

**PASFAA**

Pennsylvania Association of Student Financial Aid Administrators

NEWSLETTER

SPRING 1991

VOLUME XXIV

23rd Annual
Conference
Seven Springs
Mountain
Resort

September 29-
October 2
1991

Dear PASFAA Member:

It's that time of year. . . . uncertainties with the state and federal budgets, packaging, tentative campus-based allocations, packaging, 1991-92 Pell Grant payment schedule reflecting full funding, packaging, Reauthorization hearings, packaging - in other words, Happy Spring!!

A number of activities have occurred where your involvement has been instrumental in the success of these endeavors. The Guidance Counselor workshops have concluded and the overall response was very positive. We had approximately 60 PASFAA volunteers who assisted with these workshops. The Financial Aid Hotline was held the last week of January and over 120 PASFAA members offered their assistance in answering phones, and with the mayoral declarations acknowledging financial aid awareness month. Many thanks to Paul Zimmerman who served as chairman of the Hotline and who coordinated all of the effort that takes place in organizing this annual event. Thanks to Bonnie Behm, Cynthia Farrell and William Brown who served as Hotline site coordinators. Special thanks to PNC and PHEAA for their generous support of this event.

A variety of training activities have been conducted or are about to take place. The PAATP Proprietary/Nursing and Business Officers workshops have concluded, and both were well attended. The PAATP Stafford Loan workshops, and Summer Institutes for New Financial Aid Administrators, Intermediate Training, and Lenders are fast approaching. EASFAA's 25th Annual Conference will take place May 5-8 in Newport, Rhode Island. There are ample opportunities for you to learn and to share - take advantage of these opportunities!

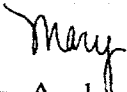
We are pleased to be at our highest membership ever! Kudos to Rachael Lohman and the Membership and Elections Committee and to you for supporting the Association!

Robin Szitas, Chairman of the 1991 Conference, and her committee are working at putting together an outstanding agenda for our annual conference at the Seven Springs Mountain Resort.

The PASFAA Conference for 1992 will be held at the Sheraton Inn Society Hill in Philadelphia. Bonnie Behm, of Thomas Jefferson University will be the Conference Chairman for 1992.

Our professional lives are dictated by a myriad of rules, revision of rules, reinterpretation of the rules and rescission of rules. However, one constant is the students, and the need that they have for us to assist them with achieving their goals through higher education. So, when you keep it all in perspective, it really is a happy spring after all.

Sincerely,


Mary Andrews Miller
President

Features

- Council Meeting Notes
- Government Relations News
- Membership Report
- PASFAA's Own "Mikey" Committee
- Stress
- Guidance Counselor Workshop Update
- EASFAA Report
- Veteran Benefits
- Distinguished Service Award
- Understanding the Student Loan process
- Forms Fair
- U.S. Senate - Pell Hearings
- Nursing Sector Group
- Membership Directory Updates
- Private Sector Report
- Release of Student Borrower Information
- Governor's Proclamation
- OVR Update

1990-91 PASFAA EXECUTIVE COUNCIL

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Editor Exerpts

- The Newsletter publishes financial aid position openings free-of-charge and accepts signed letters to the editor.
- Position changes/personal notes: We will publish position changes and personal notes as space permits in each Newsletter.

PUBLICATION SCHEDULE

- Editions of the PASFAA newsletter are scheduled for winter, spring, summer and fall. Articles, editorials, positions available or other contributions must be submitted in the month prior to publication. Please submit materials or questions to:

Joyce M. Frantz
PASFAA Newsletter
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(215) 921-7515

Subscription to the PASFAA Newsletter is included in the Membership fee. Contact Rachael Lohman, Wilkes University, for information on PASFAA Membership.

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Pasfaa Potpourri

MOVING OR CHANGING POSITION?

PASFAA membership belongs to the individual and not your institution. Please be sure to provide PASFAA with change of address or changes in title. Please review your entry in the Membership Directory and submit any necessary changes to Georgia Prell, Financial Aid Office, East Stroudsburg University, East Stroudsburg, PA 18301, where the membership list is maintained.

1990-91 PASFAA COMMITTEES

Committee	Chairperson
Government Relations	Christine A. Zuzack
Membership and Elections	Rachael Lohman
Professional Standards and Training	Ronald Laszewski
Public and Professional Information	Mary Frances Woodall
1991 Conference	Robin Sztas

COUNCIL MEETING NOTES

submitted by Mary Frances Woodall
Secretary, PASFAA

December Meeting

PASFAA Council met December 2 and 3, 1990 at Seven Springs Resort, Champion, PA (the site of the 1991 PASFAA Conference). Most of what happened at the meeting can be found in committee reports elsewhere in this newsletter. Additional highlights include the following:

- Council welcomed two new members: Ron Shunk, Gettysburg College, private four year sector representative and Joanne Parke-Davison, Altoona Hospital School of Nursing, nursing sector representative.
- Bonnie L. Behm, Thomas Jefferson University was named conference chairperson for conference 1992.
- Mileage reimbursement was increased from .22 to .25 per mile.
- The financial aid summer institute will celebrate its tenth anniversary this year.
- The PASFAA conference chairperson will no longer be expected to serve a three-year term. Future chairpersons will serve as pre-chair and chair, but will not be expected to serve as past-chair.
- There are 70+ sets of Financial Aid Night transparencies remaining. Contact Ron Laszewski to receive your set.
- The 1990-91 budget was passed totaling \$51,100 (the 1989-90 budget was \$56,100).

February Meeting

Council met again on Monday, February 4, 1991 in the PHEAA Board Room. Highlights from the February meeting include:

- Council approval of a new publication schedule for the PASFAA Newsletter (Quarterly).
- Final Hotline results, as reported elsewhere in the newsletter.
- PHEAA updates from Tom Fabian, Gary Smith, Jay Evans, and Bob Pearle.
- Council approval of procedures for selecting distinguished service awardees.
- By-laws are being reviewed and updated, where appropriate.
- Mary Miller and Don Shade will be on the agenda of the

Pennsylvania School Counselor's Association (PSCA) conference in April. This was seen as a vehicle for getting additional information to counselors particularly regarding "profit-making financial aid organizations".

- PASFAA and OVR personnel worked jointly on the form for determining eligibility for 1991-92 OVR awards. Council offered several suggestions to go back to OVR before accepting the OVR proposal.

April Meeting

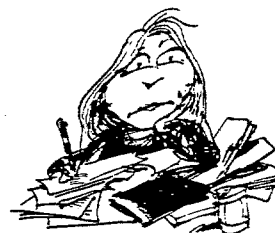
The Council also met on April 2, 1991.

- The Government Relations Committee will release "Bulletins" to give the membership timely information, especially since the PASFAA newsletter will now be published on a quarterly basis.
- PASFAA membership is at an all-time high. As of April 2, 1991, we have 569 members. This exceeds a former high of 563 members in 1988-89.
- PASFAA and PHEAA (Ron Shunk and John Ebersole) have met and discussed the possible development of a public service announcement. This has proved beneficial to PASFAA because we will now know how to proceed when, and if, the occasion arises that deems the development of a PSA.
- The dates of the 1992 conference at the Sheraton Society Hill in Philadelphia are set for October 18-21, 1992.
- Financial Aid Hotline results were discussed. A detailed report is given elsewhere in this newsletter.

- Instead of the usual Financial Aid Bowl, EASFPA will be having the First Annual Poolside Yacht Race at its conference in May. Each state is to provide a team of three people (and one alternate) to have a relay race on innertubes. If interested in participating in this event, contact Rachael Lohman.

- Can we recommend that Mary Miller submit the Business Officers Workshop as our entry in the state awards competition for NASFAA? It appears that PASFAA is unique in offering this type of workshop.

- The next council meeting will be held on Monday, June 3, 1991 in the PHEAA Board Room.



GOVERNMENT RELATIONS NEWS

submitted by Christine A. Zuzack
Vice President, PASFAA

The Government Relations Committee is off to a fast start! We have already responded to four Notices of Proposed Rulemaking issued by the U.S. Department of Education and are preparing a response to a fifth. Your input is important to the committee so please contact any member to voice your concerns or share an idea.

This year's committee is composed of the following members:

Christine Zuzack, Chair, Indiana University of Pennsylvania
William Irwin, Lock Haven University of Pennsylvania
Richard McCracken, Temple University
Nora McFadden, Gordon Phillips Beauty School
Frances McKeown, Bucks County Community College
Helen Nunn, Susquehanna University
Charles Olinger, Fidelity Bank
Debra Schreiber, The Pennsylvania State University

Our first meeting was held on February 5 in Harrisburg where we met with a number of PHEAA representatives. Addressing our group were the following:

James Melear - Student Loan Servicing Center
Gary Smith and Art Montgomery - Grant Division
Jay Evans and Richard Irvin - Loan Division
Barbara Williams - Regional and Special Programs
P. Vincent Racculia - College Services
Robert Pearl - Alternative Loans

Thomas Fabian made all of the arrangements for this interchange with PHEAA personnel.

Jim Melear outlined the progress that the SLSC has been making with increased manpower, better and more efficient processing systems, and faster turn-around time on correspondence. The SLSC receives approximately 7,000 phone calls per day and services loans for eighteen different guaranty agencies. However, if you are experiencing any difficulties with a SLSC loan, please contact your PHEAA Regional Representative for assistance.

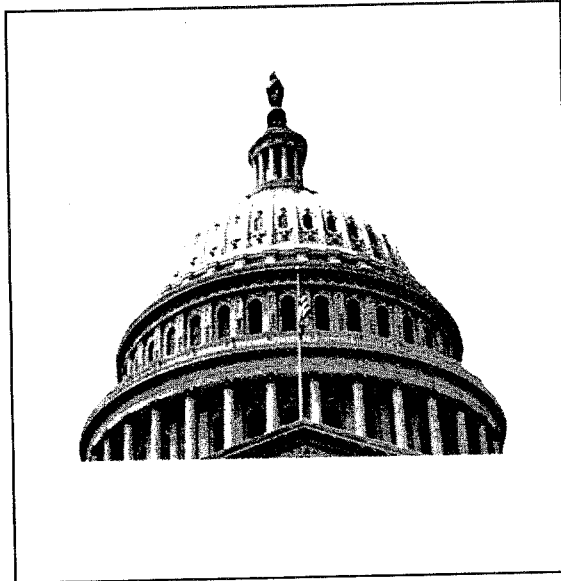
Gary Smith introduced Art Montgomery who will be taking over the responsibilities of Paula Norris who has left the Agency. Few changes are expected in the State Grant program for 1991-92 except for

individuals who may have been affected by Desert Shield/Storm operations. Also, few late applicants will get consideration for State Grant eligibility. Details on these provisions will be provided through Grant Division publications.

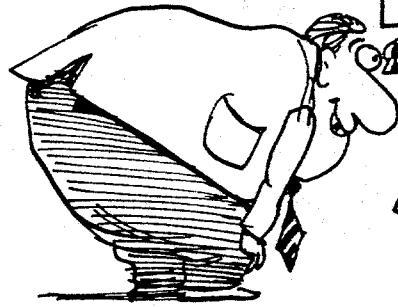
The new presidential budget request was the focus of Jay Evans presentation (see

related article in this issue). PHEAA will also be serving as the guaranty agency for the state of West Virginia.

Rick Irvin provided a brief update on the new certification arrangements for Stafford Loans. There will be three disbursements dates available and the Campus-Based Aid question has been removed. Also eliminated is the item that requested the amount of Stafford Loan received through another guaranty agency for the same period. A new question will address the "recommended loan amount." This item can be used to reduce the overall amount of the loan, to limit non-subsidized loan eligibility, or to limit loan amounts due to loans from other guaranty agencies.



Barbara Williams reviewed the various programs such as PAATP, REAL, and Off-Campus Work Study which PHEAA supports. The Business Officers Training Workshops which were offered through PAATP this spring represented a new direction and focus for training programs within the state.



**TAKE A
PEEK
AT THIS..**

The services available to educational institutions were outlined by Vince Racculia. A series of spring workshops will provide updates on the 1991-92 CM services available through PHEAA. There are currently 344 schools who are using PHEAA CM and 187 schools who have PHEAA terminals. The College Services staff is always open to your input and ideas for enhancements to their systems.

The PHEAA non-subsidized Stafford Loan is always news and Bob Pearl provided a report on the current status of this loan program. Funding is still being assembled for the 1991-92 award year so nothing is definite yet. He noted that gratitude should be expressed to Catherine Baker-Knoll for her role in providing funding for the non-subsidized loan program in 1990-91. Mr. Pearl was curious about the need for the PHEAA Alternative Loan Program and whether or not the program should be continued. There is very low participation in the program at present.

The committee certainly appreciated all of the insights and information that were provided and for the time out of their busy schedules that the PHEAA representatives were willing to share. Thanks also go to Tom Fabian for organizing this meeting.

The toughest part of the Government Regulations Committee meeting was writing a response to the 79-page comprehensive Guaranteed Student Loan NPRM! We accomplished this task, however, and forwarded our remarks to the Department of Education. If anyone would like a copy of this document, please contact me.

**Four members
of Congress
expressed
concerns
regarding the
administrative
burden that
schools face.**

An article in the December 12, 1990 issue of The Chronicle of Higher Education recently caught my eye. Four members of Congress actually expressed their concerns regarding the administrative burden

that schools face in the federal student aid programs. A letter sent to the Department of Education outlined the "paperwork burden that federal regulations have created for institutions." Hooray! Somebody is listening to us! The four Congressmen are William D. Ford (D) Michigan, our own William F. Goodling (R) Pennsylvania, Thomas Coleman (R) Missouri, and Silvio O. Conte (R) Massachusetts. William Ford has also become the chairman of both the House Education and Labor Committee and its subcommittee on post-secondary education.

The letter goes on to request that the Department of Education conduct some research into this area in order to investigate the extent of compliance with current federal regulations. Relief for some of this administrative burden is being sought for inclusion in the Reauthorization of the Higher Education Act.

On another note, as a result of the 1990 census, Pennsylvania will be losing two of its members in the U.S. House of Representatives during the next Congressional elections. It has yet to be determined which districts will be combined, consolidated, or otherwise eliminated to effect this required change. The PASFAA Legislative Network has been instrumental in keeping in touch with our senators and representatives whenever pressing issues are at hand. Members of the network will be contacted soon concerning their important contribution to this legislative link.

NEW EDITORIAL BOARD

Submitted by Joyce M. Frantz
PASFAA Newsletter Editor

During the February 4, 1991 PASFAA Council meeting, the decision to 'change' the PASFAA newsletter was approved to reflect the following:

1) Quarterly Publication Schedule and Mailing Dates:
Winter (12-15) Spring (4-15) Summer (6-15) Fall (8-15). Articles from the membership are due one month prior to publication dates as listed above.

2) Editorial Board Expansion and Responsibilities: The following PASFAA members have been approved as additional members of the Editorial Board - Randall Rennell (Juniata), Alisa DeStefano (Indiana University of PA), Linda Brittain (Harrisburg Area Community College), Arthur Holtz (Episcopal Hospital School of Nursing), and Ernest Junstrom (Great Americal Federal Savings & Loan). These individuals will join Mary Frances Woodall (Ursinus), John McKeown (Kutztown University), and myself in publishing a more expanded, in-depth newsletter. Responsibilities of the Editorial Board will entail consultation of appropriate materials for publication, contribution of articles for publication and identification and recruitment of individuals in specific geographic areas to submit articles for publication.

The above changes were instituted based upon the belief that if more individuals are involved in the publication of the newsletter, more news will be available for the membership to read. On behalf of our new Editorial Board, we hope this issue will reflect that belief.

1991 PASFAA CONFERENCE: LAST CHANCE FOR INPUT

Submitted by Robin Szitas
1991 Conference Chair

Plans are well under way for the 1991 PASFAA Conference at Seven Springs Mountain Resort. The Committee is working hard to find a balance between new and informative topics to meet the Association's professional needs, and exciting social activities to meet the Association's desire for fun! We still have room for more suggestions, so please contact me with any ideas you have for the conference, at (814) 332-4354 or PHEAA Terminal TM75. Or, feel free to contact any of the 1991 Committee members:

Bonnie Behm, Linda Ebel, Rich Esposito, Pat Hayes, Sheila Nelson, Julie Salem, Jim Zuzack.

To help with your budget planning for the coming year, listed below are the conference room rates at Seven Springs. These rates are based on a full American plan:

Single - \$115/day

Double - \$91/day/person

Triple/Quad - \$81/day/person

The conference fee will be published at a later date. Hope you can make plans to join us!

MEMBERSHIP AND ELECTIONS COMMITTEE REPORT

submitted by Rachael Lohman
Past President, PASFAA

PASFAA has already exceeded its membership numbers from 1989-90 already. This has been the result of an early series of mailings to last year's members who had not renewed, the inclusion of a membership application in the last issue of the newsletter, and a mailing to all Stafford Loan eligible institutions in Pennsylvania which had not yet joined PASFAA.

1989-90 year end	1990-91 to date	
403	412	Active
110	144	Associate
1	1	Student
<u>1</u>	<u>1</u>	<u>Life</u>
515	558	TOTAL
33	30	Two-year public
11	17	Two-year private
41	38	Four-year public
152	166	Four-year private
43	46	State related
80	87	Proprietary
35	43	Nursing
56	66	Lenders
28	28	Government agencies
13	10	Vendors/Sponsors
<u>23</u>	<u>27</u>	<u>Other</u>
515	558	TOTAL

By the time you receive this newsletter, you should have received your 1990-91 PASFAA Membership Directory. Special thanks to Georgia Prell, Director of Financial Aid, East Stroudsburg University, for her special efforts in getting this directory to you as early as possible. If you did not receive your directory please contact Rachel Lohman, Director of Financial Aid at Wilkes University.

PASFAA'S OWN "MIKEY" COMMITTEE

submitted by Ron Laszewski
President-Elect, PASFAA

For those of you who enjoy reading the PASFAA By-Laws, you may discover that one of our standing committees is the Committee for Professional Standards. Surprisingly, this committee has no accepted acronym (would PS really be appropriate?). However, some members of the Executive Council have begun to refer to us as the "Mikey Committee". When a new program idea or policy dilemma is presented, it is often referred to the Committee for Professional Standards for discussion and proposed development ("Let's see if Mikey likes it!").

Officially, this committee is chaired by the PASFAA President-Elect and its membership consists of all seven sector representatives. The By-Laws charge the committee with "the responsibility to adapt standards of good and ethical practice for the administration of financial aid within the Commonwealth of Pennsylvania and shall provide for the professional recognition of excellence in financial aid administration." In practical terms, however, the committee has evolved a much more far-reaching program planning and professional training function for the Association. For example, under the two previous Chairs (Rachel Lohman and Mary Miller), the Guidance Counselor Workshops were developed and implemented, including recently making them a cooperative effort with the PHEAA Regional Director Workshops. The Financial Aid Night transparencies were another product of the Committee for Professional Standards.

For the coming year, the Committee plans to continue several of our ongoing projects such as the Guidance Counselor/PHEAA Workshops, updating the transparencies (what effect will Reauthorization have?), and further development of a PASFAA organizational chart/Executive Council job descriptions/calendar. In addition, we will screen nominations to the Pennsylvania Aid Administrators Training Program (PAATP) Planning and Development Committee (P&PDC), investigate sector staffing patterns, discuss a PASFAA position statement on "outside" aid awards, and consider the viability of developing a public service announcement on financial aid.

Almost all of these programs/ideas were suggested from members of the Association, and I urge all PASFAA members to contact their sector reps or me if you have new areas that the Committee should consider.

The Committee for Professional Standards usually meets the day before meetings of the Executive Council and eagerly awaits your input. What we lack in an acronym, we make up for in energy. What less would you expect of PASFAA's "Mikey" committee?

CAMPUS-BASED AID AND NON-SUBSIDIZED STAFFORD LOANS

submitted by Alisa DeStefano
Indiana University of PA

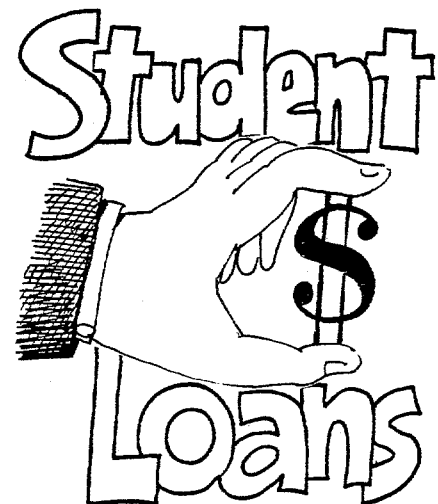
If a student has campus-based aid, PHEAA will now offset the expected family contribution (EFC) with a non-subsidized Stafford Loan for the campus-based aid programs. Previously, a non-subsidized Stafford Loan was not treated as an offset for campus-based aid, as was PLUS/SLS, State-sponsored, and private educational loans, therefore, in the Stafford Loan certification process it was necessary to indicate if the student had campus-based aid. This is no longer required since a non-subsidized Stafford Loan is now considered an offset to the EFC.

Example:

Old Method		New Method
\$7,000	Costs	\$7,000
4,890	Resources*	4,890
<u>900</u>	EFC	<u>900</u>
1,210	Sub. Stafford	1,210
0	Non-Sub Stafford	900

*student has campus-based aid.

For Stafford Loans certified prior to 1/17/91, the student who was not considered for at least a \$500 non-subsidized Stafford Loan due to campus-based aid can get non-subsidized loan consideration by writing to: Robert Pearl, Director of Alternative Loans, PHEAA, 660 Boas Street, Harrisburg, PA 17102.



UNDERSTANDING AND SURVIVING STRESS

"FINANCIAL AID CAN BE A HIGH STRESS JOB"

by Thomas L. Moriarty

(Reprinted with permission of EASFAA)

Stress is a term we hear about on a daily basis. Yet its meaning is often misunderstood and its implications are taken for granted. The concept of stress has been an important topic for years in medical and psychological research. It has received the attention of the media as well as various government agencies concerned with health issues.

Stress is a naturally occurring process that may have either a positive or a negative effect on the body. Positive stress (eustress) at some level is needed for high performance. However, too much stress (distress) can be dysfunctional and can lead to physical and mental illness or even death.

Dr. Hans Selye (1974) defined stress as "the rate of wear and tear on the body caused by daily living." Stress makes demands on us that can create an imbalance in our life. To restore the imbalance and to achieve equilibrium, the body reacts with a complex physiological response called the stress response. This stress response is the unconscious mobilization of the body when it encounters stressors. For the purposes of this writing, we will only discuss psychosocial stressors. These are the stimuli to which we assign a cognitive interpretation or a meaning. The limitations of this article do not permit an in-depth look at the stress response.

Stressors

Before you can effectively understand or manage stress, you must first identify those stressors found on the job and in your personal life.

Remember stressors are a matter of interpretation so they will vary for each of us. Change is a common denominator in most stressors. Change is certainly a common element in financial aid and is therefore a major stressor.

Some other common aid office stressors: Deadlines, staff shortages, audits, lost files, verification, lack of time, errors, upset customers and lack of positive feedback.

For a good article about financial aid office stressors, read the article by Ted Krug and Steven Levy in the spring 1988 issue of the Journal of Student Financial Aid.

Common stressors off the job: Family problems, money worries, personal health, children, health issues, relationships and time for ones self.

Now that we have some understanding of those stres-

sors that activate the stress response, let me explain how these continuous stress reactions impact upon you and the office

Organizational Impact

The mental and physical effects of job stressors in the financial aid office can be very costly. Stress lowers morale and motivation (Spaceapan '87). In 1989 the U.S. Dept. of Labor estimated that about 1 million workers are off the job each day because of stress related problems. Job dissatisfaction tends to increase and job performance decreases.

People working under stress can develop poor concentration and begin to experience difficulty in making sound decisions. Workers experiencing high levels of prolonged stress also tend to make more mistakes. (Rosenthal '83). The implications of these facts should be of major concern to financial aid officers.

Stress can also have a negative effect on relationships between co-workers. Animosity can increase and a breakdown in communications can result.

Psychological Impact

Psychological responses to stress include lowered tolerance levels (important when dealing with students and their parents), an increased sense of frustration, lowered self-esteem, anxiety, family problems and burnout. (Nelson and Quick '85.)

Health Impact of Stress

Substantial medical evidence exists to demonstrate that prolonged unrelieved negative stress can have a major impact on you and your staff. Stress has been called one of the most debilitating and often fatal medical problems facing our society today. When deciding if you should address the issue of managing stressors in both the office and your personal life consider the following:

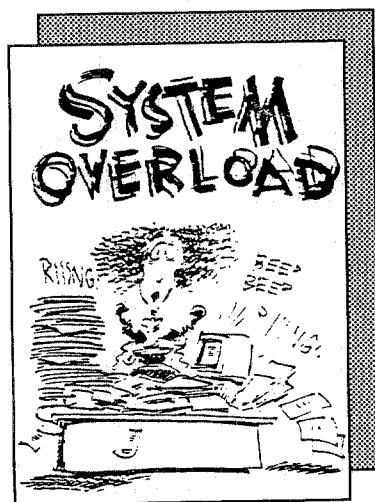
The U.S. Surgeon General has declared that when stress reaches excessive proportions, psychological changes can have serious implications for both the mental and physical health of the American public. (Public Health Ser. '79).

The U.S. Center for Disease Control (1984) estimates that stress arousal plays a major role in the eight leading causes of premature death in the United States.

The American Academy of Family Physicians estimates that over 60% of office visits to family doctors are promoted by stress related symptoms.

Stress plays a major role in either the cause of aggravation of many medical conditions: heart disease, high blood pressure, migraine headaches, ulcers, low back pain, muscle tension and some allergies.

Since stress suppresses the immune system, medical science is exploring the relationship of stress to cancer.



Stress Management

A wide variety of stress management techniques are available. The following is a list of some very easy but very effective methods that you may wish to consider as you decide that stress management is too important to leave to chance.

1. Learn more about stress management.
2. Exercise regularly.
3. Recognize and accept your own personal limits.
4. Develop a plan to eliminate or better manage those job and personal life stressors.
5. Avoid caffeine at high stress periods – coffee, soda and chocolate are common sources of caffeine.
6. Learn relaxation techniques such as deep breathing methods, muscle relaxation, biofeedback or mental imagery.
7. Eat a balanced diet. Good nutrition is extremely important.
8. Learn coping skills.
9. Learn time management, assertiveness training and improved communication skills.
10. Take breaks throughout the day. Short breaks can "recharge your batteries."

Conclusion

Stress is a fact of life. We cannot eliminate those stressors common to the life in a financial aid office. Hopefully, this article has demonstrated that stress is a very serious matter and must be addressed by each of us. Effective stress management can lead to a happier, more productive life and certainly can add years to your life.

Thomas Moriarty is Director of Financial Aid at Shippensburg University of Pennsylvania. He is a certified EMT and works with stress and crisis management for police, firefighters and other emergency personnel in Central Pennsylvania.

Western part of State Organizes Nursing Sector Group

submitted by Lauren Tracey
West Penn Hospital
School of Nursing

Nursing schools from the Pittsburgh and surrounding areas have joined together to form the Southwestern Pennsylvania Nursing Sector Association. The newly formed group will meet quarterly for the present and hopes to provide support and affiliation (spelled COMMISERATION) for nursing programs in the area.

If you wish further information or would like to join, please contact Lauren Tracey, Financial Aid Office, West Penn Hospital School of Nursing at (412) 578-5537.

GUIDANCE COUNSELOR WORKSHOPS A SUCCESS!

submitted by Mary Andrews Miller
President, PASFAA

"Excellent Program," "Best workshop I've been to," "Combining the PHEAA and PASFAA presentations is a good idea. Keep up the good work". These are some of the many positive comments that we received from the Guidance Personnel who participated in the workshop series presented by members of PASFAA and the PHEAA Regional Directors. As a result of offering these 39 workshops throughout Pennsylvania, we reached 946 Guidance Personnel! The overall response from both the presenters and the participants was very positive. We will all benefit from these workshops in that we were able to provide financial aid information to such a large number of counselors who in turn will pass this information on to their students and parents. These students and parents will be those that we will see on our campuses this coming academic year - Proof that the domino effect does work!

Thanks to the following PASFAA members who offered their assistance with the workshops as either site registrars or presenters: Sister Mary Philip Aaron, Sally Abrams, Kim Adamson, Timothy Balfour, Gordon Bateman, Bonnie Behm, John Bieryla, Everitt Binns, Chris Brown, Cheryl Browning, William Burke, Judith Burns, Henry Chance, Lisa Cooper, Todd Cotteau, Brandi Darr, Betty Davis, Ron Dawson, Nancy Decker, Alisa DeStefano, Sean Develin, Linda Ebel, Patrick Fanning, Cynthia Farrell, Joyce Frantz, George Gerhart, Ken Grugel, Arthur Holst, Margaret Hynosky, Christine Koterba, Robert Latta, Rachael Lohman, Tom Lyons, Mary-Ellen Madigan, Catherine McIntyre, Fran McKeown, Sheila Nelson, Ro Nwanski, John Pergolin, Julie Salem, Debra Schreiber, Gary Seelye, Don Shade, Ronald Shunk, Paul Simenson, Deidre Smith, Betty Soergel, Joyce Spencer, Elaine Taillon, Christopher Vaughn, George Walter, Sharon Warner, Ragan Watson, Larry Whatule, Calvin Williams, Robert Wisenauer, Delbert Woodward, Christine Zuzack.

Also, many thanks to the following PHEAA Regional Directors who made site arrangements, coordinated the breaks and presented a portion of the workshops: Jim Cardinale, Daniel Hudock, Heidi Hunter, Daniel Johnston, Mary Beth Kelly, Thomas O'Donnell, William Parker.

Our appreciation is extended to PHEAA for their generosity in their support of these workshops, and to Mary Beth Kelly of PHEAA for coordinating the compilation and distribution of materials and overseeing the entire workshop series.

A final Thank You to the Professional Standards and Training Committee who offered their assistance in organizing the financial aid officer portion of the workshops. The committee members were Brenda DeV Vaughn, Margaret Hynosky, Don Shade, Ron Laszewski, Bob Heyl, Gary Seelye and Rick Wilson.

Finally, I am pleased to announce that due to the success of this effort, we will offer a joint presentation again this coming Fall. Ron Laszewski, PASFAA President-Elect, and Mary Beth Kelly of PHEAA will be coordinating these workshops and will look forward to your support.

EASFAA REPORT

submitted by Rachael Lohman
past president, PASFAA

The EASFAA Conference is scheduled for May 5-8 at the Sheraton Islander Hotel, Newport, Rhode Island. The conference fees have been set at \$185 for the entire conference; \$100 for a one-day registration. The room rate is \$115 for a single or double.

The Conference Committee has worked hard to put together a consummate conference program. Topics will include -- Negotiation: The Art of the Deal; Media Relations; What is the Middle Class?; Stage Zero; and Legal Aspects of the Aid Profession. For some pleasure, after a hard days work, the committee has planned a silver anniversary celebration as well as a Great Gatsby party. Also, come join the fun at EASFAA first annual "Pool Side Yacht Race."

If you are looking for someone to share the cost of a room, Yvonne Gittens, EASFAA Treasurer, has agreed to take on the task of trying to arrange roommate matches. You may contact Yvonne at (617) 253-4971 for additional information.

FUTURE CONFERENCE DATES AND SITES

- 1992 Conference -
Puerto Rico May 6-9
- 1993 Conference -
Baltimore, Md May 12-15
- 1994 Conference -
Atlantic City, NJ Dates to be announced.

VETERAN BENEFITS

submitted by Ken Grugal
Clarion University

(Editor's Note: Now that the United States is involved in war, many of our students who were enlisted with the Reserves and who have been called to active duty will return to our campuses as veterans. As Aid Officers, responsible for administration of veteran benefits, it is our responsibility to review the programs our students will now be eligible to benefit from upon their return. Many campuses have prepared special brochures for their eligible veterans to keep them informed of changes, updates, etc. The following items were lifted from the Veterans Manual prepared at Clarion University of Pennsylvania.)

VA STUDENT CALLED TO ACTIVE DUTY

While the President has issued an Executive Order calling Reservists to active duty, his authority limits the active duty period to 90 days with provision for an extension of up to another 90 days. Since these Reservists (Chapter 106 Students) do not meet the minimum service requirements, the Army has determined them ineligible for the Montgomery G.I. Bill - Active Duty Program - Chapter 30. As a result, these individuals will not have their military pay reduced by \$100/month as do those eligible for the program.

Should Reservists called to active duty under this Executive Order stay on active duty, the services may then take appropriate action to make them eligible for the Chapter 30 program. Any Reservist who is injured while on active duty may become eligible for VA's Vocational Rehabilitation Program - Chapter 31.

The Department of Defense considers eligible reservists who are called to active duty as still being affiliated with the Selected Reserve. Therefore, their

eligibility for benefits under Chapter 106 will continue.

Students eligible for benefits under VA education benefit programs are paid benefits based on their pursuit of training through the date of last attendance. Unless mitigating circumstances are found to exist, benefits are terminated as of the beginning of the term when a student terminates his or her training.

VA field stations are being instructed that a statement from a veteran, the veteran's school or family to the effect that he or she has terminated attendance due to unanticipated active military service will generally be accepted. Copies of military orders will not be necessary. This also applies to Reservists who volunteer for unanticipated active duty.

PHEAA POLICY FOR STATE GRANT RECIPIENTS WHO MUST WITHDRAW DUE TO ACTIVE DUTY

PHEAA understands that some institutions (including CUPA) are providing a full refund to students who are forced to withdraw due to military assignment. In such cases the University will refund the state grant to PHEAA, thus preserving an extra term of state grant eligibility for the student's future use.

VETERAN STATUS

Depending on the length of their call-up and active duty status, members of Guard or Reserve units may be eligible for classification as "veterans" when they return and again enroll. This would extend to them the various special considerations in the State Grant Program that are provided to veterans. They must serve at least 180 days of active duty with the regular military and meet other conditions to be classified as a veteran for Pennsylvania State Grant purposes.

PRESIDENT BUSH RELEASES PROPOSED BUDGET

by Chris A. Zuzack
Vice President, PASFAA

On February 5, 1991, President Bush released his new budget proposal for fiscal year 1992. The budget request also includes portions of the administration's outline for reauthorization of the Higher Education Act.

Some highlights of the new budget are as follows:

General Student Aid Provisions

- Students would have to be in the top 90% of their class in order to remain eligible for Title IV aid.
- A pro rata tuition refund policy would be required for all schools participating in Title IV aid programs.
- Independent students would be those who were at least 26 years old or who could prove financial self-sufficiency.
- High default schools would be eliminated from all Title IV programs.
- School would not be permitted to pay commissions, bonuses, or other incentives based on enrollment or student aid volume to recruiters.
- A single need analysis program would be developed for all Title IV aid programs.

Pell Grants

- The maximum award would rise to \$3,700 per year.
- The Pell Grant Formula would be eliminated and a new need analysis system would be used for all Title IV aid.
- A Presidential Achievement Scholarship program would be initiated that would provide an additional \$500 award to Pell recipients in the upper 20% of their college class.

Guaranteed Student Loans

- Increased loan limits on Stafford and SLS loans. First and second year undergraduates could get \$3,500 and third through fifth year undergraduates could get \$5,000 per year from Stafford. Second through fifth year undergraduates could get \$6,000 per year through SLS while graduate students could borrow up to \$10,000 per year.
- 600 clock hours would be the minimum number of hours for an eligible program.
- Loan applicants who are 21 years of age or older would be required to undergo a credit check.
- Graduated repayment schedules would be available.
- At schools with default rates over 30%, disbursements of loans to first year students could not occur until 60 days after the start of the enrollment period.
- Schools would be required to collect certain information about the borrower during exit interviews.

Campus-Based Aid Programs

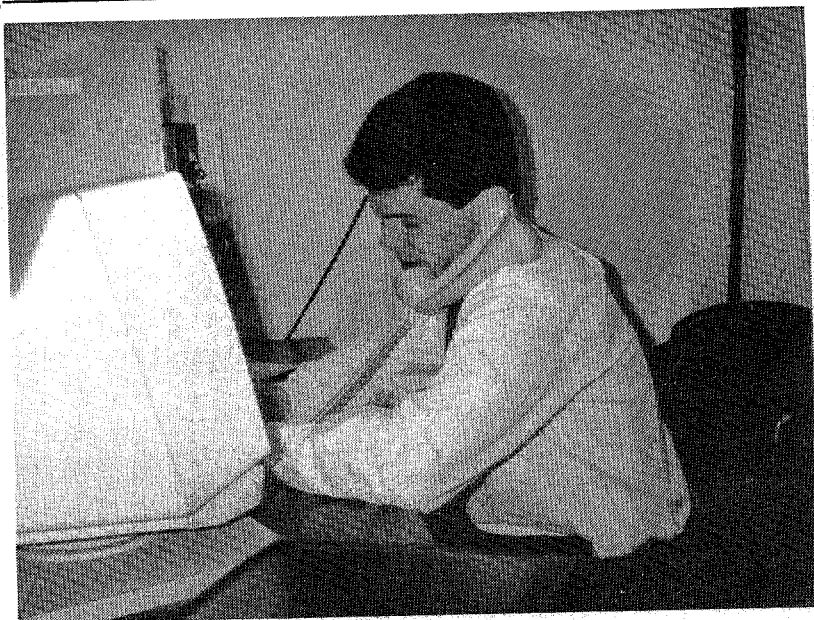
- Schools would be required to match CWSP and SEOG funds at 50%.
- CWSP students would not be permitted to work for profit-making businesses.
- Creditworthy co-signers would be required for Perkins borrowers who are 21 years of age or older and who have negative credit histories.
- Schools would be required to collect certain information about the borrower during exit interviews.

State Student Incentive Grants

- This program would be eliminated.

THE PROPOSED BUDGET SUMMARY

Program	1991 Request	1991 Funding	1992 Request
Pell Grants	5,277,000,000	5,374,282,000	5,775,121,000
SEOG	458,650,000	520,155,000	346,945,000
CWSP	601,765,000	594,689,000	396,615,000
Perkins	0	156,144,000	15,000,000
Stafford Loans	4,450,089,000	4,209,818,000	5,892,632,000
Income Contingent Loan	15,000,000	4,880,000	10,000,000
SSIG	0	63,531,000	0
Presidential Ach. Scholar.	0	0	170,000,000
Byrd Scholarships	8,627,000	9,271,000	9,271,000
Paul Douglas Scholarships	14,922,000	14,639,000	14,639,000

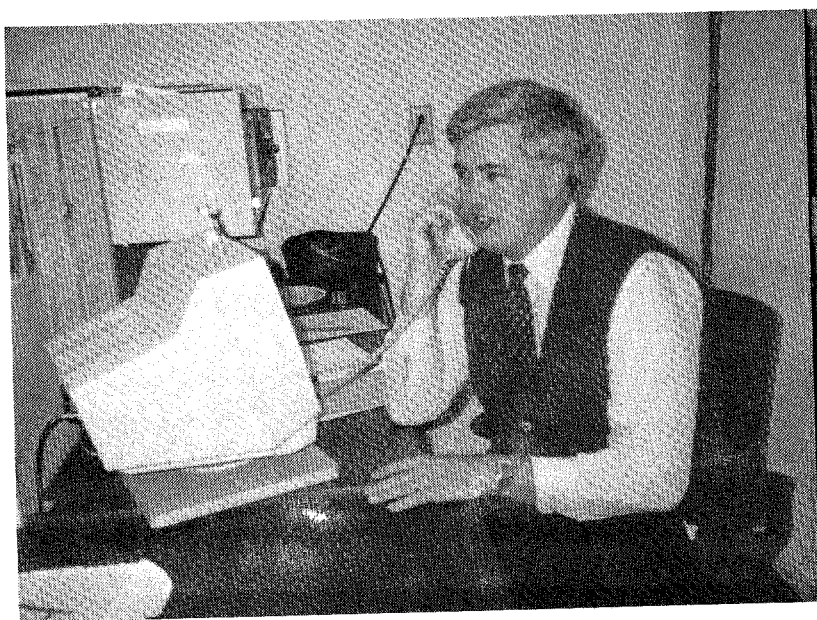


Bill Brown
Lebanon Valley College
Site Coordinator, Harrisburg

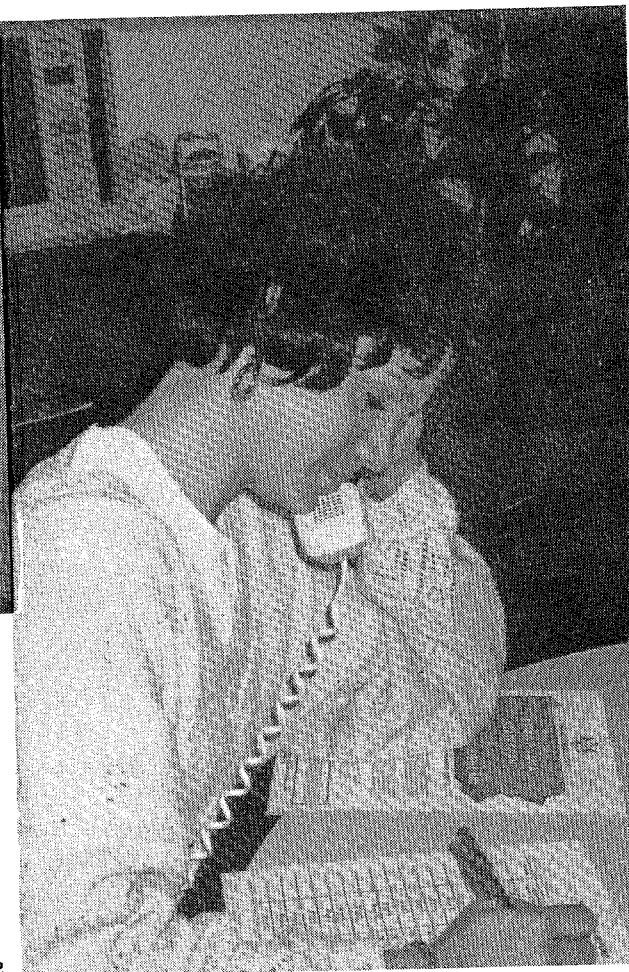


Laurie Madson
Marketing Coordinator
PNC Ed. Loan Center

Hotline



Gordon Bateman,
Elizabethtown College



Tina Rakowski
Cabrini College

Hotline

Hotline story on Page 15

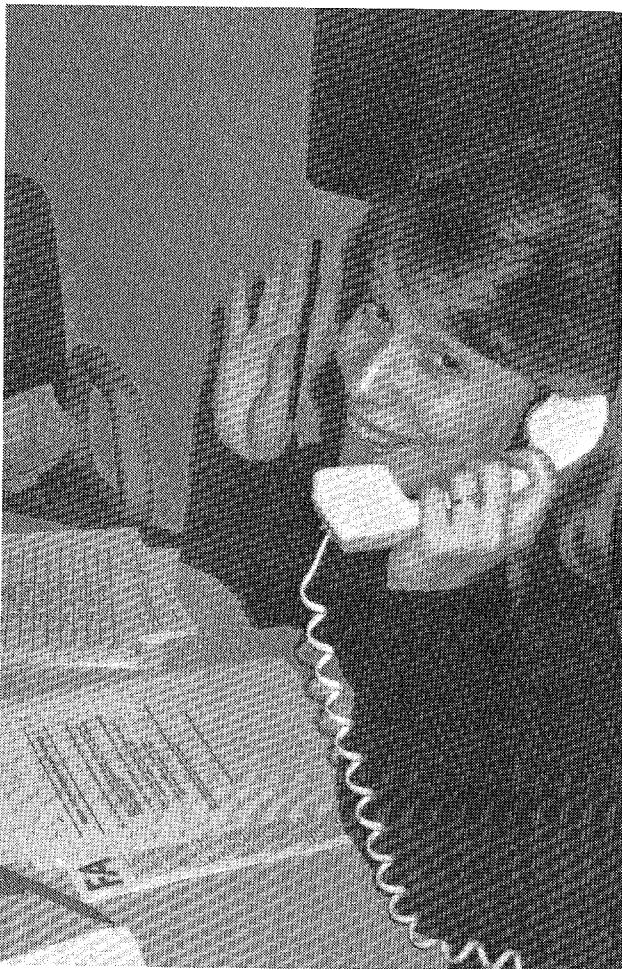


Paul Zimmerman
Carnegie Mellon University
PASFAA Hotline Coordinator



Nancy Epstein
PA College of Podiatric Medicine

Hotline



George Walter
Villanova University

Hotline

Christine Coccia
Cabrini College

PASFAA DISTINGUISHED SERVICE AWARD

submitted by Rachel Lohman
Past President, PASFAA

During the February 1991 PASFAA Council meeting, a more formalized procedure was adopted for the selection of a Distinguished Service Award recipient.

A special sub-committee of the Membership and Elections Committee was formed. This committee will be comprised of the four most recent past presidents of PASFAA. Prior to the June Council meeting, the Committee will consider possible candidates and prepare a slate of nominees to be reviewed by Council.

Any member of PASFAA who would like to suggest a possible candidate to be honored with the Distinguished Service Award may contact any member of this Committee by May 1st. Current members are William Irwin, Sheila Angst, Milosh Mamula and Rachel Loman.

Share your Best Publications at the Forms Fair

The 1990-91 NASFAA Conference Committee invites you to participate in the publications display at the NASFAA Conference in Washington, D.C. from July 28 to 31, 1991.

The publications and forms fair display offers you the opportunity to view and receive copies of the most innovative and effective forms designed and used by financial aid offices. This year the display will be located near the exhibit hall. The fair is being coordinated by Dolores S. Davis and Clantha Carrigan McCurdy.

The Conference Committee encourages you to share your forms, brochures, or other publications with the membership. The goal is to make this the most successful and memorable publications/forms display ever. Please help us with our efforts by mailing two copies of your best publications to Dolores S. Davis, Director, Student Financial Aid Office, North Carolina A & T State University, 1601 E. Market St., Greensboro, NC 27411.

Thanks for your help and participation. Remember, no form is too big or too small for the NASFAA forms fair!

Nursing Sector Report

submitted by Joanne Parke-Davison
Altoon Hospital School of Nursing

The Nursing Assured Access Program is now available to provide undergraduate and graduate nursing students and their families affordable financing for Stafford, SLS and PLUS loans, as well as a private education loan plan called the FamilyEd program.

Loans are originated by First American Bank, N.A., with funding provided by Sallie Mae. In the Nursing Assured Access Program, interest is capitalized just once before repayment begins, as opposed to other plans which may capitalize interest as frequently as quarterly. This in-time capitalization can significantly lower interest costs.

For interested nursing students, a consolidation program is also available with an extended repayment term of up to 25 years and two graduated repayment options.

OVR FOR STUDENTS ATTENDING SUMMER SCHOOL

Assistance through the Office of Vocational Rehabilitation will be available to students who qualify during the summer. The process will be the same as for the Fall and Spring enrollment periods. A new Request for Financial Aid Information form will be submitted to the financial aid officer for completion. OVR has encouraged their counselors to identify the form as one for summer school by writing "Summer School" in the upper right hand corner of this form. In addition, they will specify the number of credits that the student expects to enroll for during the summer, particularly if the credit load will be less than full time.

The financial aid officer should then complete the form with information on cost of attendance, family contribution, estimated PHEAA grant (if appropriate), Pell Grant (if appropriate), other grants and scholarships, and the PHEAA maximum Gift Aid amount.

If you are unsure as to which term you should be using to complete the Request for Financial Aid Information form, please contact your OVR representative for assistance.

1991 PASFAA FINANCIAL AID HOTLINE

January 28 - February 1

Submitted by Paul Zimmerman
1991 Hotline Coordinator

When the financial aid officer asked the caller why he refused to fill out the financial aid forms, the caller responded "What is the point since the world is about to end?" Even this year's Financial Aid Hotline was affected by the Persian Gulf Crisis. At the time of our Hotline, the public's interest was understandably focused on the issues of war rather than that of financing a college education. The number of calls received this year was down by 33%, even though the amount of paid advertising remained constant to that of 1990.

Unfortunately, the world of financial aid is often directly affected by the media. Many of us know this from the questions asked of us at college nights, college fairs, or individual telephone calls and appointments. Constantly, information can spread which may mislead the public. How many times have you been asked about the millions of scholarship dollars which, according to media reports, remains unspent each year?

Despite the concern with current events, a significant number of individuals interested in financial aid for college asked for assistance. This year's event assisted 1,443 students, parents, and others across the Commonwealth who had important questions concerning this sometimes overwhelming subject.

Additionally, more people volunteered to assist with the 1991 Hotline than ever before. Over 100 people worked together to make this effort a success. Our three site coordinators, Cynthia Farrell of Thiel College (for the Pittsburgh site), Bill Brown of Lebanon Valley College (for the Harrisburg site), and Bonnie Behm of Thomas Jefferson University (for the Philadelphia site), played a major role in the success of the operation. Bonnie Behm also served as the Assistant Coordinator for the state and was a tremendous help in this capacity.

PASFAA sends a special **thank you** to Michelle Keyser of PHEAA, Laurie Madsons of PNC Education Loan Center, and Sally Whiteman of Provident National Bank for their personal support of this event. Also, the financial sponsors of the Hotline are appreciated and recognized as crucial to the success of this service to the Commonwealth. These include the PNC Education Loan Center; its affiliates at Hershey Bank, Northeastern Bank of Pennsylvania, Pittsburgh National Bank, and Provident National Bank; and the Pennsylvania Higher Education Assistance Agency.

And **thank you** to all the aid officers who volunteered their time and expertise in this event. Not only to the telephone volunteers, but also those who contacted their mayor's offices to proclaim January "Financial Aid Awareness Month" in 1991.

Several mayors across the state and Governor Casey cooperated with our efforts. Elsewhere in this newsletter is a copy of the Governor's proclamation.

We hope this kind of support will continue and broaden in the future. Next year will be another opportunity, hopefully without a preoccupation of war, for PASFAA to participate in this public service. Only with the support of the membership will the seventh annual Hotline be a success. I hope you will be part of it!



Listed below are the statistics for the sixth annual PASFAA Hotline. The telephone calls are described by six different characteristics which have been categorized to evaluate the callers and their inquiries.

Number of calls received by site and date:

Site	Mon	Tue	Wed	Thur	Fri	Total
Harrisburg	37	38	41	48	32	196
Philadelphia	183	132	140	128	132	715
Pittsburgh	92	119	101	108	112	532
Totals	312	289	282	284	276	1443

Type of Caller:

Students	479	(33%)
Parents	945	(66%)
Other	19	(1%)

Caller's location in Pennsylvania by zip code:

Southwest	(15000-15999)	349	(24%)
Northwest	(16000-16999)	211	(15%)
Central	(17000-17999)	104	(16%)
Northeast	(18000-18999)	230	(16%)
Southeast	(19000-19999)	521	(36%)
Outside PA/Unknown		28	(2%)

How caller heard about the Hotline:

Newspaper	913	(63%)
High School	214	(15%)
Radio	71	(5%)
Television	32	(2%)
PHEAA	26	(2%)
Library	10	(1%)
Other	177	(12%)

Type of Inquiry:

FAF/PHEAA applications (specific questions, procedures, deadlines, etc.)	812	(56%)
Loans (application questions, procedures, disbursements, etc.)	173	(12%)
Programs (Pell, PHEAA, CWS eligibility, availability, etc.)	348	(24%)
Misc. (General information)	110	(8%)

Thank You Hotline Volunteers!

Sister Mary Philip Aaron, Seton Hill College
James Baskett, Drexel University
Gordon Bateman, Elizabethtown College
Lucille Bavaria, Lehigh University
Linda Bell, Lehigh University
Carol Berry, Restaurant School
Michael Bertionaschi, LaRoche College
Bill Brown, Lebanon Valley College
Cheryl Browning, Berean Institute
Carolyn Bryan, Central Penn. Business School
Bill Burke, University of Scranton
Madelyn Campbell, Dickinson College
Todd Catteau, Northeastern Christian Jr. College
Judy Christopher, St. Joseph's University
Deborah Clark, Lancaster Bible College
Christine Cocchia, Cabrini College
Mike Colahan, Thomas Jefferson University
Lisa Cooper, Phila. College of Textiles & Science
Ruth Cramer, Wilson College
Brandi Darr, Triangle Tech
Ron Dawson, Phila. College of Textiles & Science
Arlina DeNardo, Lafayette College
Jane Dessoie, College Misericordia
Alisa DeStefano, Indiana University of Penn.
Sean Develin, Drexel University
Cindy DiLucia, University of Pittsburgh
Wendy Dunlap, Point Park College
Mary Beth Dunn, Phila. College of Textiles & Science
Frank Dutkovich, Duquesne University
Linda Ebel, Pittsburgh Technical Institute
Nancy Epstein, PA College of Podiatric Medicine
Richard Esposito, Pittsburgh Beauty Academy
Cynthia Farrell, Thiel College
Caryn Frank, Susquehanna University
Leanne Frech, Univ. of Pitt. at Johnstown
Natalie Friedman, Carlow College
Greg Gearhart, Messiah College
Patty Gill, Phila. Wireless Technical Institute
Lavern Glenn, Art Institute of Phila.
Ken Grugel, Clarion University
Kristan Harrington, Rosemont College
Joanna Hastings, Waynesburg College
Cynthia Heaton, Lock Haven University
Rick Heckman, Dickinson College
Bob Heyl, University of Pittsburgh
Arthur Hoist, Episcopal Hospital School of Nursing
Heidi Hunter, PHEAA Regional Office
Margaret Hynosky, Lackawanna Junior College
William Irwin, Lock Haven University
Kaylette Jenkins, Peirce Junior College

Jane Kacsur, Lehigh University
Sister Barbara Kaufmann, Gwynedd Mercy College
Dan Kennedy, Carnegie Mellon University
Chris Koterba, Franklin & Marshall College
Mike Laffin, Carnegie Mellon University
Robert Latta, Westminster College
Patricia Leskovac, Thiel College
Allison Long, Central Penn. Business School
Paula Luff, Carnegie Mellon University
Suzanne Mack, Phila. College of Textiles & Science
Tina Madison, ICM School of Business
Teresa Mak, Hussian School of Art
MaryKay McCaughan, Villanova University
Richard McCracken, Temple University
Fran McKeown, Bucks County Comm. College
John McKeown, Kutztown University
Wendy McLaughlin, LaSalle University
Mary Miller, Indiana University of Penn.
Rhonda Moore, Restaurant School
Clarke Paine, Penn. School of Art & Design
Diana Pazzaglia, Johnson Technical Institute
Jack Pergolin, St. Joseph's University
Karen Pratz, Waynesburg College
Tina Rakowski, Cabrini College
Mary Cay Reilly, Neumann College
Erin Roberts, Triangle Tech
Lois Roemmele, Beaver College
Michelle Roscoe, Art Institute of Phila.
Mirtha Rospigliosi, University of Scranton
George Santucci, Duquesne University
Suzanne Schlager, Franklin & Marshall College
Alison Seagle, Pittsburgh Technical Institute
Patricia Serianni, Swarthmore College
Steve Shandon, Art Institute of Phila.
Robert Shuman, Penn State University - Reading
Deidre Smith, Point Park College
Gail Smith, LaSalle University
Kathie Smith, Boyd School
Betty Soergel, Penn State University - Altoona
Mike Strite, Messiah College
Laura Talbot, Swarthmore College
Christy Tiano, LaSalle University
Doris Topolski, Manor Junior College
George Walter, Villanova University
Ragan Watson, Clarion University
Carolyn Wharton, Elizabethtown College
Mary Frances Woodall, Ursinus College
Bryan Zerbe, Gettysburg College
Paul Zimmerman, Carnegie Mellon University
Christine Zuzack, Indiana University of Penn.
James Zuzack, Slippery Rock University

UNDERSTANDING THE STUDENT LOAN PROCESS

by Christine A. Zuzack
Vice President, PASFAA

In order to fully understand the processing of Stafford Loans from the point of the student receiving an application through the final repayment of the amount borrowed, it is important to be able to distinguish the different agencies and organizations involved and their respective responsibilities. To be able to fully assist a student borrower in knowing who to contact for disbursement information, deferment forms, cancellation of loan amounts, repayment schedules or a number of other questions that arise, you must be able to identify the proper organization that you or the student should contact. Without fully understanding the relationship and responsibilities of these various parties, you may be sending the student on a frustrating and fruitless search that could have been avoided if the question had been initially directed to the proper organization.

The basic responsibilities of the various loan entities are outlined below. Understanding their basic responsibilities and functions will greatly assist you and the students that you serve.

US Department of Education

Since the Guaranteed Student Loans Programs are authorized under Title IV of the Higher Education Act, the Federal Government through the US Department of Education oversees the operation of these programs. The Department is responsible for the following functions:

- determining eligibility of schools and lenders
- assuring compliance with program regulations
- pays interest and special allowance to lenders
- reinsures claims paid by the guaranty agencies
- proposes new regulations to strengthen the program

Guaranty Agency

The Guaranteed Student Loans Program is one of the federal Title IV student assistance programs. However, the federal government has delegated to a number of guaranty agencies the responsibility for monitoring the operation of these programs. PHEAA is one of 45 guaranty agencies in the United States currently overseeing the daily functioning of the GSL programs.

A guaranty agency performs the following:

- assures program compliance by participants
- determines applicant's eligibility for a loan
- insures lenders against losses due to default, bankruptcy, and death/disability

- collect on defaulted loans purchased from lenders
- disseminates information on regulatory changes
- conducts investigations on fraud and abuse

Lender

Lenders provide the capital to lend to students through the Guaranteed Student Loan Program. The program must be administered in compliance with federal and guaranty agency policies. For their participation, lenders are paid interest and special allowance on the loans that they make to students.

Some of the lender responsibilities are:

- not discriminate against applicants
- comply with educational institution eligibility and evaluation criteria
- practice due diligence in making, servicing and collecting loans
- inform the borrower of rights, responsibilities and repayment obligations
- bill the federal government for interest and special allowance

Secondary Market

Lenders often have a limited amount of capital that they can direct for student loan purposes. For example, if a bank has available \$10 million for loans in a single year, it may designate \$3 million for home mortgages, \$3 million for business loans, \$1.5 million for auto loans, \$.5 million for personal loans, and \$1 million for student loans. Whenever the bank reaches the point that \$1 million has been disbursed in student loans, it would not be able to make any additional new loans to students. To alleviate this type of situation, the lender may sell all or part of its student loan portfolio to a secondary market thereby freeing additional funds to make new student loans. The secondary market organization which purchased the loan from the original lender is now the student's new lender. The student is notified in writing of this transaction and should now contact the secondary market organization for information about the loan. SALLIE MAE is a large secondary market frequently used by lenders.

To determine whether or not the student loan has been sold to a secondary market, check the Holder Code, item L03, on the revised XLA display.

Other Agencies and Functions

There are many required functions that lenders may choose not to perform in-house but to enter into a contractual agreement with another organization or agency for completion. This arrangement may be due to technical or staff limitations within the lender's organization or to the efficiency of many of these agencies in handling

student loan accounts. The original lender pays a fee to the organization for the loan accounts that are being handled. It is important to know which functions the original lender performs and which are contracted out to other agencies in order to effectively help students with loan questions and concerns.

Loan Originator

Loan originators determine if the promissory note is properly completed by the borrower, establish disbursement dates for the loan, provide a disclosure statement to the borrower, and issue the loan check. To determine whether or not the loan is being originated by an entity different from the initial lender, check the following on the PHEAA terminal:

On the revised XLA and XILA displays, an "O" beside the lender name indicates PHEAA assists the lender with origination by providing the lender with a computer tape or diskette with loan disbursement information so that the lender can cut the checks.

An "A" beside the lender name indicates that PHEAA actually cuts the loan checks on the lender's behalf.

Loan Servicer

Loan servicers monitor the cashing of loan checks, perform billing operations for interest and special allowance benefits, establish repayment schedules for the borrower, and determine eligibility for deferments and forbearance. To determine whether or not the loan is being serviced by an entity different than the initial lender, check the servicer code on XLA or XLAR. Z00100 indicates that PHEAA is servicing the loan. Check the XLB display for the name and address of other servicers.

Loan Collection

If a borrower becomes delinquent in repaying a student loan, a collection organization will follow required due diligence procedures outlined by the federal government in order to attempt to get the borrower back into repayment. The collection organization may request assistance from the school, the lender, the servicer, or the guaranty agency in trying to collect the loan.

Default Payment and Collection

Once a loan has been declared in default, the loan is purchased by the guaranty agency from the holder of the loan which may be the original lender, the servicing agent, or a secondary market.

The guaranty agency now attempts to collect the loan from the borrower by contacting the borrower, through wage garnishment, by turning the account over to a private collection agency, or by other legal means.

The borrower who is in default needs to contact the guaranty agency in order to resolve the default situation, not the most recent holder of the loan.

Student Loan Servicing Centers

There are a number of large Student Loan Servicing Centers (SLSC) which perform many of the functions outlined above. The two most common in Pennsylvania are PHEAA's SLSC in Harrisburg and SALLIE MAE's SLSC in Wilkes-Barre, PA. It is important for you to distinguish between these two agencies whenever you speak with students. Know which servicing agency the student is referring to whenever s/he generically mentions "SLSC" since this will be critical in helping the student to contact the proper organization.

Although PHEAA does operate the SLSC in Harrisburg, it is a complete and separate entity from the PHEAA Loan Division. Information and updates provided to the PHEAA Loan Division do not necessarily automatically transfer over to the PHEAA SLSC.

Important Contacts

The addresses and phone numbers listed below are frequently used by Pennsylvania schools. You can also look at the XLB display on the PHEAA terminal to find out the name and address of a specific lender. If you do not have a terminal, review the lender list that accompanies the PHEAA loan application for bank codes and addresses.

PHEAA Loan Division
P.O. Box 2165
Harrisburg, PA 17105-2165
1-800-692-7392

PHEAA Student Loan Servicing
Center
P.O. Box 2461
Harrisburg, PA 17105-2461
1-800-233-0557

PHEAA Network Consolidation
Center
P.O. Box 8134
Harrisburg, PA 17105-8134
1-800-338-5000

Loan Servicing Center of Penna.
Loan Origination Center
P.O. Box 9700
Wilkes-Barre, PA 18773-9700
1-800-533-8459

(Note: Many thanks to Rick Irvin from PHEAA Loan Division for assistance with this article. CAZ)

PELL OPENS REAUTHORIZATION HEARING WITH STATEMENT OF CONCERNS

submitted by Mary Miller
President, PASFAA

Senator Clairborne Pell (D-R.I.), Chairman of the Subcommittee on Education, Arts and the Humanities on February 21 opened his Subcommittee's first hearing on the Reauthorization of the Higher Education Act with the following statement::

"This series of hearings regarding the reauthorization of the Higher Education Act marks the fifth such reauthorization in which I have been deeply involved, and it could well be the most pivotal one since 1972. There are several concerns that I believe should and must be addressed in this reauthorization.

First, the federal dollar in higher education is basically a student aid dollar. Over 95 percent of all federal higher education dollars go into student aid. Our goal in reauthorization should be to strengthen and not diminish this commitment.

Secondly, over 75 percent of all student aid comes from the federal government. We are the dominant player in this area, and that fact cannot go unnoticed in our reauthorization work. We literally have the power to bring educational opportunity and access to life, and we should act accordingly.

Third, we must act to insure that the grant is the major student aid program at the federal level. We must diminish the reliance upon student loans, and redress the terrible imbalance that now exists between grants and loans. In the span of a decade the typical student federal aid package has gone from three quarters grants and one quarter loans to

almost the opposite.

"The heavy reliance upon loans to finance a postsecondary education has put many students deeply in debt, and has driven them away from teaching, social work and other public service occupations where the pay is simply insufficient to meet living expense and also repay student loans.

Fourth, we must restore health and public confidence to our student loan programs. If that means a revamping of the programs as we know them, so be it. For one thing is abundantly clear, we can no longer tolerate the high cost of defaults that threaten the very existence not only of the loan program but of all federal student aid programs.

Fifth, we must insure that a student who receives federal aid need not be concerned about the quality of the education he or she receives at the institution they wish to attend. Quality should be a given. That means a stronger federal role in accreditation, certification, and licensing requirements. It also means a stronger, more diligent monitoring of programs by the Department of Education. And, it means swift action against those who would cheat students and rob them of the opportunity for a quality education.

Sixth, middle-income families are increasingly hard-pressed to meet the costs of a higher education for their children. Little, if any, help is available from the federal government. That situation must be changed, for no longer can we turn a deaf ear to the needs of these middle income families.

Seventh, we live in a nation where minorities comprise an ever greater percentage of our total population. Yet, fewer go to college, fewer graduate, and even fewer pursue a graduate education. In education we are moving in the wrong direction. The need for early intervention and continued assistance has never been greater. We must have a pipeline that

brings young minorities into the education mainstream in elementary school and keeps them there through college and even graduate school."

Eighth, we must pay attention to the state of our academic facilities. We cannot provide a quality education with laboratories in disrepair and instruction that fails to take advantage of the latest advances in technology. This is a serious matter that we must address in the course of this reauthorization.

Ninth, we must preserve and build upon effective programs already in place. The Fund for the Improvement of Postsecondary Education, International Education, Cooperative Education, Foreign Language Instruction, and Institutional Aid programs are examples of such programs that merit positive action on our part.

Tenth, we must pay special attention to the needs of the teaching profession. The teacher is the linchpin to a quality education. We must attract the best and the brightest into the profession, and then keep them there. I remain very hopeful that we will be able to act upon the National Teacher Act approved by our full Committee last year. Whether we do this separately or as part of the Higher Ed reauthorization does not matter. What matters most is that we act.

Finally, we must commit ourselves to insuring that the Higher Education Act is once again the engine for educational opportunity and access at the postsecondary level. That emphasis was lost over the past decade, and it must be regained. Our goal is a simple one: to make sure that every individual in America who has the talent, drive and desire can pursue the postsecondary education of their choice, and that a lack of personal finances need not stand in their way. For too many Americans that goal today is only a dream. For us, the task is to do all that we can to translate that dream into reality."

PASFAA Membership Directory Updates

ADDITIONS:

AMODEI, Barbara D., Financial Aid
Ralph Amodei Inst. of Hair Design
4451 Frankford Avenue
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BLENDERMANN, Ted, Manager
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CATHERINE, Francis W., Treasurer/
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Northeastern Christian Jr. College
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HAYS, Richard M. Jr.
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HOYT, Betsy A., Financial Aid
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TMEC

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Academic Management, Inc.

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ZICCARDI, Kimberly A., Financial Aid Officer
Wilma Boyd Career School
One Chatham Center, Pittsburgh, PA 15219
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TMPG

CHANGES:

ANGST, Shelia E., College Planning Advisor
College Bound Services, Inc.
1595 Paoli Pike
West Chester, PA 19380
(215) 692-4014

HILL, Lucretia, Director of Financial Aid
Immaculata College
Immaculata, PA 19345
(Please note correction to address of Immaculata College)

SALEM, Julie
Correct PHEAA terminal ID TM27

SWEENY, Rosemary, Administrative Assistant
Lankenau Hospital School of Nursing

Position Changes

Sheila E. Angst, former Director of Student Financial Services, Albright College, has been appointed a College Planning Advisor, College Bound Services, Inc., 1595 Paoli Pike, West Chester, PA 19380 as of March 4, 1991.

Sheila M. Nelson, former Assistant Director at Ursinus College, has been appointed Assistant Director at Washington Jefferson College as of January 14, 1991.

Suzanne B. Sparrow, former Financial Aid Administrator at East Stroudsburg University, has been appointed Assistant Director at Ursinus College. Suzanne assumed her position February 5, 1991.

Welcome to Financial Aid

Sally McCrea and Karen Pryer have recently joined the financial aid office at Harrisburg Area Community College as Financial Aid Counselors. Welcome aboard!

RELEASE OF STUDENT BORROWER INFORMATION

by Christine A. Zuzack
IUP

Some lenders have expressed a concern that a number of schools have been refusing requests for address and other information on student borrowers. The institutions who have not provided the information cite the protection of the student's privacy rights under the Family Rights and Privacy Act (the so-called Buckley Amendment). However, as a part of Guaranteed Student Loan Application (Stafford/PLUS/SLS), the student's signature on the promissory note provides permission for this information to be released to lenders and guaranty agencies.

Please share this information with your registrar's office, bursar's office, or other pertinent areas of your institution where requests for information may be received. These requests by lenders and guarantors must be honored as a part of the student loan agreement.

PRIVATE FOUR-YEAR SECTOR REPORT

by Ron Shunk
Gettysburg College

The last meeting of the private sector group was at the annual meeting at Pocono Manor. At that session among the items discussed were: 1) the concern for a means of articulating the procedure for inclusion of "outside aid awards" into student packages after the initial award has been extended - concern for a statement of principle to high school counselors; 2) discussion of forms for CWS matching Funds from PHEAA; 3) discussion of concerns about restriction of PHEAA non-sub loans to PA residents.

Since that meeting, I have participated in two discussions as PASFAA Sector Representative that are of potential interest to all members. First, the entire PASFAA council was given a draft of a potentially new Office of Vocational Rehabilitation Voucher form. That form proposes no drastic changes, but may require the inclusion of a few new information items. Also, there is the potential for a modest increase in OVR grants. Anyone desiring more information about these matters should feel free to contact me.

The second item concerns the non-sub loan program. There is some movement afoot in Harrisburg to limit non-sub loans to PA residents. You may wish to gather statistics about the impact of such a change in policy on your institution in the event such data would be requested.

Any concerns about these or other matters can be relayed to me via phone, PHEAA terminal or FAX.

OVR UPDATE

submitted by Mary Andrews Miller
President, PASFAA

PASFAA Council has worked closely with the Office of Vocational Rehabilitation during the past several months to coordinate the exchange of data between the financial aid office and the OVR counselors.

A revised OVR Request for Financial Aid Information form will be in use for the 1991-92 academic year. This form (shown on next page) contains three additional questions pertaining to default status, other grants and scholarships, and PHEAA maximum gift aid amount. OVR's intent is to use the PHEAA maximum gift aid amount in conjunction with the other grants and scholarships for all students, regardless of their PHEAA grant eligibility.

The OVR counselor will forward this form to our office as soon as possible but at least 60 days prior to the school starting date (July 1 for Fall, and November 1 for Spring).

OVR counselors will continue to grant waivers on a case-by-case basis, and will inform the financial aid office when these waivers will occur.

The maximum OVR award for 1991-92 will increase from \$5000 to \$5500.

We are also continuing to pursue with OVR the possibility of their linkage to the PHEAA system, and the development of a system to collect data for groups of students rather than on an individual basis.

If you have any thoughts or suggestions, please contact your Council-person-at-Large.

10TH Annual PAATP Summer Institute

You are invited to attend the Summer Financial Aid Institute during the week of June 16-21, 1991 at Dickinson College, Carlisle, Pa. This program offers training for Financial Aid Administrators with 2 years or less experience. The Institute, sponsored by the PAATP, is one of the few in the country and is a cooperative venture of PASFAA and PHEAA. The Institute will run simultaneously with the 6th Annual Summer Institute for New Student Loan Administrators in order to allow participants in both Institutes an opportunity to exchange ideas and concerns while building a working partnership. To register, contact PHEAA/PAATP staff at (717) 257-2550

The following is a letter received recently:

To my PASFAA friends,

Thank you for caring. Your visits, call, cards, prayers and Get-Well wishes are deeply appreciated. Your support meant a great deal and helped the recovery process. Don't be strangers. Keep in touch.

*Sincerely,
Catherine Kratzer*

OFFICE OF VOCATIONAL REHABILITATION
REQUEST FOR FINANCIAL AID INFORMATION

District Office _____ Counselor _____ Academic Year _____
Name _____ Social Security Number _____
Address _____ Age _____
Institution _____

Client Release Statement: I hereby request the release to the Office of Vocational Rehabilitation of all information necessary to complete the items listed on this form. This information will be used solely for the purpose of determining the amount of financial aid that OVR can provide and will remain confidential unless expressly released by me in writing.

Date _____ Student Signature _____
Parent Signature _____
(Only Necessary If Student Is Under Age 18)

To Be Completed By Postsecondary Institution

Housing Status: 1. Cost of Attendance* \$ _____ 4. PHEAA Grant \$ _____
Commuter _____ 2. Family Contribution** \$ _____ 5. Other Grants & Scholarships \$ _____
Dormitory _____ 3. Pell Grant \$ _____ 6. PHEAA Max. Gift Aid Amount *** \$ _____
Off-campus _____ Is student in default status? Yes _____ No _____
Date _____ Financial Aid Administrator Signature _____

* The education expense budget should include tuition, fees, books, supplies, room and board and personal costs (clothing, laundry, recreation, transportation, etc.); but not include additional expenses incurred because of the student's disability (e.g. attendance care, interpreter, notetaker).

** The amount of the expected family contribution according to Congressional Methodology.

***To be furnished even if a student isn't PHEAA eligible.

Upon completion form is to be returned to:
Office of Vocational Rehabilitation
ATTN: _____

To Be Completed By OVR
OVR Allowable Grant
Lessor of
a) OVR Unmet Need v PHEAA
(+1-2-3-4) x .80
or
b) OVR Gift Aid Max.
(+6-3-4-5)

FORM OC-1-91 12-14 PM P02

Commonwealth of Pennsylvania



Governor's Office

PROCLAMATION

FINANCIAL AID AWARENESS MONTH
January 1991

It has long been recognized that education is the key to the future. With a proper secondary education, people from all backgrounds are able to pursue their dreams and achieve economic success.

For many low and middle income families, however, obtaining a secondary education is a goal which would be almost impossible without the assistance of financial aid. With financial aid, people are able to pursue careers in the arts and sciences. They become mechanics and cosmetologists.

Last year, the Commonwealth awarded more than \$125 million in grants and \$800 million in guaranteed student loans, making it possible for nearly 350,000 students to attend an institution of higher education.

It is more important than ever that our young people pursue college and trade school goals. Both recent high school graduates and returning students can find a variety of financial aid options available to help them achieve their educational objectives.

America must remain competitive in an increasingly global environment. The best way to ensure that our people are prepared for tomorrow is by opening doors to educational opportunities today.

During the month of January -- the key application period for students seeking financial assistance -- financial aid associations throughout the Commonwealth encourage families to learn more about the financial aid that is available.

Therefore, I, Robert P. Casey, Governor of the Commonwealth of Pennsylvania, do hereby proclaim January 1991 as FINANCIAL AID AWARENESS MONTH in Pennsylvania.



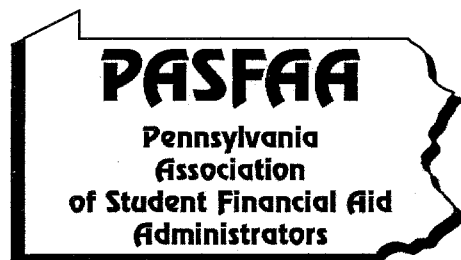
GIVEN under my hand and the Seal of the Governor, at the City of Harrisburg, this ninth day of January in the year of our Lord one thousand nine hundred and ninety-one, and of the Commonwealth the two hundred and fifteenth.

Robert P. Casey
Robert P. Casey
Governor



May 5-8	EASFAA Annual Conference , Newport, RI
June 16-21	PAATP Summer Institute , Carlisle, PA
July 28-31	NASFAA Annual Conference , Washington, D.C.

Schedule
of
Events



Albright College
Office of Student Financial Services
Reading, PA 19612