

Federal Default Fee

**With recent changes in the industry,
make sure your students are not paying the default fee!**

Cover

In May 2009, the Florida Department of Education, Office of Student Financial Assistance (OSFA) received legislative approval to continue paying the mandatory one percent Federal Default Fee on all Federal Stafford and PLUS Loans.

OSFA's Federal Default Fee policy results in an annual \$6 to \$7 million of savings to borrowers and families that choose OSFA as the guarantor of their student loans. Choosing OSFA as a guarantor helps to fund the Florida Student Assistance Grant (FSAG). The FSAG is a need-based grant program that is available to degree-seeking, resident, undergraduate students who demonstrate substantial financial need and are enrolled in participating postsecondary institutions.

OSFA has contributed \$84.3 million toward need-based scholarships since the 2002-03 Fiscal Year. Dr. Eric J. Smith, Commissioner of the Florida Department of Education, is strongly committed to helping students achieve their goals as they pursue their postsecondary education.

OSFA administers the Federal Family Education Loan Program (FFELP), which provides low-cost education loans to assist students and their parents pay for higher education. FFELP loans include: the Federal Stafford Subsidized Loan, the Federal Stafford Unsubsidized Loan, the Federal Parent PLUS Loan, the Federal PLUS Loan for Graduate/Professional Students, and the Federal Consolidation Loan.

OSFA also administers State Scholarship and Grant Programs, which provide a variety of state and federally funded scholarships and grants to assist Florida's students with the cost of higher education. These state programs offer merit-based, need-based, and special interest programs, including two Critical Teacher Shortage Programs for professionals.

OSFA intends for the Federal Default Fee Policy to remain in effect until June 30, 2010; however, industry developments may require this policy to be re-evaluated before the policy's end date.

Please visit www.floridastudentfinancialaid.org for additional information about OSFA's products and services.

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**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

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OSFA is committed to meeting your training needs. We have a comprehensive series of financial literacy, default prevention, and debt management solutions, and can even customize workshops to fit your students' needs.

Many tools and resources are available on our *Navigating Your Financial Future* (NyFF) Web site at www.navigatingyourfinancialfuture.org.

New materials have been added to the NyFF Web site!

These new items include:

- . The "Online Counseling Bookmark," which is located on the Order Form;
- A set of six NyFF posters, which is located on the Order Form; and
- A PDF entitled "40 Money Management Tips Every College Student Should Know," which is located under the "Helpful Links – Budgeting" tab.

Visit <http://www.navigatingyourfinancialfuture.org/Log-In.aspx> to order free NyFF materials. If you have not previously ordered free NyFF materials from our Web site, please contact your local Outreach Representative.

Important Announcements

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NEW! – FFELP Deferment Request Forms

On July 30, 2009, the U.S. Department of Education (ED) released *Dear Colleague Letter (DCL) FP-09-06*, which announced the approval of the revised FFELP deferment request forms and provided guidance on implementing these new forms. The revised deferment request forms reflect changes to the terms and conditions of deferments, mandated by the Higher Education Act of 1965, as amended by the Higher Education Opportunity Act of 2008, and the final rules published in the *Federal Register* on October 23, 2008.

Please keep in mind:

- The new deferment request forms have an expiration date of May 31, 2012.
- The “Parent PLUS Borrower Deferment Request (PLUS)” form was previously known as the “PLUS Borrower with Dependent Student Deferment Request.”
- The “Military Deferment Request (MIL)” form does not expire until April 30, 2010, and its revisions are in process.

Beginning January 1, 2010, lenders, servicers, and schools must only provide the newly approved deferment request forms to borrowers; however, previous versions of the forms may continue to be processed after that date.

Federal School Code List Update

The U.S. Department of Education’s Office of Federal Student Aid recently announced the availability of the *2009-10 Federal School Code List of Participating Schools (August 2009 Update)*. The Federal School Code List contains unique codes assigned by the U.S. Department of Education for postsecondary institutions participating in Title IV federal student aid programs. Students enter these unique school codes on the *Free Application for Federal Student Aid (FAFSA)* to indicate which postsecondary institutions will receive their FAFSA results.

Constitution Day, previously known as Citizenship Day, commemorates the formation and signing of the U.S. Constitution by thirty-nine brave men on September 17, 1787, recognizing all who (by coming of age or by naturalization) have become U.S. citizens.

NEW! – Loan Purchase Programs Guidance

On July 31, 2009, the U.S. Department of Education (ED) published *Loan Purchase Programs Electronic Announcement 68*. This announcement provides information about four new student loan servicers awarded contracts by ED to service student loans held by ED, which include loans sold to ED through the Loan Purchase Programs authorized under the Ensuring Continued Access to Student Loans Act (ECASLA). This announcement also describes upcoming changes to loan sale file layouts for loans, which will be sold to ED and subsequently serviced by one of the four new loan servicers. *Electronic Announcement 68* also provides a question and answer document regarding processes and specifics of changed layouts.

In ED's *Loan Purchase Programs Electronic Announcement 69* and *70*, ED released its upcoming periods of unavailability to process loan sale purchase requests and participation funding requests.

ED's *Loan Purchase Programs Electronic Announcement 70* provided additional information concerning the closing dates for loan sales under the 2008-09 Loan Purchase Commitment (PUT) Program. This announcement also provides important information about the close-out of participation interests in the 2008-09 Loan Participation Purchase Programs.

View the complete announcements and corresponding attachments by visiting ED's ECASLA [Web site](#).

State Scholarship & Grant Programs

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SSFAD Reporting Process Training

Training is now available for the new State Student Financial Aid Database (SSFAD) report processing. Contact your OSFA Outreach Representative for more information.

Online Brochures

This year, OSFA's State Programs brochures are going green! Instead of waiting on the mail, access brochures immediately on our [Web site](#). You and your students may instantly view, save, or print State Scholarship and Grant Programs brochures.

New brochures have been added to our [Web site](#)!

New brochures include:

- *Florida Bright Futures Scholarship Initial Eligibility Brochure*, for 2010 high school graduates
- *Money for College – Florida Scholarships and Grants*, for the 2010-11 academic year
- *Florida Need-Based Scholarships and Grants*, for the 2010-11 academic year
- *State Scholarships for Military Families (CSDDV)*, for the 2010-11 academic year

September 2009

September 15 – **Deadline** to [apply](#) for the Critical Teacher Shortage (CTS) Tuition Reimbursement Program.

Visit our State

Programs

[Calendar!](#)

The OSFA Philosophy

Back Cover

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 concerns. Earnings generated from OSFA's loan programs are used to provide financial aid workshops, publications, and better services for our participants, and to help fund scholarship and grant programs. When schools and students choose to use the OSFA guarantee for student loans, they are actually helping countless other needy and deserving students by investing in education programs. So, if a participant has a problem or suggestion, OSFA management listens and does whatever it takes to implement a solution that meets their needs. Public dollars deserve that kind of accountability in education finance.

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