



In-Line With LASFAA

Letter From The President

Fall 2006

December 6, 2006



Happy Holidays LASFAA,

LASFAA recovered with grace from one of the worst natural disasters in America's history. The fall conference offered help, hope and healing for us after a year without a conference.

Thank you 2005 - 2006

conference planning committee for a job well done!

As we enter this 2006 Holiday season, we all have a lot for which to be thankful.

We are thankful for...

- the students and families who continue to enroll at our institutions and provide inspiration, motivation and give us hope for a better tomorrow.
- the new Academic Competitiveness Grant and the National Smart Grant which will enable students across the country to benefit from the increased grant funding. For years, we have accepted the challenge of implementing new aid programs, rules and regulations. Let's keep our dialogue open and our creativity going as we implement these new programs.
- the HERA ACT which increased the loan limits to help students in need fund the gap in their college expenses.

- Our corporate sponsors. We appreciate your generosity and continued support.

Louisiana is now taking the first steps in initiating a need-based aid program for our students. We are thankful that our low-income students will finally be able to eliminate one of the barriers to obtaining a higher education, college financing. While we might not all agree on how to fund the program, deep down, we are always trying to identify additional resources for our students. It will take the creativity of our financial aid community, our advisory committee, state organizations and the support of the citizens of Louisiana to fully fund a need-based aid program in a manner that will promote greater access to higher education.

In the upcoming year, with much work to be done, LASFAA will continue to move in the direction that will benefit our students, families and association members. I will be forever thankful for the many volunteers who have accepted the challenge to continue the work to keep our association strong.

Through tests, trials, turmoil, and togetherness, we made it in 2006. Thank you LASFAA! Have a safe and blessed holiday season.

Cynthia Thornton

More Training

The National Association of Student Financial Aid Administrators (NASFAA) is offering classes on the following topics:

- FA 101 – Overview of the SFA Programs
- FA 102 – Application processing
- FA 103 – Cost of Attendance
- FA 104 – Need Analysis



These classes begin the first of each month. Please log onto www.LearnStudentAid.org for more information and/or to register.

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Thank you to our LASFAA Sponsors!

Submitted by Rebecca Vessel, KeyBank, 2006 Corporate Sponsorship Chair.

What a conference LASFAA had! The 2006 corporate sponsors pulled through for another successful year pledging \$72,200. In addition, the allocation of \$41,100 from 2005 sponsorship funds allowed LASFAA to pay hotel expenses for several members. This was a great help to many due to recent budget cuts. Below are your 2006 sponsors.

Platinum Level (\$5000+)

Capital One*	Chase*
Edfinancial Services	Nelnet*
LELA*	AmSouth*
Sallie Mae Brand Lenders*	
AMS*	
Nellie Mae*	
Southwest Student Services Corp.*	
Sallie Mae Education Trust*	

Titanium Level (\$2500-\$4999)

Citibank*	Regions Bank*
BancorpSouth*	Wachovia*
Edamerica*	

Gold Level (\$1500-\$2499)

NSLP*	TG*
OSLA	USAFunds*
MOHELA	ASA*
SunTrust*	

Silver Level (\$1000-\$1499)

PNC Bank*	National Education*
Student Capital Corp.*	American Education Services
Whitney Bank*	College Loan Corporation*

Bronze Level (\$500-\$999)

Campus Federal*	Student Loan Xpress
ELM	Indep. Federal Savings*
Wells Fargo*	KeyBank*
Campus Door*	EFSI
Commerce Bank	U.S. Education Finance Corp.
Hancock Bank	LOSFA*
NextStudent, Inc.	

*denotes those that permitted allocation of their 2005 sponsorship funds towards the 2006 conference.

On a personal note, I have enjoyed my past years as chair of corporate sponsorship and wish Sandy Livings-Veals the best next year. I would also like to thank Sigmund Morel and Danielle Lagneau; they so graciously donated their ideas and time to this committee for several years and I could not have done it without them. Being actively involved in LASFAA has opened many doors for me. I am grateful for that. I encourage everyone to volunteer their time and become involved in this great association.

###

LASFAA

Serving the students of Louisiana for 35 years.

LASFAA

c/o Sherry Gladney

P.O. Box 53016

Shreveport, LA 71135

Check www.lasfaa.org for updates

"In-Line with LASFAA" is produced by the Publications Committee:

Michael Amaloo – Chair

Kim Dudley

Michelle Dugas

Colette Lagarde

Jeff Massey

Mike Smith

Terry Martin (River Parishes Community College) took all of the LASFA pictures on page 9.

Up-Coming Publication Dates:

Spring Issue (May, 2007)



It's Six Months After Graduation – Do You Know Where Your Students' Loans Are?

Submitted by Steve Greenough, ASA



For many student loan borrowers, the consolidation repayment option offers convenience, a fixed interest rate, lower monthly payments, and a longer repayment term. And for many shouldering a heavier loan burden, like graduate students, or those with a high debt-to-income ratio, like social workers or

teachers, consolidation is the only way to successfully manage their debt. But what these students – and the financial aid professionals who help them – may not realize is that they could be consolidating their way right out of some very helpful repayment services.

Most students who borrow a Federal Family Education Loan Program have no idea what agency guaranteed their loan – or even what a guarantor does. And in the past, that was acceptable. After all, the guarantor's traditional role – to insure the education lender against the financial risks of default – typically meant that the student only encountered the guarantor as a collection agent when they failed to repay. Some guarantors do offer front-end origination and disbursement services, but unless students have an excellent memory of whose logo appeared on a loan application, or they keep meticulous records, a guarantor's name is usually forgotten after the student receives the loan funds.

So What's in a Guarantee?

A lot, it turns out. Not all FFELP guarantees are created equal. Guarantors, often thought of as being “backroom” and invisible to the student, are actually more pivotal – who guarantees the student loan really can make a difference in the borrower's ability to repay. For example, moving to a corporate culture and philosophy based on ensuring the financial “wellness” of borrowers has proven to be a successful strategy for FFELP guarantor American Student Assistance.

Since implementing a number of borrower

communications giving the right information at the right time, such as financial literacy and career help newsletters for recent grads and mailings for withdrawn students, ASA has seen its cohort default rate plummet to just 1.5 percent.

Consolidating Out of Wellness

College financial aid professionals, who dictate the choice of guarantor for their student populations, can and often do select a guarantor specifically for its repayment education and encouragement services. They can rest easy that the guarantor will be there for their students until the loans are paid back, right?

Not necessarily. When students request to consolidate multiple loans, the consolidating lender basically pays off all of the existing loans and creates one new loan. That one new consolidated loan still needs a guarantee, and lenders are free to assign portions of their consolidation portfolios to one or more guarantors, with no requirement that the original guarantor be retained. For students, this means the guarantor you start out with may not be the one you end up with post consolidation. So in essence, borrowers who start off in one guarantor's portfolio could consolidate immediately upon graduation and lose out on all the benefits of the original guarantee, which could mean an increased risk of default.

Not only are students unaware of what they're missing out on, but in many cases the financial aid office also isn't clear about the ramifications of consolidation. At a recent meeting of ASA's Wellness Advisory Council, a taskforce of industry professionals who help the organization develop new techniques in education debt management, some financial aid officers were surprised to hear how consolidation guarantees work.

“I always assumed that the guarantor I chose for my students would remain the same, regardless of whether they consolidated or not,” said Frank Lauder of Fisher College. “As financial aid professionals, we're there to guide students and watch out for their best interests. If I select a particular guarantor because I think it has the most to offer my students, it's upsetting to know I have no long-term control over that decision.”

[Continued on Page 4.](#)

Decentralized Training

Submitted by Denise Spellman, 2006-2007 Training Committee Chair



Decentralized Training was held on Monday, November 13, 2006 as a videoconference.

The trainers included Roslyn Pogue, Associate Director of Customer Service and Outreach at the University of Louisiana at Monroe; Jo Holland, Director of Financial Aid at Henderson State University in Arkadelphia, AR and Carla Smith,



Associate Vice President for Student Financial Services for University of Arkansas System.



The trainers presented on the process and changes associated with "Verification".

This conference was well



attended with 97 pre-registered members. The training reached nine (9) sites across Louisiana with LSU Health Science Center – Shreveport serving

as the video feeder site.

I wish to thank our presenters for a job well done and extend accolades to each host institution for volunteering their site –

allowing our members to receive the vital information that was presented. Also, I wish to extend my



appreciation to Cedric Banks at the Board of Regents for his assistance with technical support allowing all sites to receive video connection.

Additionally, I wish to thank the training committee members for their assistance in executing the necessary arrangements for Decentralized Training. ###



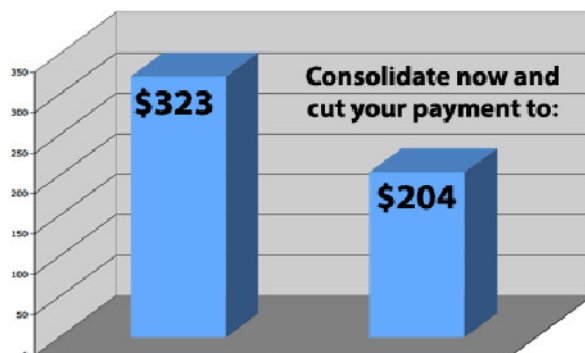
Consolidation

continued from page 3

A Solution?

Can financial aid professionals influence the choice of guarantor for their students' consolidated loans? Yes and no, says F. Duane Quinn, Director of Wellness Outreach for ASA

"Financial aid and loan officers can have a discussion with their preferred lenders about what happens



to their students' loans after consolidation," Quinn confirms. "However, what muddies the waters even more is the fact that, at some lenders, consolidation volume is handled by a completely separate division from loan origination. So the lender sales representative that the financial aid office has as its contact may have no control over the consolidation process. But it certainly doesn't hurt for the financial aid officer to ask what happens to their students' loans should they opt to consolidate." ###

Even without the lure of a lower fixed interest rate, consolidation promises to be an attractive repayment option for years to come. Financial aid professionals should be prepared to give their customers all the facts so they can make a well-informed decision. If you would like to learn more about consolidation, visit www.amsa.com or contact ASA's Louisiana regional account executive Steve Greenough at sgreenough@amsa.com.

2005-2006 LASFAA Award Winners

Submitted by Alvina Thomas

The Man, Woman, and Associate of the year award recipients are selected based on their contribution to the association for the year. The 2006 recipients are as follows:

Man of the Year – Sigmund Morel –
LOSFA (former Delegate at Large) and
LASFAA board member.

Woman of the Year – Kim Dudley – River
Parishes Community College, 2005-2006
LASFAA Executive Secretary and Board
Member

Associate of the Year – Paige Hendricks,
– EdAmerica, 2005-2006 LASFAA
Lender Co-Op Chair and Board Member

The Committee of the Year is a new award that recognizes the committee that has worked together for the advancement of the association. The 2006 recipient is the Diversity and Professional Development Committee. Chair, Sharron Robinson, ULM Members: Teri Smith, ULM; Kay Harper-Hayes, Delta Community College; Carlos Ayestas', Citibank The committee worked together to create a LASFAA bookmark that was sent to all the Louisiana Guidance Counselors in the state. The wording

on the bookmark reflected a message of diversity and financial aid early awareness.

The Rookie of the Year Award is awarded to an individual who has been in the financial aid profession 0-3 years and has helped to advance the association through their service.



The 2006 recipient is Gloria George from Grambling State University. She is the 2005-2006 LASFAA Financial Aid Awareness Chair and member of the board.

The Lifetime Achievement Award is presented to the individual who has given service to LASFAA unselfishly and advanced the association.

Gil Gilson was presented with this award. Gil has served LASFAA in many different capacities. He served as the association Treasurer for fifteen years. He was instrumental in assisting our website and our online membership directory, Memberclicks. He helped to set-up video conferences for training. Basically, Gil is one of the trailblazers that has moved LASFAA to higher heights.

Congratulations to all the 2006 award recipients!!!

###

LASFAA Spring - 2007 Conference



Hilton
Lafayette
Towers
March 15-16,
2007



Credit 101: A Pre-requisite to a Healthy Financial Future

Submitted by Rebecca Vessel, Relationship Manager, Key Education Resources



You have probably heard warnings about college students and credit cards – carefree undergrads racking up thousands of dollars in bills and graduating with credit

card debt piled on top of their school loans. In 2005, the average college graduate began his or her career with \$17,000 to \$20,000 in student loan debt and \$3,000 in credit card debt. While there are dangers involved with credit, the benefits of establishing good credit early far outweigh the risks – when it is used responsibly.

College students need to think of credit as their financial reputation. It goes beyond swiping a credit card at the mall. Credit cards, car loans and mortgage payments (when students get there) all factor in. So why is credit important?

Building a strong financial future and developing credit history is as important to early success as landing a good job. Just about everything students will want to do with their life after graduation will involve credit – from buying a car, to renting an apartment, to obtaining insurance. Potential employers may even look at credit when they apply for a job! The good news is the best time to establish and build good credit is in college.

The easiest way to build good credit history is through responsible use of credit cards. It's no surprise that irresponsible use of credit is a growing problem among college students. But what you may not know is that having no credit history is almost as bad as having bad credit history. According to the Fair Isaac Corp., there are more than 50 million people with little or no credit history to their name, severely limiting their ability to obtain competitive rates on credit cards, car loans and mortgages.

Building good credit history takes time. Students that begin while they are still in college have a head start, putting them well ahead of the curve for those big post-graduation purchases. The first step is finding the

right credit card. Like a good term paper, this process starts with research. Students need to dig into the details of those offers they receive in the mail or find information online (www.cardweb.com is a good place to start). They should pay attention to the annual fee, the APR (annual percentage rate) and any finance charges. Most issuers offer a student card with no annual fee and a low introductory APR. Finding a card that fits, using it regularly and, most importantly, paying off the balance in full and on time every month will go a long way in establishing good credit.



IDENTIFYING INFORMATION	
NAME	John Doe
ADDRESS	123 Main St, Anytown, CA 90210
PHONE	(555) 123-4567
DOB	01/01/1980

CREDIT HISTORY				
ACCOUNT	TYPE	STATUS	DATE OPENED	DATE CLOSED
123456789	CC	Open	01/01/2005	
987654321	CC	Open	03/15/2006	
567890123	CC	Open	07/01/2007	
234567890	CC	Open	09/01/2008	
012345678	CC	Open	11/01/2009	

PUBLIC RECORDS - COLLECTION ITEMS		
TYPE	DATE	AMOUNT
None		

Some other credit card tips for college students:

- Most card protection and credit insurance plans are not worth it. A cardholder is only responsible for \$50 if the card is used for fraudulent charges.
- Pay the bill as soon as it arrives so as not to forget about it. Late payments often result in penalty fees and higher interest rates.
- Don't be afraid to call the credit card company and change the monthly due date. If the credit card payment is due at the end of the month along with a car payment and apartment rent, call and ask to have the due date moved up.
- Get the exact card applied for. Some companies will offer one card with great perks, then send another if qualifications aren't met.
- Never take cash advances. Advances mean paying a fee on the amount as well as interest rates that are often higher than regular purchases.
- Only charge what can be paid off – and do so every month.
- A credit card should be treated like a bill, not a loan.
- Never pay just the minimum – minimum payments mean paying what is owed over and over in fees and interest.
- Make sure everything is correct when the new credit card statement arrives. Check the due date. Look at the new charges and match everything with current receipts. And, make sure the last payment was recorded correctly.

[Continued on Page 7.](#)

First Annual LASFAA Scholarship Golf

Tournament

Submitted by Chris Martin, SunTrust



LASFAA held its 1st Annual Scholarship Golf Tournament prior to the 2006 Fall Conference this year at the Contraband Bayou Golf Club. The event proved to be a huge

success thanks to our generous sponsors and we raised over \$2000.00 for the LASFAA Scholarship Fund.

Jolie Howard and Maurice Benson with Wells Fargo took home the prize for first place and we had numerous other winners during the daylong event. Hopefully, we can continue to hold this event each year and it will get bigger and better.

Again, special thanks to the following lenders for their support and participation. ###

AmSouth Bank	LELA
Capitol One Bank	Nellie Mae
Chase Bank	Sallie Mae
Citibank	SunTrust
EdAmerica	Student Capitol Corporation
EdFinancial	U.S. Education Finance Corp
Key Bank	Wells Fargo

Golf
Tournament
Committee:
Paige
Hendricks,
Jonathan
Barnes &
Chris Martin



Credit

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Once students have begun to establish credit history, they'll want to keep track of it. Everything related to credit is recorded on a credit report which is used to calculate credit score, the most important financial number anyone has. This number is the biggest factor in determining if they will be approved for a car or home loan and what interest rate they will receive. That's why it's essential to make sure the information on the credit report is accurate – even while students are in college. By law everyone is entitled to one free credit report per year, so take advantage. The Federal Trade Commission recommends using www.annualcreditreport.com.



Credit score is calculated from the information on the credit report, including:

- Bills – Are they paid on time? Are they paid in full? Late or minimum payments will lower one's score.
- Debt – How much is owed? How much credit is available? Carrying balances month to month and maxing out credit cards can drag scores down.
- History – For how long has credit been established?

How long have accounts been open? The longer a credit card account has been open, the better. So don't close a long-time account to open a new one; it will shorten credit history.

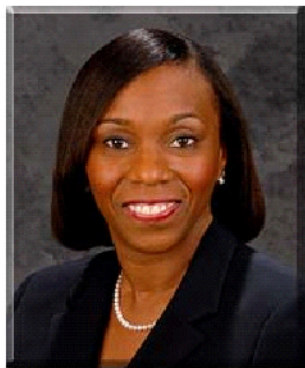
- Other accounts – Are there additional accounts such as mortgages or car loans? Other forms of credit, provided they are in good standing, boost credit scores.
- New credit – Have several new accounts been opened lately? A number of new account openings can hurt one's credit score.

A student's credit is important, so encourage them not to wait until after graduation to work on it. With a little effort now, they can lay the groundwork for a solid financial future. ###

About the author. Rebecca Vessel is a Relationship Manager for Louisiana and Arkansas. She joined the KeyBank team in March of 2006. Prior to joining KeyBank, she was a Financial Aid Counselor at The University of Louisiana at Lafayette. In business for more than 50 years, Key Education Resources provides federal education loans, private loans, monthly payment plans and education consolidation loans for students and families in K-12, undergraduate, graduate and professional education institutions. For more information, contact Rebecca Vessel at 337-349-0568 or Rebecca.L.Vessel@keybank.com or visit www.Key.com/education.

2006 - 2007 LASFAA Executive Board

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Director of Financial Aid
Dillard University

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Rouge

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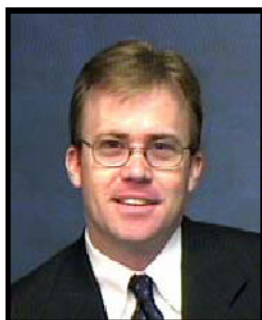
Executive Secretary



Roslynn Pogue
Associate Director of Customer
Service & Outreach
University of Louisiana at Monroe

2006/2008 DELEGATE-AT-LARGE

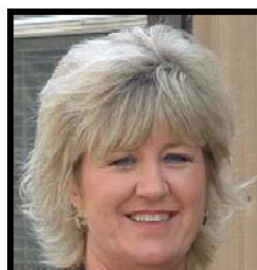
Associate Members



Chris Martin
Assistant Vice President
SunTrust Education Loans

2006/2008 DELEGATE-AT-LARGE

**Community & Technical College
System**



Vickie Temple
Director of Student Financial Aid
Bossier Parish Community College

2006/2008 DELEGATE-AT-LARGE

Graduate and Professional Schools



Nadine Lewis
Assistant Director
Loyola University

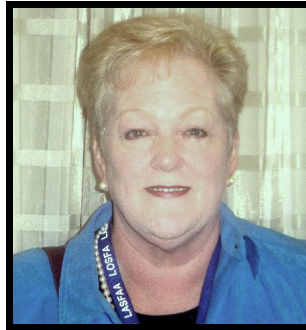
2006 - 2007 LASFAA Executive Board (continued)

2006/2008 DELEGATE-AT-LARGE
Louisiana State University



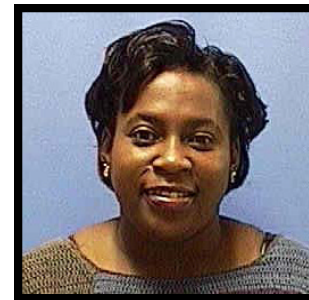
Jacqueline Lachapelle
Director of Financial Aid
Louisiana State University System

2006/2008 DELEGATE-AT-LARGE
Proprietary Schools



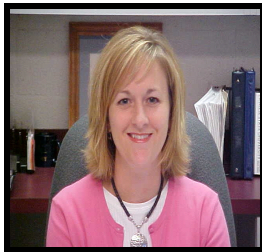
Connie Roubique
Director of Student Financial Aid
ITI Technical College - Baton Rouge

2006/2008 DELEGATE-AT-LARGE
Southern School System



Jovanna L. Mack
Interim Director,
Student Financial Aid
Southern University - Shreveport

2006/2008 DELEGATE-AT-LARGE
University of Louisiana System



Shannon Guillory
Associate Director
McNeese State University

2006/2008 DELEGATE-AT-LARGE
LAICU System

No Picture Available

VACANT

LASFAA Transitions to a New State-wide

lender

Submitted by Cynthia Thornton,
LASFAA President

LASFAA is in transition!

In May, the Board accepted the recommendation of the newly established Finance Committee to transition our checking and savings accounts to a new state-wide lender. The association has chosen Chase Bank as our new banking institution.



Sherry Gladney, Treasurer; Mary Parker, President-Elect and Cynthia Thornton, President opened the new account on October 27, 2006 immediately following the fall conference.

This move is also consistent with our new Long Range Disaster Plan presented at the October Board meeting.

###

"LASFAA - Paving the Way to Student Success"

Our Conference in Pictures...



Student Debt as a Mortgage

Submitted by EdFund Communications Department



Student loan payments are increasingly being viewed in the same light as mortgages. In recent news articles financial experts maintain that a major commitment to paying off

college debt can affect an individual's ability to buy a home or save for retirement or a child's education.

A recent article in the Pittsburgh Post-Gazette, *Graduates' Dilemma: Living in Shadow of Debt*, reported that when students and graduates consolidate their loans, borrowers also take advantage of the offer to extend the payment period of their loans. Instead of just a 10-year payoff term they opt for one of 20, 25 or even 30 years. Borrowers are attracted by the lower monthly payments but for a much longer term — making their loan more like a mortgage.

According to the article, on a \$20,000 federal loan at 4.75 percent interest:

- Over 10 years the payment would be \$210 a month
- Over 20 years the payment would be \$129 a month

However, the borrower would have to pay an additional \$5,800 for the extra 10 years in repayment

Student loan debt is becoming a concern over a longer period in a person's life. Increasing debt being paid off over a longer period might have serious consequences for graduates.

"We don't really know what effect this is going to have, financially and psychologically," said Robert Shireman, executive director of the Project on Student Debt in the Pittsburgh Post-Gazette article. "Paying off those student loans can be a signal to start saving for retirement, or start putting away money. We're pushing those off in the future and we're going to see different patterns."

A recent report further demonstrates that recent graduates are leaving school with unmanageable levels of debt, negatively impacting their post-college lives.

College Debt Crunch – The Long-Term Impact of Education Debt on College Graduates by Alliance Bernstein

Investments, polled 1,508 college graduates aged 21 to 35, making these observations about those graduating from college with debt:

- 34 percent say they have sold possessions to make ends meet
- 42 percent say they live "paycheck-to-paycheck"
- 27 percent say they delayed getting a medical or dental procedure
- 31 percent with outstanding college loans say Madonna will become a grandmother before their debt is paid off
- One-third of indebted graduates give parents a "D" or "F" for financial preparations
- Nine-in-10 say graduating without debt is a "big advantage in life" ###

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SEND LASFAA MAIL TO THE NEW ADDRESS:

REGULAR MAIL ADDRESS

LASFAA
C/O SHERRY GLADNEY
P.O. BOX 53016
SHREVEPORT, LA 71135

PACKAGES AND NEXT DAY MAIL:

SHERRY GLADNEY, LASFAA TREASURER
LSU HEALTH SCIENCES CENTER-SHREVEPORT
STUDENT FINANCIAL AID
1501 KINGS HIGHWAY
SHREVEPORT, LA 71130

We're moving 