

News to Know

Florida Department of Education

April 2010

OSFA's Default Rate Decrease

The Office of Student Financial Assistance (OSFA) expects to record a substantial decline in its student loan default rate for the 2008 cohort of student borrowers. Preliminary cohort default-rate data released by the U.S. Department of Education (ED) projects this drop. ED will release final 2008 Cohort Default Rate (CDR) data later this year.

There are several factors that contribute to OSFA's strong default prevention performance. These factors include:

Successful Default-Aversion Activities

- Default Aversion Request (DAR) contractors initiate extra efforts to communicate with borrowers on current and future CDR years.
- Contractors focus on specific schools each month.
- OSFA sends out letters to all borrowers who are at least 120 days delinquent and when the DAR contractors have been unable to make contact with the borrowers.

Support to Postsecondary Institutions

OSFA's team offers assistance and support to help postsecondary institutions with their default prevention efforts. During the last academic year, OSFA Debt Management/ Outreach Representatives conducted 735 workshops for postsecondary institutions. The focus was on curbing student loan defaults. OSFA representatives provided training to 12,687 students who attended the workshops. Individual instruction was provided to 1,493 students.

Innovative Financial Literacy Program

The Navigating Your Financial Future (NyFF) [Web site](#) offers a variety of "FREE" financial literacy products and services to students, parents, and postsecondary institutions. One particularly beneficial program, the Financial Literacy Program, teaches students time and money management skills and also provides student loan borrowers strategies for successful repayment of their loans.

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Navigating Your Financial Future (NyFF)

All NyFF services are free!

The following **free seminars on Student Loan Repayment** are provided by the NyFF Outreach/Default Prevention Representatives:

- Workshops on Budget Management (for postsecondary institutions)
- Default Prevention Programs (for postsecondary institutions)
- Financial Literacy Training Materials (for adult learners and parents)

For general information, contact the NyFF Help Desk at **1-800-366-3475 extension 7040**, Monday through Friday, 8:00 a.m. to 5:00 p.m.

The Office of Student Financial Assistance (OSFA) can help you promote financial literacy with the ***Navigating Your Financial Future*** program. Your Outreach Representative is available to assist you with on-site workshops.

(OSFA's Default Rate Decreases, continued from page 1)

OSFA Internal Cohort Activities Assist in Lowering Cohort Default Rates (CDR).

Activities Include:

- Claims paid for current and future CDR years are reviewed shortly after payment to ensure the claims were paid with the correct less than half-time (LTH) documentation. If it appears the claim was paid with the incorrect LTH, then the claim is referred for possible repurchase.
- A complete Guarantee Agency CDR Numerator list is compiled prior to Draft and Official calculations based on claims that were paid and identified as in the current CDR year. These accounts, on the Numerator list, are reviewed for any possible rehabilitation or repurchase activity. National Student Loan Data System (NSLDS) records are reviewed to confirm that all appropriate rehabilitation and repurchase indicators are present on the Loan Detail pages. Corrections to these NSLDS records are made if necessary.
- Date Enter Repayment changes are tracked and researched to ensure they are being reported correctly to NSLDS. Changes are made, if necessary, and problems identified for individual borrowers are corrected.
- To determine accuracy, borrowers' records are reviewed by OSFA throughout the year at the request of the postsecondary institutions. Loan information on the borrower's records is obtained through OSFA as well as NSLDS. Corrections are made if needed.
- Borrowers in the Numerator on OSFA's Draft Loan Record Detail Report who were not

previously identified as possible Numerator borrowers, are identified and researched. Corrections are made if necessary.

- The Denominator from OSFA's Draft Loan Record Detail Report is reviewed to confirm that all appropriate borrowers are included. Corrections are made if necessary. Particular focus is given to borrowers who appear on the Loan Record Detail Report, but are not being included in the calculation. They typically include loans that are currently in a cancelled or abandoned status. These loans are researched to confirm their correct status and are reinstated or updated if reported in error.

State Scholarship & Grant Programs

April Calendar

15th - Deadline to apply for the Robert C. Byrd Honors Scholarship Program (Byrd) via:
www.FloridaStudentFinancialAid.org

- **Select State Grants, Scholarships & Applications**
- **Select Apply Here**, then
- **Initial State Student Application** for initial applicants,
or
- **Reinstatement/Restoration Application for Students**
for reinstatement or restoration applicants.

May Calendar

Term 2 semester refunds of Bright Futures dropped/withdrawn course funds are due to the Office of Student Financial Assistance (OSFA) within 30 days of the institution's last day of each term.

Term 3 refunds/reconciliation are due to OSFA within 60 days after the last day of drop/add.

Begin Grade and Hours reporting for previous summer, fall, and spring terms. Due to OSFA 30 days after the last day of classes or June 30, whichever comes first.

15th – Processing Deadline to file the *Free Application for Federal Student Aid (FAFSA)* for the Rosewood Family Scholarship Fund and the José Martí Scholarship Challenge Grant Fund initial and renewal students via:

www.fafsa.ed.gov

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Grade and Hours – Report due to OSFA for centralized programs (Byrd, CSDDV, JM, RFS) within 30 days after the last day of spring term classes or June 30, whichever comes first. Early submission is appreciated.

30th – Deadline for current year Bright Futures reinstatement/restoration applicants to apply via:
www.FloridaStudentFinancialAid.org

- Select **State Grants, Scholarships & Applications**
- **Select Apply Here**, then
- **Reinstatement/Restoration Application for Students**

Important Announcements

New Loan Discharge Application

The U. S. Department of Education (ED) released *Dear Colleague Letter* (DCL) GEN-10-03/FP-10-01 on March 24, 2010. This announced the approval of revised loan discharge applications.

The revised loan discharge applications include:

Loan Discharge Application: School Closure - used by Federal Family Education Loan (FFEL), Direct Loan, and Perkins Loan Program borrowers to apply for loan discharge if they were unable to complete their program of study because their postsecondary institutions closed.

Loan Discharge Application: False Certification (Ability to Benefit) - used by FFEL and Direct Loan Program borrowers to apply for loan discharge if their ability to benefit was falsely certified by their postsecondary institutions.

Loan Discharge Application: False Certification (Disqualifying Status) - used by FFEL and Direct Loan Program borrowers to apply for loan discharge if they had a disqualifying status at the time their loans were certified or originated.

Loan Discharge Application: False Certification (Unauthorized Signature/Unauthorized Payment) - used by FFEL and Direct Loan Program borrowers to apply for loan discharge when there were unauthorized signatures or payments by the postsecondary institutions.

Loan Discharge Application: Unpaid Refund - used by FFEL and Direct Loan Program borrowers to apply for loan discharge when a portion of their loan was not refunded in accordance with the regulations governing Title IV federal student aid programs.

For the full Dear Colleague Letter, please visit the following [Web site](#) .

Congress Gives Final Approval to Student Aid Legislation

Congress has given final approval to legislation that ends Federal Family Education Loan Program (FFELP) loans, enhances other student aid, and provides higher education initiatives.

With a vote of 56-43, the U.S. Senate approved the Health Care and Education Reconciliation Act of 2010, which combined health care reform and student aid provisions. Because of two minor procedural amendments, the U.S. House of Representatives was required to take a second vote on the bill. It passed with a vote of 220-207.

With the approval of the reconciliation bill, it is important that FFELP postsecondary institutions complete their transition to the Federal Direct Loan Program as soon as possible in order to be ready for summer loan processing. The OSFA team is ready to assist postsecondary institutions and lenders with their transitional loan processing needs. OSFA is preparing to evaluate loans guaranteed through OSFA with pending disbursements. If the lenders are not going to honor outstanding disbursements, then the postsecondary institutions will need to work with the lenders to cancel the current loans so that new loans, for the borrowers, can be transmitted through the Direct Loan Program.

OSFA's Outreach Team New Contact information

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