



# NOTEWORTHY NMAFSA

VOLUME I, ISSUE II

DECEMBER 2010

## PRESIDENTIAL GREETINGS



Dear NMAFSA Members,

Well, the fall wind is blowing and Thanksgiving has passed. Who knew this year would be gone so soon? What a great year it was and still is for NMAFSA. We had a very successful Spring Conference in Roswell, NM and also a great Fall Training Session in Albuquerque. Both were very informative about the changes within the Financial Aid Community.

2010 has been a very interesting year to say the least. What with the transition of all schools to Direct Lending and the second Pell award in one year, I am sure we are still shaking our heads. Well, that is the name of our game. Financial Aid people don't shrink from a little change. We continue to make strides in helping to process aid for students to attend college. Our students are a mighty resource toward our future. We can be proud of what we do to help them succeed.

It has been a real pleasure to serve as your NMAFSA President this year. It has been a rewarding experience to have had the privilege of working closely with a great group of ladies on the board. Each one has shown enthusiasm for financial aid and the state organization. I hope it has been a good year for all NMAFSA members as well. Networking with you is always helpful and fun.

Remember the NMAFSA Board Member election will be coming up in December. Please watch for emails for the time and procedures to vote for your new board members. This is an opportunity for your vote to be counted. The new Board Members will take office January 2011. If you have not served as a Board Member, please consider it for next year's election. You will not be disappointed.

Since this will be our last newsletter of the year, I will say Happy Thanksgiving, Merry Christmas and Happy New Year. May all your days be blessed and continue to help others in financial aid activities as well as in your personal lives. It's been a great year, this 2010.

Betty Dever

## MARK YOUR CALENDARS FOR NMAFSA CONFERENCE

WHAT: NMAFSA Spring Conference - "Rocking Through The Ages"  
WHERE: Hard Rock Hotel & Casino (formally Isleta Hotel & Casino) Albuquerque, NM  
WHEN: March 29th, 30th and 31st, 2011



## 2010 NMASFAA BOARD

Betty Dever—President, Amanda Hammer - President-Elect, Janell Valdez—Past President , Regina Madrid—Treasurer Elect, Jan Terry-Sanchez—Secretary , Sara Elliott - Parliamentarian, Gladys Chairez—NM Delegate at Large

## FALL TRAINING



*Arlene Odenwald, CNM, Cost of Attendance Presenter*



*Krystle Montoya, Susan Chavez, Patrick Gomez, Paula Pruitt all of CNM.*



*Janell Valdez—UNM School of Medicine, Bill Bloom—UNM Valencia, Jerry McKeen—SJC are members of the Long Range Planning and Outreach Committee planned the Fall Training*

## 2011 NMASFAA Board Nominees

### President – Elect

Gladys Chairez



### Treasurer – Elect

Angela Anaya



Diana Campos



### Secretary

Michelle Cisneros



Naja Harrell



### Parliamentarian

Jerry McKeen



*View resumes and get information on voting at [NMAASFAA.org](http://NMAASFAA.org)*

## Student Loan Default Rates: What Every School Needs to Know

By [Heather Kerrigan](#), NASFAA Web Reporter/Editor

The Department of Education plans to release unofficial three-year cohort default rates (CDRs) later this year or in early 2011 as it prepares to implement provisions in the Higher Education Opportunity Act of 2008. The change from a two-year to a three-year CDR is expected to dramatically increase CDRs anywhere from 30 to 50 percent for most schools when it is implemented in 2014, according to internal test calculations performed by the Department.

Once the three-year CDR is implemented, any school with a CDR equal to or greater than 30 percent must establish a default prevention plan in accordance with Department regulations. Moreover, the first year a school's CDR is 30 percent or more, the school must establish a Default Prevention Task Force. Noncompliance can lead to a loss of eligibility to participate in Pell, Title IV and Direct Loan programs.

Between now and 2014, the Department plans to publish unofficial three-year CDRs to help schools prepare for the stricter default standard. NASFAA and the Department are encouraging aid administrators to begin collaborating with the institution's administration and colleagues today to ensure campuses dedicate sufficient resources to help borrowers avoid default to avoid the negative consequences of a high CDR. Failure to plan early could result in immediate Title IV sanctions or program participation limitations effective late September 2014.

There are significant internal challenges that institutions may face when trying to prevent default. While loan counseling is highly recommended, a record number of college students are applying for aid which dramatically increases a financial aid offices' workload and decreases the availability of one-on-one counseling. A smaller institutional budget leading to less staff and fewer resources also leaves less time for counseling students. Add to this new Congressional regulations and declines in default prevention partnerships, and many schools are facing a perfect storm.

There is no silver-bullet solution to keep the CDR low. Instead, financial aid offices must help campus leaders, lawmakers, policymakers and the public fully understand all the factors that contribute to default so comprehensive and coordinated strategies can be implemented to help struggling borrowers. Student loan default is not a financial aid office issue. It is a campus-wide student success issue on which early planning can have a direct, positive effect.

Some recommended default prevention steps include:

**Remedial education** to help students who are not academically prepared for college success

**Academic counseling** for students with low grade-point averages

**Institutional grant aid** provided to needy students to reduce borrowing and debt levels

**Financial aid counseling** to ensure that students only seek loans after exhausting all eligible grant aid and work-study options, and don't borrow a penny more than they need

**Loan entrance counseling** that ensures borrowers understand all loan terms, repayment obligations and options, and the consequences of default

**Loan exit counseling** to refresh borrowers as they get ready to leave school and enter repayment

**Financial literacy education** to help borrowers understand budgeting, money management, and the basics of personal finance

## Student Loan Default Rates (continued)

The success of an institution is intrinsically tied to the success of its students, so financial aid administrators—and others at the school—must do everything they can to ensure borrowers have the tools they need to make prudent borrowing decisions and successfully repay their loans.

While an institution can put these prevention methods into place, there are factors out of a school's control that present challenges.

"Issues such as high unemployment rates and family income can't be controlled by colleges," said NASFAA President Justin Draeger. "However, colleges and universities should embrace the concept that they can have a positive impact on student loan repayment rates by helping struggling students succeed academically; helping them set realistic expectations in terms of salary and work goals; and by counseling them on smart borrowing, repayment options and avoiding default."

It is imperative that an institution develop and implement a plan to address loan default today in order to avoid Title IV sanctions and limitations with the onset of three-year CDRs. Remember that today's students will be borrowers in repayment when the Department switches to the three-year default rate. Additional efforts to inform and assist these students can have a positive impact on their ability to repay their loans in the coming years.

To help keep default rates low, NASFAA and the Department of Education offer various informational tools for schools and borrowers including:

CDR Information for Institutions (Department of Education)

<http://www.nasfaa.org/publications/2010/eaofficialcdr091410.html>

What Borrowers and Families Need to Know to Avoid Student Loan Default (NASFAA)

<http://www.nasfaa.org/publications/2010/prdefaultavail090710.html>

Student Loan Default Facts and Repayment Tips for Struggling Borrowers (NASFAA)

<http://www.nasfaa.org/defaulttips.html>

### **Philo Brasher Emerging Leader Award goes to Regina Madrid from Luna Community College.**

Regina Madrid is the current treasurer of NNASFAA. This year was supposed to be her training year as Treasurer-Elect. However at the first board meeting, she learned that she would be the treasurer within months. Then the months turned in to weeks. She has caught up on the filing of all of the necessary forms for us to stay a non-profit organization. She is hard working, dedicated, committed and has been able to roll with the punches all year. She adds to all NNASFAA events and will continue to be a leader in our great organization.

Other Nominees were Tammi Gardner from ENMU Portales and Susan Chavez from CNM.



## WHAT'S HAPPENING IN YOUR SHOP?

If you have news about your office; promotions, retirements, or about members; marriages, births, or any other exciting events to share with the NMASFAA membership, please email Sara Elliott ([selliott15@cnm.edu](mailto:selliott15@cnm.edu)) to include this information (along with the school) and photos in the next Noteworthy NMASFAA Newsletter.

Movers and Shakers at NMSU Office of Financial Aid and Scholarship Services

Carlos Clark—Director

Marlene Melendez – Assistant Director of Scholarship Services

Rosa Lee Ramirez – Records Technician II

Lisa Maynez – Financial Aid Advisor II

*The Noteworthy NMASFAA Newsletter is published for the benefit of members. Comments, ideas, articles and photos are always welcomed and can be emailed to Sara Elliott at [selliott15@cnm.edu](mailto:selliott15@cnm.edu). Thank you to those who contributed.*

## AN APPRECIATION FOR THE HOLIDAYS

Where do snowmen dance?  
At a snowball.

If you have a fear of Santa Claus coming down your chimney at Christmas, are you suffering from Santaclaustrophobia?

What do you get if you cross a cat with Father Christmas?  
Santa Claws.

