximum EFC for Pell Grant eligibility. We expect to post to our IFAP Web Site revised 2010-2011 Pell Grant Payment and Disbursement Schedules sometime next week. Until then, institutions may wish to defer packaging students until revised schedules are available.

### Title IV Federal Student Loan Programs

The HCERA provides that, after June 30, 2010, no new student loans will be made under the Federal Family Education Loan (FFEL) Program. Therefore, beginning July 1, 2010, all new subsidized and unsubsidized Stafford Loans made to students, PLUS loans made to parents and to graduate/professional students, and consolidation loans made to borrowers, can only be made under the William D. Ford Federal Direct Loan (Direct Loan) Program. The Federal Perkins Loan Program is not affected by the HCERA.

It is important to note that if the first disbursement of a FFEL loan was made by the lender on or before June 30, 2010, the second and any subsequent disbursements of that loan, even if the subsequent disbursement(s) will be made after June 30, 2010, must be made by the FFEL lender. FFEL lenders that make a first disbursement are obligated to make the subsequent disbursement(s) as provided in the loan certification provided by the institution. This is a longstanding regulatory requirement. If, for example, an institution certifies a FFEL loan for a loan period of May 17, 2010 through August 15, 2010, and the FFEL lender makes the first disbursement of that loan prior to July 1, 2010, the FFEL lender must make the second disbursement at the mid-point of the loan period -- on or about July 16, 2010 in this example. Similarly, if a FFEL lender makes the first disbursement of a loan for a borrower-based loan period that, for example, begins on June 1, 2010 and ends on December 31, 2010, it must make the second disbursement at the mid-point of the loan period -- on or about August 31, 2010.

It would be prudent for institutions to confirm with those FFEL lenders who have made loans to their students in the past whether those lenders will make first disbursements for loans that the institution may certify for enrollment periods that begin prior to July 1, 2010 but may have a subsequent disbursement date(s) after June 30, 2010.

Institutions that are not currently participating in the Direct Loan Program and who have not begun making preparations to do so should contact the Department's Federal Student Aid (FSA) office as soon as possible in order to avoid disruption in the delivery of needed student loan funds to students and their families. Contacts should be directed to our School Relations Team at (800) 848-0978, or by e-mail at [DLEnrollment\\_FSA@ed.gov](mailto:DLEnrollment_FSA@ed.gov).

## Member Profile: Theresa Schierman

**Theresa Schierman, 2010-2011**  
*Vice President for Independent Institutions, is a Financial Aid Counselor with George Fox University in Newberg, Oregon. She has volunteered on OASFAA committees and moderated several conference sessions. Theresa also presents financial aid information at local high schools.*

*How long have you been in Financial Aid?*

I've been in Financial Aid for 16 years.

*How did you get started in Financial Aid?*

I started out in a ¾-time position as Loan Coordinator at University of Portland.

*What has your involvement been with OASFAA so far?*

I have had the pleasure of working as a volunteer on various conference committees, as well as the Summer Drive-In, OPB Financial Aid Night, and College Goal Oregon at Portland Community College. I've also attended many OASFAA-sponsored workshops and conferences.

*What is the most rewarding part of your job?*

The most rewarding part of my job is to know that I have helped a student acquire the financial resources needed to achieve their academic goals.

*What case/student will you be most likely to remember for the rest of your life?*

I have two very memorable experiences.

**INSPIRATIONAL:** The first was working with a Hispanic family from Hood River. The father spoke little English. The student's oldest sister interpreted. The entire family was present. Once it was determined how much federal and state aid would be awarded to the student, the family calculated

how much they would be able to contribute collectively from their earnings from babysitting, yard work, and savings. I was very humbled to witness the support and generosity they offered their sibling. I realized I had trained my own children to "hoard" their resources for themselves, rather than looking at it as something to be shared.

**HUMOROUS:** The second experience was a transfer student with multiple loans with multiple lenders. I advised him to talk to his current lender to see if they would purchase his loans as it would be in his best interest to have his loans "serialized" with one lender. The student sent me an email stating, "I guess I don't know what you mean. Sterilization seems so severe!" Whoa! What in the world did he think I meant???

***"I was very humbled to witness the support and generosity they offered..."***

*What is the most difficult aspect of your job?*

Figuring out things like how to award "year-round Pell."

*How do you cope with stress on the job?*

I do my best to keep a joyful attitude and sense of humor. I love to listen to classical music, Gregorian chant, and contemporary Christian music. I also pray a lot.

*Who has been the biggest influence/mentor on your career?*

Without a doubt, Tracy Reisinger. Tracy trained me in my original position as Loan Coordinator. She had confidence in my ability to expand into the counseling role and mentored me along the way.

*What is/was your favorite volunteer experience?*

My favorite aid-related volunteer experience is presenting financial aid nights at Jefferson High School.

*What do you do when you are not working?*

I volunteer at my church, watch my sons play soccer and basketball, follow the "Trail Blazers" now that they are a respectable team, and spend time with my adult children and grandchildren.

*What do you like about living in Oregon?*

Everything! The mountains, ocean, high desert, even the rain (sometimes). We've got it all!

*What is the most unusual place that you have traveled?*

Lourdes, France.

*What is your favorite restaurant?*

For casual dining, Joy Wok on SW Barnes Road in Portland. For formal dining, EVOO in Cannon Beach.

*What was the last book you read?*

Three Cups of Tea: One Man's Mission to Promote Peace, by Greg Mortenson and David Oliver Relin.

*Who is your personal hero?*

The "real" Mother Teresa (of Calcutta).

*Pepsi or Coke drinker?*

Regular Pepsi, Diet Coke.

*DL or FFELP?*

DL.

*If you could change anything in our industry, what would it be?*

Increase funding for need-based grants. (Pell, SEOG, OOG). Make more need-based funds available for "middle class" folks.

*continued on page 13*

# Three-Year Cohort Default Rates: Cause for Awareness

by Craig Berkley, TG

The Higher Education Opportunity Act of 2008 (HEOA) amended the Higher Education Act (HEA) by changing the length of time during which a school's cohort default rate (CDR) is measured from two years to three. While the first official three-year CDRs will not be released until 2012 — for fiscal year (FY) 2009 — schools are already in the thick of their first three-year cohort default rate period.

That's why last year, on December 14, the Department of Education (ED) posted trial, three-year cohort default rates (CDRs) for FY 2007 on its Federal Student Aid Data Center Web site at <http://federalstudentaid.ed.gov/datacenter/cohort.html>. ED released this information to assist schools in preparing for the transition to the three-year CDR provisions. The projected three-year rates were meant to get schools thinking about the impact of that third year on their institutions' CDRs.

## Consequences of high CDRs

A dire consequence of high CDRs is loss of eligibility to participate in Title IV aid programs. Effective with the third three-year CDR (for FY 2011, published in 2014), any time a school's three most-recent three-year CDRs equal or exceed 30 percent (increased from the current 25 percent), the school will lose eligibility to participate in the Federal Family Education Loan Program (FFELP), the Federal Direct Loan Program (FDLP), and the Federal Pell Grant Program. This sanction could be applied as early as 2014, based on the school's FY 2009, 2010,

and 2011 three-year CDRs. Note that FFELP and FDLP eligibility loss is also triggered by a single CDR over 40 percent (this threshold is unchanged with the implementation of the three-year CDR).

The HEOA established some additional consequences that take effect with the issuance of the new three-year rates. The first time a school's three-year CDR is equal to or greater than 30 percent, the school must establish a default prevention task force and prepare a default prevention plan to:

- Identify the factors causing the rate to be 30 percent or greater,
- Establish measurable objectives and steps to improve future rates, and
- Specify actions that can be taken to improve student loan repayment, including counseling regarding loan repayment options.

The school's plan must be submitted to ED for review. This could happen as early as 2012, based on the school's official FY 2009 three-year CDR.

If the school's CDR remains equal to or greater than 30 percent for two consecutive fiscal years, the school's default prevention task force must review and revise the plan, and submit the revised plan to ED. ED may require the school to make further revisions to the plan and/or take actions to improve student loan repayment success. This could happen as early as 2013, based on the school's FY 2009 and 2010 three-year CDRs.

## Quick reference chart

The following chart provides a quick reference for FYs 2008–2012, including applicable cohort periods, official CDR publication dates, and the CDR used for school benefits and sanctions.

Fiscal year (FY)	Denominator (enter repayment)	Numerator (in default)	Official CDR publication dates	CDR used for school sanctions
2008	10/01/07 – 09/30/08	2-yr: 10/01/07 – 09/30/09	2-yr: Sept 2010	2-yr rate (25%)
2009	10/01/08 – 09/30/09	2-yr: 10/01/08 – 09/30/10	2-yr: Sept 2011	2-yr rate (25%)
		3-yr: 10/01/08 – 09/30/11	3-yr: Sept 2012	3-yr rate (30%)
2010	10/01/09 – 09/30/10	2-yr: 10/01/09 – 09/30/11	2-yr: Sept 2012	2-yr rate (25%)
		3-yr: 10/01/09 – 09/30/12	3-yr: Sept 2013	3-yr rate (30%)
2011	10/01/10 – 09/30/11	2-yr: 10/01/10 – 09/30/12	2-yr: Sept 2013	2-yr rate (25%)
		3-yr: 10/01/10 – 09/30/13	3-yr: Sept 2014	3-yr rate (30%)
2012	10/01/11 – 09/30/12	3-yr: 10/01/11 – 09/30/14	3-yr: Sept 2015	3-yr rate (30%)

*continued from page 4*

the simple things will be the most meaningful.

**Emotional:** Our student stories often moved me to tears. It seems for some students, life is one strange challenge after another. As a single mom, Tracey already balanced work, school and family life, but then she discovered she was pregnant, her grandmother suffered a debilitating stroke, her parents were chronically ill, her brother was murdered, and her child was diagnosed with special needs. Under stress, she openly received the help of her school and the Foundation; her resiliency eventually pulled it all back together. She graduated and is now helping others navigate life. Some students are just amazing! We can all be proud that we have made a difference in people's lives.

**Good Stewards:** Managing our resources and following policies. Watching the office budget, as well as student budgets, checking on the appropriateness of requests for additional funds, setting limits, and reviewing transcripts to be sure students were using the funds to earn a degree, are all a part of the job. Early in my Ford career, I reviewed a few transcripts and I found one of the most popular student leaders on a community college campus was only taking dance and PE courses. Needless to say, in a meeting with me and her financial aid officer, life changed – our funding was for pursuing a four-year degree and she didn't want to move on. We can't convince them all, but we learn from these experiences, and better entrance counseling results.

**Advocates:** Anyone should be able to access higher education. Having worked with some inspiring high school students who had turned their lives around, then director, Bart Howard, and I kept presenting the board with ideas for a scholarship program for non-traditional students who wanted

to "start or start over." After careful consideration, they approved the ReStart Scholarship Program, full of inspiring stories.

For instance, Becky, a teacher's aide, who felt she was making a difference in her community, but she wanted to be in charge of her own classroom and increase her earning power. She could not afford to go to college full time so she took one class at a time. The Foundation's ReStart program was the answer—she could become full-time student. It's difficult being an older student on campus and adjusting to a new life with school, work, and family was not easy, but Becky, with guidance and patience,

***"We can all be proud that we have made a difference in people's lives."***

eventually finished her undergrad and MAT and is teaching in Douglas County. She has helped us select new recipients and continues to do outreach in her community.

Not all students are four-year school bound. Ernest was married and had two children when he earned his GED. He wanted to further his education and applied as a ReStart Scholar. He had a difficult time navigating the waters of financial aid and community college, but after a few stops and starts, he eventually earned his Diesel Mechanic's degree. There is nothing more moving than having a full grown man tear-up when he proudly presents his diploma and thanks us for sticking with him. He is now gainfully employed in a job he loves.

**Encouraging:** Helping others see value in our programs and

people. Many of you have volunteered to help Ford with the yearly selection of new Ford scholarship recipients. You add value and strength to our team and I am so grateful, you made my job so much easier. The Ford Family Foundation Scholarship Programs change the lives of recipients and your involvement with our programs has a direct impact on those outcomes.

Many words and qualities come to mind when I think about those involved with OASFAA. I cherish the time spent learning more about you at OASFAA Conferences (even in the lounge at Salishan), assisting with workshops, and during campus visits. You are an over-worked, under-appreciated, group of professionals, *but you love what you do, that's the key, the driving force.* You have welcomed me, inspired me, and I have learned a great deal.

As I transition from paid counselor back to the volunteer world, I still aspire to further students' education. I'll also spend more time with my grandkids, improve my golf game, ride my horse, and travel. I know you all will continue to serve our state with the vim, vigor, and caring hearts of all financial aid professionals.

Please stay in touch! Email: [barbgriesel@gmail.com](mailto:barbgriesel@gmail.com)

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*continued from page 11*

*Do you have any advice for your fellow financial aid administrators?*

Enjoy what you do! Don't burn out!

*If you were not in financial aid, what would you be doing now?*

I cannot imagine working in another profession, so if I didn't have to work, I most definitely would be spending more time with my grandchildren and traveling with my spouse.

continued from page 12

### Action steps

A school can take actions now to make a difference in its future CDRs. Here are just a few examples of steps that a school can take. First, a school can beef up the frequency and accuracy of its enrollment reporting. Second, a school can increase its outreach to students at risk of withdrawing from school, which may prevent those students from completing their programs of study and, in turn, from being able to repay their student loans. Third, a school can educate its students on the potential pitfalls of loans with multiple loan holders and the importance of communicating with those holders to stay on track in repayment. Finally, a school can enhance its entrance and exit counseling sessions with “add-ons” beyond regulatory requirements, and consider offering or enhancing a financial literacy program for its students.

ED issued additional default management practice guidance for schools (including a sample default management plan) in Dear Colleague Letter GEN-05-14 (released in 2005), available on the Information for Financial Aid Professionals (IFAP) Web site: [www.ifap.ed.gov/dpccletters/GEN0514.html](http://www.ifap.ed.gov/dpccletters/GEN0514.html).

## On the OASFAA Calendar

May 27	Executive Council meeting
June 30	Next OASFAA Newsletter deadline
Sept 30	OASFAA Newsletter deadline
Dec 15	OASFAA Newsletter deadline

## On the Lighter Side

I had a student who waited 20 minutes in our Financial Aid line to pick up a check. He came to me very upset that he didn't have a check after that long wait. I found that he had never even applied for financial aid, nor was he an admitted student on our campus. I asked him why he thought he had a check coming. He said he was in a Ceramics class and a student mentioned that financial aid checks were ready. With a straight face, he very seriously told me that he had heard that Obama was giving out stimulus money, so he went to wait in line to pick up his.



I told him if that were the case, I would have been in line, too.

*Share your amusing or surprising financial aid anecdotes with people who understand. To protect the innocent, we will not publish the names of contributors or their institutions!*

*Simply email: [susan.shogren@nelaservices.net](mailto:susan.shogren@nelaservices.net)*

## In Closing... Starfish

A little boy came across a beach that had thousands of starfish that had washed ashore. He began to throw them back into the ocean one by one. An adult came along and told him that there were too many starfish so he wasn't going to make a difference. The little boy picked up a starfish and threw it back into the ocean. He said to the adult: "I made a difference to that one." He threw another back into the ocean, and he said: "I made a difference to that one."

What we do seems so small sometimes, but we try the best we can to make a difference... one "starfish" at a time.

~ as told by John D. Marvin, Haiti Volunteer

