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# Conference Preview

**By Linda Schoendorf**  
**Director of Financial Aid**  
**Pine Manor College**  
**schoendl@pmc.edu**

**Michelle Mattie**  
**Director of Financial Aid**  
**Westfield State College**  
**mmattie@wisdom.wsc.mass.edu**

The MASFAA Fall Conference is just around the corner and the Conference Committee is looking forward to your attendance this year. The Conference will be held at the Sheraton Four Points Hotel in Leominster, November 19 - 21.

We have developed an exciting agenda revolving around the theme of “Creating a Balance.” There is a concentration in a variety of sessions dealing with managing your personal and professional life. The *Myers-Briggs Workshop, Balancing Family and Work, Financial Aid and Your Health, and Time Management in the Financial Aid Office* are some examples of those types of sessions. We also have a variety of sessions on technology in the workplace and regulatory issues. *Show Me the Web, Powerpoint Presentations, Title IV and ADA, and Reauthorization* are some of the sessions focusing on those areas of financial aid.

This year’s keynote speaker is Dr. Robert Greenleaf, a motivational speaker who is the author of five books, two cassette albums, and the *Learning Network Newsletter*. He has a doctorate from Vanderbilt University. Along with conducting seminars in over 30 cities in the United States, he is a part-time superintendent of schools. Dr. Greenleaf will address managing both the professional and personal aspects of your life.

An exhibit area will once again be available. We have changed the floor plan of the vendor area to allow you to have improved access to each booth. Make sure you stop by and greet all of the representatives from the banks,

Continued on page 3

# The College Board New England Regional Meeting

**February 8-10, 1998  
Copley Marriott Hotel  
Boston**

## *Seeking Higher Ground in a Sea of Change*

The featured speakers are:

- Russ Quaglia, Director of the National Center for Student Aspirations, University of Maine
- Patricia Smith, Columnist, The Boston Globe

Sessions of Particular Interest to the Financial Aid Community include:

- Taking Bigger Bytes: Getting the Most Out of Technology
- Need Analysis from the Economist's Perspective
- An Update on Reauthorization
- The Administrator's Handbook on Researching and Effectively Presenting Financial Aid Information
- National Education Reform: What Does It Mean for Enrollment Management?
- Post-Enrollment Management: What Comes Next?
- The Ethics of Financial Aid, Part I: What Are Ethics?
- NCAA Eligibility Without Red Tape: Dream or Reality?
- The Ethics of Financial Aid, Part II: The Application of Ethical Constructs
- The Importance of Internal Communications in Admissions: Getting the Word Out (and Up)
- Who Gets the Money? The Financial Aid Game Plays On
- Student Loan Debt: A Profile of Today's Borrower in Repayment
- Family Ties: Addressing Diverse Nontraditional Family Situations
- Charting the New Course: PROFILE and Institutional Methodology

In addition, John Childers, the College Board's Vice President for Communications and Governmental Relations, will give the annual Washington Update.

*If you have questions about the meeting or would like to receive registration materials, please call Judy Herman at the New England Regional Office of the College Board at (617) 890-9150.*

**Conference Preview from page 1**

guarantee agencies, and loan servicing centers! As always, we are grateful to all of the organizations for their continued support of MASFAA.

Wednesday evening will feature our "Tailgate Party." There will be a T-shirt swap, so don't forget to bring an extra-large T-shirt from your college! We have expanded Wednesday's activity in order to provide all conference attendees with a lot of food, fun, and colleagues.

Thursday's dinner entertainment will feature an evening of mystical magic. A DJ will be on hand to provide music for dancing.

The Conference registration fee is \$160 for all three days; \$85 for Wednesday only; \$85 for Thursday only; and \$65 for Friday only. Room reservations should be made as soon as possible by calling the Sheraton Four Points Hotel at (508) 534-9000. Room rates are

\$70/night, plus tax, for either single or double occupancy. Be sure to mention the MASFAA Conference to ensure correct room charges.

The deadline for Conference pre-registration is November 1, 1997. Attendees registering after this date, including all on-site registrations, will be charged an additional \$25, which is due and payable in full at the conference. Please note that your payment must be included with your registration in order to be considered registered for the conference. If you have not yet paid your 1997-98 membership dues, make sure you do so prior to November 1. There is a \$25 non-member surcharge for all conference attendees who have not paid their 1997-98 membership dues prior to November 1.

See you in Leominster!

## 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](mailto:k_morrissey@mwcc.mass.edu).

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



# Committee Updates

The Latest News...

## Conference

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

See article on page 1 of the *Newsletter*.

## Early Awareness and Financial Planning

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

The Early Awareness and Financial Planning Committee held its second annual training workshop on October 1 at Worcester Polytechnic Institute. The training workshop was an all-day event that covered topics including various savings vehicles for students and parents, academic and planning concerns, financial aid basics, and the committee's new Early CAPP (College Awareness and Planning Program) model.

Planning and coordinating continues for the Early CAPP model notebook. This notebook consists of an early awareness program model that middle schools can use to help them implement such a program in their community. This notebook will be mailed to all middle schools in the state of Massachusetts. Those interested in finding out more about this exciting program model will be able to attend a session at the November MASFAA Conference.

## Graduate and Professional Concerns Committee

**Laurie Hogan**, *Harvard University*

I am pleased to report that the Graduate & Professional Concerns Committee has started the 1997-1998 year with a full committee and an ambitious agenda. We have a wonderful and energetic group. This year's committee members include: Edwina Armstrong, Associate Director of Financial Aid at Harvard University Kennedy School of Government; George Covino, Executive Director of Default Prevention & Strategic Planning at American Student Assistance;

Katherine Gay, Director of Financial Aid at Suffolk University Law School; Laurie Hogan (Committee Chair), University Financial Aid Liaison Officer at Harvard University; Rita Jones, Associate Director of Admissions & Financial Aid at Boston College Law School; Gerri Major, Director of Financial Aid at Cambridge College; Jennifer Miller, Sales Representative at Citizens Bank; Thomas Murphy, Director of Operations at the Massachusetts Educational Financing Authority; Sandra Roberts, Director of Graduate Financial Aid at Boston University Sargent College; and Mary Sullivan, Assistant Director of Admissions at Weston Jesuit School of Theology.

I would also like to note that both Liz Rosselot, Director of Admissions and Financial Aid at Boston College Law School, and Martha Savery, Regional Account Executive at Nellie Mae, have generously offered to assist the group as adjunct volunteers. My thanks to all!

Our first committee meeting on September 12th was very productive. Our focus for discussion revolved around MASFAA's role as a graduate and professional school resource. As a national leader in graduate education, the state of Massachusetts harbors a wealth of information and expertise, and the committee was able to outline an extensive agenda for the upcoming year.

Much of our efforts will include collecting local and national resource materials and web sites for the graduate and professional financial aid community in Massachusetts. In an effort to reduce redundancy and to offer the best of what's available to graduate students and their families, the committee would like to explore the following:

- MASFAA Graduate & Professional Financial Aid Directory: A database for mailings, information sharing and job postings.
- Graduate & Professional Financial Aid Organization and Conference Listings: A resource tool for aid professionals to include a short description on background and associated costs, if any.

Continued on page 5

#### Committee Updates From page 4

- **Alternative Loan Guide:** A resource for comparing the growing alternative loan options available to students, notes on credit and tips on things to consider when choosing a loan portfolio.
- **The Good Credit Guide:** This piece would stress the effects of credit on pursuing a graduate education and the importance of continued good credit after graduation. Lists of credit reporting agencies and consumer assistance groups would also be included.
- **The Guide for Foreign Graduate Students:** Massachusetts is a leader in providing graduate education to foreign students. This piece would be useful as a hand-out for admissions and aid officers. The guide will include important check-lists for foreign students and alternative loan resources.
- **Early Awareness Guide for Graduate & Professional Students:** This pamphlet can be distributed at MASFAA High School nights, to guidance counselor offices, pre-law, pre-med offices, etc.. It would be a terrific piece to have available in Financial Aid Offices and for distribution at undergraduate Exit Interviews.
- **Debt, Budgeting and Loan Management Guide:** A resource guide to materials currently available (ex. Entrance/Exit videos, budgeting web sites and software, pamphlets, etc.). The resource guide would give a brief description of the products available, associated costs and contacts.

We will be assigning sub-committees, to tackle the projects discussed, at our upcoming meeting in October. If you or an associate are particularly interested in one of these projects and would like to become involved, please feel free to contact me via e-mail at [laurie\\_hogan@harvard.edu](mailto:laurie_hogan@harvard.edu). We welcome your input!

### Legislative Affairs

**Eileen O'Leary**, *Stonehill College*  
**Ray O'Rourke**, *Newbury College*

The Legislative Affairs Committee, in addition to closely monitoring the Reauthorization process this year,

is devising ways to advise MASFAA members of important legislative issues as they develop and is working to get MASFAA's recommendations in front of our legislatures for their consideration and support.

On Thursday, September 18, the MASFAA Legislative Affairs Committee held a Legislative Summit, at American Student Assistance (ASA), with staffers from the Massachusetts Congressional offices to share with them MASFAA's recommendations for Reauthorization.

Quinten Palfrey of Congressman John Tierney's office presented the current status of the House bill. He stated that it will be ready for markup in January. Chairman Goodling is most interested, he said, in the grant/loan imbalance situation, consolidation of programs, and level playing field issues between Direct Lending and FFELP.

Mark Forest of Congressman William Delahunt's office suggested that we order the priority of the MASFAA recommendations and also indicate whether we believed they would be "easy" fixes or controversial proposals.

Earl Moore of Congressman Joseph Kennedy's office expressed his strong reservations about MASFAA's proposal to allow schools to limit loan levels of certain categories of students. He was concerned about limiting access, while schools are looking to limit inappropriate borrowing and defaults. It was suggested that Mr. Moore meet with a small group of MASFAA members to discuss this issue further. (Anyone wishing to participate in discussions with Mr. Moore should contact Eileen O'Leary at [oleary@stonehill.edu](mailto:oleary@stonehill.edu).)

The staffers were very appreciative of efforts to inform them of issues surrounding reauthorization and MASFAA's concerns. Many of them commented on how helpful this session was. The Legislative Affairs Committee will pursue the MASFAA recommendations as well as keep regular contact with Congressional staffers over the upcoming months. If you have any questions or would like additional information about this session, please contact either committee co-chair.

*Debra Shaw from American Student Assistance contributed to this committee report.*

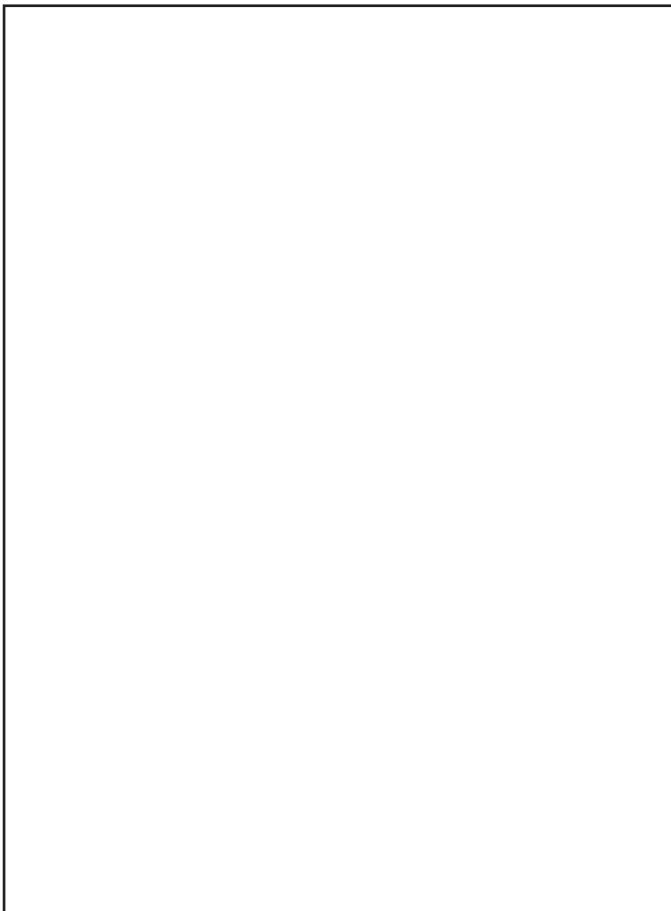
Continued on page 7

# Financial Aid, the Law, and Your School

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

The following case was recently decided in the U.S. District Court in Michigan and should be of great interest to schools with cohort default rate problems or concerns.

Certain technical schools (referred to hereafter as “the Schools”) in Michigan sought a declaratory judgment and injunction against the Department of Education. They asserted that the Department’s policy of calculating cohort default rates for the FFEL Program and its application of same was contrary to its statutory authority, violated the equal protection clause of the United States Constitution, and was beyond the scope of the Department’s authority. The parties each moved for summary judgment on their behalf.



The Schools offer various technical training programs and participate in the FFEL Program. In order to continue to participate and authorize student loans, a school is required to maintain its Cohort Default Rate (CDR) below a regulatory established threshold percentage (25%) for each of the three most recent fiscal years for which data is available.

The Schools, in February of 1996, were notified that their CDRs were in excess of 25% for 1991, 1992, and 1993. The applicable regulations allow a school to challenge the CDR in certain circumstances. The Schools appealed, as allowed under the regulations, asserting that the CDRs were based on erroneous data.

In May of 1996, the Department issued pre-publication 1994 CDRs to the Schools, which were significantly less than the threshold 25% figure.

In September of 1996, the Department notified the Schools that their appeals had been denied and that they were not eligible to participate in the FFEL Program until October of 1997. The Department informed the Schools that had the 1994 CDR been “official”, it would have considered the 1994 CDR as one of the three “most recent fiscal years for which data was available.” Since, however, the 1994 CDR was a “pre-publication” rate, the Department’s policy was not to consider the 1994 CDR one of the “three most recent fiscal years.”

The Schools filed suit, essentially arguing that since the 1994 CDR was available, the Department should have considered the 1994 CDR one of the most recent fiscal years. The Schools argued that the Department’s failure to do so violated the Department’s statutory authority, violated the Equal Protection Clause, and was outside the scope of the Department’s authority.

The Court ruled against the Schools on all three disputed issues. The Court reasoned that it is within the Department’s discretion to determine when data is reliably available and that it was not an abuse of that discretion to ignore the 1994 pre-publication CDR. The Court also ruled that there was no violation of the Equal Protection Clause, even though the Schools introduced evidence that the Department had settled previous cases

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## Membership and Development

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

The Membership and Development Committee is pleased to report that the commitment to support MASFAA and its activities by agencies and lenders has continued at approximately the same level as last year. As you know, we embarked on a new road for soliciting funds last year that Executive Council decided to continue. Organizations select from a menu of benefits and fee structures that allows them to direct their support in specific areas. Newsletter advertisement, Membership Directory advertisement, name recognition in the Hotline, Clinic, Video, and Calendar and conference exhibit space are among the options available. Sponsorship benefits and the fee structure are by category with the highest fee applicable to the highest number of benefits.

MASFAA wishes to thank the organizations listed below for their support in 1997-98. Organizations are listed alphabetically by category. (*Note: The following list of sponsors is current as of 10/1/97*)

- |                |  |
|----------------|--|
| <b>Diamond</b> | American Student Assistance<br>Bank Boston<br>Educaid<br>Fleet Bank<br>Nellie Mae  |
| <b>Silver</b>  | Citizens Bank<br>Connecticut Student Loan Foundation<br>Education First<br>Massachusetts Educational Finance Authority<br>Sallie Mae   |
| <b>Bronze</b>  | AFSA Data Corporation<br>Bank One<br>Citibank<br>College Board<br>Household Bank<br>Key Bank<br>P.L.A.T.O<br>PNC Bank, N.A.<br>Signet Bank<br>The Education Resource Institute<br>USA Group<br>US Bank |

**Advertisers** Higher Education Assistance Group  
Household Bank

## Newsletter

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

The Newsletter Committee has been very busy brainstorming article ideas for upcoming issues of the *Newsletter!* Although we have come up with many topics that we feel will be of interest to you, we would like to know what you would like to read in the *Newsletter* this year. We very much welcome your suggestions, comments, article ideas and submissions. We would also like to solicit your help with the MASFAA Calendar, Grapevine and Job Opportunities sections of the *Newsletter*. Any contributions to these monthly features would be greatly appreciated! Submissions for the November *Newsletter* should be mailed, faxed or e-mailed to either editor by October 27 (see back page for more information).

## Professional Development and Training

**Jan Marie Combs**, *Harvard Graduate School Of Education*  
**Nina Musante**, *BankBoston*

The work of this year's Professional Development and Training Committee is well underway in coordinating workshops for the Fall. Mark your calendars for the October workshop, *Rhetoric and the Three R's*. This workshop will be a full day of training on the basic skills required for work in our industry. Please see page 10 of this month's Newsletter for more information on this event.

Our committee will also be presenting two sessions at the Fall Conference. One will focus on giving effective presentations, and the other will be a presentation by Dr. Sandy Baum, an economist who will discuss the impact of current economic conditions on financial aid operations. We will finish up the calendar year with two additional workshops: *Basic Needs Analysis*, and *A Reauthorization Update with Dr. Dallas Martin*, President of NASFAA. While dates for the *Basic Needs Analysis* workshop dates are yet to be confirmed, Dr. Martin will be speaking at the Colonnade Hotel in

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# Education Tax Provisions Contained in the Taxpayer Relief Act of 1997: Student Loan Interest Deductions

*(Editors' Note: The following is a reprint of information circulated at the College Board's Summer Financial Aid Institute by John Childers, Vice President of Communications and Governmental Relations at the College Board. The Education Tax Provisions indicated below refer to the Student Loan Interest Deduction section of the Tax Relief Act of 1997. The Penalty Free Withdrawals from IRA, Education IRA and State Pre-paid Tuition Plan sections of the Act will be contained in future issues of the Newsletter.)*

- Above-the-line deduction for interest expenses in connection with qualified education loans, up to a maximum of \$2,500 per year. Not indexed for inflation.

- Maximum deduction phased in over 4 years: \$1,000 in 1998, \$1,500 in 1999, \$2,000 in 2000, \$2,500 in 2001.

- Deduction only allowed during the first 60 months in which interest payments are required. Months during which qualified education loans are in deferral or forbearance would not count against the 60 months. Any loan and all refinancing of such loan (i.e., consolidation loans) shall be treated as one loan.

- No deduction will be allowed to an individual who is claimed as a dependent on another taxpayer's return.

- Qualified education loans defined as indebtedness incurred to pay for higher education expenses of the taxpayer, spouse or dependent as of the time the indebtedness was incurred in attending: 1) post-secondary institutions defined in Sec. 481 of the HEA; or 2) internship or residency programs leading to a degree or certificate from an institution of higher education, a hospital, or health care facility conducting post-graduate training.

- Qualified higher education expenses defined as cost of attendance (as defined in Sec. 472 of the HEA,

i.e., tuition, fees, room and board, and related expenses) LESS: 1) series EE bonds used to pay for higher education tuition and fees; 2) distributions from education IRA's which are excluded from gross income; 3) Sec. 117 scholarships or fellowship grants, and other tax-free educational assistance (such as Sec. 127).

- Phase-out at modified AGI between \$40,000 - \$55,000 for single filers; \$60,000-\$75,000 for joint filers. Income ranges indexed for inflation occurring after 2002, rounded down to the closest multiple of \$5,000. (First taxable year adjustment possible is 2003).

Modified AGI includes amounts excluded under IRC Sec. 911, 931, 933 - income earned abroad or from Puerto Rico or US possessions; amounts excluded from gross income under IRC Sec. 125 - Series EE bonds used to pay higher education tuition and fees; and amounts excluded under IRC Sec. 137 - qualified adoption expenses. In addition, modified AGI calculated application of Sec. 86 (income exclusion of certain social security benefits), Sec. 219 (deductible IRA provisions), and Sec. 469 (limitations on passive activity losses and credits).

- Lenders (including government agencies) required to provide information reports on amount of the education loan interest received annually from any borrower, in excess of \$600, to both the borrower and the IRS.

- Effective date: interest payments due and paid after 12/31/97 on any qualified education loan (but only for that portion of the 60-month period which occurs after 12/31/97).

### Committee Updates From page 7

Boston on Tuesday, December 9, from 10:00 am to 12:00 noon.

Speaking of calendars, the committee has sent out our order for MASFAA calendars and expects to be mailing them by early October. Calendars will be mailed to all those who have renewed their MASFAA membership for 1997-1998.

### Public Relations/Hotline

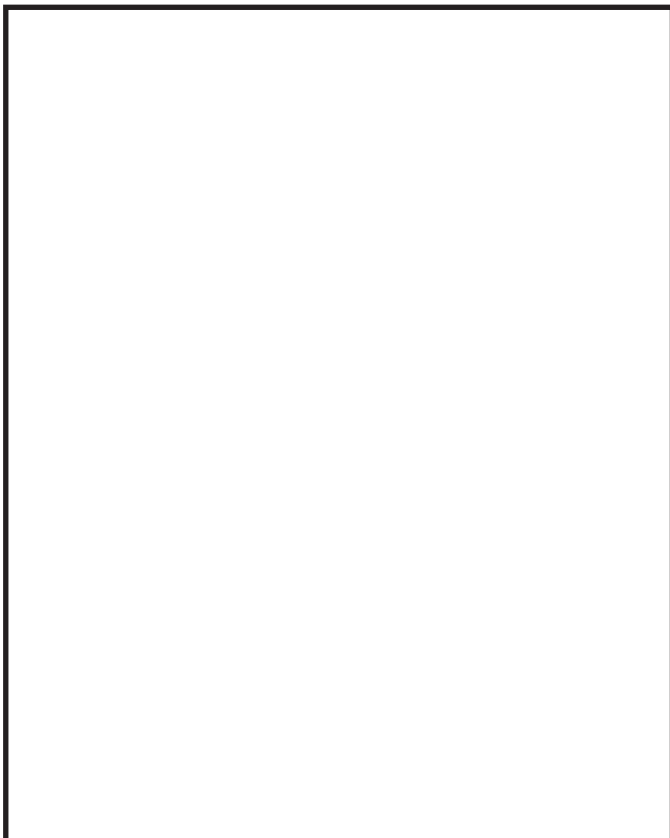
**Sally Connolly**, *Massasoit Community College*  
**Melissa Shaak**, *Babson College*

No update submitted this month.

### Technology

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

No update submitted this month.



### Financial Aid...From page 6

involving the CDR using a different standard. The Court reasoned that the fact that the Secretary offered favorable settlement terms to other schools did not, in and of itself, create an equal protection violation. Finally, the Court ruled that the Secretary, in offering certain favorable settlement terms to other schools, did not violate his statutory obligation to apply all regulations uniformly. The Court reasoned that the Department must have the authority to settle disputed claims without “having to worry that a court will transform the settlement into a ‘policy’.”

## Have You Heard it Through the Grapevine?

The *MASFAA Newsletter*  
wants the scoop on you and  
your colleagues!

Please send your  
(or anyone else's!) personal  
and professional news to either  
of the Newsletter Editors.

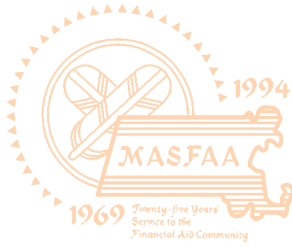
*See back page for contact information.*

## MASFAA Professional Development Opportunity!

**Rhetoric and the Three R's**  
**Monday, October 27, 1997**  
**10:00 am - 3:30 pm**  
**Pine Manor College**

MASFAA's Professional Development and Training Committee is pleased to present "Rhetoric and the Three R's." The workshop will feature a session entitled, "How to Give a Financial Aid Night" as well as three concurrent sessions: "Reading: Increasing Speed and Comprehension," "Riting: How to Write When You Mean Business" and "Rithmetic: How to Calculate and Understand APRs and More." Claire Adams will be the luncheon keynote speaker.

Registration forms were previously mailed to all *MASFAA* members.  
There is a registration fee of \$20 for *MASFAA* members.  
Please contact **Beverly Guerin** at (978) 665-3302 with any questions.



# MASFAA 1996-97 Treasurer's Year-End Report

(Unaudited)

INCOME	MONTH	YEAR TO DATE	REMAINDER	BUDGET
<b>Beginning Balance 7/1/96</b>		<b>\$53,975.34</b>		
Bank Interest	\$164.66	\$905.24	(\$405.24)	\$500.00
Conference Registrations	\$200.00	\$50,950.00	(\$3,950.00)	\$47,000.00
Membership Dues	\$0.00	\$17,720.00	(\$1,720.00)	\$16,000.00
Labels	\$300.00	\$462.00	(\$462.00)	\$0.00
Sponsorship	\$0.00	\$67,250.00	(\$4,250.00)	\$63,000.00
Training Fees	\$2,770.00	\$7,520.00	\$480.00	\$8,000.00
Video Sales	\$0.00	\$624.00	(\$624.00)	\$0.00
<b>Total Current Year Income</b>	<b>\$3,434.66</b>	<b>\$145,431.24</b>	<b>(\$10,931.24)</b>	<b>\$134,500.00</b>
<b>TOTAL INCOME</b>		<b>\$199,406.58</b>		
<b>EXPENSE</b>				
Awards	\$612.33	\$1,348.93	\$151.07	\$1,500.00
Conference	\$0.00	\$49,095.14	\$904.86	\$50,000.00
Directory/Handbook	\$0.00	\$5,819.41	\$680.59	\$6,500.00
Early Financial Planning	\$61.98	\$10,311.27	\$3,688.73	\$14,000.00
Executive Council	\$1,298.11	\$15,597.34	(\$6,597.34)	\$9,000.00
Graduate	\$0.00	\$0.00	\$500.00	\$500.00
Public Relations	\$0.00	\$28,710.76	(\$1,360.76) *	\$27,350.00
Legislative Affairs	\$910.35	\$1,391.88	\$108.12	\$1,500.00
Membership	\$61.96	\$754.28	(\$254.28)	\$500.00
Newsletter	\$2,847.50	\$20,561.73	(\$5,561.73)	\$15,000.00
Prof. Development & Training	\$2,018.00	\$11,693.92	\$1,306.08	\$13,000.00
Sponsorship	\$0.00	\$784.20	(\$284.20)	\$500.00
Technology	\$0.00	\$94.75	\$1,405.25	\$1,500.00
ADHOC (EDUC-1)	\$67.50	\$253.19	\$746.81	\$1,000.00
<b>TOTAL EXPENSE</b>	<b>\$7,877.73</b>	<b>\$146,416.80</b>	<b>(\$4,566.80)</b>	<b>\$141,850.00</b>
<b>CHECKBOOK &amp; BANK BALANCE 6/30/97</b>		<b>\$52,989.78</b>		

\* Budget increased 11/19/96



# Job Opportunities

Check These Out...

## Student Account Representative/SFS Team Member, Babson College

Babson College seeks a Student Account Representative/SFS Team Member to manage students' accounts, including issuing invoices, processing payments, generating refunds, and collecting on past due accounts. Will also be responsible for coordinating the financial aid application/document tracking process and for providing direct customer service to students and parents in the areas of student accounts, student employment, financial aid and financing options.

Associate's degree and 1-3 years of related work experience required; Bachelor's degree preferred. Knowledge of accounting practices and/or financial aid administration will enhance an individual's candidacy. Candidate must have excellent interpersonal, communication and organizational skills and have the ability to succeed in a customer-oriented, technology-intensive work environment.

Please submit a letter of application and resume to: **Sandy Breda**, Office of Human Resources and Affirmative Action, Babson College, Babson Park, MA 02157-0310.

## Programmer Analyst II, Boston University

Boston University seeks a Programmer Analyst to provide ad hoc programming support for the Office of Financial Assistance using the Natural query language. Responsibilities include reviewing the on-line mainframe, batching the output for accuracy in consultation with senior programmers and assisting in the support of Enrollment Services' local area network.

Bachelor's degree in business or computer science and 1-2 years of experience in higher education or programming required.

Please submit a cover letter and resume to: **Virginia Gregory**, Boston University, Office of Personnel, 25 Buick St., Boston, MA 02215.

## Programmer Analyst III, Boston University

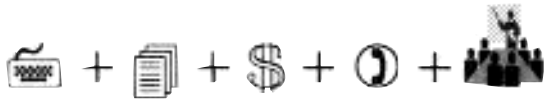
Boston University seeks a Programmer Analyst to provide analytical support to the Offices of Financial Assistance and Admissions. Responsibilities include analyzing business needs, recommending solutions and providing programming support using the Natural query language for the Office of Admissions.

Bachelor's degree in business or computer science and 3-5 years of experience in higher education required.

Please submit a cover letter and resume to: **Virginia Gregory**, Boston University, Office of Personnel, 25 Buick St., Boston, MA 02215.

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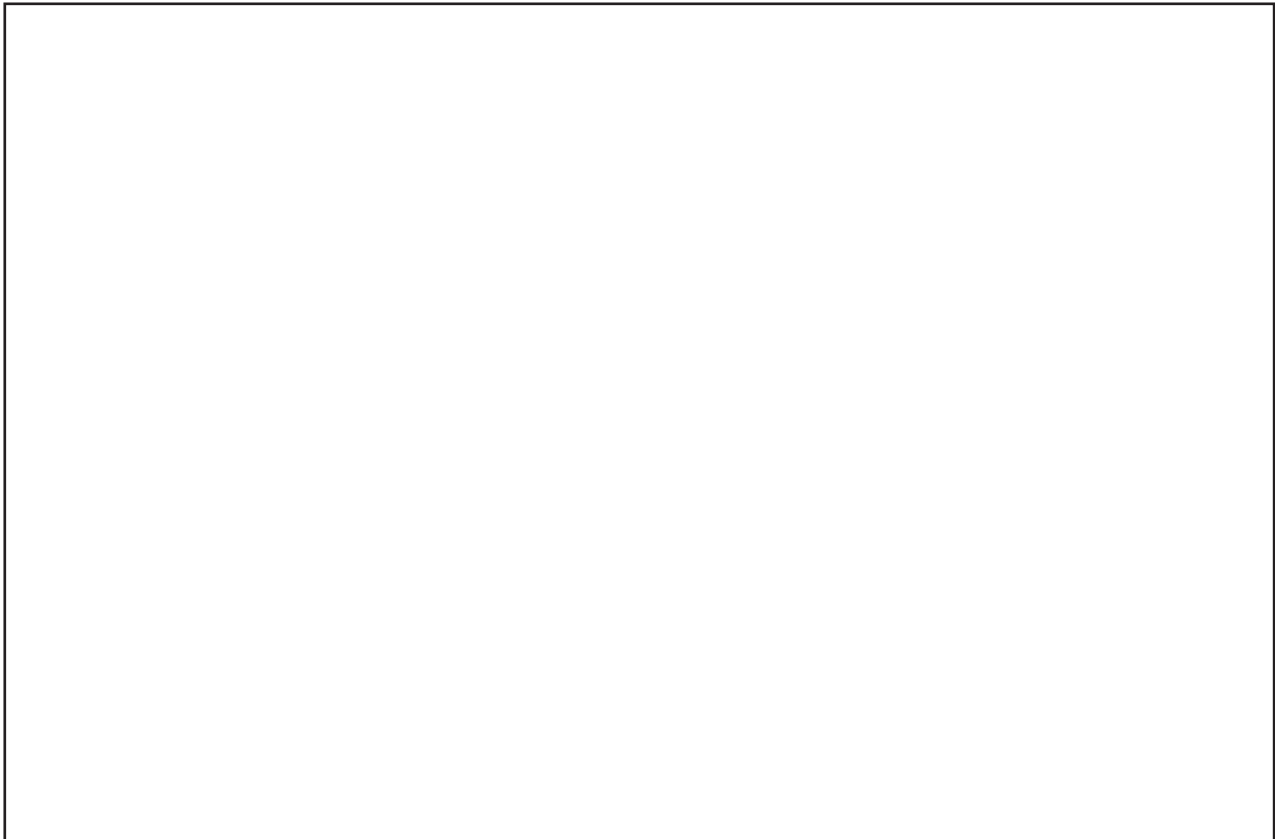
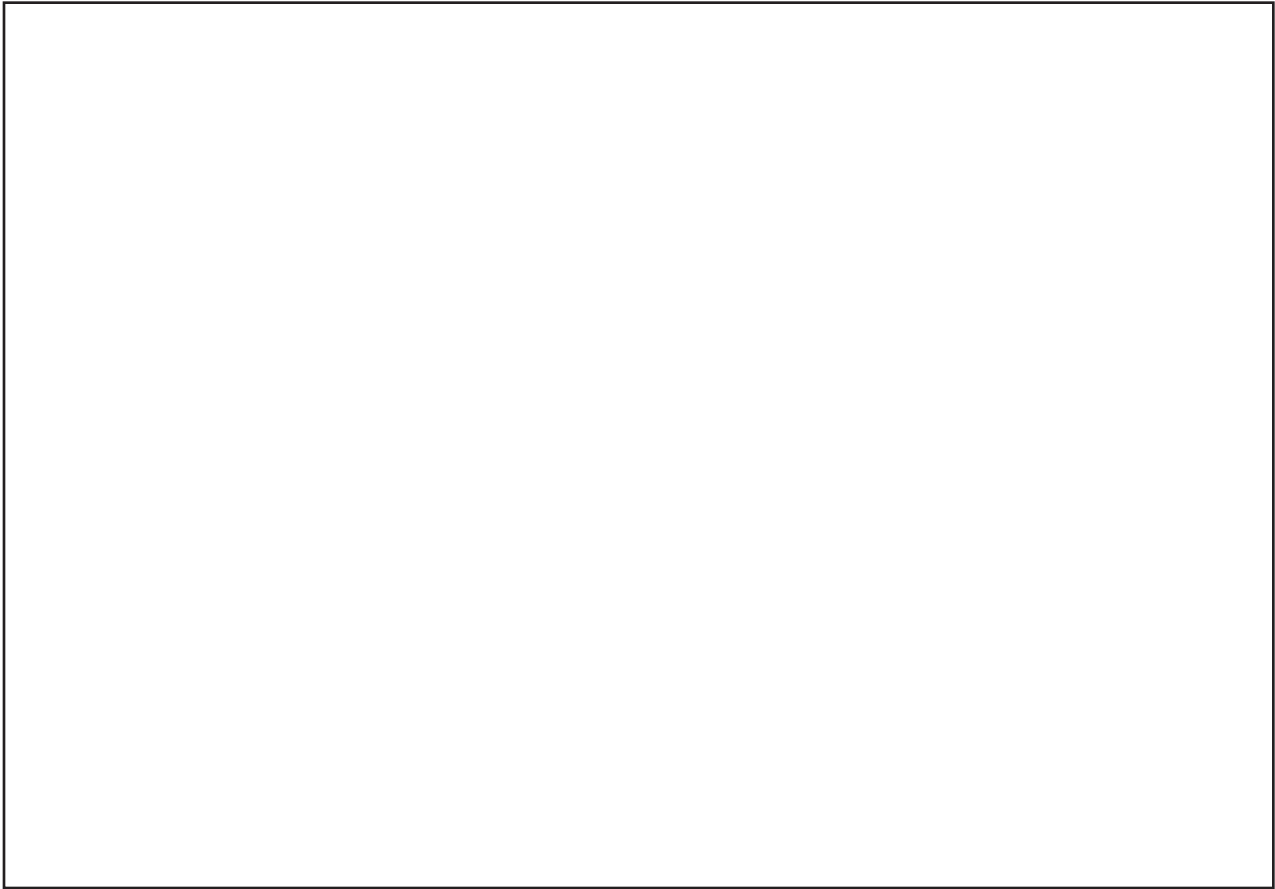
To learn more about CSLF contact Tom O'Hare, Manager of Client Services, in our MA office at (617) 598-6023 or by e-mail at [tpoCSLF@aol.com](mailto:tpoCSLF@aol.com)

## MASFAA Newsletter Article Submissions and Deadlines

**November Issue    October 27**  
**December Issue    November 24**

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.



## Assistant Director of Operations, Boston University

Boston University seeks an Assistant Director of Operations to assist in the management of a mainframe-based Direct Lending system. Responsibilities include communicating with programmers, the servicer and user departments, assisting in the testing of programs and providing interface support for the Office of Financial Assistance and Student Accounts' automated system.

Bachelor's degree in business or related field and 1-2 years of experience in higher education required.

Please submit a cover letter and resume to: **Virginia Gregory**, Boston University, Office of Personnel, 25 Buick St., Boston, MA 02215.

## Northeast Marketing Manager, TERI

TERI seeks a Northeast Marketing Manager to maintain relationships with financial aid officers and other relevant school personnel in an effort to assist them and their students in the education financing process. Responsibilities include coordinating the development of a list of schools to be called upon in the designated market and visiting these schools to discuss TERI student loan products and services. Travel throughout the region should be expected 65-75% of the time.

Bachelor's degree or equivalent financial aid or student loan experience required.

Please send or fax resume to: **David Kelly**, TERI, 330 Stuart St., Boston, MA 02116, (617) 350-6013 (fax).

## PC Systems Support Specialist, Tufts University

Tufts University seeks a PC Systems Support Specialist to provide hardware/software support for the Office of Financial Aid. Responsibilities include facilitating the electronic exchange of data with various federal, state and loan agencies, working closely with the Associate Director in maintaining and testing mainframe system enhancements and interfaces, developing/designing reports and applications involving analysis, programming, testing and implementation and evaluating, installing and supporting new products. The PC Systems Support Specialist will also act as network administrator and be responsible for maintaining new and existing web applications, troubleshooting, and providing training as needed.

Bachelor's degree and 2-3 years of related experience required. Candidate must have strong analytical skills, proven technical proficiency with IBM compatible hardware, knowledge of PC software packages, Web and network applications and the ability to work effectively as part of a team. Must have familiarity with spreadsheets, Xbase applications and LANs. Experience in financial aid administration and familiarity with SIS/FAM or other mainframe system, federal EDEXpress and ASA's A.S.A.P. software preferred.

Please send two copies of a resume and cover letter (including job title) to: **Corita Johnson**, Tufts University Human Resources, 169 Holland St., Somerville, MA 02144.



# Agency Calendar of Events

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## October 1997

- 22**    **ASA:** “*ASA Processing Overview*”  
Dr. Sylvia Q. Simmons Training Center (at ASA), 10:00 am - 3:00 pm  
Boston, MA
  
- 29**    **ASA:** “*ASA Processing Overview*”  
Crowne Plaza Hotel and Resort, 10:00 am - 3:00 pm  
10 Lincoln Plaza, Worcester, MA

## November 1997

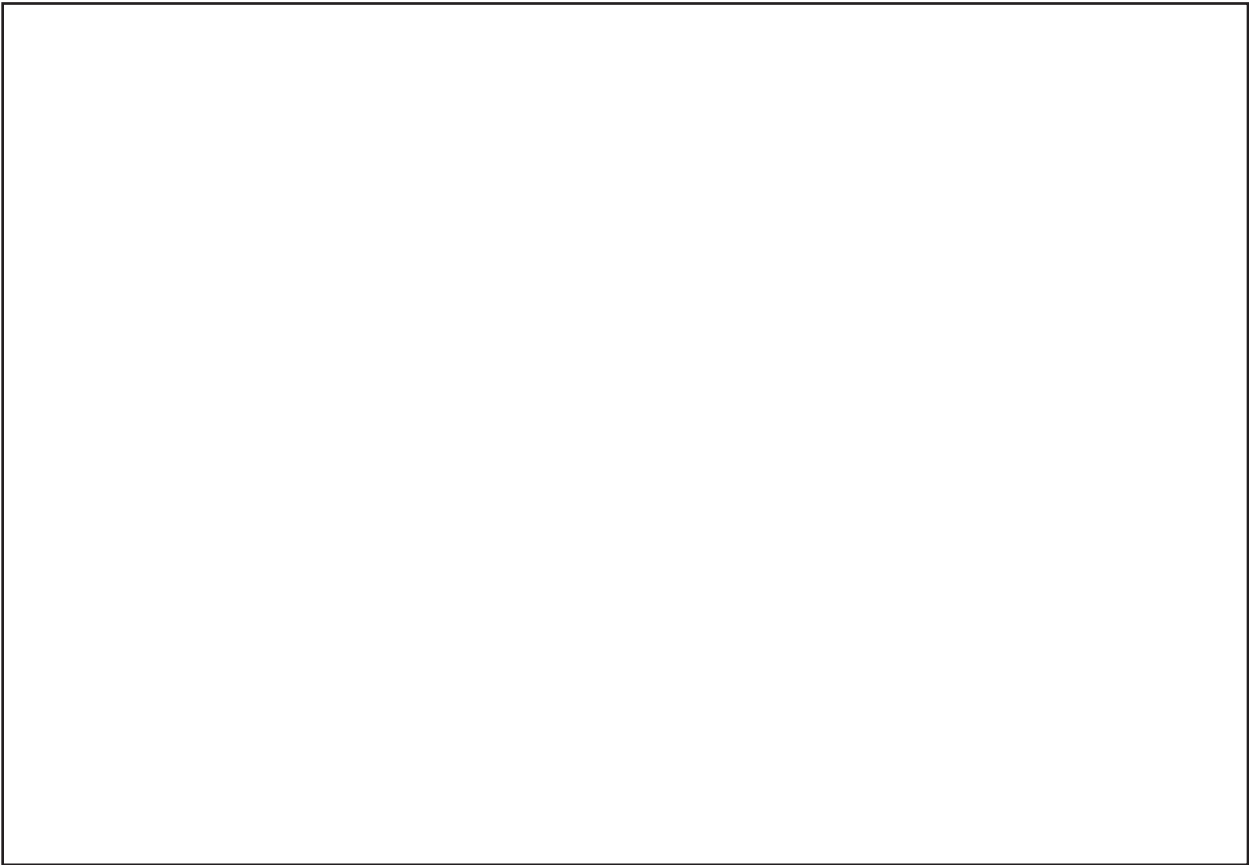
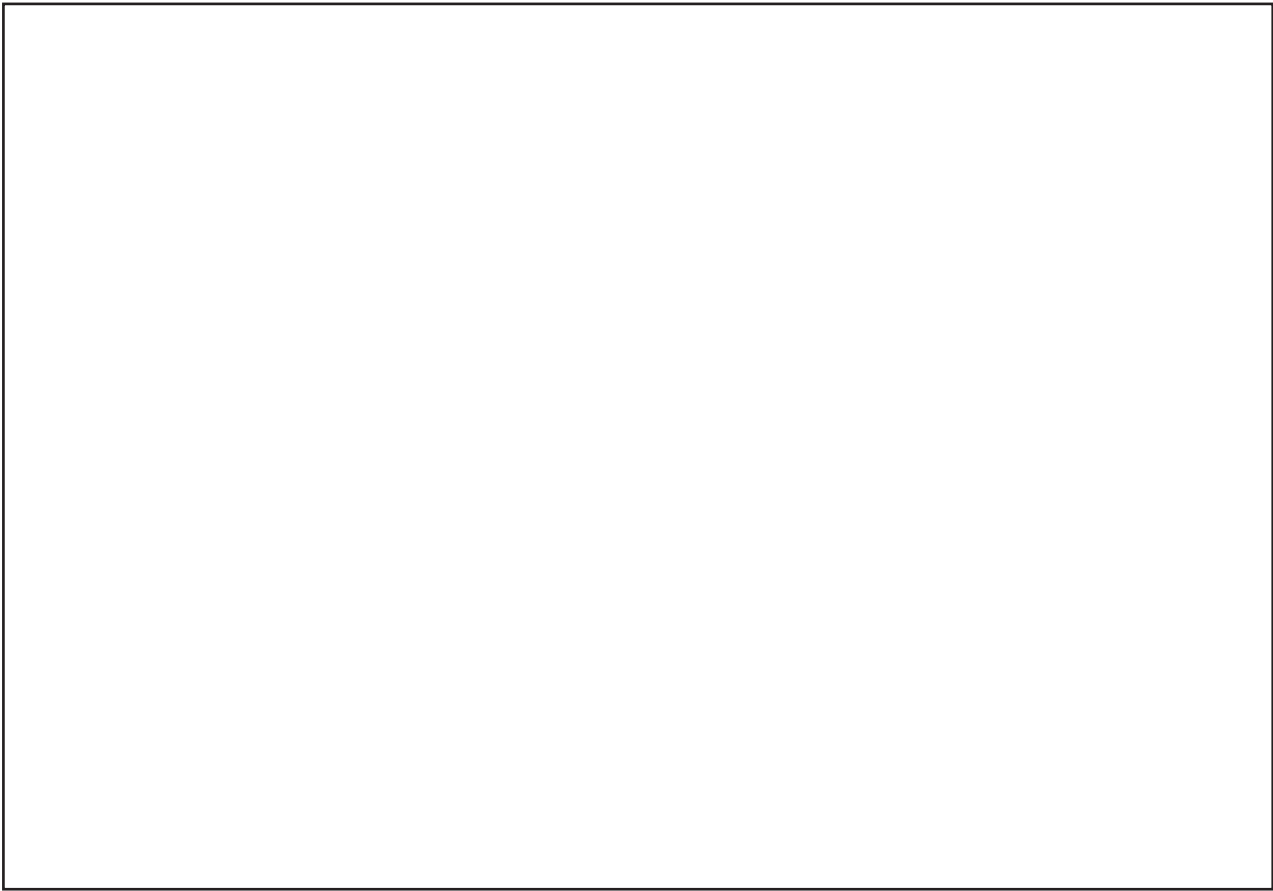
- 5**      **ASA:** “*Life of the Loan*”  
Tara Ferncroft Resort, 10:00 am - 3:00 pm  
Danvers, MA
  
- 12**    **ASA:** “*The Loan Counseling Session*”  
Dr. Sylvia Q. Simmons Training Center (at ASA), 10:00 am - 12:30 pm  
330 Stuart Street, Boston, MA

## December 1997

- 3**      **ASA:** “*Cash Management Regulations*”  
Tara Ferncroft Resort, 10:00 am - 12:30 pm  
Danvers, MA
  
- 10**    **ASA:** “*ASA Forms and Reports*”  
Dr. Sylvia Q. Simmons Training Center (at ASA), 10:00 am - 12:00 pm  
330 Stuart Street, Boston, MA

## Contact People and Numbers

**ASA: Jeannette Langham**, Training Assistant, (800) 999-9080, ext. 3099



# Student Loan Debt: Crisis or Exaggeration

**By Diane Saunders**  
**Vice President for Communications and Public Affairs**  
**Nellie Mae**  
**dsaunders@nelliemae.org**

While anecdotally, financial aid administrators note a substantial increase in student borrowing in the last few years, there is very little recent research available to guide the higher education community. Are our students facing a debt burden crisis the likes of which has never been imagined? Or are the media and some researchers blowing the debt issue out of proportion and alarming students and parents who may make college attendance decisions based upon what they read in the papers? Or, more likely, are we really somewhere between these two extremes?

The accompanying chart summarizes two different viewpoints of the debt debate. Where does your experience with students and financial aid put you on the debt debate scale? Also included in this piece are ideas on how various members of the higher education community can work together to both understand and address how the burden of student loan debt is affecting today's college students.

The largest, most recent debt studies were done on students who had borrowed in the late 1980s and don't necessarily reflect the current borrowing population. These earlier studies told us that the majority of student loan borrowers, 85-90%, were successfully handling their debt burden. While they didn't like repaying their loans, having to make monthly payments was not inhibiting borrowers from buying cars or homes, getting married, having children, or moving out of their parents' homes. Yet, a more recent national study completed in 1993 countered these findings, saying that borrower decisions and consumption were impacted by certain levels of student loan debt. What can aid administrators, lenders, and other members of the higher education community do about reaching a consensus on how to address increases in individual education loan debt?

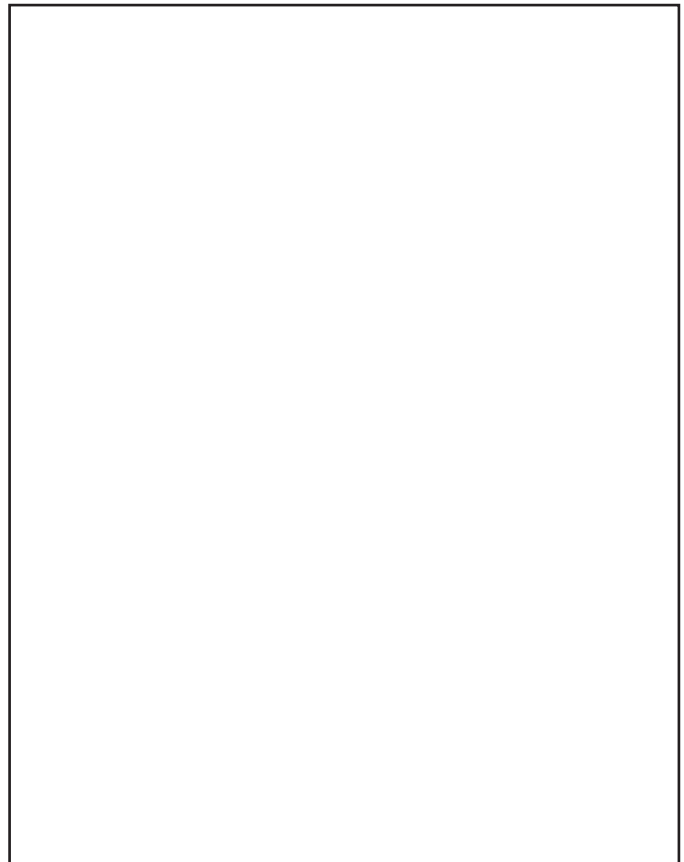
Here are a few places to start:

1. College aid offices may want to perform a diagnostic on the level and quality of Entrance and Exit counseling on their campuses. What can be done internally to improve it — such as obtaining additional financial and/or human resources — and how can student loan lenders be called upon to improve the process and bring more resources to the effort? Does credit card debt also impact your student population? Although it's not your responsibility to worry about this, it does impact the ability to both borrow more student loans, and to successfully repay education loan debt.

2. Financial aid associations — national, regional, and state — should begin offering more sessions at their conferences on student loan debt. And besides bringing in financial aid officers, researchers and economists, students should also be included as presenters in order to fully examine from all perspectives how student borrowing patterns have changed over time.

3. The student loan industry and financial aid administrators must work in unison to ensure that students do not borrow beyond their ability to repay. Colleges should begin seeking more information from lenders about the debt and default patterns of their students. Additionally, financial aid offices should track borrowing trends and share these with their colleagues.

Only through a collective effort among many members of the higher education community — colleges, students, families, and loan providers — can we understand how burdened student loan borrowers are. From there, the same community can create new, innovative ways to help borrowers through the loan process from their first promissory note to their last student loan payment.



## Student Loan Debt - Viewpoint Comparison Chart

Student Loan Borrowing is in a Crisis State	Student Loan Borrowing is Reasonable
<ul style="list-style-type: none"> <li>•Just since 1992-93, student and parent loan volume has increased 65%!</li> </ul>	<ul style="list-style-type: none"> <li>•Volume increases in recent years are primarily attributed to higher loan limits and increased eligibility from the 1992 Reauthorization.</li> </ul>
<ul style="list-style-type: none"> <li>•There is a growing segment of students who are borrowing beyond their ability to repay successfully.</li> </ul>	<ul style="list-style-type: none"> <li>•The vast majority of borrowers earn enough upon graduation that their student loan debt does not inhibit regular consumer behavior.</li> </ul>
<ul style="list-style-type: none"> <li>•In the mid-1980s, financial aid associations set a benchmark of an 8% student loan debt-to-income ratio as the point above which burden does occur. Average student loan debt burden is now 10% of borrower income.</li> </ul>	<ul style="list-style-type: none"> <li>•Borrowers with a college degree earn 50% more over their lifetimes than those with only a high school diploma. Yes, their debt is higher than those who didn't get a college degree, but so is their income and earning potential.</li> </ul>
<ul style="list-style-type: none"> <li>•The increase in college costs, coupled with declining grant aid, has forced students to borrow in greater amounts because family incomes have not kept pace.</li> </ul>	<ul style="list-style-type: none"> <li>•College costs are no longer increasing at the double-digit rates that were seen in the 1980s. The last few years have seen increases in the 3-6% range at most colleges and universities.</li> </ul>
<ul style="list-style-type: none"> <li>•The need for lower income students to borrow in greater amounts is impacting both access to and retention (persistence) in higher education.</li> </ul>	<ul style="list-style-type: none"> <li>•Some studies have shown that the combination of a grant and loan has a greater positive impact on persistence than does a grant on its own.</li> </ul>
<ul style="list-style-type: none"> <li>•“Loan Fear” makes some families wary to borrow, thus limiting a lower income student’s access to a higher education. More counseling and outreach is needed earlier on in a diversity of communities so that parents understand and become comfortable with education borrowing.</li> </ul>	<ul style="list-style-type: none"> <li>•The aid system cannot reasonably address the financial counseling needs of each and every family. Entrance and Exit counseling provide the student with a level of education adequate enough to get them on the right track toward successful repayment.</li> </ul>
<ul style="list-style-type: none"> <li>•Students who borrow more than they can afford to repay may end up defaulting and thus cutting themselves off from credit of any kind.</li> </ul>	<ul style="list-style-type: none"> <li>•Income Contingent and Income Sensitive repayment addresses these types of problems because it lowers a student’s monthly payment and gives them more time to repay.</li> </ul>
<ul style="list-style-type: none"> <li>•Income Contingent/Sensitive repayment is not a panacea for loan borrowers. It substantially increases the cost of borrowing for students, and gives them a lesser ability to finance other items, such as a mortgage or other loan, because it increases the borrower’s debt-to-income ratio, upon which ability to repay debt is judged.</li> </ul>	<ul style="list-style-type: none"> <li>•Borrowers are mostly concerned with monthly cash flow. Income Contingent/Sensitive repayment is a good option for those who would otherwise find themselves in default. Once a borrower defaults, he/she is also at risk of being cut out of the ability to obtain more credit, whether a credit card or a mortgage.</li> </ul>
<ul style="list-style-type: none"> <li>•With almost 50% of all full-time undergraduates over the age of 24, they no longer receive the type of financial help from parents that younger students (still in the nest) tend to receive. Non-traditional student need is not being addressed and this population is borrowing in greater and greater amounts.</li> </ul>	<ul style="list-style-type: none"> <li>•Parent borrowing has also increased. Between 1994-95 and 1995-96, PLUS borrowing increased 29%. Parents are still sharing the burden of paying for college for the majority of students.</li> </ul>
<ul style="list-style-type: none"> <li>•Default rates will certainly rise if we don’t begin addressing the increased burdens we are placing on our students.</li> </ul>	<ul style="list-style-type: none"> <li>•The Department of Education showed the default rate going down from 17% in FY92 to 11% in FY93. This downward trend in defaults demonstrates that debt is manageable for most students, and students are successfully repaying their loans.</li> </ul>
<ul style="list-style-type: none"> <li>•Decreases in default rates reflect better Entrance and Exit counseling, better and more sophisticated collection efforts, and a greater number of available repayment options since the late 1980s. The default rate alone is not an accurate measure of true burden and its impact on student borrowers.</li> </ul>	<ul style="list-style-type: none"> <li>•Borrowers who aren’t defaulting are managing their debt. They might want to spend their student loan payment on a vacation or a car payment, but the majority of student loan borrowers aren’t forfeiting major life and consumer decisions because of their debt.</li> </ul>



# Calendar

Here's What's Happening...

## October

- 16 Department of Education Video Conference, "SFAP Update: The 1998-99 FAFSA and More"
- 21 Executive Council Meeting
- 24 Nominations Due for Sallie Mae's 1997-98 Awards Program for Financial Aid Administrators
- 27 Reading, 'Riting, 'Rithmetic and Rhetoric

Mt. Wachusett Comm. College  
Lasell College

Send to Sallie Mae  
Pine Manor College

## November

- 4-6 ED 1997-98 Electronic Access Conference, "A Second Decade of Partnership"
- 17-19 ED 1997-98 Electronic Access Conference, "A Second Decade of Partnership"
- 18 Executive Council Meeting (at MASFAA Conference)
- 21 MASFAA Conference

St. Paul, MN  
Westin Hotel, Seattle, WA  
Sheraton Leominster, MA  
Sheraton Leominster, MA

## December

- 15 Executive Council Meeting (date tentative)
- 16-18 ED 1997-98 Electronic Access Conference, "A Second Decade of Partnership"

MEFA  
Marriott Copley, Boston

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