

executive corner:

Secretary's Commission on the Future of Postsecondary Education

When Secretary of Education Margaret Spellings made her transition from the White House to the Department of Education, she acknowledged that most of her experience with postsecondary education was as a student and parent consumer. She began hosting day-long meetings with higher education experts from around the country to deepen her understanding of the critical issues affecting student access to quality postsecondary education.

From these meetings grew her idea to create a national commission on the future of postsecondary education. The goal of the commission, modeled after the landmark study of elementary and secondary education "A National at Risk," was to stimulate a lasting national debate about the future of higher education.

The commission — comprised of leaders from higher education, business, and state and local government — conducted meetings and hearings across the country over the course of a year and released its report, "A Test of Leadership," in September 2006. Although the commission's deliberations were global and far ranging, the report focused on issues related to access, accountability, lifelong learning, and international leadership in research and development. In brief, the commission recommended that:

- the U.S. commit to an unprecedented effort to improving student preparation and persistence, and to providing increases in need-based aid
- federal grant aid be consolidated into a single Pell grant
- incentives be given to encourage colleges to increase productivity and reduce costs
- policymakers, government leaders, and accreditors focus on performance outcomes rather than inputs
- a national strategy for lifelong learning be developed and implemented
- the federal investment in research and development be increased to preserve our global competitiveness.

The full report can be found at www.ed.gov/about/bdscomm/list/hiedfuture/reports/final-report.pdf.

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VSAC office closings through May 31, 2007

Monday, January 1	New Year's Day
Monday, January 15	Martin Luther King, Jr. Day
Monday, February 19	Presidents Day
Monday, May 28	Memorial Day

Mark your calendar!

February 8: Vermont Association of Student Financial Aid Administrators (VASFAA) Loan Day 2007 at VSAC

VSAC College Pathways, a free college planning event for high school juniors and their parents

March 17 at St. Michael's College

March 31 at Castleton State College

May 19 at Lyndon State College (new location this year!)

April 12: VASFAA Spring Meeting (watch for details on time and location through the VASFAA listserv)

May 20–23: Eastern Association of Student Financial Aid Administrators (EASFAA) Conference in Niagara Falls, NY

June 21–22: VASFAA Summer Conference in Killington, VT

July 8–11: National Association of Student Financial Aid Administrators (NASFAA) Conference in Washington, DC

Contacting VSAC

In order to provide your office with prompt service, we ask that you continue to use the specific telephone numbers and e-mail addresses listed below.

Financial aid professionals — Please call VSAC's School Services team at 888-307-8722 or send us an e-mail at vsacloan@vsac.org.

Students and families should be directed to contact us by phone at 800-798-8722 or by e-mail at info@vsac.org.

Your assistance with this will ensure that individuals contacting VSAC will reach the staff trained to assist them. If you have questions, please contact your School Service representative at 888-307-8722 or vsacloan@vsac.org.

VSAC private loan interest rate update

The variable interest rates for VSAC's private education loans changed on January 1, 2007. The new rates are effective through March 31, 2007. Visit www.vsac.org for information.

VSAC Scholarships Program update

Scholarships that require verification of enrollment and academic standing prior to disbursement will be disbursed on or before March 31 for the spring semester.

VSAC's *Scholarships* booklet for the college year 2007–2008 was mailed to schools in December. If you need additional copies, please contact the Scholarships Program at 888-253-4819 (toll-free) or e-mail Corinne Douse at douse@vsac.org.

Vermont state grant update

We have awarded eligible full-time Vermont state grant applicants who applied on or before September 29, 2006. Applications received after September 29, 2006, will be held until we can determine whether we can fund additional applications. At this point, full-time students can still complete an application, but they should know that a decision may not be made about the availability of funding until well into the second semester. We expect to be able to fund eligible part-time applicants who applied on or before December 31, 2006, and eligible non-degree grant applicants who apply on or before January 31, 2007.

Vermont state grant applications for the 2007–2008 academic year were mailed to schools in mid-December. We will also mail letters in early January to students who applied for the 2006–2007 year to remind them to reapply for the upcoming school year.

Batch printing exit reports from School Account Access

VSAC introduces the enhancement of School Account Access for batch printing of exit reports. This secure method allows schools the option of printing exit information and student information forms directly at VSAC for batches of up to 75 students at a time. Your batched reports will be mailed to you from VSAC within two business days. This new functionality eliminates the need to forward lists of student account numbers to VSAC via e-mail or disk for exit counseling purposes.

The exit report generation continues to provide the option of generating and printing individual exit reports in your office.

myVSAC for students

VSAC strongly encourages every student to register for a **myVSAC** account at www.vsac.org. Through a **myVSAC** account, he or she can view loan and grant information.

First-time grant applicants applying for 2007–2008 Vermont state grants will receive letters that tell them how they can use their **myVSAC** accounts to view their grant status. Students who applied for Vermont state grants in a prior year will be able to use their **myVSAC** accounts to reapply online using prefilled applications. The online grant application will be available for those students who do not wish to access it through **myVSAC**.

Graduate-level borrowing through VSAC

Loan Type	Loans disbursed FY05	Loans disbursed FY06	Loans disbursed FY07 (Nov)
Advantage	317	347	2
Clover			8
PLUS Graduate			1,236
VSAC Law	1,444	1,390	62
VSAC Medical	60	81	15
TOTAL	1,821	1,818	1,323

The Federal PLUS Loan for Graduate/Professional Students offers more benefits than most private education loans. VSAC recommends that students consider borrowing a graduate/professional PLUS loan before a private loan. VSAC has seen a decrease in private education loan borrowing in each of the private loans it offers to students and families since the Federal PLUS Loan for Graduate/Professional Students became available.

Loan processing tips

PLUS Loan Denial and Pre-Denial

When obtaining documentation to award a dependant student additional unsubsidized Stafford loan amounts, consider the following excerpts from *The Student Financial Aid Handbook*, volume 4 (chapter 1, pages 4–9)

Before certifying or originating a loan for increased loan amounts, you must document the basis of the dependent student's eligibility.

The dependent student may also be eligible for increased unsubsidized loan amounts if you determine and document that other exceptional circumstances exist that will prevent a parent from borrowing a PLUS loan. The regulations provide examples, but not an exhaustive list, of the exceptional circumstances that might be used to document the dependent student's eligibility.

In the FFEL program, you have evidence that a lender that makes loans to students and parents of students at your school has denied a PLUS loan or will not make a PLUS loan to a parent under its lending policy due to the parent's existing debt burden, income-to-debt ratio, likely inability to repay, or other credit standards or factors the lender has elected to adopt as provided for under the regulations.

Receipt of a VSAC adverse action letter, pre-denial letter, or denial letter is documentation that VSAC will not **at this time** make a PLUS loan to the applicant under our lending policy.

Look for our next issue in early spring!