



News To Know

Florida Department of Education

October 2009

House Passes Student Aid Fiscal Responsibility Act with Amendments

On September 18, the U.S. House of Representatives passed H.R. 3221, the **Student Aid and Fiscal Responsibility Act of 2009**, by a **253 to 171 vote**. The bill would use savings from eliminating the Federal Family Education Loan Program (FFELP) to bolster the Pell Grant program, fund a new Federal Direct Perkins Loan program, and increase funding in other higher education and K-12 programs.

Although the bill passed in the House, John Kline (R-MN) the House Education and Labor Committee committee's top Republican, expressed his disapproval.

Kline quoted on the House floor, "So why is congress intervening to declare one program the winner. If it's truly about competition, the best program ought to win in the marketplace. In fact, one program *has won* — the public-private partnership of the

Federal Family Education Loan Program, which is the choice of three-quarters of colleges and universities today."

"By eliminating FFELP, we will lose the choice, competition, and innovation of the private sector, That includes everything from technological innovations to loan discounts and borrower services. We will also lose jobs -- an estimated 30,000 or more in congressional districts from coast to coast."

Kline also expressed concern about additional entitlement spending in the bill, calling it "a massive entitlement spending spree."

Similar legislation is expected to be addressed by the Senate in the near future.

To voice your opinion on FFELP and H.R. 3221, please **contact** your congressional representative(s) and senator(s).

Inside this issue:

Navigating Your Financial Future	2
State Scholarship & Grant Programs	3
Important Announcements	4
Division of Community Colleges Takes New Name	4
ED Provides New Loan Servicing Information	4
Walmart Foundation Grant Helps Miami-Dade College Train Displaced Workers	5
Year Round Pell	5
Dear Colleague Letter Addresses Prior Year Charges	5

The OSFA mission is to facilitate higher education access and services by providing exemplary customer attention, comprehensive financial aid information, and convenient and efficient products.

Navigating Your Financial Future



Beginning with the federal cohort reporting period for the 2009 repayment year on October 1, the cohort default rate will be calculated based on borrowers who default within three fiscal years. This formula is a change from the current calculation, which is based on borrowers who default within two fiscal years. OSFA has created several reports to assist postsecondary institutions (PSIs) in managing their Cohort Default Rate Reports (CDRs).

Defaulted Borrower Reports, accessed through OSFA, provide detailed information regarding borrowers and their defaulted loans. Through the automated letter process, PSIs can use the report's data to generate template letters to borrowers who have defaulted on their loans.

Cohort Default Rate Reports provide information for calculating estimated CDRs. Borrowers in the numerator and denominator have been broken into smaller subsets for additional research and resolution.

Remember **Navigating Your Financial Future** is a free, comprehensive, default prevention program offered to all schools by the Office of Student Financial Assistance (OSFA). The student population is targeted in an effort to curb defaults on loans and assist borrowers with debt management. The program is a tool designed to offer comprehensive services and educational resources to students so that they may manage student loan debt successfully.

Objectives of the program are to:

- Provide effective early intervention programs for targeted groups already at high-risk of current or future default behaviors.
- Provide seminars that educate lenders on innovative default prevention techniques and strategies.
- Identify areas of improvement for the PSI and the lender in the "entrance and exit" counseling processes that will ensure the student understands a borrower's rights and responsibilities.
- Provide a comprehensive Web site for students, borrowers, and lenders complete with default prevention resources, materials, and default management information.
- Provide informational sessions to financial aid directors and their staffs on facilitating on-campus workshops, initiating counseling strategies for high-risk borrowers, and teaching skills to students on financial literacy.
- Provide assistance with the development of specific "default management" plans for PSIs.

Please contact your OSFA Outreach Representative for additional information.



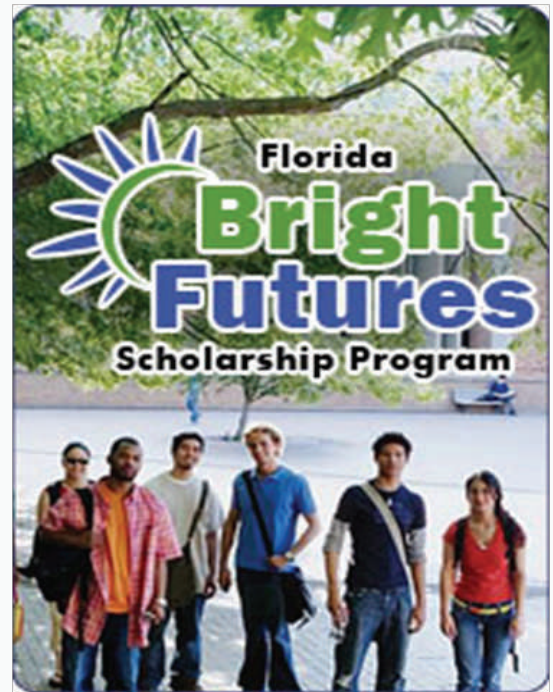
State Scholarship & Grant Programs

Bright Futures Students Notified of Courses Dropped or Withdrawn

As a result of the 2009 Florida Legislative session, Bright Futures students who drop/withdraw from Bright Futures funded courses receive e-mail correspondence from the Florida Department of Education providing notification of the number of credit hours to be reimbursed to their postsecondary institutions.

Students will not be eligible for scholarship renewal if the cost of the hours is not repaid by the end of the academic year.

Review the entire Bright Futures [Web site](#) for updated scholarship information.



New FAQs

OSFA, State Programs has updated its FAQs (Frequently Asked Questions) to include information and changes resulting from the 2009 Legislative Session. Visit www.FloridaStudentFinancialAid.org, select **State Scholarships, Grants and Applications**, and then **Frequently Asked Questions** from the menu bar.

We're Moving

OSFA, presently located at 1940 North Monroe Street, will be relocating to the Turlington building at 325 West Gaines Street, between October 1 and December 15. During this time period, we will continue to assist you with any requests or system issues you may encounter. Thank you for your patience during this transition.

October 2009

Institutions send reports of disbursement activity to OSFA

November 2009

Bright Futures Academic Top Scholars (ATS) notified of eligibility

Visit our State

Programs

[Calendar!](#)



Important Announcements

Division of Community Colleges Takes New Name

Governor Crist signed Senate Bill 2682 authorizing the Department of Education's Division of Community Colleges, on August 4, to officially assume its new name - the Division of Florida Colleges. The bill also authorized name changes for many of Florida's 28 community colleges. The Division of Florida Colleges will continue its mission of providing Floridians with open access to higher education and retraining opportunities.

This new name is a continuation of changes that began in 2008 when the Legislature re-designated the Community College System as The Florida College System. The system includes all public community colleges, junior colleges, and state colleges under the governance of the State Board of Education. The Division of Florida Colleges works with the state's 28 community colleges to stimulate the economy through a broad spectrum of high need, high demand career education programs.

Visit [Florida College System](#) for more information. For a list of each college along with links to their Web sites, visit the [Community College Directory](#).

ED Provides New Loan Servicing Information

On August 28, the U.S. Department of Education (ED) released the first in a series of electronic announcements (E-ANN) through which it explains the transition to additional loan servicers, to begin in September 2009. The E-ANN noted that currently ED services Direct Loans through the Direct Loan Servicing Center and FFELP loans that are sold to ED (through the ECASLA Loan Purchase Programs). This announcement also notes the four new added servicers that will service purchased FFELP loans. See the June 17 [E-ANN](#) for information on the "Announcement of Title IV Student Loan Management/Servicing Contract."

In addition, ED provides the following information about the transition to additional servicer support:

- An overview of the new servicing approach.
- Details about the servicing of purchased FFELP loans beginning in September 2009:
 - How ED will measure the customer satisfaction for each servicer,
 - Plans to assign all of a borrower's federally owned loans to the same servicer,
 - Services that will be provided to schools, and the identification and communication of servicer information; and
 - Additional announcements and contact information.

Please visit the Information for Financial Aid Professionals [Web site](#) for details and to view the entire E-ANN announcement.

Important Announcements

Walmart Foundation Grant Helps Miami-Dade College Train Displaced Workers

Miami Dade College is one of eight community colleges in the country selected to participate in the Walmart Brighter Futures Project. This national demonstration project is designed to assist colleges with meeting the increased need for training and services for dislocated workers.

Each selected college will receive up to \$336,500 to provide job training and services for displaced workers. The training, which focuses on jobs requiring 21st century skills, will initiate promising career paths for the workers. In addition, workers will receive career counseling and learn job acquisition skills such as job searching, resume writing and interviewing techniques. Participants will also receive funds for tuition, books and other expenses associated with continuing their education.

Visit Walmart [Brighter Futures Project](#) or [Miami Dade College](#) for more information. Students may also call (305) 237-7402.



Year-Round Pell

Year-round Pell was effective for the 2009-10 award year. Please note that postsecondary institutions participating in the Pell Grant program must award year-round Pell to eligible students. **New requirements** identified under the recent Notice of Proposed Rulemaking (NPRM) would not become effective until July 1, 2010 if maintained in the final regulations.

Dear Colleague Letter Addresses Prior Year Charges

In the Dear Colleague Letter [GEN-09-11](#), the U.S. Department of Education (ED) notes that while, in general, institutions must use current year Title IV funds only for current year charges, they also may use current year funds for "minor prior year charges."



The OSFA Philosophy

As a public agency, OSFA has the ability to offer its partners and customers something few guarantors can: the ability to shape OSFA programs and services based on their specific needs and concerns. Earnings generated from OSFA's loan programs may be used to provide financial aid workshops, publications, and better services for participants, and to help fund scholarship and grant programs. When schools and students choose to use the OSFA guarantee for student loans, they actually help countless other needy and deserving students. If a participant has a problem or suggestion, the OSFA management team listens and makes every effort to implement a solution that meets their needs. Public dollars deserve that kind of accountability in financing education.



The **News to Know** is now available on the [Policy, Regulations, and Guidance Page](#) of our Web site. Previous editions may be viewed on our [Archives Page](#).

Contact OSFA

Tallahassee, FL

Toll-free State Programs: 1-888-827-2004

Toll-free Federal Loans: 1-800-366-3475

Locally: 1-850-410-5200

E-mail: OSFAStudentLoans@fldoe.org

Visit our Web site at

www.FloridaStudentFinancialAid.org

[Click here to contact an OSFA Outreach Representative about your institution's needs.](#)