

# NEWSLETTER

WINTER 1991

VOLUME XXV

24th Annual  
Conference  
Sheraton Society Hill  
Hotel  
Philadelphia

October 18-  
October 21  
1992

## Pennsylvania Association of Student PASFAA Financial Aid Administrators

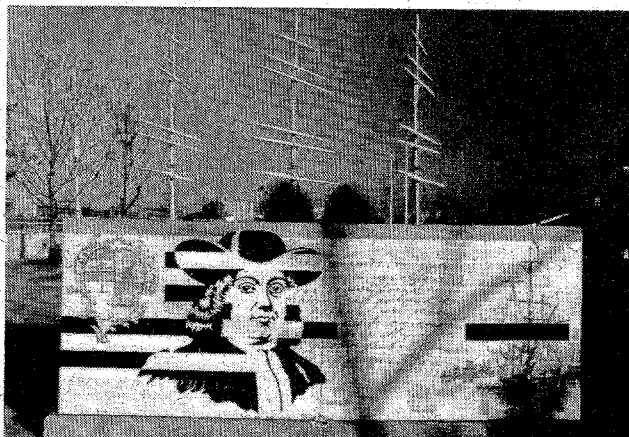
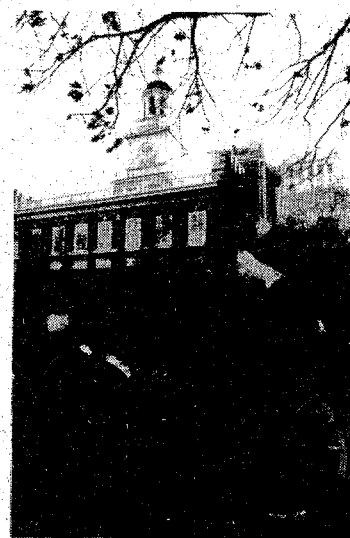
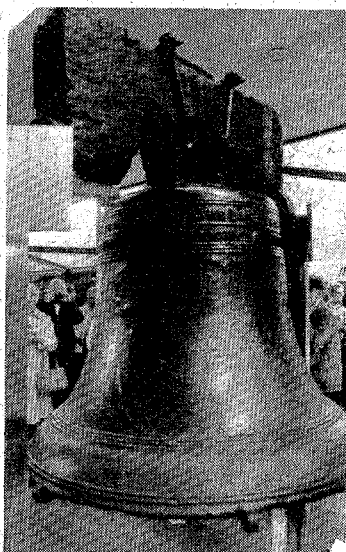
### PASFAA CONFERENCE 1992

*submitted by Bonnie Lee Behm*

Philadelphia, Pennsylvania has been chosen to host the 24th annual PASFAA Conference. The Sheraton Society Hill, located in the heart of the historic district of Philadelphia will be the host site for the October 18-21, 1992 meeting. In addition to being located next to all the famous historic sites, it is also conveniently located near a variety of restaurants and shopping opportunities.

The conference committee will be working hard to plan an educational and fun experience. Ideas and suggestions regarding program sessions are welcome. Look for a form in this newsletter to complete and mail in to me with your session ideas.

Looking forward to seeing you in Philadelphia!



#### Features

Council Notes  
PASFAA Hotline  
PASFAA Conference Report  
PAATP Calendar of Events  
Government Relations Committee  
Report  
Snapshot of Reauthorization  
Direct Loan Proposal  
Conference Session Proposals  
Scholarship Scam  
EASFAA Update

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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:

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PASFAA Newsletter  
Albright College  
P.O. Box 15234  
Reading, PA 19612-5234  
(215) 921-7515

Subscription to the PASFAA Newsletter is included in the Membership fee. Contact Mary Miller, Indiana University of PA, for information on PASFAA Membership.

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Membership List  
Maintenance

## 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.

### 1991-92 PASFAA COMMITTEES

#### Committee

Government Relations  
Membership and Elections  
Professional Standards and  
Training  
Public and Professional  
Information  
1992 Conference  
1992 Hotline

#### Chairperson

Christine A. Zuzack  
Mary Miller  
  
Betty L. Davis  
  
Mary Frances Waite  
Bonnie Lee Behm  
Bonnie Lee Behm

## LETTER FROM THE PRESIDENT

Dear PASFAA Member:

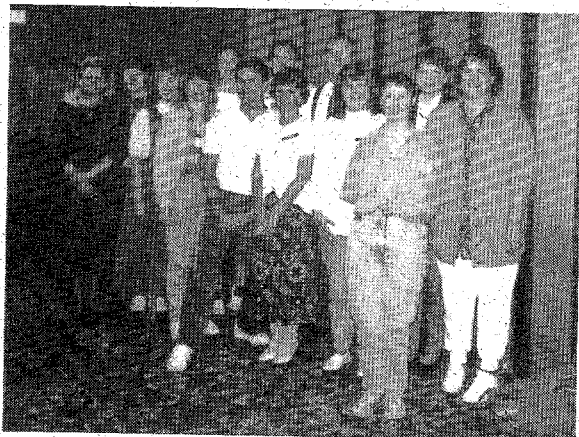
Volunteerism is at the heart of our association. Our membership has been enormously generous in providing extraordinary time and effort to help students, colleagues, and the public. I am very pleased that our "special interest" is to promote the general good in the Commonwealth of Pennsylvania. As such, I applaud all our members for their dedication and grace in admittedly difficult times.

I must spend some time in praise of quite a few specific volunteers. The 1991 Conference Committee, chaired by the very able and unflappable Robin Szitas, did a remarkable job for us all at Seven Springs. Rachael Lohman deserves a special thanks as Past President for achieving our highest membership total in history. I will miss outgoing sector reps Ron Shunk, Gary Seelye, and Rick Wilson. They were always eager to contribute their energy and ideas for the betterment of the association. Equally, I greet Pat Serianni, Georgia Prell, and JoAnne Bonfatto as sector reps. I know that they will make valuable contributions to the Executive Council.

While space limits all the people I would like to thank, Mary Andrews Miller must be especially noted here for her unswerving devotion to the principles of the association. Her inspiring and dynamic leadership has made us partners with PHEAA in presenting the Guidance Counselor Workshops, with OVR, and with PACU/PASSCAC in the STARTTRACK program. We are truly fortunate to have her in our association and I want to personally acknowledge my gratitude to her.

Volunteers abound in our future activities. PASFAA presenters and site registrars will team with PHEAA Regional Directors to host over 1,000 registrants for the Guidance Counselor Workshops. Bonnie Behm has taken on double-duty as 1992 Hotline Coordinator and 1992 Conference Chair. Finally, I look forward to working with Betty Davis as she takes on the duties of President Elect. I have no doubts that these PASFAA members will elevate our association to even greater heights.

As we confront specific reauthorization legislation and a change of leadership at PHEAA, I am confident that PASFAA will continue to provide a superior level of service to our membership. To accomplish this, volunteers will lead the way. Thank you, PASFAA volunteers.



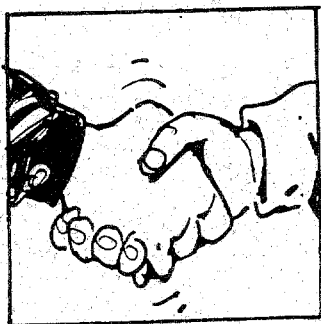
91-92 PASFAA COUNCIL

Sincerely,

A handwritten signature in dark ink, appearing to read "Ron Laszewski".

Ronald Thomas Laszewski  
President

## Thank You! Seven Springs was Wonderful!



## Council Notes

*submitted by Mary Frances Waite  
Secretary, PASFAA*

### October 2, 1991 Council Meeting

- The 1992 conference committee was approved to include Chuck Olinger, Lisa Cooper, Fran McKeown, Nora McFadden, and Sheila Nelson. Bonnie Behm is conference chair.
- Cynthia Farrell was approved to be assistant coordinator of the Financial Aid Hotline.
- The Government Relations committee was approved to include Chuck Olinger, Nora McFadden, Fran McKeown, George Walter, Helen Nunn, Gary Seelye, Leanne Frech, and Wendy Barron. Wendy is the Legislative Network coordinator.
- Joyce M. Frantz was approved to continue as editor of the PASFAA Newsletter for 1991-1992.
- Council voted to sign a Music Licensing Agreement and to pay the required fee for using copyrighted music at PASFAA conferences.
- The 1994 conference site will be the Hershey Hotel.
- The Professional Standards and Training Committee will look at the PASFAA position statement on For-Profit Financial Planning Businesses.
- Sheila Nelson was approved as 1993 Conference Chair.
- Future meeting dates were set as follows: December 8 and 9, 1991 at the Sheraton Society Hill (site of the 1992 conference) and February 3, April 6, June 1, and August 3, 1992 at the PHEAA Board Room, Harrisburg.

### December 8 and 9 Council Meeting

- Robin Szitas and the 1991 conference committee were thanked for doing a great job for the Seven Springs conference.
- Target date for distributing the membership directory is late January.
- PASFAA and PASSUAC are going to try to develop a liaison between the Government Relations Committees of each association.
- Ragan Watson was approved as an addition to the Editorial Board of the newsletter.
- Clarke Paine was approved to serve on the 1992 conference committee.
- The 1994 conference has been scheduled for October 21-25.
- The 1991-1992 PASFAA budget was passed with a \$600 increase over the 1990-1991 budget. Total budget is \$51,700.

## 1992 PASFAA FINANCIAL AID HOTLINE

As you begin to plan for the new year don't forget to include the 1992 Financial Aid Hotline on your agenda. Currently, plans are well underway for PASFAA's seventh annual Financial Aid Hotline. The times, dates and places have all been confirmed, but we need your help. If you have not yet volunteered to work at the Hotline, please consider it. The experience can be rewarding and enjoyable. We need Financial Aid professionals like you to answer telephone calls from concerned students and parents who have questions about financial aid. Volunteering to assist on the Hotline is an excellent way to become an active member of PASFAA and is a great opportunity for newer PASFAA Members to become involved. The time commitment is minimal (One evening - 4 hours). Additionally, a free dinner meal is provided for all volunteers.

Like last year there will be three sites (Pittsburgh, Harrisburg and Philadelphia) across the Commonwealth receiving calls from 5-9 PM, Monday through Friday during the Hotline week.

If you have already signed up to volunteer for the Hotline at the PASFAA Conference Hotline display, the coordinator from the Hotline site nearest you will be contacting you soon. The Pittsburgh site is being coordinated by Cynthia Farrell of Thiel College who is also serving as assistant coordinator and will be held at PNC's Student Loan Center at One Oliver Plaza, Pittsburgh. The Harrisburg site will again be held at the PHEAA offices and is being coordinated by William Brown of Lebanon Valley College. Ronald Dawson of Philadelphia College of Textile and Sciences, will be coordinating the Philadelphia site at Thomas Jefferson University.

If you did not sign up to volunteer at the PASFAA Conference, you should have received a Volunteer Request Form in the mail; we encourage you to complete this. Or you can contact me, Bonnie Behm, Hotline Coordinator, Thomas Jefferson University, (215) 955-6531.

January is Financial Aid Awareness Month for Pennsylvania and our Hotline is the major event to mark this. We thank PNC and PHEAA for their generous support of this event, and you for getting involved. This Hotline is important for the students and parents in this state, and it is people like you that make it a success.

# HOTLINE





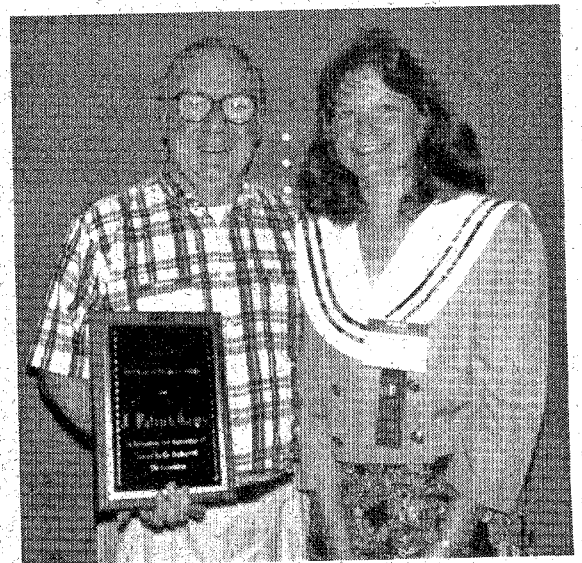
# EXTRA! EXTRA!

# PASFAA

The 23rd annual PASFAA Conference offered beautiful fall foliage, fabulous food and fun for all at the Seven Springs Mountain Resort from September 29 to October 2, 1991. Over 330 members registered for this year's conference.

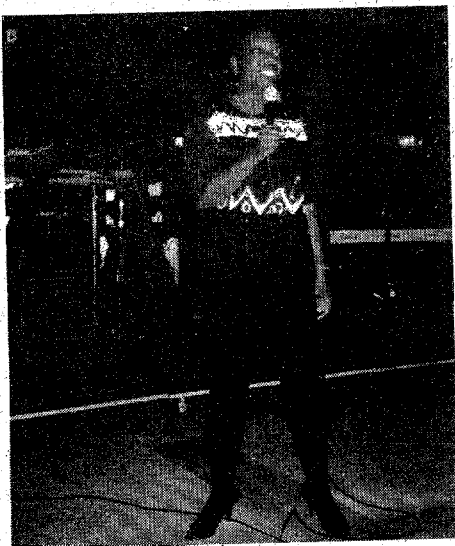
Under the direction of Conference Chair Robin Szitas, the conference committee put together an informative and varied program with sessions of interest for everyone. Those in our association who love their jobs and want to do more probably attended the session on volunteerism. Disgruntled FAOs were seen attending the session on resume writing. During the segmented professional development sessions, stressed-out colleagues had a chance to learn from Tom Moriarty how to manage, while others learned from Ron Lunardini how to be good managers in one minute. In addition, members of PHEAA offered thirteen sessions including the Grant, Loan, and HELP updates.

J. Patrick Hayes of PNC Education Loan Center was honored with the PASFAA Distinguished Service Award at Monday's Membership Recognition Luncheon. Pat has been instrumental in expanding the communication between the financial aid and lending communities. He helped sensitize both sides to the other's complexities and helped us better understand the role that both parties play in the loan process. This was reinforced by his assistance with the development of the Stafford Loan Workshop series which started in 1981-82. Since that time he has served with PAATP as a Faculty member, Stafford Sub-Committee, Summer Institute Committee, Summer Institute Faculty for SLOs and Summer Institute Materials Committee for SLOs. He has also served on the 1987, 1989, and 1991 Conference Committees, and has served on the PHEAA Lender Advisory Committee since 1980-81. Pat is certainly deserving of this award.



We were honored to have Ronald R. Cowell, State Representative of the 34th Legislative District, serve as our keynote speaker. His remarks on state support for higher education were enlightening. As a state legislator, member of PHEAA's board, and a parent of college students, he brought our organization some ideas and insights new to us. Perhaps some of you will answer his call to become involved in the legislative process.

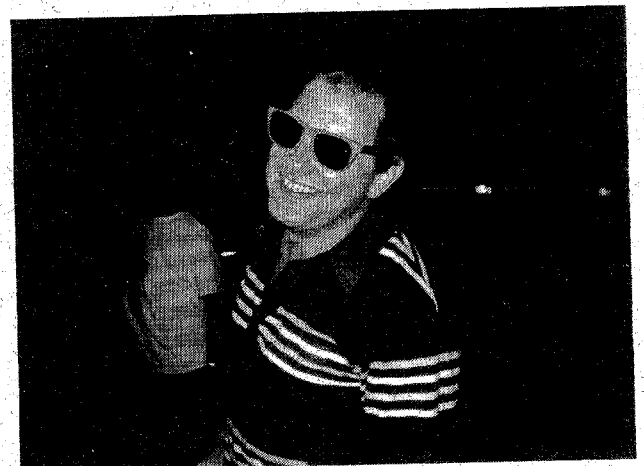
On a more relaxed note, we enjoyed eating, dancing, and singing. Donn Henderson entertained us during our Monday night beach party with his dancing music and amusing antics, and, as usual, he was a HIT! The conference committee tried something new and offered an evening of karaoke! We were all eager to show off our talents and some of us were quite talented



Hidden  
Talents



Hidden  
Personalities



# CONFERENCE REVIEW

*Submitted by Sheila M. Nelson  
Washington & Jefferson College*

READ  
ALL  
ABOUT  
IT!

while others of us were just "Wild Things". Contests were held nightly, ranging from the best twister to the best beach wear to the most entertaining singers. Congratulations to the dance winners and the best beach bums! A special "Yokie" Awards ceremony was held for the best at Karaoke. Winners included "Seven By One" for best group, "Larry and Tom" for most entertaining, and Pat Hayes for funniest. We had the pleasure of listening to great performances by Mitch Spera and Mildred Jackson. It must be a nice feeling to know you have something to fall back on if you ever tire of Financial Aid. In addition to the planned activities, Seven Springs offered other types of relaxation including swimming, golfing, bowling, tennis, and a great setting for walking, jogging, and hiking to work off some of that great food.

Without the support of our sponsors, we would not be able to enjoy these evenings of entertainment, socials, or partake of our morning and afternoon refreshment breaks. This year we were fortunate to have PNC Education Loan Center, Integra, Pittsburgh Bank, Equibank, Philadelphia Savings Fund Society, Mellon Bank, Fidelity Bank, and Seven Springs contribute to the conference.

For those of you who were unable to join us at Seven Springs, you missed a great conference. However, plans are already underway by the 1992 Conference Chair, Bonnie Behm, to make next year's conference in the big city exciting. The winner of the weekend at the Sheraton Society Hill Hotel in Philadelphia, Cate McIntyre of Allentown College, will be able to attest to the fact that the site is wonderful. Make plans now to join Bonnie and her committee next year in Philadelphia, October 18-21, for the 24th annual PASFAA Conference.



Do these conference attendees look happy?  
Of course!



Always ready with a cheerful smile!



FAO aerobics

## PAATP CALENDAR OF EVENTS

**EDITOR'S NOTE:** With many offices experiencing budget constraints which may adversely impact upon professional development workshops and training, it may be to your advantage to review this listing of training events and target the programs your staff will gain the best experience through attendance.

January, 1992	Proprietary and Nursing School Workshops	Workshops designed to meet the specific needs of financial aid administrators at business, trade, technical, and nursing institutions.
February, 1992	Professional Development	Seminars designed to provide professional level information and an opportunity to develop and maintain associations with colleagues through the exchange of concerns and ideas.
February, 1992	College Services/CM Workshops	Workshops for financial aid administrators and their staff focusing on the application of PHEAA Congressional Methodology System and Remote Terminal Services.
April, 1992	Stafford Loan Program Workshops	A series of workshops for student loan officers and financial aid administrators concentrating on the administration of student loan programs (Stafford Loans, PLUS/SLS, PHEAA-HELP).
May, 1992	PHEAA Remote Time-Sharing Services Seminars	Seminars for the presentation and discussion on PHEAA's Remote Time Sharing Services designed for lending personnel involved in the origination and management of student loans.
June, 1992	Intermediate Training Seminar for Financial Aid Administrators	An advanced training opportunity for intermediate level financial aid personnel with 3 to 5 years of experience.
June, 1992	Financial Aid Institute for Financial Aid Administrators	A week-long workshop designed to provide detailed exposure to student financial aid theory, regulations, policies, and procedures for new financial aid administrators.
June, 1992	Financial Aid Institute for Student Loan Officers	An extended training session designed to provide an intensive review of regulations and administrative procedures of student loan programs for new student loan officers.
July, 1992	State Grant Certification Workshops	Workshops designed to provide an in-depth review of PA Grant Certification Procedures required in processing disbursement rosters.
February, 1993	Business Officer Workshops	Workshops designed to focus on business officer's responsibilities as they relate to student financial aid programs.

### PENNSYLVANIA AID ADMINISTRATORS TRAINING PROGRAM

A Cooperative Effort of PHEAA and the Pennsylvania Association of Student Financial Aid Administrators



## GOVERNMENT RELATIONS COMMITTEE NEWS

*submitted by Christine A. Zuzack  
Vice President, PASFAA*

The U.S. House of Representatives and the Senate have recently released each of their versions of the reauthorization of the Higher Education Act. Highlights of the House draft were distributed to all PASFAA members through an October Bulletin which gave a brief synopsis of the major proposals.

Included in the Bulletin was a list of PASFAA's major recommendations concerning reauthorization. This list was sent to all the members of the House Subcommittee on Postsecondary Education along with all of the Pennsylvania Representatives. Senate Subcommittee members also received this information.

The Legislative Network contacted PASFAA members to urge them to write or call their legislators concerning the reauthorization proposals.

Through future issues of the Bulletin the Government Relations Committee will keep the membership informed of recent developments on reauthorization. The entire student aid process may change for 1993-94 depending on the outcome of the current proposals. Never was there a more important time to actively participate in the legislative process.

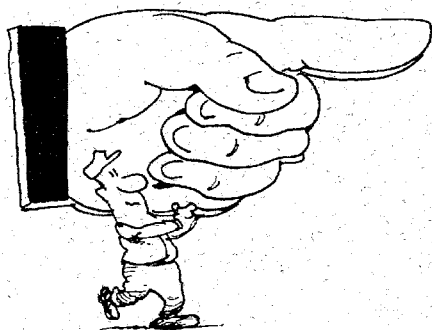
On September 19 members of the PASFAA Government Relations Committee and Executive Council toured the Loan Servicing Center of Pennsylvania in Wilkes Barre operated by SALLIE MAE. Amy Brashear, Academic Services Specialist, hosted our group and made all of the arrangements for our visit.

After an introduction to the operation of a loan servicing organization presented by J. Barry Morrow, Vice President of the Pennsylvania and Kansas LSCs, we were taken on a tour of the two Wilkes Barre facilities that currently house all of the operational aspects of the Loan Servicing Center. SALLIE MAE is in the process of expanding in order to accommodate all operations under one roof.

The size and the scope of the loan servicing center was quite impressive. The Center contains the latest improvements in computer and telecommunications technology. Training seminars are conducted to keep staff informed and knowledgeable on pertinent aspects of the loan programs.

At the end of our tour, senior staff members were available in an open forum for questions and discussion. It was a very informative experience for our group.

Members of the 1991-92 Government Relations Committee were approved by the PASFAA Executive Council at their October meeting. Individuals serving for the upcoming year include:



Christine Zuzack, Chair .....	IUP
Wendy Barron .....	Villanova Law School
Leanne Frech .....	UPJ
Nora McFadden .....	Gordon Phillips Beauty Academy
Fran McKeown .....	Bucks County Community College
Charles Olinger .....	Fidelity Bank
Helen Nunn .....	Susquehanna University
Gary Seelye .....	California University of PA
George Walters .....	Villanova University

Wendy Barron will again serve as coordinator of the PASFAA Legislative Network.

## SNAPSHOT OF

(EDITOR'S NOTE: The following article was reprinted with permission from the MSFAA Newline. We have reprinted only a portion of the article. If you wish to read the article in its entirety, please refer to the October 1991 edition.)

In late September, the House Postsecondary Subcommittee on Education and Labor, chaired by Michigan Rep. William Ford, unveiled an ambitious plan to amend and reauthorize the Higher Education Act. Many of the proposed amendments are in keeping with the much-publicized concerns of Congress; but there are, in addition, many technical changes as well as sweeping initiatives to the Title IV student aid programs which guarantee a lively debate in the coming months.

Although, as of this writing in early October, the Senate has not yet made public its reauthorization plans and the initial House proposal changes daily, the following early information provides a sample of what may come to pass in the not-so-distant future (as early as 1993-94). Hopefully, it will give you a glimpse of the future.

Highlights of the House proposal include the following:

### PELL GRANTS

Renamed "Federal Pell Grants."

60% COA cap is eliminated.

The Cost of Attendance for Pell purposes would be 25% of tuition, not to exceed \$1,750, plus living expenses, not to exceed \$2,000, for a student living at home with parents, or \$2,750 for all others.

Pell would be available for less-than-half-time students for up to the equivalent of five semesters of less-than-half-time enrollment.

The duration of Pell eligibility would be extended to the time to complete the first bachelor's degree.

The MDE output document is recognized as the equivalent of the SAR; the student does not have to personally present a SAR.

The Pell Grant is made an entitlement.

Clarifies that a Pell recipient is not a grantee for purposes of the drug-free workplace requirements.

A separate needs analysis for Pell Grant eligibility is eliminated.

### CAMPUS-BASED PROGRAMS

Technical changes are made in all the programs to ease the availability of the programs to study-abroad students.

Less-than-half-time students are required to receive an appropriate share of the campus-based funds.

If more than 10% of a school's allocation in any of the campus-based programs is returned, the following year's allocation will be reduced the same amount.

### SEOG

Renamed "Federal Supplementary Educational Opportunity Grant."

Increases institutional match from 15% to 25%.

Removes Pell eligible linkage and targets exceptional need as determined by needs analysis standards.

### College Work Study

Renamed "Federal College Work Study Programs."

Increases overaward tolerance from \$200 to \$300 while limiting the income for purposes of overaward to income derived from CWS.

### Perkins

Renamed "Federal Perkins Loans."

Increases the institutional share to 25%.

Required reporting to credit bureaus at the time of the loan disbursement.

Allows for overaward of \$300.

Increases loan limits from \$4,500 to \$6,000, from \$9,000 to \$15,000, from \$18,000 to \$25,000. (Low default schools may enter into an agreement for high amounts if they agree to 50% institutional match.)

Allows schools up to two years to expend FCC.

### STAFFORD STUDENT LOAN PROGRAMS (Part B Loans)

This part is renamed "Federal Family Loan Programs" (Stafford is designated "Federal Stafford Loan").

Power-of-attorney may be used to negotiate loan proceeds for students engaged in study abroad.

Title IV refunds must be made first to loans and then to other Title IV programs.

Provides for graduated payment plans for Stafford borrowers who request them.

Prorates eligible loan amount relative to level of enrollment. (For example, if \$2,625 is the cap for full-time enrollment, \$1,969 is the cap for 3/4 time, and \$1,312 is the cap for 1/2 time.)

Eliminates all Stafford deferments except in-school status and

# REAUTHORIZATION

hardship (where hardship means inability to make payments).

Allows deferment of SLS repayment such that repayment coincides with Stafford repayment when a student has borrowed from both programs.

When a disbursement is delayed by the thirty-day rule which applies to a first-time, first year borrower, the school is prohibited from assessing any penalties for failure to meet financial obligations at the school; for example, assessing late fees or denying access to classes, libraries, or computer facilities.

Allows a \$300 overaward.

Provides for negotiated rulemaking.

Phases out the origination fee beginning July 1, 1993 until it is eliminated July 1, 1997.

For attendance at a school with a default rate greater than 20%, a student borrower must obtain the loan application directly from the lender; that is, the school may not provide the application form.

Creates an unsubsidized, non-need based loan program which requires payment of interest while in school and during periods of deferment at the same interest rate and under the same amounts as the Stafford.

Requires all program participants to use the same forms (applications, promissory notes, etc.) to be prescribed by the Department of Education.

## FEDERAL DIRECT LOAN

Replaces the Income Contingent Loan with a phased-in direct loan program of subsidized and unsubsidized loans beginning July 1, 1994 with 500 schools to be allowed to participate initially.

Provides for a \$20 per student administration fee.

## NEEDS ANALYSIS

Limits cost of attendance of incarcerated students to direct costs.

Limits the adjustment by the number in college to those household members who are degree-seeking.

Base year income is used to calculate family contributions for dependent students, but award year income is the basis of calculation of the family contribution for independent students.

Student income assessment rate is changed from 70 to 50%.

Eliminates the minimum student contribution.

Low income families (including the income of the student) "by pass" are considered to have zero family contributions.

Displaced/dislocated workers as separate categories are eliminated.

Provides that prepaid tuition plans are considered either in reducing the cost of attendance or as estimated financial assistance in determining need for other program assistance.

The independent student definition is simplified to be limited to 24 year olds, orphans or wards of the court, veterans, graduate or professional students, married students, those with dependents, or those with other unusual circumstances as determined by the financial aid administrator. Documentation of graduate or married status is required prior to disbursement of funds.

## GENERAL PROVISIONS

Eliminates correspondence programs from eligibility. Requires a minimum of 600 clock hours for Stafford eligibility unless the employers or school owners agree to consign the loan and the loan does not exceed half tuition.

Severs the link between institutional eligibility to participate in Title IV programs and accreditation. (A new section establishes state oversight in lieu of accrediting body oversight for purposes of assuring institutional integrity.)

Requires that for Title IV purposes, occupational or vocational programs less than two years in length (for example, community college certificate programs) be measured in clock hours.

Federal aid applicants must use a federal form (processed free); states and schools will have access to federal data to award aid (free). If the state or school requires any other form, the cost must be shouldered by the state or the school.

Students applying after the first year only need update information previously supplied rather than fill out an entirely new form.

Repeals the federal Student Assistance Form requirement (which was never implemented).

Provides that incarcerated students are not eligible for loans.

Requires a pro rata refund for all Title IV recipients at all participating schools.

Requires recertification of all schools phased in within a five-year period.

Requires that a share of the administrative cost allowance received by schools be devoted specifically to providing financial aid services at times and places convenient to non-traditional students.

## THE DIRECT

(EDITOR'S NOTE: The following article was reprinted with permission from the MSFAA Newslite, October 1991 edition. If you wish to view the entire article, please contact MSFAA directly.)

### PROS

(1) Estimated Federal Savings: It has been estimated that under the Direct Loan Program, the savings in the first year alone would be greater than one billion dollars.

(2) Improved Cash Flow: There could be an improved cash flow for the institution. Rather than the current time frame relative to the receipt and processing of student loan checks, credits could be made immediately to a student's account upon the receipt of a signed promissory note.

(3) Fewer "Players": With the reduction of external entities (lenders and guarantors), there would be the potential for increased simplicity in administration. Agency-specific applications, forms and policies would no longer be part of the process.

(4) Administrative Simplicity: As the MDE form would serve as the student's loan application, the institution would not have to process a separate loan application for each student. In addition, the handling and processing of student loan checks would be eliminated.

(5) Elimination of Guarantee and Origination Fees: Under this proposal, guarantee and origination fees would no longer be required of students.

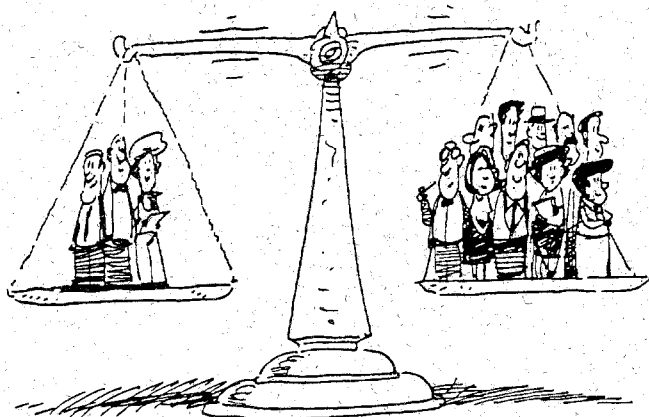
(6) Easier Access to Funds for Students: Again, by avoiding the inherent delay of application and check processing, students could realize more timely loan credits to their accounts.

(7) Easier System for Students to Understand: With less parties involved, less paperwork (one application), and easier access to funds, the system could be more easily explained to the consumer.

(8) Possible Reduction in Institutional Liabilities: With the elimination of loan checks, along with the accompanying liabilities of handling and disbursing said checks, there could be a possible reduction in institutional liabilities.

(9) More Ease in Making Loan Adjustments: Institutions would face fewer problems in making loan adjustments (e.g., in the case of a student receiving an outside scholarship).

(10) Costs of Servicing Would be Borne by the Federal Government: As currently proposed, servicing costs would not be the responsibility of the institution.



# LOAN PROPOSAL

## CONS

- (1) Risk Sharing: The federal government is increasingly concerned regarding fiscal liabilities and the concept of risk sharing. Under the current Stafford Loan Program, the risk is shared among the various involved parties-the federal government, the institutions, the guarantors, the lenders, and the servicers. Under the Direct Loan proposal, the federal government would assume the full risk. Concerns have been expressed that, under the Direct Loan proposal, the federal government would act on the risk-sharing concept and mandate that Direct Student Loans be backed with the full faith and credit of individual postsecondary institutions.
- (2) The Fate of the Perkins Loan Program and Institutional Revolving Funds: Under this proposal, the Perkins Loan Program would cease to exist in its current form. The logic here is that there would be no point in having two federal student loan programs. The proposal suggests that the revolving loan funds now being held by institutions could be retained and converted into new institutional endowment accounts. At the option of the institution, these funds could possibly be used as student grant assistance, work assistance, or for special student loans. It has been argued that the loss of the Perkins Loan Program would result in decreased flexibility for the financial aid administrator in the awarding of aid. The Perkins Loan Program is viewed as a successful and working program-one that is often a necessary component for the needy student. Questions have also been raised regarding the likelihood of institutions being allowed to retain their Perkins Loan revolving funds for the purposes mentioned above.
- (3) Entitlement Concerns: Concerns have been raised that under this new concept of direct allocations/disbursements to institutions, the entitlement status of this program could be at risk, particularly during times of budgetary cutbacks and escalating national debt.
- (4) Impact on the National Debt: Under this proposal, the Treasury Department would be required to increase its level of borrowing. Many argue that this would serve to directly increase the national debt.
- (5) Transition Period: Under the Stafford Loan Program, there is currently an outstanding national portfolio of \$50 billion in outstanding loans. This program would have to be administered side-by-side along with the new Direct Loan Program, creating a lengthy and cumbersome transition period.
- (6) The Assignment of Servicers: This proposal suggests that institutions would be assigned loan servicers by the Department of Education. Concerns have been raised regarding the consistency of quality and performance among the various national servicers. The assignment of a servicer could handicap an institution seeking to secure the highest quality in loan servicing and default prevention efforts.
- (7) Program/Administrative Expenses: While it is projected that the Direct Loan Program would result in significant savings for the federal government, there is no clear consensus in this regard. In addition, there may be potential administrative expenses involved at the institutional level.
- (8) The Ability of the Department to Support This New Initiative: Concerns have been expressed that the Department of Education does not have the administrative capacity to assume the responsibilities of a major new student loan program at this time. The complexity inherent to such a new departmental initiative would be significant and would be further complicated by the continued maintenance of the Stafford Loan Program.
- (9) Loss of the Competitive Market: Competition among guarantors, lenders and servicers has enhanced the quality of the Stafford Loan Program in certain areas. Given the elimination of these entities and the resulting loss of the competitive factor, certain student services and support systems could be forfeited.



## NURSING SECTOR REPORT

*submitted by Joanne J. Parke-Davison  
Altoona Hospital School of Nursing*

Unfortunately, not all of the Nursing sector was able to attend the Annual Conference at Seven Springs this year. It was a very valuable (and fun...) conference, to say the least. Our sector met for our segmented meeting, and many comments and ideas were shared.

The most important to discuss relates to the annual Nursing/Proprietary Workshop held in January each year by PAATP. The members of the sector who participated in the meeting at the conference discussed whether this workshop was working for them. Many voiced concern that they were able to attend only one or two workshops per year, and that the January workshop was not as helpful as other workshops. No one expressed a clear opinion that the January workshop was one of the most anticipated. The concern was also evidenced by the fact that few volunteers for presenters for this January's workshop were obtained.

Other suggestions provided alternate ways for the members of the nursing sector to get the information normally provided at the January workshop. One idea was to have the information presented at regional sector meetings. Another idea was to have a workshop for nursing only, but every other year instead of each year. It was also mentioned that a more detailed agenda of the workshop would help each member decide on attending.

What opinions do those of you have that could not attend the PASFAA Annual Conference? Please give me your feedback and ideas on this topic so it can be further discussed at the next Executive Council meeting. The workshops for the 91-92 school year are already being planned, so discussion focuses on the 92-93 year and after.

Other discussion at the sector meeting at Seven Springs included the idea that an LPN representative be invited to each regional sector meeting (which traditionally includes hospital-based RN programs).

Also, members at the meeting asked that a list of the different regional sector groups be included in the newsletter. Here are the two of which I am currently aware:

- Southwestern Pennsylvania Nursing Sector Association (greater Pittsburgh area)  
Contact person: Ginny Kopko, Sewickley Valley Hospital School of Nursing
- S.P.A.A.N.S. (greater Philadelphia area)  
Contact person: Joyce Calamia, Abington Memorial Hospital School of Nursing

Other discussion focused on the proposed regulations regarding teachout agreements and alternatives, the recent Student Right-to-Know and Campus Security Act of 1990, and the lack of need for the staffing survey.

At the Executive Council meeting, held October 2 at Seven Springs, it was decided to hold the 1994 Conference at the Hotel Hershey, and members of 91-92 committees were approved.

Also, congratulations are in order to Matt Dobroskey from Reading Hospital School of Nursing on his recent marriage. Okay, I guess that being on your honeymoon was a valid enough reason not to come to the Annual Conference...

## TWO-YEAR PUBLIC SECTOR MEETS AT PASFAA CONFERENCE

*submitted by Donald S. Shade  
PA College of Technology*

The two-year public sector held a brief meeting at the annual PASFAA Conference at Seven Springs. The purpose of the meeting was to set a tentative agenda for a sector meeting which was held November 7-8 at the Compri Hotel in Harrisburg. At that meeting, Rick Irvin from PHEAA Loan Division was available to discuss loan issues. Members also discussed the new regulations affecting remedial coursework, the Student Right-To-Know requirements, institutional refund policies, OVR, and much more.

The two-year public sector meets twice each year in addition to the Conference. Members feel very strongly that this format provides a unique opportunity to gain valuable guidance and much-needed support from colleagues. This is but one of the many benefits which come from PASFAA membership.

# PRIVATE FOUR YEAR SECTOR

submitted by Patricia Serianni  
Swarthmore College

As your new sector representative, I would like to take this opportunity to thank you for your vote and to say that I look forward to working closely with you. With reauthorization looming over our heads we will need to be in close contact with each other as changes are made to the draft proposals and as the final legislation moves from subcommittees to passage (projected to happen in April 1992).

As of this writing, the House Education and Labor Committee voted to approve their bill, although Bush has promised to veto any legislation that contains either a direct-loan program or Pell Grant entitlement provision. Also, the Senate subcommittee on Education Arts and the Humanities is debating their version of the reauthorization bill but has set aside the direct loan portion for later discussion.

PASFAA's Government Relations Committee has issued a succinct outline of the House's draft proposal--along with PASFAA's official stand on the issues--and if you have not received your copy or want more information, please contact Christine Zuzack (chair of the committee) at IUP. The committee urges us to contact our legislators to register support/opposition to the myriad of changes proposed. When you write your congressmen and/or senators, please send a copy of your letter to the PASFAA Government Relations Committee.

Since reauthorization proposes major changes in how we do our jobs it appears that a mid-year meeting would be helpful to all of us. February or March seems like a good time to meet--when the new legislation is pretty much in its final stages and before we start packaging for 1992-93. I will be in touch with you sometime in January as to location, date, etc.

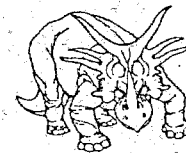
In the meantime, the next council meeting is February 3 and if you have any comments or questions you would like discussed, I would be glad to hear from you. You can reach me at 215-328-8357 or by fax at 215-328-8673.

## CONGRATULATIONS

Kim Adamson, former financial aid counselor at Kutztown University of PA, was the recipient of the Robert Cunningham Rookie of the Year Award for 1990-91. This award was sponsored by NEASEA, Northeast Association of Student Employment Administrators and was awarded during the Annual Conference held in Princeton, NJ. In addition to this award, Kim and her husband, Bill, welcomed a new addition to their family on July 4, 1991. Jeremy Brett made his appearance at 6 lb., 9 oz. and 19" long. Congratulations Kim, PASFAA wishes you, Bill and Jeremy the best!

## CONDOLENCES

It is with sad regrets that we report the death of Art Switzer from Villanova University. Art passed away on 11/24/91. Art's family requests that any contributions be sent to the Northern Chester County Nursing Service Hospice, 301 Gay Street, Phoenixville, PA 19460 or to the American Cancer Society, Springfield Perkiomen Unit, Box 13, Royersford, PA 19468. PASFAA has indeed lost a true professional colleague. A memorial service is scheduled for January 23, 1992 at Villanova. Please call 645-4016 for specific details.



## FINANCIAL AIDOSAURUS

Definition: Any of a genus of large armored Financial Aid affiliates with strong dorsal bony armor developed during the paleozoic era to endure the evolution of this profession for twenty years or more.

George Bauer  
Lou Bianchi  
Carl Brown  
Walter Cathie  
Chuck Colton  
Betty Davis  
Frank Dutkovich  
Dale Ekas  
Jean Fazio  
Joseph Gallagher  
Beverly Hayden  
J. Patrick Hayes  
Fred Joseph  
Ed McCormick

Tom Moriarity  
John Musto  
John Pergolin  
E. Wanda Quay  
P. Vincent Racculia  
Don Raley  
Juanita Reichel  
Ron Shunk  
Helen Smith  
Bill Srsic  
Bill Stanford  
Ned Sweitzer  
James Treiber  
Sandara Varano  
Gene Wise

# PASFAA

PENNSYLVANIA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.

## 1991-92 MEMBERSHIP FORM

Please type or print. This information will be included in the 1991-92 Membership Directory.

### CHECK ONE

- ☐ (a) Two Year Public  
☐ (b) Two Year Private  
☐ (c) SSHE  
☐ (d) Four Year Private  
☐ (e) Proprietary  
☐ (f) State-Related  
☐ (g) Nursing  
☐ (h) Govt. Agency  
☐ (j) Private Social Agency  
☐ (k) Vendor/Sponsor  
☐ (l) Lending Institution  
☐ (m) Other (specify)

NAME: \_\_\_\_\_

LAST

FIRST

M.I.

TITLE: \_\_\_\_\_

INSTITUTION: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TELEPHONE: ( ) \_\_\_\_\_ PHEAA TERMINAL # \_\_\_\_\_

FAX NUMBER: ( ) \_\_\_\_\_

Has any of the information above changed since last year?

\_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Was not a member last year

How many years have you been in the Financial Aid Profession? \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE \_\_\_\_\_

### MEMBERSHIP DUES ONLY (Check one)

- ☐ Active Member \$30  
☐ Associate \$28  
☐ Student Member \$18

Amount Due \$ \_\_\_\_\_

### MEMBERSHIP CLASSIFICATION

ACTIVE membership shall be the voting membership and shall be limited to persons responsible for the administration of student and financial aid and/or having the authority to award aid representing institutions of post-secondary education located in the Commonwealth of Pennsylvania. Persons in this category of membership would normally have professional (faculty, management, administrative, etc.) appointments to the staffs of their institutions.

ASSOCIATE membership shall include the representatives of secondary schools, government agencies, foundations, private and community organizations interested in financial matters, lending institutions and representatives of post-secondary educational institutions who do not qualify for Active membership. Financial Aid Office personnel, lenders and others who do not hold professional appointments in post-secondary institutions would be included in this membership category.

STUDENT membership shall be for and limited to graduate and undergraduate students in post-secondary education.

Send checks payable to PASFAA and completed forms to: Mary Andrews Miller

Associate Director of Financial Aid  
Indiana University of PA  
308 Pratt Hall  
Indiana, PA 15705

### TREASURER'S USE

Amount Received \$ \_\_\_\_\_ Date \_\_\_\_\_ Treasurer's Initials \_\_\_\_\_

# INVITATION FOR PROGRAM SESSION PROPOSALS

## 1992 PASFAA CONFERENCE - SHERATON SOCIETY HILL

### PHILADELPHIA, PENNSYLVANIA

### OCTOBER 18 - OCTOBER 21, 1992

The 1992 Conference Committee will meet in December to begin developing ideas for program sessions for the 1992 PASFAA Conference. We rely upon the input and suggestions from our membership in order to satisfy your professional and educational needs. Program suggestions are welcome from all facets of our membership - private, public, proprietary, nursing and lenders.

If you have ideas and recommendations to share with the committee, please complete the following form and mail it to Bonnie Lee Behm, Office of Financial Aid, College of Allied Health Sciences, Thomas Jefferson University, 130 S. 9th Street, Philadelphia, PA 19107. You can also send proposals via the PHEAA terminal to TMU5. Thank you for your participation.

### PROGRAM SESSION RECOMMENDATION

Title of Program: \_\_\_\_\_

Content of Session: \_\_\_\_\_

Recommended Presenter(s): (feel free to recommend yourself) \_\_\_\_\_

Name(s) \_\_\_\_\_

Institution \_\_\_\_\_

City/State \_\_\_\_\_

Phone \_\_\_\_\_

Name(s) \_\_\_\_\_

Institution \_\_\_\_\_

City/State \_\_\_\_\_

Phone \_\_\_\_\_

### KEYNOTE SPEAKER RECOMMENDATION

Name \_\_\_\_\_ Title \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

Please use the attached sheet to share any additional ideas you might have toward the making of a productive PASFAA Conference for 1992.

Signed \_\_\_\_\_ Institution \_\_\_\_\_

City/State \_\_\_\_\_

Phone \_\_\_\_\_

## PHEAA EXECUTIVES TO RETIRE

*submitted by Ragan Watson  
Clarion University*

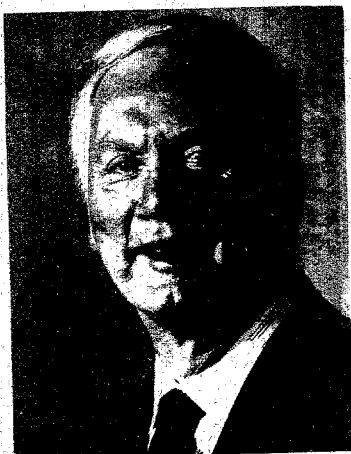
Several months ago members of Pennsylvania's financial aid community were surprised when they read an incoming message on their PHEAA terminal. At least I know that I was surprised, to put it mildly, when I read that Ken Reeher, after 27 years, had announced, at the conclusion of September's Pennsylvania Higher Education Assistance Agency Board meeting, his intention to retire from the state agency at the end of 1991.

We soon realized that Mr. Reeher would not be the only executive leaving PHEAA at that time. In fact, several other members are also planning on retiring at the end of this year including: Thomas R. Fabian; Robert W. Pearl, Director, Alternative Loans; David O. Potteiger, Executive Assistant to Mr. Reeher; and Ruth Buckius, Chief, Personnel Services.

We certainly wish all of these deserving people well. However, we would like to take this opportunity to mention a few of the highlights of Ken Reeher's career at PHEAA.

Reeher has had a laudable public service career that began in 1960 when he was employed as a Guidance Specialist for the Department of Public Instruction. In 1961 he was appointed Coordinator, Division of Testing of the Pennsylvania Department of Public Instruction and, in 1964, he took the position that we associate him with, President and Chief Executive Officer of PHEAA.

Reeher's achievements at PHEAA are well known to many individuals and a few are highlighted below.



- Reeher has been the President and Chief Executive Officer of PHEAA since its inception in 1964. During these years, the agency has increased in size from 8 in 1964 to 1800 in 1991.
- During Reeher's tenure, the State Higher Education Grant program, conceived in 1966 with a \$4 million appropriation, has grown to \$155 million.
- PHEAA's loan program guaranteed \$3.5 million during Reeher's first year at the agency. Records indicate that it has now guaranteed over \$8.3 billion.
- More than \$4 billion of student loans have been serviced "in house" during Reeher's 27 years in Harrisburg.
- PHEAA's net worth today has reached \$229,118,000.

Reeher is retiring under the Mellow Bill which will allow him, if circumstances dictate, to work up to 95 days during the next fiscal year. This extended period of service will enable him to help the new President and Executive Officer make a smooth transition into the state agency.

Reeher was quoted in local Harrisburg newspapers saying, "much lies ahead...the task of President and Chief Executive Officer is not going to get any easier". He went on to indicate that PHEAA will have the opportunity to meet several challenges in the near future including the following:

- The financial struggle of PHEAA's non-subsidized student loan program.
- Increased competition in the student loan servicing market.

In closing, we would simply like to wish Mr. Reeher well. We hope Mr. Reeher is aware that he will be missed, not only by his colleagues in Harrisburg, but by many of the financial aid administrators across the commonwealth. PHEAA chairman, Representative David R. Wright, summarized our feelings best when he said, "We will find a successor. We will not find a replacement".

*(I would like to thank Mr. John E. Ebersole, Public Information Officer, PHEAA, for his assistance in providing pertinent data for this article.)*





## SCHOLARSHIP SCAM

*submitted by Judith R. Rile  
Albright College*

I don't remember why I even took the postcards from the classroom display. Something to read during the second half of a very dry accounting lecture? Curiosity, perhaps... coupled with the slim hope that I may learn of some additional financial resources to share with students and their families.

I'm sure you've seen the posters - "FREE MONEY FOR COLLEGE" right next to "TRAVEL TO EUROPE THIS SUMMER" and "GET THE CREDIT YOU DESERVE", all strategically located on every classroom bulletin board and campus kiosk. What student wouldn't be attracted to printing his/her name, address and telephone number on the back of a pre-addressed, stamped postcard as opposed to spending hours with the FAF and PHEAA applications!

In less than two weeks, I received responses to the cards I mailed. Both arrived on the same day, from two different organizations located in different states. Both brochures were attractive and attracting! All I had to do was complete a simple, one-page (two-sided) application of a "personal profile". Gee,... no tax forms? No digging for bank statements? Sounds too good to be true!

I read on. By submitting my "personal profile", complete with information about where I was looking for schools, my career goals and favorite color, I was guaranteed a minimum of five sources of financial aid, provided I responded by August 31. In small print followed the words "...with your check or money order for \$29.95, payable to..." For financial aid for graduate school, the fee was \$79.95, with a guarantee of one aid source. The guarantee did provide for a refund of the "processing fee" if I did not receive an offer of funds from at least one source, providing I completed and submitted the appropriate paperwork in a timely manner.

I discarded both brochures in that day's trash. I suppose I was being a little optimistic in my hopes that I'd learn of some new sources of aid for our students.

Destroying those brochures did not stop the almost daily reminders I got from those two organizations. One urges me to send the profile by the deadline, or they may not be able to honor their guarantee. The other group is asking me to call their toll-free number because they must have "misplaced" my information.

I have no doubt that these two groups are legitimate. The postcards and brochures were carefully worded. There was no promise of aid, just for more information. The guarantee was also carefully worded, and is probably not worth the paper it was printed on.

To the parents who are struggling to send their child to college, these organizations seem to be a gift from heaven. Their happiness must quickly turn to disappointment when they learn the \$30.00 fee they paid results in a computer printout of programs they have already applied to. It is then they realize what an important and invaluable resource they have in their financial aid professionals and high school guidance counselor.

## EASFAA UPDATE

*submitted by Mary Miller  
Indiana University*

The EASFAA Council met October 10-11, 1991 at the Sands Hotel in Atlantic City, New Jersey, site of the 1994 EASFAA Conference. Highlights of the meeting:

Membership to EASFAA stands at 697 as of October 9, 1991.

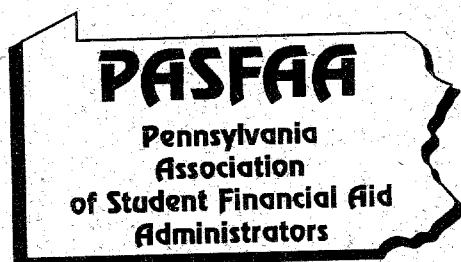
The 1992 EASFAA Conference will be held at the Sands Hotel in San Juan Puerto Rico on May 6-9, 1992. The Conference fee was set at \$210, and the EASFAA membership fee was set at \$50.

Two workshop series will be presented by EASFAA. The first will occur late November or early December on the "nuts and bolts" for non-traditional institutions. The late spring workshop series topic will be announced at a future date.

The offices of President-Elect, Vice President, Secretary, and Treasurer will be chosen for EASFAA. Nomination petitions will be mailed in mid December, election ballots will be mailed early February with a return date scheduled for March, and the results of the election will be announced in the EASFAA newsletter scheduled shortly after this timeframe.



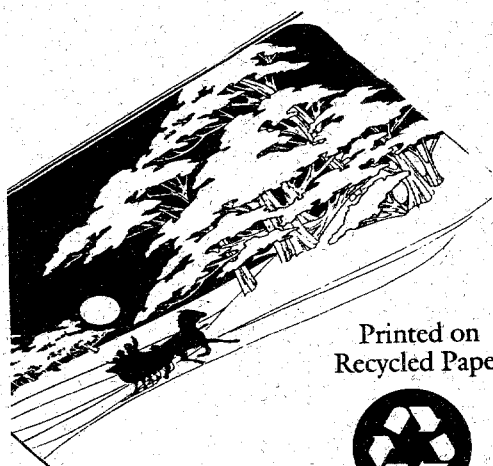
- January 27 - 31      1992 PASFAA Financial Aid Hotline
- February 12 - 14      Middle States Regional Meeting of the College Board, Philadelphia, PA
- May 6-9      EASFAA Annual Conference, San Juan, Puerto Rico
- July 19-22      NASFAA Annual Conference, St. Louis, MO



## Albright College

Financial Aid Office  
Reading, PA 19612

## Happy Holidays To:



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Recycled Paper

