



SUMMER 2002

The Newsletter for Financial Aid Administrators in North Carolina

**EARLY AWARENESS
PROGRAMS HELP STUDENTS
REACH COLLEGE**

**The National Association of Student
Financial Aid Administrators (NASFAA) and
The Education Resources Institute (TERI)
announce new Web site
to assist early awareness program
administrators**

Washington, D.C. (May 8, 2002) – The best time to have a positive impact on children is when they are young. That’s why the National Association of Student Financial Aid Administrators (NASFAA) and The Education Resources Institute (TERI) have launched a

new Web site to assist counselors, community leaders, and financial aid and admissions professionals with an interest in helping youth and their parents understand the benefits of going to college. “The ABCs of Early Awareness: A Resource Guide and Toolkit for Helping Students Achieve a Higher Education” is available to the public at <http://www.nasfaa.org/ABCs.asp>.

Early awareness programs can impact and change the lives of students who may not otherwise consider college an option. When college is not part of young students’ mindsets, they arrive at their junior or senior year of high school only to find that they have not met college admissions requirements, or they feel unable to afford an education beyond high school – they don’t know that financial assistance is available.

INSIDE THIS ISSUE

- 4 SASFAA 2003 Proposed Session Request Form
- 5 Q and A on Teacher Loan Forgiveness
- 8 NCSEAA News

Fortunately, there has been an awakening to these issues in recent years, and an increasing number of schools and organizations have initiated activities to promote early awareness. “The ABC’s of Early Awareness,” located on the NASFAA Web site, provides step-by-step instructions to help program organizers:

- Identify the right program for the target age group,
- Plan activities,
- Address budget constraints,
- Implement the program, and
- Evaluate the program’s success.

The site also includes information and links to:

- NASFAA’s “Financial Aid Night” Web page, a complete slide presentation and script for presenting financial aid programs and application procedures;
- TERI’s College Access Resources, including the Higher Education Access Resources (HEAR) database with more than 175 programs that promote college attendance among first-generation and low-income students;
- A guide to planning a “Carnival of Learning” event, a motivational activity for students in the elementary grades; and
- An extensive bibliography of Web- and print-based early awareness resources.

NASFAA and TERI have collaborated on a number of early awareness activities since the late 1980s. “The ABCs” was created by financial aid and admissions professionals, primary and secondary school administrators, and representatives from community-based organizations.

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The National Association of Student Financial Aid Administrators (NASFAA) is a nonprofit membership organization that represents more than 10,000 financial aid professionals at more than 3,000 colleges, universities, and career schools across the country. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis, and training for financial aid administrators. Each year, members help more than 8 million students receive funding for postsecondary education. For additional information visit www.NASFAA.org or call (202) 785-0453.

The Education Resources Institute (TERI) is a Boston, Massachusetts based non-profit organization. Founded in 1985, it is a provider of education information and finance services. TERI has assisted hundreds of thousands of students and families achieve their education goals. Education loans guaranteed by TERI are available for undergraduate, graduate and part-time students. For additional information please visit TERI on the web at TERI.org or call (800) 255-TERI (8374).

FINANCIAL AID PEER REVIEW PROGRAM TAKES OFF, AGAIN

Washington, D.C. (May 16, 2002) – The National Association of Student Financial Aid Administrators (NASFAA) is pleased to introduce SOE Modular Reviews, an extension of NASFAA's Standards of Excellence (SOE) Review Program.

SOE is an objective, confidential peer review program that assesses an institution's delivery of financial aid. Now in its third successful year, SOE has been embraced by institutions across the country. To date, 26 institutions have undergone a full SOE review.

SOE Modular Reviews were created in direct response to the large number of institutions that face tight budgets and cannot afford a full SOE review yet are committed to the effective and accurate administration of the student aid programs. SOE Modular Reviews allow institutions to choose which area of the aid office to review, based on their needs and budget.

There are seven new SOE Modular Reviews to choose from, including:

- Financial Aid Application Process
- Communications
- Human Resources & Facilities
- Technology
- Strategic Planning & Oversight
- Title IV Compliance
- Customer Service

To participate in an SOE review, please complete the application form located on the SOE web site at www.NASFAA.org/SOE.asp. For questions or more information, contact Vernetta Fairly, program director, at 202-785-0453 x 141 or fairleyv@nasfaa.org.

The National Association of Student Financial Aid Administrators (NASFAA) is a nonprofit membership organization that represents more than 10,000 financial aid professionals at nearly 3,000 colleges, universities and career schools across the country. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis and professional development for financial aid administrators. Each year, members help more than 8 million students receive funding for postsecondary education.

SASFAA 2003 ANNUAL CONFERENCE
Adam's Mark Hotel, Jacksonville, Florida
February 23-26, 2003

Greetings Colleagues! As part of the SASFAA 2003 Annual Conference, we would like to offer approximately 40-50 Interest Sessions covering many topics of interest to our membership. At this time, we are making our initial request for session topics and/or presenters.

If you would like to see a particular topic covered at the conference, please list it below. If you have seen a session at another conference and think it would be of benefit to our membership, please list the session along with the presenter(s). If you would like to present at the conference, please list your topic and co-presenters, if applicable, on the form below. This is your conference, so let's hear from you!

Janet Sain, 2003 Conference Chair

Topics I would like to see presented:

Session(s) I have seen at other conferences that may be of benefit to others (please include presenter(s)):

Session I am submitting for consideration:

Topic/Title: _____

Session

Description: _____

Presenter(s) Include

Name/Address/Phone/Email: _____

Fax form to (336) 664-0801 or email to jsain@ecpi.edu by July 31 for 1st round consideration and Sept. 30 for 2nd round consideration

TG Answers Your Questions about the Teacher Loan Forgiveness Program

by Sarah Perry, TG

Can you believe the Teacher Loan Forgiveness Program (TLFP) has been in effect for almost a year now?

Those who are eligible for the TLFP are entitled to receive forgiveness of up to \$5,000 of their Federal Stafford, Direct, and in some cases, Consolidation loans. Since July 2001, TG Customer Assistance has been processing applications for individuals who meet all requirements of the program. As of April 30, 2002, Customer Assistance has approved applications for thirty borrowers with a cumulative discharge amount of \$142,806.61.

Here are some frequently asked questions and answers that clarify some of the details about the Teacher Loan Forgiveness Program.

Q: Why do only new borrowers who took out their first FFELP or Direct loan on or after October 1, 1998, qualify for forgiveness?

A: Experts predict that current teacher shortages in the United States will get even worse in the future. Therefore, Congress created this program in the 1998 Reauthorization of the Higher Education Act to encourage new people to enter and continue working in the teaching profession.

Q: Can a borrower who took out his or her first Stafford loan before October 1, 1998, but who consolidates his or her loans on or after October 1, 1998, qualify for teacher loan forgiveness?

A: No. According to the teacher loan forgiveness regulations, a borrower must have taken out his or her first FFELP or Direct loan on or after October 1, 1998, to qualify for forgiveness under the Teacher Loan Forgiveness Program. Since the borrower took out his or her first FFELP loan before October 1, 1998, he or she does not meet the criteria for forgiveness..

Q: If a borrower makes payments on his or her qualifying loans and the outstanding balance is less than \$5,000 at the end of the five years of teaching service, can any money already paid be refunded to the borrower?

A: No. The forgiveness applies only to any outstanding balance at the end of the five-year period of qualifying service.

Q: Is there a web site that lists all of the Title I schools at which a borrower could teach to be eligible for teacher loan forgiveness?

A: Yes. The web site is located at:

<http://www.ed.gov/offices/OSFAP/Students/repayment/teachers/perkins.html>.

The list of qualifying schools changes each year, however, and a school may be considered "low-income" one year but not the next. (Note: Although the web site listed is titled "Perkins Loan Cancellation," the qualifying schools for teacher loan forgiveness are the same under both the Perkins and Stafford Loan Programs.)

Q: If a borrower teaches full time during his or her first year at a school designated as Title I and the school fails to meet those requirements in subsequent years, would the borrower still qualify for forgiveness if he or she taught there for the next four years?

A: Yes. If the school is eligible for one year of the borrower's teaching service, any subsequent years will count toward the borrower's qualifying service.

Q: If a borrower teaches full time for four years at a school that is not eligible for Title I funding and in his or her fifth year of teaching service the school is designated as Title I, would the first four years of teaching service be counted toward the five-year requirement?

A: No. The school must be designated as Title I first and then the five-year clock begins.

Q: Who should a borrower contact about postponing his or her payments (i.e., obtaining a forbearance) while completing the required five years of teaching service?

A: The borrower should contact his or her lender(s). The borrower should also keep in mind that the lender grants a forbearance only if the lender believes that the forgiveness amount will pay the borrower's loan in full.

Q: If a borrower has several loans, one of which the lender expects will be paid in full by forgiveness at the end of the fifth year of teaching service, may the borrower receive a forbearance on just that one loan?

A: Yes, the lender may grant a forbearance on just one loan. The borrower continues to make payments on his or her other outstanding loans.

Q: If a borrower qualifies for teacher loan forgiveness, will the borrower's outstanding loan balance be forgiven?

A: The borrower's outstanding loan balance (principal and interest) will be forgiven up to \$5,000—if the borrower's outstanding balance is \$5,000 or less at the time of forgiveness, the account will be considered paid in full.

Q: Can a borrower in default qualify for teacher loan forgiveness?

A: A borrower is not eligible for teacher loan forgiveness on a defaulted loan unless the borrower has made satisfactory repayment arrangements to re-establish Title IV eligibility—that is, the borrower must have made six consecutive, full, on-time, voluntary monthly payments to the holder of the defaulted loan.

More Information

For information about required qualifications for the TLFP, call TG Customer Assistance at (800) 845-6267, or send an e-mail message to cust.assist@tgsic.org.

Sarah Perry is a National Account Representative with TG serving schools in North Carolina.. You can reach Sarah at (800) 252-9743, ext. 2502, or by e-mail at sarah.perry@tgsic.org. Additional information about TG can be found online at www.tgsic.org.

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MOVERS and SHAKERS

- Mary N. Little, Financial Aid Assistant at Richmond Community College graduated from Gardner-Webb University in May with a bachelor's degree in Business Administration.
- Friday, June 21, 2002 was Robin Henley's last day in the Financial Aid Office at CPCC . "It was great being apart of the CPCC family and I will miss you all. "

News from the Legislative Advisory Committee

I look forward to serving the members of NCASF AA this year as your Legislative Advisory Chair. One of the committee goals is to have a link on the NCASF AA website (under committees) that will be updated on a regular basis with important information for the financial aid community.

An important issue on the forefront now is the bill in congress, H.R. 4866 "The FED UP Higher Education Technical Amendments Act of 2002". Financial Aid professionals can contact their U.S. House representatives to urge a positive vote for H.R. 4866. This bill would permanently extend two provisions which currently expire September 30, 2002. These provisions allow schools with cohort default rates below 10% to waive the requirement that loan proceeds for first-year, first time borrowers be withheld for 30 days. It also allows these schools to disburse a loan in a single installment for any period of enrollment that is not more than 1 semester, trimester, quarter, or 4 months. Currently over 3,000 postsecondary institutions are eligible to use these provisions. There are other smaller changes in this bill.

Another important issue in the news now is the interest rate update on federal student loans. Stafford loans disbursed between July 1, 2002 and June 30, 2003 will have an in-school, grace period and deferment interest rate of 3.46% and the rate will be 4.06% during repayment. The PLUS loan will have an interest rate of 4.86%. These are history making low rates for educational loans.

I hope to keep the members of NCASF AA well informed over the next year and would appreciate any information that you may acquire which you think would benefit your colleagues.

Kim Bradshaw, FAO
Carolinas College of Health Sciences
kim.bradshaw@carolinashealthcare.org
704-355-8894

FAFSA Day Sites Sought

Submitted by: Elizabeth V. McDuffie

The third annual FAFSA Day is scheduled for February 15, 2003, and we are currently seeking institutions to host the event. We need sites all over North Carolina and prefer to use college campuses; however we will consider other sites as needed.

The responsibilities associated with hosting a FAFSA Day event include:

- One financial aid staff member to supervise and troubleshoot the event
- Reserving computer lab to use on the date
- Confirming that a technology staff person can be available or on stand-by if problems develop
- Informing campus officials such as security, facilities, or others of the event
- Sharing responsibility with SEAA for finding volunteers from nearby financial aid offices and high school counselors
- Publicizing the event through your public relations office in the local media (press release provided by SEAA)
- Placing directional signs provided by SEAA around campus
- Sending final attendance numbers and evaluations back to SEAA

Hosting FAFSA day is a rewarding experience and enables your local students to get free help completing their forms. College presidents and admissions offices (hint: good source of volunteers to assist with greeting visitors) love the positive exposure for the campus. Consider volunteering your campus to be a host site! To volunteer or ask questions, contact Robbie Schultz at robbie@ncseaa.edu or 800-700-1775, ext 686.

NCSEAA News

Submitted by: Elizabeth V. McDuffie

Golden LEAF Scholars

NCSEAA is pleased to announce that Golden LEAF scholarships have been offered to and accepted by 88 students planning to attend one of the 16 campuses of the University of North Carolina. Each scholarship is valued at \$2,500 and is non-renewable. A list of recipients was sent to each campus in mid-June and checks will be sent in late July.

Hats off to the faculty and staff at NCSU, NCCU, and FSU who wrote to potentially eligible students to make sure they were informed of the new scholarship. Those three campuses account for 56 of the recipients, with 40 of them attending NC State.

The weighted average GPA for the recipients is 3.907 and the average SAT is 1061.

Our thanks to all who helped spread the word about the Golden LEAF Scholars Program.

Teacher Assistant Scholarships

NCSEAA began administering the Teacher Assistant Scholarship just five months ago, and 235 assistants have received assistance for their 2001-2002 academic year! Each student received \$1,600 per semester that s/he was enrolled in at least six hours, including summer sessions.

Colleges with student recipients recently received a summary roster to double-check that no student received funds from more than one state teacher-preparedness program such as the Teacher Assistant Scholarship Loan (TASL) or the NC Model Teacher Education Consortium. Since the Teacher Assistant Scholarship (TASF) originated in the middle of the academic year, some of the teacher assistants had already received funding from other programs, but preferred the TASF since there is no repayment obligation. With the initial notification, we asked that the colleges return funds to one of the programs if the student was benefiting from more than one.

We do not anticipate that "double-dipping" will be an issue to monitor in future years since: (1) processing for TASF for 2002-03 is underway and notification will be sent to financial aid offices before the fall semester, around July 20th; and (2) DPI's TASL program is not open to students at 4-year institutions as of the 2002-03 academic year.

Finally, we anticipate the cycle for 2003-04 will begin earlier since we will not be squeezing two processing years into one 6-month period as occurred this year.

Collection of Prospective Teacher Scholarship/Loans and Teaching Fellows

NCSEAA has recently agreed to take responsibility for the cash repayments made to the Prospective Teacher Scholarship/Loan and Teaching Fellows program, which will become effective this summer upon passage of the bill in the Legislature. Individuals who are fulfilling their teaching obligations will continue being tracked by DPI or the Public School Forum of North Carolina, depending on the program from which they benefited. However, recipients who are not eligible for the service cancellation will be transferred to SEAA's Health, Education and Welfare division for collection. While this does not affect financial aid offices directly, we wanted you to be aware of the change, which was requested by the General Assembly as a budget reduction measure.



Dana D. Kelly
Newsletter Editor
High Point University
Office of Financial Aid
833 Montlieu Avenue
High Point, NC 27262

ADDRESS CORRECTION REQUESTED