

executive corner:

VSAC to provide “next generation” funding to students

Governor James Douglas signed a bill on May 31 establishing the Next Generation Initiative, a plan to make higher education more affordable and to encourage more Vermonters to remain in the state to live and work.

As passed by the Vermont General Assembly and signed by the governor, Next Generation provides \$5 million in funding for the 2007–08 school year to be divided equally among the University of Vermont (UVM), the Vermont State Colleges (VSC), and the Vermont Student Assistance Corporation (VSAC). Lawmakers stipulated that scholarships provided by the funds be renewable for a maximum of four years, but did not specify otherwise how to use the money. VSAC will use its share to provide need-based grants for first-year students in the fall of 2007.

If resources are available, the state plans to provide an additional \$5 million in funding for the 2007–08 school year to UVM, VSC, and VSAC. Use of that money will depend on recommendations by a study commission charged with formulating a long-range plan for the Next Generation Initiative, which, it is hoped, will provide \$5 million each year in new ongoing funding. The commission is expected to be named by July and is required to report to the General Assembly on or before December 1, 2006.

The commission will explore strategies to make higher education more accessible and affordable and to encourage more Vermonters to remain here after graduation. Options to be studied include financial incentives; better integration of secondary and postsecondary workforce training programs; and strategies to increase college aspiration, continuation, retention, and completion rates. VSAC has pledged to play a key role in the commission’s work and in finding the best way to use new state funds for need-based aid.

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In this issue

- VSAC office closings
- Fabulous at 40! EASFAA 2006
- Meet the newest member of our team
- Saving your students money
- Vermont state grant update
- VSAC Advantage Loan interest rate update
- PLUS Loan for Graduate/Professional Students vs. VSAC Advantage loans
- Consolidation update
- ELM participation
- Mapping Your Future introduces entrance counseling for the PLUS Loan for Graduate/Professional Students
- Loan processing tips

VSAC office closings through October 31, 2006

Monday, July 3	Independence Day (observed)
Tuesday, July 4	Independence Day
Monday, September 4	Labor Day
Monday, October 9	Columbus Day

Fabulous at 40! EASFAA 2006

EASFAA celebrated its 40th anniversary at the 2006 conference, held in Burlington, Vermont. This year's event was the largest ever, with more than 800 in attendance.

The conference offered something for everyone, with sessions on such topics as financial aid basics, technology, federal/regulatory issues, professional development, multiculturalism and diversity, and graduate/professional issues.

Attendees enjoyed a bus tour of Montreal, visited Vermont's famous Ben & Jerry's facility in Waterbury, and strolled along Burlington's beautiful Church Street and waterfront.

The 2007 conference will be held in Niagara Falls, New York, on May 20–23.

Meet the newest member of our team

Lisa Cummings joined the VSAC School Services team in May as our newest School Services representative. Lisa joins us with 18 years of experience working in a financial aid office. Her extensive knowledge of financial aid will be a valuable asset to serving the needs of partners. We are excited to have her join the VSAC team.

Saving your students money

VSAC is excited to announce the 2006 annual awarding of our *Vermont Value* program benefits. The program rebated \$5,862,713 to 55,787 borrowers, affecting 136,197 loans. The *Vermont Value* program has saved families an estimated \$103 million since 1994! Our next annual awarding will be in June 2007.

Vermont state grant update

We mailed the first round of Vermont Incentive Grant award letters (for full-time study) for the 2006–07 award year the week of May 22 and Part-Time Vermont Grant award letters the week of June 19. Applications for the Vermont Non-Degree Grant for 2006–07 are now available.

At this time, we expect to award eligible full-time applicants who apply through September 2006, part-time applicants who apply through December 2006, and non-

degree applicants who apply through January 2007. These dates are subject to change based on availability of funds. Vermont students who have not yet submitted their grant applications should do so as soon as possible.

Vermont grant methodology does not incorporate the federal automatic zero or simplified needs test formulas. When a Vermont grant recipient's federal Pell Grant increases — as it may have as a result of changes to the Higher Education Reconciliation Act (HERA) regarding needs analysis — his or her Vermont grant may be reduced accordingly.

VSAC Advantage Loan interest rate update

The variable interest rate for the VSAC Advantage Loan (private) changed on July 1, 2006. The new rates are effective through September 30, 2006. Visit www.vsac.org for more information.

PLUS Loan for Graduate/Professional Students vs. VSAC Advantage Loan

VSAC strongly recommends that students consider using a PLUS Loan for Graduate/Professional Students before using a private loan. A federal PLUS loan has more benefits for more students than any private education loan. To educate your graduate/professional students on differences between the two loan programs, visit the Financial Aid Professionals section of our Web site (www.vsac.org) for an informative chart on features of both programs. Students can access a similar chart for their reference.

Consolidation update

On July 1, interest rates increased by almost 1.84% on most variable-rate Stafford and PLUS loans. To ensure that families affected by this increase were well informed, VSAC actively marketed the benefits of federal loan consolidation to students and their families. Marketing efforts began in early March and continued through June 30, 2006.

As of July 1, 2007, two consolidation options will no longer be available — the option for students to request early repayment in order to consolidate while still enrolled, and the ability for married individuals to combine their loans into a spousal consolidation.

ELM participation

VSAC is an ELM participant. You may certify your VSAC loans electronically through ELM. If you have specific questions or need any assistance, please contact our School Services team at 888-307-8722.

Mapping Your Future introduces entrance counseling for the PLUS Loan for Graduate/Professional Students

As part of Online Student Loan Counseling (OSLC), Mapping Your Future (MYF) now offers entrance counseling for graduate/professional students who are using PLUS loans.

The counseling session describes the rights and responsibilities involved in receiving a PLUS Loan for Graduate/Professional Students. Federal regulations do not require schools to insist on an entrance interview prior to delivering loan proceeds to graduate PLUS borrowers. However, some schools are choosing to require the entrance interview, while other schools are recommending it.

Schools that have an existing OSLC account and would like to add graduate PLUS loan entrance counseling to their participation categories should contact Beth Ziehmer by e-mailing feedback@mapping-your-future.org or calling (573) 796-3730. Schools that do not have an OSLC account should complete the school submission form at mapping-your-future.org/fao/signup/ to request participation.

Loan processing tips

When sending Social Security numbers to VSAC via e-mail, please be sure to send them one of two ways:

1. Send a spreadsheet that is password-protected (be sure to send us the password in a separate e-mail).
2. Simply send the borrower's last name, first name, and the last four digits of his or her Social Security number.

Look for our next issue in the fall!