

PASFAA

Pennsylvania Association of Student Financial Aid Administrators

NEWSLETTER

NUMBER 1

DECEMBER 1987

VOLUME XXI

20th Annual
Conference
The
Hotel Hershey,
Hershey,
Pennsylvania
October 2-5,
1988

FROM THE PRESIDENT:

Dear PASFAA Member:

It is a pleasure to write this first article as president of the Association. The 1987-88 PASFAA year was excellently launched in October with our 19th annual conference. Attendance, programs and facilities at Seven Springs provided an interesting four days of activity and information. Conference chair Pat Loughran, her committee, and a host of volunteers are to be heartily congratulated for the result of much hard work.

With this year well underway, we can again note the strong melodies of change which permeate our profession. As they say, change is inevitable, and it is important to work with it rather than to flail against it. We welcome some of these changes.

First, a new PASFAA Council has begun work for the Association. New and re-elected sector representatives join the executive council to deal with the inner workings of PASFAA. We all look forward to our work on your behalf and seek your input and assistance.

As noted in my conference remarks, involvement of our members is the key to our success. Besides elected office or committee work, there are numerous ways you can volunteer to assist the organization in its efforts. An excellent example is the third annual PASFAA Hotline and Financial Aid Awareness Month set for January 1988. Chair George Walter will be seeking member support soon and we urge you to consider lending a hand for this important effort.

Second, we call your attention to an immediate change—the look of our Newsletter. With great appreciation to secretary and newsletter editor Vali Heist, we applaud her efforts to constantly improve the look, format and content of our communication vehicle. I know she will welcome articles, cartoons and information from you for upcoming issues.

Perhaps the changes which cause us the most grief are those which momentarily turn our professional world upside down. We are all facing changed forms, new definitions and formulas for the upcoming 1988-89 academic year. We are all facing a steep learning curve as we strive to become familiar and fluent with these new things. Perhaps more importantly are the ways we must learn to explain the changes to students, to survive revamping our office systems and procedures, and to understand what these changes mean for our institutions and for students who seek access and choice in post-secondary education.

We can expect our Government Relations Committee chaired by Mary Miller to have a busy year. With the proliferation of news articles about Guaranteed Student Loan defaults, the financial aid profession will have to muster its forces to set the record straight and offer suggestions for improving the program—before its elimination is suggested as an easy solution!

There are many platitudes and proverbs which may fit to inspire us at this time of change. “Grin and Bear It” comes to mind! Certainly our attitude in tackling change can influence our success or failure in dealing with it. Perhaps the most fitting words as we face the next few months: “Give me the serenity to accept what can’t be changed, the courage to change what I can, and the wisdom to know the difference.”

Sincerely,

Sheila Angst
President

FEATURES:

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1987-88 PASFAA EXECUTIVE COUNCIL

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Proprietary

Frederick E. Wilson
Gordon Phillips Beauty School
(215) 352-1776

Nursing

Joyce M. Frantz
The Reading Hospital School
of Nursing
(215) 378-6958

Editor Exerpts

- The Newsletter publishes financial aid position openings free-of-charge and accepts signed letters to the editor.
- Lenders speak up! We need more articles for the Lender Language section of the Newsletter. Please contribute whatever you feel is newsworthy.
- We are expanding the dates to remember section on the back cover of the Newsletter. Please send events and dates to the Editor well in advance of the event.
- Position changes/personal notes: We will publish position changes and personal notes as space permits in each Newsletter.

PUBLICATION SCHEDULE

The PASFAA Newsletter is scheduled to go to final print during the last week of November, January, March, May and August. All contributions to the Newsletter must be submitted at the very beginning of each of these months. Please direct inquiries and all copy to:

Vali G. Heist
PASFAA Newsletter
Alvernia College
Reading, Pennsylvania 19607
(215) 777-5411

Subscription to the PASFAA Newsletter is included in the Membership fee. Contact Bill Irwin, Lock Haven University, for information on PASFAA Membership.

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Pasfaa Polpourri

MOVING OR CHANGING POSITION?

PASFAA membership belongs to the individual and not your institution. Please be sure to provide PASFAA with changes of address or changes in title. Membership directories are printed for PASFAA by Bob Prince and Financial Collection Agencies. You should review your entry and submit any necessary changes to Georgia Prell, Financial Aid Office, East Stroudsburg University, East Stroudsburg, PA 18301 where the membership list is maintained.

1987-88 PASFAA COMMITTEES

Committee	Chairperson
Government Relations	Mary Andrews Miller
Membership and Elections	William Irwin
Professional Standards and Training	Milosh Mamula
Public and Professional Information	Vali G. Heist
1988 Conference	Michael Schreier

EXECUTIVE COUNCIL NOTES

The 1986-87 Council met for their last meeting at Seven Springs on Sunday, October 11. The 1987-88 Council met for their first meeting at Seven Springs on Wednesday, October 14. Highlights of those meetings are as follows:

Conference 1987

Pat Loughran, chair for 1987, gave her final report on the conference registrants. The total was 365 which was a record-breaker.

Conference 1988

Chair, Michael Schreier, has announced his conference committee for the '88 conference. The members are Pat Loughran (past chair), Chris Zuzack (1989 conference chair), Rachael Lohman (treasurer), Bonnie Behm, Donna Demarco, Judy Neyhart, and Chip Woodward. Feel free to contact any of the committee members with ideas for the '88 conference. Elsewhere in this newsletter is a session proposal form.

Council's next two meetings are December 6 & 7, 1987 at the site of the 1988 Conference in Hershey, PA and on February 8, 1988 in Pittsburgh. Please contact any council member with agenda items or concerns.



submitted by Vali G. Heist,
Alvernia College

1987 CONFERENCE— SOMETHING FOR EVERYONE!

submitted by Judy Neyhart,
Cedar Crest College

Seven Springs Mountain Resort was the setting for the 19th Annual PASFAA Conference held October 11-14, 1987.

The conference committee, with Pat Loughran as chairperson, provided attendees with a variety of financial aid sessions. The 1988-89 Congressional Methodology was discussed, or at least mentioned, in many of the meetings.

Lieutenant Governor Mark S. Singel, as keynote speaker, outlined the Casey administration's support for higher education. Speaking at the luncheon on Monday was Stanley E. Collender from Touche Ross. Collender explained in layman's terms what makes up the budget and where the budget cuts will probably be made.

A federal update session was held on Tuesday afternoon. Loan defaults and Congressional Methodology were two topics of discussion.

On Wednesday, presenters from PHEAA included Jay Evans, Gary Smith, and Robert Pearl. They provided an update of the state programs. Mr. Pearl assured us that the PHEAA non-subsidized loan program will continue to be available throughout this academic year.

To provide opportunity for relaxation, many social activities were planned. The annual Fun Run and the Financial Aid Bowl were held on Sunday afternoon. Anyone who attended the evening of DJ and dancing on Monday can "verify" that financial aid administrators certainly know how to have a good time.

"Chocolate Town, USA" will be the setting for the 20th PASFAA Conference to be held at The Hotel Hershey from October 2-5, 1988. Mark your calendars and plan to attend. Michael Schreier will serve as the 1988 conference chairperson.

FINAL REPORT FROM CHAIRMAN ON PASFAA '87

submitted by Pat Loughran,
St. Francis College

Another record attendance of 361 registrants occurred at the 19th annual PASFAA conference from October 11 through October 14 at Seven Springs Mountain Resort. The evaluations and recommendations from the participants will be very helpful in planning future conferences. The Committee appreciates the help, encouragement and positive spirit from the attendees and from the staff of Seven Springs.

PAATP NEWS

PAATP ANNOUNCES 1987-88 PROGRAM YEAR OFFERINGS

submitted by Debbie Guild, PAATP

Each year for the purposes of information and instruction, the Pennsylvania Aid Administrators Training Program (PAATP) offers a variety of workshops, seminars and institutes for members of the financial aid community.

Listed below is a brief summary of up-coming PAATP events which are scheduled to occur over the next few months. Be sure to plan now to attend these programs! Brochures detailing each series, along with complete registration materials, will be forwarded to you prior to the scheduled dates of all activities.

January, 1988

PROPRIETARY AND NURSING SCHOOL WORKSHOPS—A trio of workshops designed to meet the specific needs of financial aid administrators at business, trade, technical and nursing institutions.

- #1 Tuesday, January 19, 1988
Holiday Inn, Parkway—East, Pittsburgh, PA
- #2 Thursday, January 21, 1988
Penn Harris Inn and Convention Center, Camp Hill, PA
- #3 Wednesday, January 27, 1988
Penn Tower Hotel (formerly the Hilton of Philadelphia), Philadelphia, PA

February, 1988

PROFESSIONAL DEVELOPMENT SEMINARS—A pair of seminars designed to provide professional level information and an opportunity to develop and maintain associations with colleagues through the exchange of information and ideas.

- #1 Wednesday, February 24, 1988
Valley Forge Hilton, King of Prussia, PA
- #2 Thursday, February 25, 1988
Holiday Inn, Parkway—East, Pittsburgh, PA

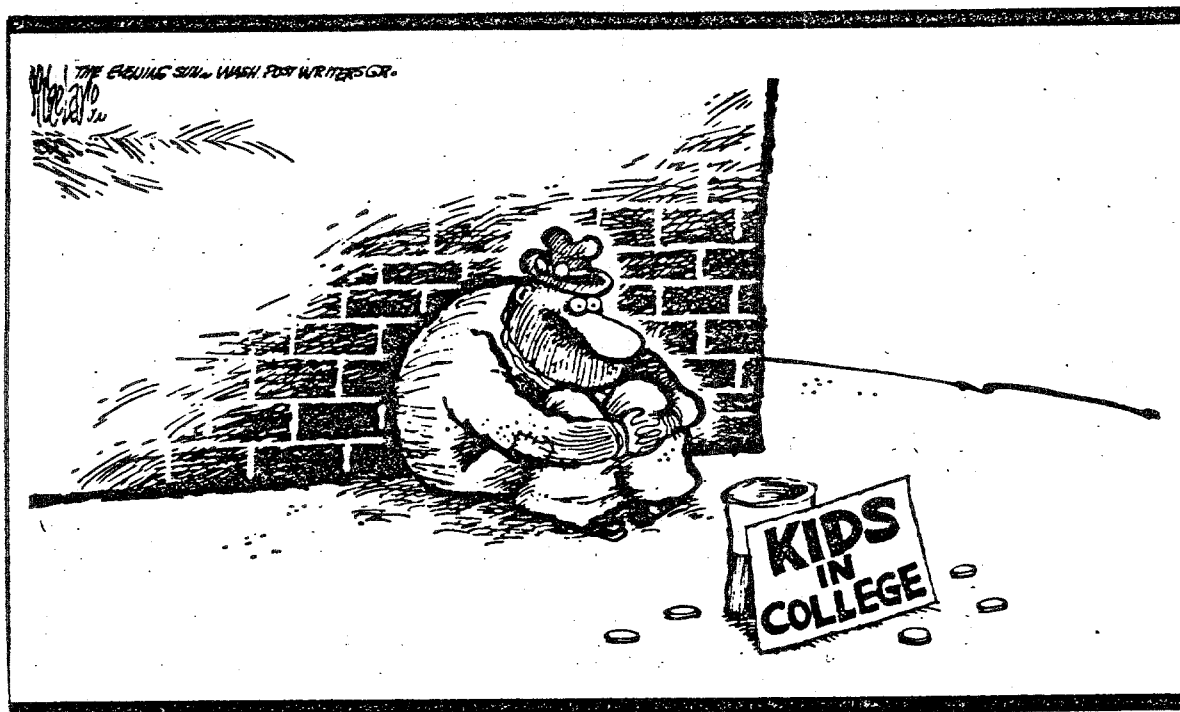
May, 1988

GSL WORKSHOPS—A series of workshops for student loan officers and financial aid administrators concentrating on the administration of student loan programs (GSL, PLUS/SLS, PHEAA-HELP).

June, 1988

FINANCIAL AID INSTITUTE FOR FINANCIAL AID ADMINISTRATORS—A week-long workshop designed to provide a detailed exposure to student financial aid theory, regulations, policies, and procedures for new financial aid administrators.

FINANCIAL AID INSTITUTE FOR STUDENT LOAN OFFICERS—An extended training session for new student loan officers designed to provide a detailed exposure to the administration of student loan programs.



1987-88 PASFAA MEMBERSHIP APPLICATION

Miss _____
 Mrs. _____
 Ms. _____
 Mr. _____
 Dr. _____
 Rev. _____
 Sr. _____
 Br. _____
 Fr. _____
 Rabbi _____

Last Name _____ First Name _____ Title _____

Institution Name _____

City _____ State _____ Zip _____

() _____

Telephone Number _____

PHEAA Terminal Number _____

Type of Institution:
Type of Membership:

_____ Public Two-Year	Active Member (Responsible for Financial Aid Administration)	\$27	\$ _____
_____ Private Two-Year			
_____ Private Four-Year			
_____ State-Related	Associate Member (Interest in Financial Aid)	25	\$ _____
_____ SSHE			
_____ Proprietary	Student Member (Full-time)	15	\$ _____
_____ Nursing			
TOTAL ENCLOSED			\$ _____

Please make check payable to PASFAA and forward to:

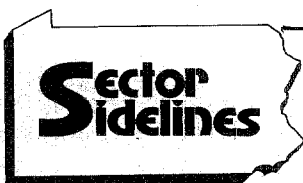
*William A. Irwin
 Director of Financial Aid
 Lock Haven University
 Lock Haven, PA 17745*

Your cancelled check will serve as your receipt.

POSITON OPENINGS

Assistant Director of Financial Aid, Thomas Jefferson University, College of Allied Health Sciences. Position requires knowledge and experience in all Title IV Programs of aid. Major responsibilities include: Packaging, Counseling and Management of CWS Program. Experience in reconciliation of federal and state financial aid reports is a plus. Qualifications: Bachelor's degree and at least 2 years experience. Apply immediately. Send letter of application and resume to: Bonnie Lee Behm, Office of Financial Aid, Thomas Jefferson University, College of Allied Health Sciences, Room 707 Edison Building, Philadelphia, PA 19107.

Assistant Director of Financial Aid, Clarion University of Pennsylvania. Helps maintain total aid office and administer state grants and scholarships. Familiarity with computer assisted office and PHEAA system desirable. One to three years aid experience. Master's in Student Personnel or Business Administration required. Salary—State University Administrator I (19,521-25,272). Send application, resume and three current letters of recommendation by January 15, 1988 to Kenneth E. Grugel, Director of Financial Aid, Clarion University of PA, 104 Egbert Hall, Clarion, PA 16214 AA/EO.



COMMON CENTS PAY FOR HIS COLLEGE FEES

*submitted by Betty Davis,
Community College of Allegheny County—South Campus*

Reprinted from the Pittsburgh Press, Monday, October 5, 1987.

ROCHELLE, Ill. (UPI)—Mike Hayes could go down in history for devising an ingenious way to raise money for college.

His plea for pennies to help finance his education has drawn about 70,000 responses. Volunteers and family members opening the letters counted \$14,000, and had 18,000 letters left to open, said Hayes's father, Bill.

Hayes, 18, discovered he was not eligible for grants or scholarships to attend the University of Illinois where he is studying chemistry, so he came up with another plan.

He wrote to Chicago Tribune columnist Bob Greene, and asked him to request that readers send Hayes a penny.

"I didn't ask for a lot of money," Hayes said. "I just asked for money from a lot of people—2.8 million people (of Chicago)."

Letters have included dollar bills and checks for \$100.

One respondent's youngest daughter died nine years ago of leukemia and would have started college this fall. In Tennessee, an entire class at one school chipped in to help put Hayes through school.

Old people who respect the value of a penny sent their offerings.

"I'm 76 years old," wrote one respondent. "Here's a penny. If you use it to buy drugs I hope a bolt of lightning strikes you dead."

If Hayes exceeds his goal of \$28,000 necessary for four years of college, he said he plans to put the rest of the money toward a scholarship fund.

Bill Hayes, a chemist and drug store owner, never believed the project could work.

"I thought he was nuts," the elder Hayes said. "I just couldn't believe that anybody would put a penny in an envelope and put 22 cents on it and mail it."

SSHE MEETING SET

*submitted by Kenneth E. Grugel,
SSHE Representative*

The dates for the spring meeting of SSHE Aid Directors have been set for April 13-15, 1988. The meeting will be hosted by Clarion University. Please begin to think of agenda items for the spring meeting.

FAO'S AKA: DREAM MAKERS

*submitted by Joyce Frantz,
Nursing Sector Representative*

Just in case you haven't heard (and I'm sure you will hear about this in the very near future) there is currently a countrywide shortage of nurses. This shortage increases our obligation to help students realize the importance of achieving their dream to become nurses by finding ways to help them pay for educational costs.

Our role becomes paramount in the effort to attract students to our institutions and to retain students already enrolled, by offering the financial aid services needed to cover the escalating cost of nursing education and by employing the tools necessary to inform students of how we can help them. An example of one tool to use is a simple explanation of loan assistance. If you attempt to explain that three years of a maximum student loan totals \$9250.00 and that the expected starting salary upon graduation is more than double this loan debt amount, then the student can easily understand that the money borrowed today can easily be repaid by future earnings.

The key to explaining financial aid at the onset is to keep the terms SIMPLE. It is our position to introduce financial aid in easy, accessible terms and then guide the student through the complicated maze of financial aid forms once they have committed themselves to study at our institution. Students are fearful of what they don't know and it is our responsibility to ease this fear and to replace this fear with the knowledge that we, as trained professionals, can help guide and counsel them throughout their years of training.

We, as Financial Aid Officers in the Nursing Sector, can help ease the nursing shortage by offering assurance to all potential students who dream of one day becoming a registered nurse. The next time a potential student calls or knocks upon your door, remember to allot your total attention to solving their financial aid concerns. Help these students to realize their dreams of becoming nurses. You can be the dream maker for the nurses of tomorrow.

Last, but not forgotten, I wish to give a big THANK YOU for your support in nominating and electing me as Council Representative to PASFAA. I appreciate your confidence in me at this time. Please be assured that during the next two years, you can contact me with any concerns or problems that you are experiencing. I hope to hear from you soon. Now go and make some dreams come true!!!

PRIVATE FOUR-YEAR

*submitted by Jack Pergolin,
Private Four-Year Representative*

I am pleased and honored to be elected to serve my second term as your representative on council. All of my efforts will be directed to assist you with individual concerns or with current issues as these occur. Many changes have taken place in our profession and we must be alert and be able to react in a proper manner. We can do this through our sector and our association.

At the Private Four-Year Sector Meeting at Seven Springs we discussed the possibility of meeting during the year, and a number of you indicated your willingness to serve on a committee to make this become a reality. I am now in the process of contacting this group to formulate plans.

The coming months will be busy and difficult. Through my position on council, I will try to assist you in whatever way possible.

FFIS ISSUES REPORT ON FEDERAL GOVERNMENT STUDENT DEFAULTS

*submitted by Frederick Wilson,
Proprietary Representative*

On September 18, 1987 the Federal Funds Information for States (FFIS) issued its Preliminary Findings.

In its Executive Summary, the authors of the report state that "The FFIS review was undertaken to establish a GSL data base, and so provide state higher education executive organizations, state student aid agencies, and the federal government with better information on GSL's. The study has focused in two areas.

- providing information on default rates for each institution of higher education in each state; and
- reviewing what in effect the growing private guarantee agencies not sanctioned by the state have on state-operated programs.

Their preliminary analysis left no doubt that default rates vary significantly by school, by type of school, by size of loan, and by guarantee agency."

The FFIS Report claims that "Since 1984, the cumulative default rate for GSL's insured by guarantee agencies has increased from 10.8 percent to 12.1 percent of loans in repayment status. The exact causes for this increase are unknown, but state guarantee agency directors and researchers have attributed the increase to marketing by lenders and schools to students attending "non-traditional" institutions of higher education, e.g., community colleges and proprietary institutions."

(See FFIS, Page 12)

ARE YOU A LEADER, OR A MANAGER?

*submitted by Ralph R. Hosterman, Jr.,
State-Related Representative*

This article was reprinted from the FASFAA Newsletter and was written by Judith Berson, Broward Community College.

"Managers do things right, whereas leaders do right things." Most managers concentrate too much on methods and not enough on mission. They tend to be more concerned with efficiency (how to do things) rather than effectiveness (doing the right things). In discussing the future of financial aid, D. Bruce Johnstone once stated, "we must resolve as professionals to spend more time with students and families, both in and outside our offices and less time pouring over stacks of forms." How can we find the time? One answer can be by spending more time in planning. The less time we invest in the planning process, the more time we will need to spend "putting out fires."

Managers excel in the ability to handle the daily routine. Instead, they should be questioning whether the routine should be done at all. People don't want to be managed, they want to be led. The difference is that effective leaders plan ahead, spending their energy on activities of vision and judgment. They are dreamers, often seeing much further into the future than their associates.

To be effective leaders, we must take time to plan. By setting goals for ourselves and our departments, we can focus activities and resources toward attaining those goals. When a leader works with a team, the important thing is direction. When a manager supervises a project, the focus is on rules, regulations, systems, policies, procedures, etc. Even though both views are needed, a leader insures that the right goals are reached.

Just because you are a manager doesn't mean that others will automatically fall in line behind you. The late W. L. Gore defined a leader as "the one who gets followed." You don't have to be a "born leader," but you have to see yourself as a leader in order to become one. You can develop the characteristics that make people want to follow you. When you make these characteristics part of your management style, you will have switched from being a manager to being a leader. According to Fred Pryor, successful leaders:

- Resource their people instead of controlling them
- See their staff as sharers of their dreams
- Offer judgements that result from clear thinking and include input from others
- Know where they are heading and consider it part of the reward to take others along.

Honor people and they will honor you.
Allow people to grow,
Show them the road . . .
To be the very best that they can be.



IUP Alums gather for annual photo. 1st Row: M. Price, J. Zuzack, H. Nunn, L. McClure. 2nd Row: T. Lyons, D. Ekas, L. Anderson, C. Zuzack, E. Pierce. 3rd Row: R. Stelma, S. Abrams, A. DeSiefano, J. Salem, G. Seelye. 4th Row: M. Schreier, L. Witherow, B. Soergel, M. Miller, S. Nelson, D. Mahler, F. Joseph, R. McIntyre, J. Bieryla, W. Srsic.



Lehigh Valley Financial Aid Administrators pose for a rare photo. Standing on left from the front: L. Bavaria, M. Wint, M. Schreier. Seated, 1st Row: C. Reddinger, S. Shurow, N. Sacks. 2nd Row: C. Woodward, S. Angst, C. Kratzer. 3rd Row: G. Prell, B. McCarty, L. Newhall. 4th Row: E. Aponte, L. Rasmussen, J. Neyhart, M. Avery. 5th Row: B. Stanford, V. Heist, R. Saleh.

CONFER A SMASHIN



1987 Conference Committee: Ka Christine Zuzack, Patricia Loughra Steiner, Rachael Lohman and J. Pa



Stanley Collender, Touche Ross, speaks to the luncheon crowd.

ENCE '87 G SUCCESS



te Hetherington, Michael Schreier,
n (chairperson), Rich Esposito, Tom
trick Hayes.



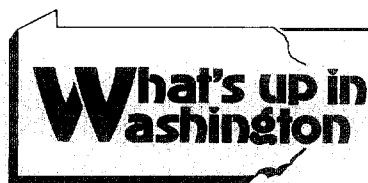
AT THE BOP: Janet Weiss, Larry McClure, Cindy Palfi, Bob McIntyre, Julie Pawlak
and Joye Keenan.



Lieutenant Governor Mark S. Singel, Keynote
Speaker, and Bill Irwin, 1987 PASFAA President.



PHEAA Grant Director, Gary Smith and John Koopman, PNC Finan-
cial Corporation.



GOVERNMENT RELATIONS COMMITTEE UPDATE

*submitted by Mary Andrews Miller,
Indiana University of Pennsylvania*

The Government Relations Committee will have its first meeting of the 1987-88 year in Harrisburg on November 19-20. We will be meeting with PHEAA staff on the 20th to discuss concerns with GSL, State Grants, and Congressional Methodology.

Recently, we mailed a Bulletin to schools that offer teacher certification. We requested that they contact their Congressional Representative to amend the current law which now excludes students who are pursuing post-baccalaureate teacher certification from receiving Title IV aid if they are not in a degree program at their institution. Many schools are attempting to devise a way to offer a degree or certificate, but the concern is with amending the law. We thank you for contacting your representative, and to those of you who sent copies of your correspondence to the Committee.

We are planning to distribute a survey to active PASFAA members regarding House Bill 961 which is the Part-Time Student Grant Act to determine the aid community's position on offering State Grants to part-time students. We will publish our findings in the next newsletter.

Listed below is an updated version of the Legislative Network by district number. If your institution is not listed, or is listed with the incorrect district, please contact Bill Burke at the University of Scranton. His telephone number is 717-961-7700 and terminal ID is TMDV.

CONGRESSMEN AND INSTITUTIONS BY DISTRICT NUMBER

1st Thomas M. Foglietta (D)
1217 Longworth HOB*
(202) 225-4731

Comm. College of Philadelphia
Drexel University
Episcopal Hosp. Sch. of Nursing
Health Tech. Training Inst.
Hussian Sch. Art
Jefferson Business School
McCarrie Schs. of Hlth. Sci.
Philadelphia Col. of Phar. & Sc.
St. Agnes Medical Center
Temple University
Thomas Jefferson University
University of Pennsylvania

2nd William H. Gray, III (D)
204 Cannon HOB*
(202) 225-4001

Berean Institute
Hahnemann Univ.
La Salle University
Peirce Junior College
Pa. College of Optometry
Phila. College of Art
Phila. Coll. of Osteo. Med.
Phila. Coll. of Textiles & Sc.
St. Joseph's University

3rd Robert A. Borski (D)
314 Cannon HOB*
(202) 225-8251

Holy Family College

4th Joseph P. Kolter (D)
212 Cannon HOB*
(202) 225-2565

Butler Cnty. Comm. College
Community Coll. Beaver County
Geneva College
Indiana Univ. of Pennsylvania
Jameson Mem. Hosp. Sch. of Nurs.
National Ed. Cntr. Vale Tech Ca.
Slippery Rock University of Pa.
Westminster College

5th Richard Schulze (R)
2421 Rayburn HOB*
(202) 225-5761

Immaculata College
Ursinus College
Valley Forge Christian Coll.
Widener University, Pa. Campus

(See CONGRESS, Page 13)



*Government Relations Chairperson
Mary Miller with committee member
Chuck Olinger.*

PASFAA CONGRESSIONAL VISITS

*submitted by Bill Burke,
University of Scranton*

During the NASFAA Conference held in Washington, D.C., sixteen of Pennsylvania's twenty-three Congressional Representatives and/or their staff received visits from PASFAA conferees. In an attempt to assess the effectiveness of these visits, a survey was sent to each visit coordinator to obtain details of the visit and solicit comments concerning the format used by PASFAA.

Respondents reported that most of the representatives met with them in person and topics discussed included reauthorization requirements, completion of I-9s, new tax law implications, ineligibility of teacher certification programs, and increased appropriations for financial aid programs.

The overall impression was that the sessions were somewhat beneficial. Although most visit coordinators indicated that PASFAA continue with our visit format in the future, a few suggested that the visits be discontinued or limited to just the PASFAA Legislative Liaison.

In any case, PASFAA can be proud of the representation given by its members in their attempts to address the issues that concern Pennsylvania schools and their students.

Of particular success was the visit to Senator John Heinz and his education aides by Bill Irwin, Sheila Angst, Barry McCarty and myself. The group met with the Senator in an open discussion on the major issues and continued this discussion at length with his aides.

Again, I extend my gratitude to the visit coordinators through whose efforts the state of Pennsylvania was so admirably served.

FFIS REPORT SHARPLY CRITICIZED

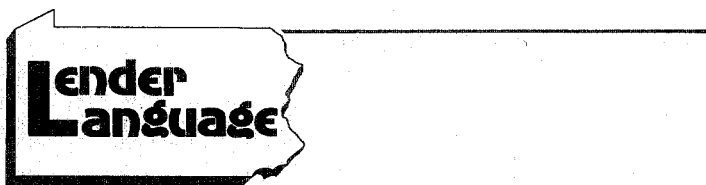
*submitted by Frederick Wilson,
Gorden Phillips Beauty School*

The Texas Guaranteed Student Loan Corporation assailed both methodology and data used noting that "The authors chose to use **gross** default figures instead of **net** default rates. Gross rates ignore the intense efforts of lenders and guarantee agencies to collect on defaulted loans. As such, gross default rates inflate the total cost of the program to the taxpayer. Since net default rates include money returned to the federal government, it represents a more accurate view of the true cost of the GSLP. Further, the default rates do not exclusively correspond to GSL's; FISL (Federally Insured Student Loans), which were centrally administered by the Department of Education, are lumped-in with GSL's. By all accounts, the FISL program was ineffective. Analyzing FISL's and GSL's together is paramount to mixing apples and oranges. Such a mixture, however, will misleadingly raise the cumulative default rate and fuel the fires of concern over defaults."

The U.S. Department of Education knew that the data it released for the FFIS Report was "Not Complete or Accurate." A March 13, 1987 **Management** Improvement Report No. 87-06, from the Assistant Inspector General for Audit to C. Ronald Kimberling, advised the Assistant Secretary for Post-secondary Education that the GSL data provided by the Guarantee Agencies was neither a complete nor an accurate picture of any guarantee agency's operation. The Inspector General's (IG) Office further advised that the use of the current data will result in the Department of Education making incorrect decisions on monitoring and managing the multibillion dollar GSLP. In its recommendations, the IG recommended that the Office of Student Federal Assistance "**Not use the GSLP data without gratifying the data to the potential user as an inaccurate and incomplete source.**"



Stanley Skrutski, Marywood College; Bill Burke, University of Scranton; Lucky Hill, Keystone Jr. College, and Representative Joseph M. McDade pause for a moment during their congressional visit at NASFAA.



FROM THE LENDER'S VIEWPOINT

*submitted by Richard K. Watson,
University of Pittsburgh, Titusville*

I was pleased to receive this assignment because it gave me the opportunity to do something I think FAO's frequently neglect: have direct contact with people in the lending community. My contacts were both enjoyable and informative and while I spoke with several different lenders, I would like to give special thanks to Michelle S. Henegan, Manager & Student Loan Officer, Student Loan Center, Pennbank and Juanita F. Reichel, Assistant Vice President and Student Loan Officer, Marine Bank, for giving me a good deal of their time.

By unanimous decision, the lenders voiced their major concern as being turn around time from the time the papers leave the bank until the funds are received. This delay causes the parents and students concern and prompts many time consuming calls by them to both the schools and to the lenders. There seems to be uncertainty as to the cause for the delay, with the major possibilities being either the schools or PHEAA. Out-of-state schools seem to have longer turn around time than do in-state schools. There appears to be some question if the slowness is due to the need for more schools having terminals, but turn around time appears to be very slow this year—regardless of the use of terminal or paper.

In general the feeling among lenders appears to be that the program ran well this year but slowly. Computer tracking systems give lenders a better "handle" on their applications and the processing as well as putting the loan term dates and Social Security Numbers on the checks. There is a definite feeling that more communications between the schools and the lenders would be beneficial. Close contact with lenders regarding prompt refunds is a problem FAO's could lessen by increasingly close contact.

Another area in which closer cooperation between lenders and schools would be of great assistance is in regard to default issues. In regard to defaults the schools get the majority of the blame, but really have no control over it (default). A problem in cooperation in this area may be the Privacy Act. Skip-tracing with letters to the schools saying address is incorrect (as letters sent to other sources) may be of assistance in this regard. Information to which schools have access, such as new addresses or transcript requests, could assist banks in keeping default rates down. In some of the larger operations, such as PNC Financial Corporation, over a dozen people work on the collection process.

As a final thought, let all of us FAO's work as closely as we can with our lenders and keep the communications lines flowing both ways!

FFIS

(Continued from Page 7)

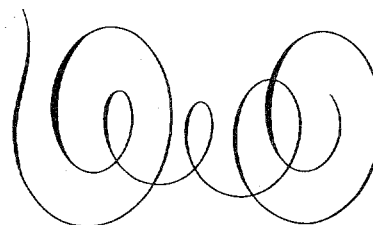
However, 34 of the 427 institutions of the "60 percent" institutions had cumulative defaults in excess of \$1 million each. In addition, another 34 institutions were found to have a default rate of at least 40 percent and an aggregate default volume of at least \$5 million. For these institutions, almost one out of every two borrowers has entered default status.

A number of smaller, less selective public and private four-year institutions have default rates above 40 percent.

On Institutional Default Rates, the authors noted that "Post-secondary institutions, at present, have **no responsibility** to repay lenders, guarantee agencies, or the federal government when one of their former students defaults on a GSL. One central policy question raised by this analysis is, then, whether institutional default levels should effect continued participation in the GSL program."

Some of the FFIS preliminary analysis of the default data found:

- On average, about 60 percent (5,100) of the institutions had default rates of less than 20 percent. These institutions accounted for about 55 percent of all loans in default (\$2.4 billion) and represented the entire spectrum of institutions of higher education in the United States.
- Many public community colleges had mid-range (20 percent to 40 percent).
- Institutions with default rates of more than 60 percent primarily include proprietary career institutions category dominated by cosmetology schools. Within the proprietary sector, however, there is substantial diversity, with many vocational and technical training institutions, including selected cosmetology schools, having default rates comparable to that of community colleges or lower.
- FFIS was able to identify 427 institutions that had default rates greater than 60 percent. These institutions represented less than five percent of all participating institutions, and accounted for less than three percent of all loan defaults. On average, defaults at each of these institutions totaled less than \$100,000.



CONGRESS*(Continued from Page 10)*

- 6th **Gus Yatron (D)**
2267 Rayburn HOB*
(202) 225-5546
Albright College
Alvernia College
Kutztown University of Pa.
Pace Institute
Reading Hospital School of Nursing
- 7th **Curt Weldon**
1233 Longworth HOB*
Cabrini College
Delaware Cnty. Comm. College
Eastern College
Haverford College
Neumann College
Northeastern Christian J. C.
Pa. Institute of Technology
Swarthmore College
Villanova University
- 8th **Peter H. Kostmayer (D)**
123 Cannon HOB*
(202) 225-4276
Bucks Cnty. Comm. College
Philadelphia Coll. of Bible
- 9th **Bud Shuster (R)**
2455 Rayburn HOB*
(202) 225-2431
Altoona Hosp. Sch. of Nursing
Juniata College
Shippensburg Univ. of Pa.
Wilson College
- 10th **Joseph M. McDade (R)**
2370 Rayburn HOB*
(202) 225-3731
Baptist Bible Coll. of Pa.
East Stroudsburg Univ. of Pa.
Keystone Junior College
Lackawanna Junior College
Mansfield Univ. of Pa.
Marywood College
O. S. Johnson School of Tech.
University of Scranton
- 11th **Paul E. Kanjorski (D)**
1711 Longworth HOB*
(202) 225-6511
Bloomsburg University of Pa.
Geisinger School of Nursing
King's College
Luzerne Cnty. Comm. College
College Misericordia
Wilkes College
- 12th **John P. Murtha (R)**
2423 Rayburn HOB*
(202) 225-6111
Conemaugh Valley Mem. Hosp.
Mount Aloysius Jr. College
Saint Francis College
Saint Vincent Coll. & Seminary
Seton Hill College
Triangle Inst.—Greensburg
Westmoreland County Comm. Coll.
- 13th **Lawrence Coughlin (R)**
2467 Rayburn HOB*
(202) 225-6111
Beaver College
Bryn Mawr College
Bryn Mawr Hosp. Sch. of Nursing
Chestnut Hill College
Gwynedd-Mercy College
Harcum Junior College
Manor Junior College
Montgomery Cnty. Comm. Coll.
Rosemont College
- 14th **William J. Coyne (D)**
424 Cannon HOB*
(202) 225-2301
Allegheny Community College
Art Institute of Pittsburgh
Bradford Schools Inc.
Carlow College
Carnegie-Mellon University
Chatham College
Duquesne University
Penn Technical Institute
Pittsburgh Tech. Institute
Point Park College
St. Francis Gen. Hosp. Sch. of Nurs.
Triangle Inst. of Technology
University of Pittsburgh Main Cam.
- 15th **Donald L. Ritter (R)**
124 Cannon HOB*
(202) 225-6411
Allentown Coll. St. Fran. DeSalles
Allentown Hosp. Sch. of Nursing
Cedar Crest College
Lafayette College
Lehigh Cnty. Comm. College
Lehigh University
Lincoln Technical Inst.
Moravian College
Muhlenberg College
Northampton Cnty. Area Comm. Col.
United Wesleyan College
Welder Training & Testing Inst.
- 16th **Robert S. Walker (R)**
2445 Rayburn HOB*
(202) 225-2411
Elizabethtown College
Franklin and Marshall College
Lancaster Bible College
Lebanon Valley College
Millersville Univ. of Pa.
St. Joseph School of Nursing
- 17th **George W. Gekas (R)**
1008 Longworth HOB*
(202) 225-4315
Bucknell University
Harrisburg Area Comm. College
Lycoming College
Susquehanna University
Williamsport Area Comm. College
Williamsport Hosp. Sch. of Nursing
- 18th **Doug Walgren (R)**
2441 Rayburn HOB*
(202) 225-2135
La Roche College
Robert Morris College
The RPSC School
- 19th **William F. Goodling (R)**
2263 Rayburn HOB*
(202) 225-4631
Central Pa. Business School
Consolidated School of Business
Dickinson College
Dickinson School of Law
Gettysburg College
Messiah College
York College of Pennsylvania
- 20th **Joseph M. Gaydos (D)**
2366 Rayburn HOB*
(202) 225-4631
None
- 21st **Thomas J. Ridge (R)**
1331 Longworth HOB*
(202) 225-5406
Allegheny College
Alliance College
Edinboro University of Pa.
Erie Business Ctr.
Gannon University
Mercyhurst College
Thiel College
Villa Maria College
Westminster College
- 22nd **Austin J. Murphy (D)**
2437 Rayburn HOB*
(202) 225-4665
California University of Pa.
Trinity Episcopal School
Uniontown Hosp. Sch. of Nursing
Washington Jefferson College
Waynesburg College
- 23rd **William F. Clinger, Jr. (R)**
1122 Longworth HOB*
(202) 225-5121
Clarion University of Pa.
Lock Haven University of Pa.
Pa. State University Main Campus
South Hills Business School

*House Office Building

BYRD SCHOLARSHIP

reprinted from the NASFAA Newsletter,
March 5, 1987

The Education Department published proposed procedures in the February 23 *Federal Register* to implement the Robert C. Byrd Honors Scholarship Program for FY-87.

Under this program, the Secretary makes grants to each State, based upon a formula, which compares each State's school-age population (ages 5 through 17) to the total school-age population in all participating States. However, no State will receive fewer than 10 scholarships.

States, in turn, administer the program and are responsible for selecting the recipients. Byrd Scholars are selected solely on the basis of outstanding academic achievement and promise of continued academic achievement.

Scholars are selected in such a manner as to insure that all parts of a State are fairly represented and that no part of the State has a disproportionate share of the awards.

Each scholarship is \$1,500 in value and will be awarded to outstanding high-school graduates for the first year of study at an institution of higher education.

Congress appropriated \$8 million for the program in the FY-87 Continuing Appropriations Act.

Individuals who want further information should call Neil C. Nelson, Chief, State Student Incentive Grant Program (SSIG), (202) 245-9720, or Sam Sobczak at PHEAA, (717) 975-5380.



Northeastern Pennsylvania Independent Colleges (NEPIC) gather for photo. 1st Row: M. Elias, J. Dessoye. 2nd Row: M. Schoen, D. Pazzaglia. 3rd Row: L. Hill, R. Lohman. 4th Row: B. Burke, P. Fanning, E. McGuire. 5th Row: E. Moyer, S. Skrutski.

"But you said **everyone** in the household..."

An actual verification form
submitted by Judy Neyhart,
Cedar Crest College

NAME	AGE	RELATIONSHIP TO APPLICANT	COLLEGE
John	51	Father	-
Helen	50	Mother	-
CEAIG	14	Brother	-
Elaine	18	Sister	CEAR CREST
BARON	7*	Family Pet	LITTLE Friends Obedience School

Elaine 4-10-87
Signature of Student Date

4-10-87
Signature of Spouse Date

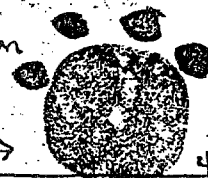
John 4-10-87
Signature of Father Date

Helen 4-10-87
Signature of Mother Date

SUBMIT TO: Financial Aid Office
Cedar Crest College
Allentown, PA 18104
Phone: (215) 437-4471

* 7 dog years = 49 human

Baron's signature →



4-10-87

INVITATION FOR PROGRAM SESSION PROPOSALS FOR '88 PASFAA CONFERENCE—HOTEL HERSHEY OCTOBER 2-5, 1988

The 1988 Conference Committee will meet on December 6 and 7 to begin working on the next annual conference. The committee will be considering all suggestions collected from '87 PASFAA attendees, but we need more suggestions for program sessions and presenters from members.

If you have ideas or recommendations to share with the committee, please complete the following form. It is important that the form be returned as soon as possible to Mike Schreier. Thank you in advance for sharing your ideas with us.

PROGRAM SESSION—RECOMMENDATION FORM

SUGGESTED PROGRAM SESSION: (TITLE) _____

Please indicate the proposed content for this session: _____

Recommended Presenter(s):

Name _____

Institution _____

City/State _____

Phone No. () _____

Name _____

Institution _____

City/State _____

Phone No. () _____

Please use an attached sheet to share any additional ideas you might have toward the making of a productive PASFAA Conference for 1988. Thank you.

Signed _____

Institution _____

City/State _____

Phone No. () _____

Please return to Mike Schreier
Director of Financial Aid
Northampton Community College
Bethlehem, PA 18017
or Terminal TM51



Pat Loughran and Rachael Lohman ready at the registration desk at PASFAA '87.

PACU PROJECT COMPLETES FIRST YEAR

Project for an Informed Choice sponsored by the Pennsylvania Association of Colleges and Universities has completed its first year of operation. The project's purpose is to stimulate college going rates among high school graduates. Despite the declining 18-22 year old population, the Project is making progress in increasing participation rates. *(The following is a continuation from the September Newsletter.)*

3. OBJECTIVE: TO IDENTIFY FIVE JUNIOR/SENIOR HIGH SCHOOLS IN PENNSYLVANIA WITH LOW POST-SECONDARY PARTICIPATION RATES, AND UTILIZE, FOR THE FIRST TIME, PARENT COUNSELORS IN THOSE SCHOOLS AS A MEANS OF ENCOURAGING THEIR GRADUATES TO ATTEND COLLEGE.

The districts named were: Cranberry, Venango County; Wilkinsburg, Allegheny County; Solanco, Lancaster County; Troy, Bradford County.

A fifth district, recently contacted, is presently considering program proposals. These negotiations should be completed in the very near future.

The recommendations made to these model schools were:

1. To set up local task forces to examine, organize, and develop programs intended to create positive attitudes among parents and students toward formal education now and in the future.
2. To make early assessments of junior high or middle school students' knowledge of career and postsecondary opportunities.
3. To explain thoroughly to students and parents, what each curriculum requires and involves.
4. To assign a counselor the responsibility of regularly working with students and parents.
5. Utilize computer hardware/software or other formats.
6. To identify and encourage partners to collaborate with the school district.
7. To consider the possibility of integrating career exploration and career awareness into the seventh, eighth, and ninth grade curricula.

Likewise, PACU has made commitments to the model schools:

1. To collaborate and cooperate in planning and organizing activities, programs, and events intended to serve the goals of the Project.
2. To serve as a resource in providing advice and counsel to each district.
3. To act as a liaison between model schools, agencies, institutions and organizations that may be invited to form partner relationships.
4. To provide a modest sum of seed grant monies for implementation of program activities.

PHEAA has also expressed an interest in linking the model schools with computer based systems that provide information on career guidance and higher education opportunities to parents and students and financial planning for higher education.

4. OBJECTIVE: TO DEVELOP CREATIVE WAYS OF DISSEMINATING INFORMATION AND MOTIVATING PARENTS AND THEIR CHILDREN TO CONSIDER POST-SECONDARY EDUCATION AS A CHOICE BEYOND HIGH SCHOOL.

References have been made elsewhere in this report to activities which are fully intended to achieve this objective. Specifically, putting "Choices" into the hands of black clergy is one of those references. In communicating with and motivating the diverse population found in the Commonwealth, a high degree of flexibility in planning and implementing this phase of the Project is necessary for success. A brochure, under development, will describe the intent of the Project and will also urge educators, parents, teachers, school officials, and community leaders to take more active roles in assisting students and parents to learn more about postsecondary educational opportunities and financial aid resources that are available to them. PACU will encourage PDE and the Intermediate Units to plan for expanded parent involvement conferences for school personnel.

Through the model schools phase of the Project, efforts will be made to have schools sponsor programs for parents of early teens, encouraging them to take more active roles in their children's education. A new program sponsored by the National Institute of Independent Colleges and Universities is urging families to plan for college. An attractive booklet, entitled "Paving the Way," includes a checklist of steps to take each year in high school beginning with grade 7. It is accompanied by a videotape.

The National Association of Colleges Admissions Counselors (NACAC) has produced a "Guide for Parents." It is a low cost brochure that has been field tested in 20 major cities across the United States and is being distributed to its state affiliates. PACAC has obtained a large quantity for delivery to secondary schools around the Commonwealth. PACU wishes to have these brochures mailed to every family with junior high school age children in the five middle schools.

The Pennsylvania Congress of Parents and Teachers (PTA) has been contacted and overtures made with their leadership to explore the ways in which it may be possible to reach parents and their children in their homes. Counselors in the model schools have been encouraged to make visits to the homes of their underserved eighth grade students.

The concept of education and career information centers is a well-developed reality in the vast majority of secondary school settings throughout the United States. However, there are many rural and isolated populations in Pennsylvania where students and their families do not enjoy the convenience of being able to obtain information about postsecondary opportunities and financial aid away from school facilities. PHEAA and PDE representatives will be asked to study further the feasibility of establishing such centers in rural regions of the Commonwealth.

If you would like further information on the PACU Report or have an idea for the Project for an Informed Choice, please contact William Harrell, Project Director, PACU, 800 North Third Street, Harrisburg, PA 17102 or call (717) 232-4446.

THE EMERGENCE OF R.A.I.D.

submitted by Gordon Bateman, Elizabethtown College

Two years ago a few financial aid officers in southcentral Pennsylvania discussed the possibility of getting together informally on occasion to talk shop. This need arose predominately among those aid officers in small shops faced with coping with constant change and updating and at the same time receiving less inexpensive training sponsored by the Federal Government.

The first meeting occurred in January of 1986 at Elizabethtown College and was attended by eight financial aid officers. This group identified itself as R.A.I.D.—Regional Aid Issues Discussion. As months went by and the word spread, interest grew and attendance at meetings swelled.

Today, R.A.I.D. is an organization of financial aid officers in **southcentral Pennsylvania** that is made up of eighteen institutions representing all sectors—proprietary, public, and private. It is still growing by the way! The current schools participating are:

Central Penn Business School
Dickinson College
Elizabethtown College
Franklin & Marshall College
Gettysburg College
Harrisburg Area Community College
Lancaster General School of Nursing
Lancaster Theological Seminary
Lebanon Valley College
Lycoming College
Messiah College
Millersville University
Pennsylvania School of the Arts
Shippensburg University
Susquehanna University
Thaddeus Stevens State Technical Institute
Wilson College
York College

The organization meets on a different campus each time. Most meetings are held at least once every two months. The financial aid officer of the host school serves as convener and arranges for lunch. Agenda items are forwarded in advance, and the meeting usually begins at 9:30 a.m. and lasts until 12:30 p.m.

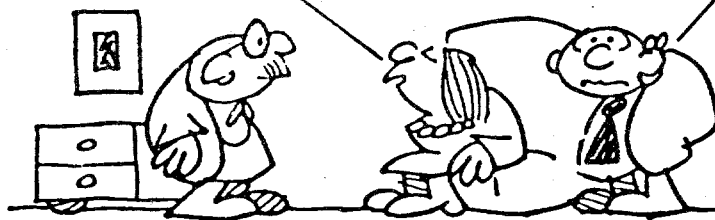
Through R.A.I.D., many good things have happened:

- 1) Issues have been discussed.
- 2) Aid Officers have learned from one another.
- 3) Awareness and appreciation of the problems of proprietary, publics, and privates has broadened everyone's horizons.
- 4) Visits to different financial aid offices have been possible.
- 5) Social activities such as volleyball at the PASFAA Conference and future dinner and social outings have formed a special personal bond among the participants.
- 6) R.A.I.D. also won the PASFAA Financial Aid Bowl this year at Seven Springs.

At our last meeting at Wilson College in October of 1987, future plans were discussed. These include the possibility of a name-change to more accurately reflect our geographical base. Also, for the Fall of 1988, there will likely be a day planned to get together with the guidance counselors in our area to discuss common concerns and to renew acquaintances.

One thing is for sure. We will not change the informality of the group. It is clear that this informal organization is meeting a strong need of financial aid officers throughout southcentral Pennsylvania. The average attendance over the last six months has been between 15 to 20 persons. As one member of our group remarked recently: "I don't know how I ever survived this job before R.A.I.D. came along!"

WE'RE PROUD TO BE HELPING
OUR SON THROUGH COLLEGE -

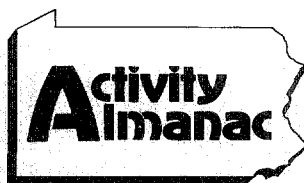


I COULD
BE JUST
AS
PROUD
FOR HALF
THE
MONEY -

BRICKMAN
- Yates

King Features Syndicate, Inc.

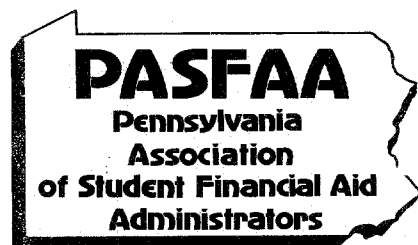
From TGSLC Newsletter, July/Aug. 1987



- January 22 **EASFAA Executive Council Meeting**, Logan Airport, Boston, MA.
- February 10-12 **College Board Middle States Regional Meeting**, Sheraton Society Hill, Philadelphia, PA.
- February 11 **PASFAA Executive Council Meeting**, Pittsburgh, PA.
- February 29-March 2 **GAPSFAA National Forum**, Washington Marriott Hotel, Washington, DC.
- May 1-4 **EASFAA Annual Conference**, Parkview Hilton Hotel, Hartford, CT.
- July 17-20 **NASFAA Annual Conference**, Denver, CO.

ON A PERSONAL NOTE:

Eva Hess, Director of Financial Aid at Ursinus College, has a new addition to her family. Bryan Richard Hess was born on July 28, 1987 and is healthy and very active. Eva is now back on the job after a 2-month leave. Congratulations Eva! Class of 2004?



Alvernia College

Financial Aid Office
Reading, PA 19607



HAPPY HOLIDAYS TO: