



About the Council

The Council works to minimize student loan defaults by providing the higher education community with innovative leadership, activities, and services that improve the understanding and management of personal and education finance by students and families. Since 1997, the Council and TG have worked together to address some of the most important issues affecting the ability of students to successfully repay their student loans.

Council for the Management of Educational Finance

Annual Report

2008–2009

TG[™]
The **Guarantor of Choice**[™]



Council remains committed and optimizes collaboration in 2008–2009

At the onset of fiscal year 2008–2009, financial aid professionals continued to confront uncertainty and significant changes in higher education policy. More than ever, the Council remained committed to its mission of providing the higher education community with innovative leadership, activities, and services to improve the understanding and management of personal and education finance by students and families. In collaboration with TG, the Council formulated its 2008–2009 initiatives and objectives with a focus on minimizing loan delinquencies and defaults and educating students about proper debt management.

For the financial aid community, keeping default prevention and debt management at the forefront can be difficult when financial and staffing resources are scarce. This is especially true when all participants in the Family Federal Education Loan Program, including schools, student lenders, servicing institutions, and guarantors are experiencing increased regulatory and budgetary restrictions. In an effort to address some of the challenges facing financial aid professionals, the Council's initiatives focused on four main areas: *training, awareness, industry collaboration, and content development.*



TRAINING

Objective: To train schools on regulatory requirements pertaining to entrance and exit counseling and provide guidelines and tools for effective delivery of counseling.

Entrance and Exit Loan Counseling

In the last two years, keeping up with the numerous changes to higher education policy and federal regulatory requirements for loan counseling sessions has been daunting for financial aid administrators. Regulations regarding who is permitted to conduct such sessions have oscillated from schools, lenders, and guarantors to schools only and then back again, so that lenders and guarantors are now allowed to conduct only exit counseling sessions. In an effort to assist financial aid administrators in the implementation of new requirements, TG and the Council worked diligently to keep entrance and exit training materials up-to-date and also conducted a number of training sessions for financial aid administrators.

TG and the Council presented three training sessions in the 2008–2009 year.

- **2008 Texas Association of Student Financial Aid Administrators Annual Conference**, October 9, 2008. Former Council member Raul Lerma, from the University of Texas at El Paso, and TG's Maria Luna-Torres trained over 50 members.
- **TG Regional Training**, November 20, 2008. Over 20 participants attended the training event held at Texas A&M University–Kingsville.



- **2009 TG Annual Training Conference**, April 22, 2009. TG included an entrance and exit training session as part of the conference's debt management track. More than 70 participants attended the training.

The Council continues to monitor changes in federal regulatory requirements affecting loan counseling sessions and remains committed to keeping the financial aid community informed and equipped with useful resources for conducting entrance and exit counseling sessions.

AWARENESS

Objective: To educate students about the importance of proper money management and successful student loan repayment, and to promote college affordability and the importance of planning for college.



Developed by TG and the Council, this new financial literacy poster highlights the tools available on AIE's Financial Literacy Web page.

Financial Literacy Poster: Helping students avoid the pit of debt

In keeping with its commitment to helping students and families achieve their educational goals and make informed decisions regarding education finance, TG and the Council created a poster which encourages students to practice wise spending habits and borrowing.

The poster provides students with a link to TG's *Adventures In Education* Web site (www.AIE.org), which provides resources to help students learn more about responsible money management.

The Council's Financial Literacy Committee developed the poster's message and then worked in collaboration with TG's

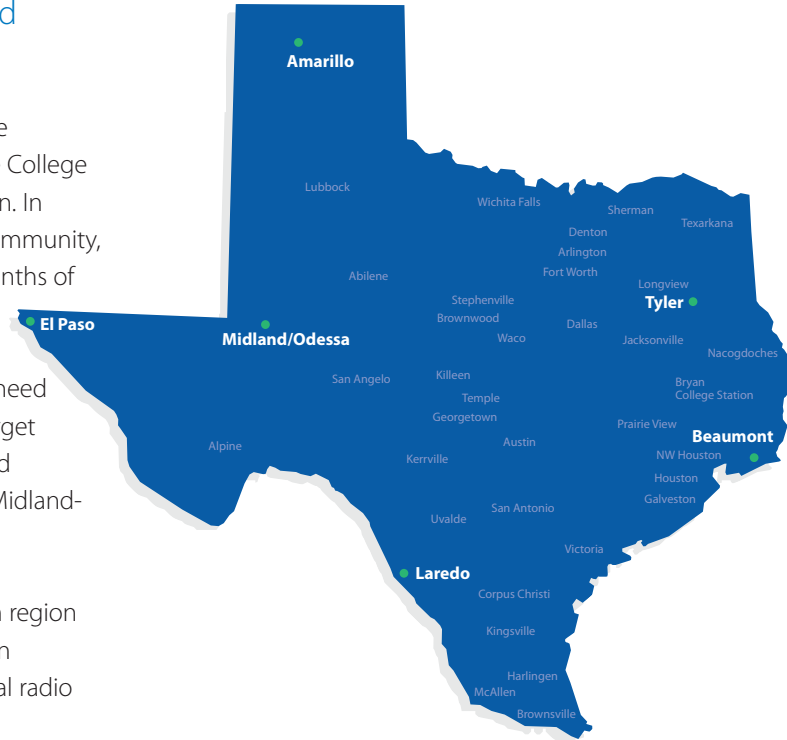
communications team to create an effective design that would appeal to students and illustrate the content. Several variations of the poster were later tested in student focus groups. College students from the University of Texas at Brownsville, University of Houston–Downtown, and Austin Community College participated in these roundtable discussions, which were lead by the Council. Feedback helped refine the message and provided direction for the most appropriate image.

TG unveiled the poster at its Annual Training Conference in April 2009. Many universities and colleges took advantage of this resource and are already displaying it at their campuses. To date, TG has distributed more than 530 print copies of the poster.

2008 College Affordability and Awareness Campaign

For five years, the Council and TG have sponsored a media tour as part of the College Affordability and Awareness Campaign. In collaboration with the financial aid community, TG and the Council dedicated the months of May and June 2008 to promoting college access and building financial aid awareness in regions with a high need for financial and college resources. Target areas for this year's campaign included Amarillo, Beaumont, El Paso, Laredo, Midland-Odessa, and Tyler.

Financial aid administrators from each region contributed their time to participate in interviews and daytime shows on local radio and television stations.



Amarillo

Dan Garcia, West Texas A&M University
 Kay Mooney, Amarillo College

Beaumont

Brent Williford, Lamar University

El Paso

Raul Lerma, the University of Texas at El Paso
 Jennifer Phillips, Western Technical College

Laredo

Laura Elizondo, Texas A&M International University
 Rick Moreno, Laredo Community College

Midland-Odessa

Bob Vasquez, the University of Texas of the Permian Basin

Tyler

Devon Wiggins, Tyler Junior College

Media Tour Impact

- More than 761,000 individuals benefited from the information that financial aid administrators provided in their television and radio appearances.
- In total, broadcasters donated five hours and 33 minutes of free airtime for this campaign.
- The total worth of donated airtime amounted to \$42,980.

The Council continues to spread its message to more students and families in other regions throughout the state. The 2009 media tour of the College Affordability and Awareness Campaign is underway. Regions targeted include El Paso, Laredo, the Rio Grande Valley, Corpus Christi, Victoria, San Angelo, and Lubbock.

INDUSTRY COLLABORATION

Objective: To provide opportunities for dialogue and collaboration between schools, servicers, lenders, and others in the financial aid community that allow participants to exchange ideas and share best practices.

Debt Management Dialogue Series: Optimizing Collaboration in the Financial Aid Community

In line with its mission of educating students about the importance of successful loan repayment and providing resources for the higher education community, members of the Council charged the Best Practices and Training Committee with the objective of leading a series of dialogues with financial aid professionals and student loan experts. Through these dialogues, the Council created an opportunity for open communication and collaboration between members of colleges and universities and lending and servicing organizations, which could ultimately help them navigate through the numerous regulatory and industry changes. Creating an opportunity for open forum discussions was a priority for the Council due to the fluctuating current environment and the numerous regulatory and federal changes in higher education policy taking place. Now more than ever, the Council found it critical to allow industry participants to share best practices, discuss concerns, and begin to effectively address some of the challenges that students face in student loan repayment. Most importantly, the Council's expected outcome was for financial aid professionals to leverage resources and optimize relationships.

To accomplish its objective, the committee constructed and designed a discussion series consisting of three separate dialogues. In an effort to optimize open communication, the first dialogue (July 2008) consisted of only lenders and servicers; the second (December 2008) included only members of colleges and universities. Both dialogues were offered via webinar to maximize participation. Finally, in April 2009, the Council wrapped its series of discussions with an in-person dialogue in which members of all sectors were invited to take part.



The first two dialogues allowed the committee to identify issues particularly affecting each sector. Identifying critical issues was of utmost importance to the Council, since the issues confronting each sector would ultimately hinder financial aid professionals from assisting students in repaying their loans.

In the final dialogue, participants were able to address concerns and also offer suggestions on how each member and sector of the financial community could collaborate to assist students and keep default prevention and debt management as priorities in times of limited resources.

Some of the solutions and best practices discussed included:

- Leveraging relationships between guarantors and servicers to maximize training opportunities for financial aid administrators about repayment options, especially new options
- Encouraging schools to maintain updated student contact information by taking such measures as placing restrictions on issuing transcripts to students who have an invalid address and are delinquent on their loan obligation
- Seeking schools' cooperation in verifying references provided during counseling sessions

- Gaining campus-wide support for activities and services which affect persistence, program completion, and successful loan repayment
- Designing exit counseling resources tailored to institutions' student demographics and providing schools with training for effective delivery of counseling sessions
- Maximizing use of new social networking Web sites (e.g. Facebook®, Twitter, MySpace®) to deliver financial literacy information to students and maintain contact with them

In the evaluation process, participants commended the Council for giving the financial community an opportunity to share ideas and exchange best practices about how to prevent student loan defaults.

As the Council begins a new fiscal year, members will continue this initiative by assessing the challenges, best practices, and solutions identified in the series of dialogues. The Council will establish new objectives that address implementation and collaboration plans along with approaches to address challenges and opportunities the financial aid community faces.

CONTENT DEVELOPMENT

Objective: To conduct research about open-access institutions and create resources which help campus administrators assist students in degree completion and persistence.

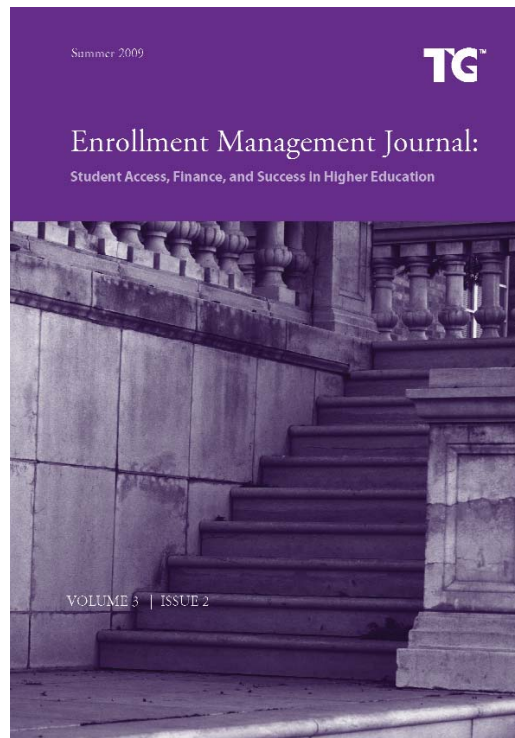
A Study of Open-Access Institutions: Achieving Student Success

Several factors prompted the Council to work on an initiative dedicated to assisting open-access institutions, such as community colleges, career schools, and minority-serving institutions, with achieving student success. Increasing enrollment at community colleges, increasing borrowing trends, increased calls for accountability due to low retention and graduation rates, and the expected impact of the new cohort default rate calculation on community colleges and career schools pose many challenges not only for administrators, but also for students attending these institutions.

Also, with increasing enrollment at these institutions, loan volume is expected to increase. Consistent with its mission of assisting students with managing their debt and preventing them from defaulting, the Council's Enrollment Management Committee focused on addressing some of the most prevalent issues affecting student repayment and success at open access institutions.

In its preliminary stage, the Council and TG embarked on a "discovery phase" which involved preliminary research on:

- Defining "open access" and scope of study
- Identifying attributes for each sector of open-access institutions
- Identifying key issues that hinder or promote student success
- Identifying challenges that open-access institutions face



The journal publishes the work of researchers and practitioners in order to improve efforts to enroll, retain, and graduate more students.

The Enrollment Management Committee presented the findings from its preliminary research on April 22, 2009 at TG's Annual Training Conference. Strategies that members of the committee shared in the presentation included:

Strategies for student success:

- Aligning curriculum between secondary and postsecondary institutions
- Applying John Gardner's Foundational Dimensions Model
- Engaging students on campus and making the connection with campus resources
- Finding creative ways to increase financial aid available to students
- Making support services convenient and accessible for students

Measures of student success to consider:

- Completing a course
- Advancing from developmental courses to college-level courses
- Finding a job after college
- Retaining students from one year to the next
- Graduating or completing a certificate or program of study

Also, plans are underway to submit an article summarizing the study's research findings to the winter issue of the *Enrollment Management Journal: Student Access, Finance, and Success in Higher Education*. The winter issue is dedicated to themed-research articles pertaining to open-access institutions. Also, as the Council begins a new year, the committee will continue to develop this initiative by creating additional resources for open-access institutions.

Council Members FY 2008–2009

Maria Luna-Torres, TG Liaison
TG

Lynn Barnes, School Co-chair
Texas A&M University

Phillip Wambsganss, Lender Co-chair
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Southern Wesleyan University

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Horizon Educational Resources

Dana Mingo
Eastfield College (Dallas County Community
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