

WFAA Newsletter

Winter 2009



“Bouncing Back...Moving Forward”

“Bouncing Back...Moving Forward” was the theme of the 2009 WFAA conference held at the SeaTac Marriott Hotel October 28-30, 2009. The theme reflects the significant changes in our profession and our members’ ability to address and respond to those changes. Our conference sessions and speakers addressed the challenges we face in our profession.

Over 230 were in attendance at the conference and the program provided a variety of sessions: sessions for those new to the profession, general information sessions, technical sessions, and sessions for the seasoned financial aid administrator. In addition to the traditional Wednesday through Friday conference, a one day registration was offered. This allowed institutions the option of sending staff members for one day for training when it is a busy time in Financial Aid Offices.

Along with attending sessions there were opportunities to connect with old and new

colleagues. The Newcomers’ Meeting with President Karen Driscoll and members of the Executive Committee had 35 in attendance. That must surely be a record! Members gathered poolside for the President’s Reception on Thursday night and were entertained by the Devin Lowe Trio from Bellevue College. The trio provided just the right atmosphere for conversation with friends after a full day of sessions.

The members of the conference committee listed here in alphabetical order (Janet Cantelon, Bridget Doran, Jordan Grant, Sherri Peterson, Suzanne Scheldt, Rachelle Sharpe, and Lisa Whitehead), were successful in providing a relevant program, great luncheon speakers, good food (that’s what the survey results indicate!), and adequate time for “financial aid discussions.”

Kay Lewis (conference co-chair) and I would like to thank all who participated in the conference. Please mark your calendars for WFAA

2010 to be held at the Vancouver Hilton, October 20-22, 2010.

Lana Walter & Kay Lewis
conference co-chairs

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WFAA Awards Presented at Fall Conference

Kathleen Koch, Past President



The Tim Henning Rookie of the Year award is designed to honor an “up and coming” member of the financial aid community with less than three years of experience. This year’s recipient was **Deidra Norgaard** from Clover Park Technical College. The honoree received free registration for the fall WFAA conference and a plaque of recognition.

Deidra has shown exceptional talent and dedication to the financial aid profession. She always takes the initiative to find out what she can do to help relieve others’ workloads. Simply performing duties is not enough for the honoree; she wants to know the history behind the processes and has ideas on how to streamline processes to save time. She is the type of financial aid employee that schools always hope for but rarely finds – someone who appears to be born to the profession and has the potential to go very far.

The Unsung Hero Award is to recognize a WFAA member who has demonstrated extraordinary commitment to Washington Students or WFAA by working quietly and without reward or recognition on committees, or working in his or her office or community above and beyond the requirements of the individual’s job. The award and plaque was given to **Rachelle Sharpe** from the Higher Education Coordinating Board.

Rachelle has always been a driving force at whatever she puts her efforts into and she has served many years on the WFAA EC and now lends her professional support to the Association. She generously volunteers her professional time to the financial aid community, her job, trainings, foster youth and family, combining service and dedication to all.

She is unflappable and polished and seems to have an endless store of knowledge regarding all things financial aid. She is approachable, friendly and fun to be with whatever the environment. She’s always quick to volunteer her efforts and support with WFAA.

The Distinguished Service Award recognizes a WFAA member who has demonstrated extraordinary

commitment to Washington students and WFAA by his or her outstanding contributions to the Association’s activities and the profession over a sustained period of time. **Rick Sinclair** from Interface College received the Distinguished Service award and plaque.

Rick is always willing to help and is very kind and considerate. He is dedicated to the success of the WFAA organization and has served on the WFAA Executive Committee for many, many years in several different roles including Treasurer (more than once), President, Fund Development, sector representative and has assisted with numerous conferences with registration and entertainment.

Rick has an infectious laugh. He works quietly and tirelessly behind the scenes year in and year out for WFAA.

The Committee of the Year Award recognizes a committee that has excelled in performance, resulting in a long-term positive impact on the Association. The committee is selected at the end of the year by the outgoing President. It was a very difficult decision. Every committee adds an important element to WFAA and the organization could not survive without any of the many outstanding committees. This year the award went to Electronic Services’ Chair **Jeff Lackey** from Sallie Mae.

This committee is an often overlooked, one person committee that works behind the scenes but is critical to WFAA. During my Presidency he was someone I worked closely with, especially at the start of my term. He was always very willing to help, has a great attitude and easy to work with. Although there is more to do, considerable progress has been made in revamping and updating our WFAA web page, which is always an on-going process. He is dedicated to WFAA and has served in several capacities over the years.

WFAA Needs YOU!

Young, old, newbie, seasoned, program specialist, director: WFAA needs you all!
By Rebecca Wonderly

I can't help thinking how much we could get done, with nobody being overworked or overwhelmed, if we each just did a little. No heroics, no great sacrifices ... just everybody working together to get things done. That said, I thought I'd try to do my part to do some myth-busting around reasons folks (including me) give for not volunteering. They go something like this: I can't volunteer because ...

... I'm brand new to financial aid. No wait ... you're PERFECT!!! Who better than someone with brand new eyes and brand new ideas to help us see things in a different light; to come up with creative approaches to the same old situations and challenges.

... I've been in financial aid forever. Yes you have and that means you have valuable experience, perspective and wisdom that we very much want to tap into. One of the very best volunteer experiences can be co-chairing with someone brand new to financial aid. They get your mentorship and you get their enthusiasm and creativity. It's just like apple pie and ice cream ... or peanut butter and jelly ... or sunshine and rainbows ... or ...

... I'm not a director. No you're not ... at least not yet ... and that's not a bad thing. Like all good relationships, each of us has a different strength to contribute and, working together, the whole truly can be greater than the sum of its parts. Program assistants and specialists and counselors who work on the front line in financial aid offices have valuable insights to share about things their directors may not know or knew once (many of us started out as work-study students) but have forgotten over time.

... I don't know anything about the committee or task. Know, schmow. What's to know? Well, okay, a little info would probably be helpful ... but if you don't have it, you can get it. You're a working financial aid professional. No one knows how to ferret out information better than you do! Ask folks who've done it. Don't know any of those? Call me ... Rebecca Wonderly, 206-296-5839) and ask. If you've been asked ... or are thinking about offering to ... chair a committee, ask to share the responsibility with an experienced co-chair. We'll happily oblige. And you don't have to start as a co-chair (although many brave souls have, bless their hearts). Instead, volunteer to be a committee member where you can learn the ropes at your own pace before you step up to chairing.

... You guys won't choose me anyway; I already tried. Well, you've got me there, darn it! But it won't happen again. Truth be told, we didn't choose anybody. Folks have been using the volunteer function on the WFAA web site but we haven't been downloading your choices which means ... you've got it: we didn't choose you. But we've got the list now and use it we surely will.



... It takes too much time. It could, but only if you let it. Volunteer smart: find out how much time the things that sound interesting to you will take and then volunteer for those that fit with the rest of your life. You don't have to start out as a committee chair. Many committees have lots of members. Don't be afraid to speak up about how much you can reasonably do ... and to say "no" when that's what you need to do. You talk ... we'll listen.

So, excuses aside, if you're ready to volunteer, it couldn't be easier:

- * Go to the WFAA web site ... www.wfaa.org
- * Click "Member Services" on the top menu bar
- * On the list on the screen that appears, click "Volunteer"
- * Enter your Username and Password
- * Click "Continue"
- * At the bottom of the "Update Profile" screen, click "Continue"
- * Use the three drop-down menus to select up to three volunteer interests
- * Click "Submit"

There!!! You've done it. See how good it feels? And you've no idea what a difference your active participation will make, not only for WFAA, but for your own professional growth. One of the very best reasons to volunteer is that it keeps you in contact with what's going on locally, statewide and nationally and with people in the know about important financial aid information and issues. It's a win-win ... a slam dunk ... a-hole-in-one .

Gotta go now! We need you. VOLUNTEER TODAY!!





the **WashBoard**.org
Smarter Scholarship Matches

The Washington Scholarship Coalition, comprised of the Washington Higher Education Coordinating Board (HECB), Independent Colleges of Washington (ICW), and other Washington State public and private partners, announces the launch theWashBoard.org. Free of cost for both students and providers, theWashBoard.org is a web-based scholarship clearinghouse that matches scholarship seekers with scholarship providers.

In Washington, there is currently no central location for scholarship information. This results in seeker frustration and decreased scholarship applicants; it also causes scholarship dollars to go unused or underutilized.

TheWashBoard.org makes scholarship searching simple. In one stop, students can search and apply for verified scholarships specific to their academic interests, college or university, or by other criteria. Unlike other search engines, theWashBoard.org only recommends scholarships for which a student is eligible. And it is advertising and spam-free.

TheWashBoard.org offers many benefits to scholarship providers in addition to its no cost. Since it is web-based, theWashBoard.org reduces the need for paper applications and forms. It also enables donors to reach thousands of students statewide. And once scholarships decisions are made, donors will have access to statewide scholarship trend data which will lead to more informed scholarship philanthropy, as well as state legislative funding decisions.

TheWashboard.org will go live to students in early December. For more information, contact Christy England-Siegerdt at the HECB, at christye@hecb.wa.gov, or go to www.theWashBoard.org and register to be notified of the launch to students.

Do you have your 2010 calendar?

...then highlight **April 18th-20th** and plan to attend the 2010 WASFAA Conference. The 2010 WASFAA Conference is being held at the beautiful Coeur d' Alene Resort in Coeur d' Alene, Idaho. The conference will provide a strong and professional program while participants

celebrate "Reflections on Student Success." Visit the WASFAA web site at www.wasfaa.org to make your discount room reservations. See you in April 2010!



NEW RESOURCES FOR TRANSFER STUDENTS AT PROJECTOPPORTUNITY.NET

Each year, thousands of Washington Community College graduates transfer to a baccalaureate institution to continue their higher education. With hard work by partners in all sectors, guidelines and protocols are in place to ease the transfer process and maximize transferable credits – saving students significant time and money.

To give potential transfer students detailed information on navigating the process and finding the college that will fit them best, Independent Colleges of Washington has updated ProjectOpportunity.net with over twenty new pages of content, including student aid and financing. Additionally,

over 150 pages geared to high school students and their parents were translated into Spanish.

Since the pages were made public in late **October**, ProjectOpportunity.net has received more than 3,200 page views, 97 percent from Washington but with visitors from as far away as Plano (Texas), India, and Moldova!

We have plenty of bookmarks and other goodies available to colleges if you would like to place them in the public areas of your office, or to give to students. If students are interested in reviewing our site at www.ProjectOpportunity.net, we are having a feedback contest for an Amazon Kindle

or \$250 bookstore credit. And most importantly, we welcome you to visit and give us your professional feedback on the financing sections!

Chadd Bennett, director at Independent Colleges of Washington, may be reached at Chadd@ICWashington.org



5 Things You May Not Know About the Cohort Default Rate (CDR) Calculation

By: Gretchen Bonfardine, Professional Services Consultant, American Student Assistance

Cohort Default Rate is such a common concept to financial aid administrators, but few know everything that goes into it. And with all eyes on the pending legislation to reform student aid, it's easy to forget that Fiscal Year 2009 will be the first year of new rules for the calculation of Cohort Default Rates. Here are five things that you may not know that could help you manage future

1. *How is it calculated?* You are already aware of the CDR calculated for your institution each year, and you probably know the national CDR as well, but do you know what goes into this calculation? The CDR is based on the number of borrowers entering repayment, not the number or types of loans. Several pieces of this statement need explanation.

- ◆ Borrowers are considered to 'enter repayment' following the last date of their grace period. Even if the borrower immediately takes advantage of available forbearance or deferment options, as long as their grace period ends, that borrower is officially in repayment ~ whether or not they must make that first payment.
- ◆ The borrower must enter repayment during the specified Cohort Fiscal Year (FY). A Fiscal Year begins on Oct. 1 of a particular year, and ends on Sept. 30 of the following year. So, FY09 is Oct. 1, 2008 through Sept. 30, 2009. For FY09, borrowers who enter repayment between these dates are the only one's whose defaults count for your FY09 CDR. If you think about this, you may be surprised to realize then that your May 2009 grads would not be included in your FY09 CDR, since their grace period would not run out until November. Those students would be included in your FY10 CDR.
- ◆ FFEL and Direct Subsidized and Unsubsidized Stafford Loans are included in the calculation. Officially, the old Supplemental Loans for Students (SLS) are included as well (although there are few, if any, that would be entering repayment at this point). PLUS, Grad PLUS, and Perkins are NOT included.
- ◆ *What's the difference between the two-year and three-year calculation?* Basically, in the 2 year calculation, a borrower's default was only counted within the first 2 years of repayment (officially called the 'Cohort Default Period'). Under the 3 year terms, a default in the first 3 years (again, the 'Cohort Default Period') will be counted. So, it's not that more students are defaulting, it's just that previously, borrowers who only defaulted in their third year of repayment weren't considered in the calculation... now they will be. It is anticipated that Cohort Default Rates will rise significantly when the 3 year calculation is used. Officially, the FY09 CDR will be the first 3 year calculation. Therefore, you will not see what this means to your school until you receive your draft rate for FY09 in February 2012.

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3. *How are Rehabilitated loans handled?* While the new 3 year CDR calculation allows more time for defaults to occur, it also provides greater opportunity for a successful rehabilitation. Rehabilitated loans are previously defaulted loans on which the borrower makes 9 timely agreed upon payments. After the 9 months, the loan is no longer considered to be in default. If the borrower successfully rehabilitates their defaulted loan before September 30th of the Cohort Default Period (in our previous example, that would be Sept. 30, 2011), then that borrower is NOT counted as a defaulted borrower in the CDR calculation. If the borrower successfully rehabilitates after the end of the Cohort Default Period, they are no longer in default, but they ARE counted as a defaulted borrower in the CDR calculation. The key date is September 30th of the Cohort Default Period. If the borrower is in default as of that date, then they are counted as such for the CDR calculation.

4. *How do consolidation loans affect the CDR?* Consolidation loans do not directly affect the CDR. Even though the underlying loans are paid off when a consolidation loan is borrowed, it is still the Cohort Fiscal Year associated with the underlying loans that matter. So, if a borrower goes into repayment on underlying loans in FY09, then consolidates their loans, then proceeds to default on the consolidation loan during the Cohort Default Period (sometime on or before Sept. 30, 2011), that borrower is considered to be in default. Even though the underlying loans have technically been paid-in-full by the consolidation loan, this borrower would be counted as defaulted for the CDR calculation. Remember that the consolidation loan itself isn't considered for the CDR calculation; it is the repayment start date of the underlying loans that matter.

5. *How can I have an impact on my CDR?* ED recommends that you regularly monitor the loan repayment status of your current and graduated students, not just when your Draft Rate is released each February. In the Cohort Default Rate Guide that can be found at <http://www.ifap.ed.gov/DefaultManagement/CDRGuideMaster.html>, several NSLDS reports are identified which will help you do just that. With these reports, you can choose a specific cohort of your students and monitor their repayment status. While schools focus the majority of their effort on current and prospective students, it may behoove you to begin spending a little time developing a default prevention outreach program for your recently separated students. It is widely agreed that the school is the trusted partner with the student. If they receive a call or letter from the school, it could be better received than something from a lender, guarantor, or ED. Reaching out to offer assistance (even just information) when the borrower finds themselves delinquent in their repayment will go a long way in changing their repayment habits and getting them back on the right track, therefore directly impacting your CDR.

If you have additional questions about how the CDR is calculated or how you can monitor or appeal your rate, the information can be found at <http://www.ifap.ed.gov/DefaultManagement/CDRGuideMaster.html>. Your guarantor can also prove to be a valuable resource. From answering questions, to providing reports assisting you with regular monitoring of your CDR, your guarantor is there to support you every step of the way.

