



NOTEWORTHY NMAASFAA

VOLUME I, ISSUE I

MAY 2010

PRESIDENTIAL GREETINGS



Greetings to all NMAASFAA Members. This year is moving along so quickly that it is hard to keep up with things at the office and out of the office as well. The NMAASFAA Spring Conference in Roswell was such a big success. Those of you who could not attend missed a lot of timely and pertinent information about Year-Round Pell and Direct Lending. We also had sessions on Retention, Verification, and Professional Judgment. A session on the online Navajo Tribal Needs Analysis was also presented. Look for power points on these and other sessions that were part of the conference at www.nmasfaa.org.

The 2010 NMAASFAA Committees have been selected and they are also listed on the website. Thank you to those who volunteered to serve on a committee this year. It is such a privilege to serve on our state association and a good way to visit with old friends and meet new ones in the financial aid community. If you have not served on a NMAASFAA committee please consider giving some time to do so. You can still be added to a committee of your choice by completing a volunteer form for 2010 at www.nmasfaa.org.

As you may know NMAASFAA selects a charity in the city or town where the spring conference is held every year. We chose to give back to the Roswell community by supporting the Assurance Home this year. This is a home for neglected, abandoned or abused children where they receive love, care and encouragement for the future. If you would like to contribute to their work at any time check their website at www.assurancehome.org. I am sure they would appreciate your contribution.

Have a great summer and I hope you will have time for some summer fun.

Betty Dever

NMAASFAA President

TOP SECRETS REVEALED IN ROSWELL, NM

The 2010 Conference for NMAASFAA was a lot of fun! Sixty-seven participants learned the top secrets of financial aid and were able to relax in the evenings with entertainment by a local mariachi group. Read more inside about the conference, NMAASFAA, and more!



NMASFAA BOARD

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FIND IT ONLINE

Presentations from NMASFAA Annual Conference are online at:

<http://nmasfaa.org/conference.htm>

NMASFAA Committee Members:

<http://nmasfaa.org/aboutus/NMASFAA%202010%20Committee%20Assignments.pdf>

NOMINATIONS FOR SWASFAA POSITIONS

SWASFAA is seeking nominations for:

President-Elect (3 year commitment)

New Mexico Delegate at Large (2 year term)

Please consider nominating yourself or a colleague

After consulting with eligible candidates, please submit their name(s) on the SWASFAA website at http://www.swasfaa.org/docs/forms/off_nom.html by June 30, 2010.

2010 CONFERENCE COMMITTEE

A special thank you goes to the Conference Committee members who made the 2010 conference memorable and educational. Thank you to:

- Jessie Sjue, ENMU Roswell
- Ana Bhakta, ENMU Roswell
- Betty Dever, ENMU
- Jan Terry-Sanchez, ENMU
- Steve Flores, TGSLC
- Brenda Wagoner, NSLP
- Diana Campos, NMSU Carlsbad
- Gladys Chairez, NMSU Dona Ana Community College
- Marliss Monette NM Tech
- Amanda Hammer, Mesalands Community College



Socializing in Roswell, NM

For Your Information:
 NMASFAA Board Meeting
 July 19, Las Vegas, NM

ASSURANCE HOME RECIPIENT OF NMASFAA MEMBERS' GENEROSITY

"These children need stability in their lives and they need a place where they feel they belong."

Assurance Home is a private non-profit organization that opened its doors to abused and neglected children in 1979. This is a population of children who have been so hurt and so abused that they are unable to live successfully in family settings and often experience multiple placements in foster homes. These children need stability in their lives and they need a place where they feel they belong. Assurance Home exists in order to provide stable, loving guidance to these young people so they will have a strong chance of growing into happy and productive adults. Jean Snyder with Assurance Home gave a speech on the purpose of Assurance Home during the spring conference. Her words moved our membership; NMASFAA members donated \$400 along with \$50 worth of gift cards and two large boxes of miscellaneous supplies such as shampoos, conditioners, pillows, razors, etc. for the Assurance Home.

Ironic humor...



THREE YEAR COHORT DEFAULT RATES

By Steve Flores, TG Senior Regional Account Executive

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 chart on page 5 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 3-yr: 10/01/08 - 09/30/11	2-yr: Sept 2011 3-yr: Sept 2012	2-yr rate (25%) 3-yr rate (30%)
2010	10/01/09 - 09/30/10	2-yr: 10/01/09 - 09/30/11 3-yr: 10/01/09 - 09/30/12	2-yr: Sept 2012 3-yr: Sept 2013	2-yr rate (25%) 3-yr rate (30%)
2011	10/01/10 - 09/30/11	2-yr: 10/01/10 - 09/30/12 3-yr: 10/01/10 - 09/30/13	2-yr: Sept 2013 3-yr: Sept 2014	2-yr rate (25%) 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%)

“...a school can educate its students on the potential pitfalls of loans with multiple loan holders...”

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 at <http://www.ifap.ed.gov/dpccletters/GEN0514.html>.

Steve Flores is a senior regional account executive with TG serving schools in NMAAFAA. You can reach Steve at (800) 252-9743, ext. 4510, or by e-mail at steve.flores@tgscl.org. Additional information about TG can be found online at www.tgscl.org.



Mark your calendars for the 2010 Annual SWASFAA Conference in New Orleans, December 15-17, 2010.

WHAT'S HAPPENING IN YOUR SHOP?

If you have news about your office; promotions, retirements, or about members; marriages, births, or any other exciting events to share with the NMASFAA membership, please email Sara Elliott (selliott15@cnm.edu) to include this information (along with the school) and photos in the next Noteworthy NMASFAA Newsletter.



Malea Fowler (Central New Mexico Community College) and her husband, Josh welcomed their baby girl, Katherine Ann Fowler into the world on Sunday, April 4, 2010

The Noteworthy NMASFAA Newsletter is published for the benefit of members. Comments, ideas, articles and photos are always welcomed and can be emailed to Sara Elliott at selliott15@cnm.edu. Thank you to those who contributed: Betty Dever (ENMU), Jan Terry-Sanchez (ENMU), Steve Flores (TGSLC), Sara Elliott (CNM), Janell Valdez (UNM), Jessie Sjue (ENMUR) and Leticia Mendoza (CNM).

AN APPRECIATION FOR NEWS AND NUMBERS...

