masfaa

massachusetts association of student financial aid administrators, inc. may 1998

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Creating A Shared Vision

By Elaine M. Martino, *CFP*
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We all advise parents that it's never too early to start saving for college tuition. But the most important person in the parent/student/education equation - the student - is often overlooked. When speaking with parents, either through a formal presentation or one-on-one, take the opportunity to promote good financial health in even the very young.

Something I like to emphasize when I speak with parents is the "shared vision thing"...a belief that higher education and life-long learning is an important part of family life. If parents wait until a student is 16 or 17 before initiating discussions and actions about college, they may discover that the family tree has branched off in three directions: Mom wants Johnny on the Dean's List at the best possible school, no matter the cost; Dad is already thinking of retirement and wondering why the state school he attended isn't "good enough;" and Johnny just wants to be near the ski slopes...

By starting a focus on higher education early, parents can help their kids see college or technical training as part of the great adventure of growing up.

A great idea to share with parents is the "matching gift" allowance. Kids as young as 4 or 5 are given an allowance, with the understanding that they will save one half. They can use a traditional piggy bank or, better yet, help the youngster decorate a box or jar with pictures of schools, football games, etc. Parents match the money saved dollar for dollar, thus creating a good household habit for everyone.

Another tie-in is a money growth chart, which can be penciled on the wall right next to the traditional height growth chart we all have in our homes somewhere. As soon as Wendy's piggy bank reaches a certain amount, open a savings account in her name. Other investment milestones after that can include mutual funds, savings bonds, the U.Plan and/or stocks. As Wendy gets older she can choose funds based on the kinds of companies represented and follow her stocks in the newspaper.

Continued on page 3

Year 2000 – What To Do Now

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Now that you have assessed your Year 2000 needs (see "Year 2000 - Are You Ready For It?" in the March issue of the *Newsletter*), it is time to evaluate how well you are proceeding with analysis. Companies almost seem to be coming out of the woodwork to help resolve these issues (and maybe making a little money on the side too!). This part of the project is something that you can outsource to a computer company that specializes in these types of services. One such business is the Y2K Project. They recommend the following steps to ensure that you are right on target in your Year 2000 review.

1. Evaluate the business risks of the Y2K problem.
2. Assess the degree of compliance the company and/or its proprietary software vendors have actually achieved.
3. Assist in resolving copyright problems associated with self-help efforts to modify proprietary software in the event that the vendor will not or cannot offer satisfactory proof of compliance.
4. Supplement and support management's effectiveness in managing the Y2K testing process.
5. Determine the adequacy of procedures for identifying testing errors, correcting them, documenting them, and implementing changes in the testing protocol.
6. Provide appropriate recommendations regarding additional actions as may be necessary to ensure a client's safety and soundness associated with its Y2K data processing capabilities.

Independent Compliance Review Provides Evaluation of Organizations' Y2K Conversion

Assurances from a company's Y2K solution provider or internal conversion team that all is well is really no assurance at all. "Y2K Project Review is a second-tier-testing regimen, which is independent of the primary testers. This review will validate the protocols, methodologies, and results generated during the assessment, remediation, and testing efforts done by either in-house staff and/or by external service providers."

Companies are available to perform independent "audits" or inspections of a school's compliance in terms of their readiness for Y2K. These organizations are specifically designed to monitor and evaluate your Year 2000 computer system conversion. In introducing this new inspection service, Aleks List, president of this Los Angeles-based consulting firm said, "Such inspections are a prudent course of action, given the serious financial and legal consequences of Y2K non-compliance. Breach of contract suits, customer fraud exposure, officers and directors liability and business disruptions are only a few of the problems corporate managements and boards may face."

Helpful Reading Material for Personal and Professional Use

Many experts agree that it is likely that less than 80% of the nation's computer systems will be upgraded properly by the year 2000. If this prediction comes true, is the average citizen prepared for the consequences? What if a Y2K-induced breakdown in international telecommunications, banking, or the economy does occur?

Whether or not a person owns or even uses a computer, virtually every aspect of their daily lives depends on them: communications, electricity, transportation, finance, medicine, jobs, the government . . . you name it. What if those computers stop working for a day? (*Time Bomb 2000*)

Ed and Jennifer Yourdon warn that the Y2K remediation work will not be finished in time. While there are numerous books, video tapes, and various other types of helpful instructional materials available, one book that

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has been recommended time and again is Time Bomb 2000. This book is co-authored by Ed Yourdon, with over 30 years experience in computer programming and his daughter, Jennifer, a financial analyst. Edward Yourdon is the editor of *American Programmer* and one of the world's leading authorities on software development. Few people have a clearer understanding of the Year 2000 problem and what it will take to solve it. "Realistic, practical, and terrifying, this is the first book for everyone who wants to survive the Year 2000 computer crisis."

A month? A year? *Time Bomb 2000* gives the odds and offers complete guidance and sound advice on how everyone can prepare! ●

MASFAA Mailing Labels

The MASFAA Membership mailing list is made available to members only for purposes of announcing job openings and for other MASFAA related business.

To order mailing labels, contact **Kelly Morrissey**, Membership Chairperson, at (978) 636-6600, X382 or k_morrissey@mwcc.mass.edu.

There is a $25.00 administrative charge for each set of labels ordered.

Spring into Action!!!

- Are you ready to embark upon your new financial aid journey? Pack your bags and register for the 1998 Novice Seminar.

- This all day workshop will provide the tools you need to become a seasoned aid professional. This year's workshop will take place at **Regis College** on June 4th.

Please watch your mail for more details!

Shared Vision...from page 1

This very simple, very doable early education savings plan gets everyone on the same page from day one. By sharing responsibility, some of the emotional baggage associated with saving enough for college is relieved. The whole family develops good savings habits and the money adds up. Wendy learns early that higher education is a family value and that she is expected to participate. We can all remember the good feeling we had when we bought our first record, car or whatever with our very own money. Starting early, Wendy will have funds to turn to on her 18th birthday and the knowledge that her savings habits helped make it possible.

Meeting the high costs of tuition is not as easy as having a piggy bank, but this simple beginning can be the foundation for a sound financial future. ●

Committee Updates

The Latest News...

Conference

Michelle Mattie, *Westfield State College*
Linda Schoendorf, *Pine Manor College*

No update submitted this month.

Early Awareness and Financial Planning

Janice Evans, *Bridgewater State College*
Kathryn Gundlach, *Brandeis University*

The Early Awareness and Financial Planning Committee is in the process of evaluating this year's efforts and establishing goals and priorities for the upcoming year. In an effort to assess the nature and frequency of financial aid nights, as well as the need for support of these programs, the Committee recently sent a survey to approximately 400 high school guidance offices in Massachusetts. Nearly 50% of the schools responded! We will evaluate the survey responses and report on our findings in a future committee update.

Finally, check out Early Awareness and Financial Planning Committee member Elaine Martino's article on page 1 of the *Newsletter*. We're sure that you will find it to be helpful and informative!

Graduate and Professional Concerns

Laurie Hogan, *Harvard University*

No update submitted this month.

Legislative Affairs

Ray O'Rourke, *Bunker Hill Community College*

No update submitted this month.

Membership and Development

Kathy Methot, *Hampshire College*
Kelly Morrissey, *Mt. Wachusett Community College*

No update submitted this month.

Newsletter

Sherri Culp, *Brandeis University*
Donna Kendall, *Bentley College*

Next month will be the last issue of the *MASFAA Newsletter* for the 1997-98 academic year. This will be the last chance for members to flaunt their writing skills until September! At this stressful time of year, the Newsletter Committee especially welcomes and appreciates your written submissions as well as your article ideas and suggestions.

The deadline for the June issue is May 18.

Professional Development and Training

Nina Musante, *BankBoston*
Jan Marie Combs, *Harvard Grad. School of Education*

Events to come…..

On June 4th, the Committee will host the annual **Novice Workshop** at Regis College in Weston. Many exciting sessions will be held. Please see the Novice Workshop ad in this issue of the *Newsletter* for the exciting details of this event. Also, please watch the mail for registration materials for this event and pass them along to all interested staff members!

In August, the Committee will again host the annual FISAP Workshop. Please check out the June issue of the *Newsletter* for the specific details of this workshop.

If you have any comments that you would like to share with the Committee, we welcome you to contact **Jan Marie Combs** at 617-496-3466 or **Nina Musante** at 401-278-8161.

Public Relations/Hotline

Sally Connolly, *Massasoit Community College*
Melissa Shaak, *Babson College*

Thanks to the EOCs!

MASFAA has for many years collaborated with the Educational Opportunity Centers (EOCs) in providing outreach services to students and their families in Massachusetts. We are fortunate to have their partnership in such activities as the Hotline and the Financial Aid Clinics, which this year involved more than 20 EOC staff.

Special thanks to the following key individuals who made it all possible:

- **Cynthia Hairston** and **Ellen Ronayne** (Higher Education Information Center in Boston)
- **Pam Boisvert** (Colleges of the Worcester Consortium, Inc.)
- **Paul Lynskey** and **Alicja Czerwinska** (EDCENTRAL in Worcester)
- **Jane Baatz** (Great Springfield Educational Opportunity Center)
- **Karen Winn** (Lynn Educational Opportunity Center)
- **Barbara Larocque** and **Martha Mauke** (The Learning Connection in Pittsfield)
- **Michael Pacheco** (New Bedford Educational Opportunity Center).

We expect that the collaboration between MASFAA and the EOCs will continue to be fruitful next year, as **Paul Lynskey** (from the Worcester EOC) joins **Carrie Glass** of Regis College in heading up MASFAA's Public Relations Committee. Congratulations to the new Co-Chairs!

Technology

Richard Dutilly, *Framingham State College*
Ellen Kayser, *Montserrat College of Art*

See "Year 2000 - What to Do Now" on page 2 of this issue of the *Newsletter*.

Top 12 Reasons to be a Financial Aid Administrator

(Editors' Note: This list was reprinted from the Financial Aid Information Page)

1. We want to eliminate FATs.
2. We like paper cuts.
3. We thought it would be easy.
4. We failed the CPA exam.
5. It's possibly safer than bungee jumping.
6. Patrons are always so appreciative.
7. Professional judgment is a snap.
8. We like waking up to a new world each day.
9. It's a great way to meet irate people.
10. We own shares in forms printing companies.
11. We love enforcing regulations that have no identifiable purpose.
12. WE NEED ANALYSIS.

Financial Aid, the Law, and Your School

By Milton L. Kerstein, Esq.
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Kerstein & Kerstein
KKLAW@concentric.net

In November of 1997, the Supreme Court ruled in Bates v. United States, that, in a criminal prosecution pursuant to 20 U.S.C.A., section 1097(a), specific intent to injure or defraud someone, whether the United States or another, is not an element of the offense of knowingly and willfully misapplying Title IV student loan funds. In other words, in a criminal prosecution under this statute, the government does not have to prove that the individual intended to defraud the government. It must only prove that the individual knowingly and willfully misapplied Title IV funds by his intentional exercise of unauthorized dominion over the Title IV funds for his benefit or the benefit of a third-party.

In Bates, the treasurer of a technical school was charged with willfully misapplying federally guaranteed Title IV student loan funds. As required by the Title IV programs, the School signed a Program Participation Agreement, wherein the school agreed to comply with all applicable statutes and regulations. Among the applicable regulations were those governing refunds.

As you are all aware, if a Guaranteed Student Loan(GSL) recipient withdraws prior to the end of the term, the regulations require that the school return to the lender, within a specified time, a portion of the loan proceeds. The lender then will deduct the returned amount from the balance owed by the student to the lender. A school's failure to return the required amount creates a risk to the federal interest, in that, if the student then defaults on the loan, the government must reimburse the bank for the full amount of the loan. That amount would include the money that should have been refunded to the lender by the school.

Beginning in 1987, the administration of the School allegedly instituted a practice of not making the required refunds. The Treasurer allegedly gave certain payments and salary obligations a priority over the refunds, allegedly directed staff not to issue GSL refunds, and allegedly issued a letter stating that the refund policy was solely the responsibility and decision of the corporate office.

The Treasurer was prosecuted under 20 U.S.C.A., which states as follows:

> *Any person who knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery any funds, assets, or property provided or insured under this sub-chapter...shall be fined not more than $10,000 or imprisoned for not more than 5 years or both.*

The Court has interpreted the above statute in a manner which does not require the government to prove that the individual intended to defraud the government. The Court construed the statute to apply to only an individual who "intentionally exercises unauthorized dominion over federally insured student loan funds for his own benefit or the benefit of a third party."

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Popular Application/Verification Issue Resolved

By Susan Barber
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Financial Aid Services, Inc. (FAS) constantly receives inquiries on many application/verification issues. Recently, we have received a large number of inquiries on one particular application/verification issue. Because of this volume, FAS decided to call the Department of Education to get the most accurate answer in writing. Here are a few common questions that Financial Aid Offices and students tend to ask when a recently married couple needs to report their earnings on the FAFSA.

Q. *Does a student need to apply the spouse's income if not married in the base year, but married when he/she applies?*

A. **"YES"** An individual not married in the base year, but married when he or she applies for financial aid must report the spouse's base year income. That base year income gives a snapshot of the present year income and an estimation of the future income.

The Department of Education assisted and answered the following question.

Q. *A student that recently married applies for aid. Both student and spouse have earnings but only one files a tax return, and the income tax return filed contains only the income of the filer. How do they report these earnings on the FAFSA? Does the non-filer include earnings under **A.G.I.** or **Income from work**?*

A. The earnings (from work) of the spouse who did not file a tax return should be reported under Income Earned from Work and ***not*** under the AGI. Since the spouse did not file a return, an AGI for the non-filer was never calculated. The important thing is that the income from the non-filer must be taken into account when calculating the EFC. If the non-filer income was not the result of employment but from some other means (e.g. cash support from family, etc.) these income amounts should be reported under Untaxed Income.

When helping a student complete the FAFSA, it is important for schools to get all the pertinent information. Married applicants or parents who file separately often neglect to provide both returns for verification. Always check the filing status on the tax return to see if it is checked "Married filed jointly" or "Married filed separately."

The second question listed above will not be in the verification guide. You may, however, contact the Department of Education or, if you are a client of FAS, call us with any questions concerning the above or any other policy question. ●

Financial Aid...from page 6

The significance of this case goes well beyond the immediate facts of the case. Based on this decision, the government need not prove a specific intent to defraud. The intent, then, is inferred from commission of the proscribed acts. The Court rightly states that their decision does not make innocent maladministration of the Title IV programs or an unwise use of Title IV funds a felony. However, given the interpretive nature of the these regulations, this decision may create increased criminal exposure for the Title IV practitioner. It does not distinguish between a legitimate difference of interpretation, negligent administration and an attempt to exercise unauthorized dominion over Title IV funds. ●

New FAFSA on the Web Debuts

The Department of Education unveiled a new version of FAFSA on the Web that will allow applicants to access the site and apply for aid using 40-bit, 56-bit, or 128-bit encryption. This should enable many more students to apply via the Internet. In addition, Netscape Navigator 4.04 has been certified for use with this site.

The browsers that FAFSA on the Web will support in this version are:

Netscape Navigator 3.0 - 3.04
(Windows 3.1, Windows 95, Windows NT, or Macintosh)

Netscape Navigator 4.0 - 4.04
(Windows 3.1, Windows 95, or Windows NT)

Internet Explorer 4.0
(Windows 95 or Windows NT)

For additional assistance, contact FAFSA on the Web customer service at 800-801-0576.

USA Group Study Measures Student Loan Debt Burdens

By Julie Bootcheck
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As part of a long-term research project to gauge the level of student indebtedness and the ability of student loan borrowers to manage their education debt, USA Group and its affiliate, USA Group Loan Services, examined the records of more than 250,000 Federal Stafford Loan borrowers who entered the grace period during the first six months of 1995, 1996, and 1997.

Average Stafford Loan Debt Burdens

USA Group's research clearly shows that students are going deeper into debt to finance their post-secondary education. The average Stafford Loan balance, including principal and accruing interest, for graduate students who left school in the first half of 1997, has grown to $20,457. This figure represents a 25.1 percent increase over the 1996 figure of $16,356 and an 80 percent increase over the 1995 average of $11,359.

The study indicates that undergraduate students are also borrowing more, but at a slower pace. The average Stafford Loan balance of undergraduates who left school during the first half of 1997 was $9,723, a 4.5 percent increase over the 1996 average of $9,302. The 1996 undergraduate debt figure was 8.8 percent higher than the 1995 average of $8,551.

Minimum Income Needed to Support Post-School Debt Burdens

Lenders generally urge borrowers to limit their student loan payments to no more than 8 percent of their incomes. Using this 8 percent debt-to-income ratio, a graduate student with an average Stafford Loan balance of $20,457 would need a minimum annual income of $37,230 to meet monthly student loan payments of $248, assuming a constant interest rate of 8 percent and the standard 10-year repayment term. Likewise, an undergraduate student with an average Stafford Loan balance of $9,723 would need a minimum annual income of $17,695 to support monthly education loan payments of $118.

Delinquency Rate is Down, Forbearance is Up

USA Group also tracked quarterly delinquency rates for Stafford borrowers from the second quarter of 1995 through the third quarter of 1997. Gross delinquency rates over that period show an uneven, downward trend. The study also found greater use of forbearance, which temporarily allows borrowers to reduce or postpone their loan payments, among Stafford Loan borrowers. Greater use of forbearance could be a sign that a growing number of borrowers are unable to meet their student loan payments and are trying to postpone them.

The growing ranks of heavily indebted borrowers, especially among graduate students, underscores a need for more targeted loan counseling services and materials. In addition, given the growing reliance on Unsubsidized Stafford Loans, today's borrowers would be well-served by more information on how to minimize the interest accrual on these debts. ●

Job Opportunities

Check These Out...

Financial Aid Officer, Harvard School of Dental Medicine

The Harvard School of Dental Medicine is seeking a Financial Aid Officer (FAO) to report to the Director of Educational Services. The FAO will be responsible for coordinating the delivery of financial aid services to entering and continuing predoctoral and postdoctoral dental students as well as preparing and disseminating up-to-date information about the School's financial assistance programs for prospective and enrolled students. Other responsibilities include tracking the application process, reviewing applications, recommending awards for approval by the Financial Aid Committee, and processing aid awards, including scholarships, loans and Work-Study. The FAO will initiate term bill charges, monitor payment of student accounts, and serve as the primary liaison to the University Student Loan and Student Billing Offices. The FAO will also be responsible for conducting entrance and exit interviews, counseling students on financial issues such as budgeting and loan repayment, and developing innovative resources to address the needs of students as they relate to financial issues. Responsibilities also include monitoring compliance with federal, University, and agency policies and regulations and the preparation of reports as needed.

A Bachelor's degree and experience in financial aid are required. The successful candidate will have strong organizational, interpersonal and communication skills. Applicants should have experience with databases and spreadsheets and must be willing to learn and implement new Financial Aid computer systems.

Send cover letter and resume to: **Mattie Schadt**, HMS/HSDM Office of Human Resources, 25 Shattuck Street, Boston, MA 02215.

Associate Director of Financial Aid, Wellesley College

Wellesley College is seeking a half-time (20 hours/week) Associate Director of Financial Aid. Responsibilities include counseling students and parents, reviewing the applications of prospective and current students, overseeing publications, letters, and information sent to prospective students, and managing the loan processing and advising process for students and parents.

A BA/BS is required. A Master's is preferred. Since the position is a job share, the candidate should have experience working in such a configuration. The candidate should have extensive experience in using institutional methodology in the assessment of financial need. Applicants must be able to increase their hours worked per week from 20 to at least 30 during March and April, the peak period for the first-year admission process. Although half-time, the position is eligible for most benefits offered by Wellesley, including health and dental insurance. This position is available July 1, 1998.

Send cover letter and resume to: **Kathy Osmond**, Director of Financial Aid, Wellesley College, 106 Central St., Wellesley, MA 02181.

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MASFAA Newsletter Article Submissions and Deadlines

June Issue May 18

Please submit articles to either of the Co-editors at the addresses listed on the back cover of this issue.

Articles are accepted via mail, fax or e-mail.

Reauthorization Discussion Focuses on Default Prevention and Guaranty Agency Reform

By Debra J. Shaw
Group Director, Product Development & Training
American Student Assistance
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Guaranty agency reform was a key topic of discussion when the Senate Labor and Human Resources Committee met March 30 to consider Senate bill S.1882, the legislation to reauthorize Title IV.

While S.1882 does contain provisions to modify the payment and financial structure of guaranty agencies, many believe more reform is needed, especially in the area of default prevention.

In a statement introducing S.1882, Senator Edward M. Kennedy (D-MA) said that guaranty agencies are still "paid too much if students go into default" and "not paid enough for preventing defaults in the first place." However, Kennedy said he was pleased the bill "does allow guaranty agencies to enter into voluntary flexible agreements with the Secretary of Education that will be more business-like and will focus more heavily on preventing defaults."

Kennedy also cited the leadership role of American Student Assistance (ASA) in working to bring about agency change. "ASA, the guaranty agency in Massachusetts, has been at the forefront of the reform movement, and supports these voluntary flexible agreements," he said.

This past January, ASA joined two other guaranty agencies, EDFUND of California, and Great Lakes Higher Education Guaranty Corporation of Wisconsin, to form the National Association of Student Loan Administrators (NASLA). NASLA's purpose is to reinvent the guaranty agency function by moving agencies away from the role of "insurer" to a fee-for-service model. This model would focus agency efforts on default prevention, would reduce FFELP costs and provide better services for students, parents and schools.

Essential elements of NASLA's fee-for-service model are the unfettered voluntary flexible agreements (VFAs) referred to by Senator Kennedy.

NASLA members say the VFAs would allow individual agencies and the Secretary of Education to negotiate incentives and performance standards in FFELP to increase efficiency, expand program benefits, and improve default prevention.

ASA and other NASLA members support the reform proposal that allows unfettered VFAs in the reauthorization bill because VFAs promote more relevant activities for the guaranty agency of the future. VFAs, members maintain, provide direct benefits to schools and students by expanding default prevention programs, increasing outreach to students of all ages, providing technology upgrades to improve service and increasing workshops and training for school financial aid staff.

ASA President Paul Combe said guaranty agency reform, through the fee-for-service model and VFAs, will establish incentives for innovation and dramatically improve agency operations.

"To survive and to serve, the guaranty agency of the future must have proven default prevention programs, expanded outreach capabilities and increased efficiency," Combe said. "This all must be achieved without additional cost to the taxpayer. That's why VFAs are such a critical component of the reauthorization bill, and why ASA and other NASLA members are fighting hard for change."

Agency Calendar of Events

May

15	**ED:** *"Direct Loan Update Training (Current Users),"* 9:00 am - 4:00 pm 10 Causeway Street, Room 343, Boston, MA

June

11-12	**ED:** *"Direct Loan Training (New Users),"* 9:00 am - 4:00 pm 10 Causeway Street, Room 343, Boston, MA
17-18	**ASA:** *"Annual ASA Spring Conference,"* Westford Regency Hotel, Westford, MA
19	**ED:** *"Direct Loan Update Training (Current Users),"* 9:00 am - 4:00 pm 10 Causeway Street, Room 343, Boston, MA

Contact People and Numbers

For information regarding any of the above training sessions, or for one-on-one training sessions, please note the following contact people and numbers:

ASA:	***Jeanette Langham***, Training Assistant, (800) 999-9080, ext. 3099
CSLF:	***Thomas P. O'Hare***, Manager of Client Services, (617) 598-6023
ED:	***Amy Carnie***, Training Contact, (617) 565-6911
FAS:	***Sandra O'Connell,*** VP of Operations, Financial Aid Services, Inc., (978) 858-3888
MEFA:	***Scott Prince***, External Relations Manager, (617) 261-9760, ext. 214
USA Group:	***Julie Bootcheck***, Senior Marketing Representative, (317) 578-6559

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Boston, MA 02203-9112

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New Monitoring Responsibilities Regarding Student Eligibility

By Sandi O'Connell
Vice President of Operations
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NSLDS Woes

Remember when all schools used paper financial aid transcripts to check on students' eligibility status resulting from attendance at previous schools? Life was simple in the sense that upon receiving a completed Financial Aid Transcript (FAT) from previously attended schools, a financial aid administrator could confidently figure out the student's eligibility status by reviewing the most current information on the FAT.

Then came NSLDS (National Student Loan Data System), ED's solution to the slow turn-around time and reliability of obtaining that eligibility information from schools, as well as another way of reducing paper. NSLDS data matching capabilities were great, except the system had a flaw. Because the period of time between when an application is filed and matched with the NSLDS (Pre-Screening) and when the actual disbursement of the funds occurs could be several months, it is possible that an applicant's eligibility for Title IV aid may change. The applicant may, during the interim, have defaulted on a Title IV loan or have been determined to owe an overpayment on a grant. On the flip side, an applicant whose earlier Pre-Screening showed a default or overpayment status may have subsequently resolved that eligibility issue. And, in both instances, the relevant data in the NSLDS may have been updated. *However, unless the CPS had processed a transaction for another reason, schools would not be informed of the possible change in eligibility status resulting from the new NSLDS data.*

NSLDS and CPS are Making Progress with New Process

Recently, Acting Deputy Assistant Secretary of Student Financial Assistance Programs, Diane E. Rogers, issued a welcoming *Dear Colleague Action Letter* regarding a new Post-Screening process NSLDS and CPS (Central Processing System) have implemented. This new process solves the problem of a change in student Title IV eligibility due to default on a Title IV loan or failure to refund an overpayment after an original ISIR has already been processed.

How does it work?

On a regular basis (initially it will be every two weeks), the NSLDS will be scanned to determine if any applicant has moved into or out of a default or overpayment status since the last time Pre-Screening (or a previous Post-Screening) had occurred for that applicant. If there has been a default or overpayment change, NSLDS will request that CPS create a new transaction with an incremented transaction number. All new NSLDS information will be included on this latest transaction. New

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Job Opportunities...from page 10

Financial Aid Counselor, The New England College of Optometry

The New England College of Optometry is seeking a Financial Aid Counselor to assist students throughout the financial aid process, advise students on personal budgeting and debt management issues, process Campus-Based Loan Programs, and assist with the Federal Work-Study Program.

A Bachelor's degree is preferred. Candidate must be a multi-task oriented individual, possess good organizational and analytical skills and be able to communicate effectively. Strong computer abilities are preferred. Must also be able to work independently as well as part of a team. Prior Financial Aid experience is not necessary. Will train.

Send a letter of interest and a resume to: **Human Resources**, The New England College of Optometry, 424 Beacon Street, Boston, MA 02115.

Monitoring...from page 16

ISIRs will then be automatically sent to each school currently included on the applicant's record as one of the six selected by the applicant to receive data. The ISIRs produced will include a comment (Comment Code #004) identifying them as having been produced as a result of a change in NSLDS information. These ISIRs will be included in the same batch as other ISIRs sent to schools. You will know which ISIRs are those produced by the Post-Screening process by the letter 'N' on ISIR field #206 under the School Use only section of the ISIR.

This Post-Screening Process began on March 16, 1998, and will continue every two weeks thereafter. During the first year of Post-Screening, the process will create only1998-99 CPS transactions. However, in future years Post-Screening will create new CPS transactions for both of the processing years that are operational in the CPS.

Important School Responsibilities

Each school is responsible for:

1. Accessing and reviewing any ISIR transaction that it receives as a result of the Post-Screening process.
2. Determining if the change in default or overpayment status that created the transaction affects the applicant's eligibility for Title IV aid.
3. Monitoring any other changes reported to it on the ISIR (such as loan annual or aggregate amounts, changes in the EFC, etc.)
4. Monitoring all student eligibility data that is included on ISIRs and SARs regardless of the reason for the creation of the transaction. If the ISIR indicates a default or overpayment, the school may not disburse Title IV funds until it either receives an updated ISIR that clears the problem or it obtains other documentation that the eligibility issue has been cleared.

Keep in mind that although an applicant's eligibility for aid may also be affected by changes in the amounts of loan or Pell Grant funds provided, the initial implementation of Post-Screening is limited to changes in default and overpayment status. Therefore, it is still in the best interest of the school to collect payment information for previous schools attended in the same award year by sending paper Financial Aid Transcripts to those schools before disbursing federal aid. Also remember that if a student did not list your school as one of the six to receive data, your school will not automatically receive Post-Screening ISIRs for that student.

If a school does not carefully monitor the eligibility of applicants, it risks disbursing federal aid to ineligible students thus resulting in repaying those funds to the Department or FFEL lender and paying fines or other penalties including the possibility of the initiation of a Limitation, Suspension, and Termination (L, S,& T) action. ●

MASFAA Grapevine

Did You Hear...?

Craig Anderson of USA Group has been promoted to the position of Marketing Director. Although Craig will still be available to assist MASFAA members, he recently hired a new representative, **Julie Bootcheck**, to cover the state of Massachusetts full-time. Julie has more than 13 years of financial aid experience and began her career with the University of Missouri in 1984.

Elisabeth Turnquist is now the Director of Financial Assistance at the Harvard Law School. Elisabeth was formerly an English business teacher in Japan and a consultant with KPMG.

On August 20, 1997, Acting Governor A. Paul Celluci signed a bill into law that changed the name of **North Adams State College** to **Massachusetts College of Liberal Arts**. This name change officially recognizes the institution's liberal arts character. Massachusetts College of Liberal Arts will provide a public alternative to Massachusetts' liberal arts institutions of higher education.

Andrea Kramer (St. Mary's College), former *MASFAA Newsletter* Editor and Assistant Director of Financial Aid at Brandeis University, and Kenneth Wong were married on April 18, 1998. Members of the wedding party included **Kathryn Gundlach** (Brandeis University), bridesmaid, and **Sherri Culp** (Brandeis University), soloist. ●

Calendar

Here's What's Happening...

June

4 Novice Seminar
Regis College, Weston, MA

9 MASFAA Appreciation Dinner for Executive Council and Committee Co-Chairs
Mills Falls, Newton, MA

10 EDExpress Application Processing Training
ED Regional Training Facility, Boston, MA

16-17 Electronic Aid Office Workshop
ED Regional Training Facility, Boston, MA

25-26 Electronic Aid Office Workshop
ED Regional Training Facility, Boston, MA

July

1 1998-1999 MASFAA Leadership Takes Office

15-18 NASFAA Conference
Chicago, Il

26-31 1998 Summer Institute on Financial Aid Administration
Danvers, MA

Check Out MASFAA on the Web!

Visit the Association home page at:
www.masfaa.org

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