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VSAC office closings through July 31, 2007

Monday, May 28 Memorial Day
Wednesday, July 4 Independence Day

Mark your calendar!

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

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

Contacting VSAC — important change to our e-mail address!

Please note that VSAC has a new e-mail address for financial aid professionals — schoolservices@vsac.org

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 — 888-307-8722 or schoolservices@vsac.org

Students and families — 800-798-8722 or info@vsac.org

Your assistance with this will ensure that individuals contacting VSAC will reach the staff trained to assist them.

Meet the newest member of our team

Ryan Gates joined the VSAC School Services team in February as our newest School Services representative. Ryan joins us from VSAC's Customer Relations department, where he spent five years helping students and families navigate the roadmap of financial aid. We are excited to have him join the School Services team.

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VSAC private loan interest rate update

The variable interest rates for VSAC's private education loans changed on April 1, 2007. The new rates are effective through June 30, 2007. Visit www.vvac.org for information.

Vermont state grant update

For the 2006–2007 academic year, VSAC has awarded eligible full-time applicants who applied by October 23, 2006, eligible part-time applicants who applied by February 28, 2007, and eligible non-degree applicants who applied by February 28, 2007. Applications received after these dates are being held until we can determine whether we can fund additional applications.

We recently mailed 2007–2008 Cost of Attendance forms to schools. We recognize that many schools do not finalize their costs until later in the year. However, we need this information in order to determine Vermont state grants for students attending your school. Returning the form as soon as possible, even if this means that you complete it with an estimate of the 2007–2008 costs, will ensure that students do not experience delays in receiving their award notifications.

Online credit pre-approval is here!

New! Customers can now request instant online credit pre-approval at www.vvac.org.

If customers choose a VSAC education loan that requires a credit review, they can immediately request online credit pre-approval simply by logging into their secure *myVSAC* accounts. This online service provides preliminary credit approval based on a review of the credit report for a student, parent, cosigner, or endorser. Final loan approval is contingent upon receipt of a completed application/promissory note and school certification of eligibility for the loan, if applicable.

Customers with *myVSAC* user names and passwords can log in and begin using the new service. Customers who are new to *myVSAC* can establish their user names and passwords in minutes by clicking “Register Now” on the *myVSAC* log-in page.

We understand that the right information at the right time is the key for customers who are not pre-approved. Dedicated VSAC loan counselors are available to speak with customers who start the credit evaluation process online but need help with the next step.

We are getting the word out about VSAC's online credit pre-approval. You are welcome to refer students and families to this new online service. It's easy to get started — simply visit www.vvac.org and select the link for online credit pre-approval.

EASFAA 2007

The Eastern Association of Financial Aid Administrators (EASFAA) will be holding its annual conference in beautiful Niagara Falls, New York, this year. After basking in the breathtaking view of the falls, stop by the VSAC booth to meet members of our School Services team. We look forward to seeing you there!

Stafford loan limits

As of July 1, 2007, Higher Education Reconciliation Act (HERA) new Stafford loan limits will be in effect.

The new loan limit effective dates are:

1. **Loan period** must begin on/after July 1, 2007, **or** include (crossover) July 1, 2007.
2. **First disbursement** must occur on/after July 1, 2007.

Please contact School Services at schoolservices@vsac.org if you have questions.

Loan consolidation — pros & cons for students and parents

Not long ago, consolidation held a clear benefit for almost all students. That's not necessarily the case anymore.

To help our customers weigh the value of consolidating, VSAC has developed specific users' guides on the pros and cons of loan consolidation for parents and students, graduate students, and law and medical students. These brochures will be included in our spring consolidation mailings and on-campus exit interviews.

Whether your students are concerned with their monthly payment amounts or the total cost of their loans (or both!), VSAC can provide a solution that meets their needs and helps them successfully manage their education debt. Encourage your students and parents to call our loan counselors to get information tailored to their individual circumstances. Refer your students to VSAC at 800-798-8722 or info@vsac.org.

New online payment options!

Later this month, VSAC will launch a new online payment system that will provide more options to borrowers who prefer to pay their bills on the Web. The product we are utilizing is called LoanPAY, developed by infINET Solutions.

While customers can now make payments online, we will be adding additional flexible options to increase customer satisfaction, such as:

- receive e-mail reminders when statements are ready
- view and print PDF versions of their bills
- authorize others to view and make payments on accounts
- set up recurring payment schedules
- schedule one-time future-dated payments
- view up to 24 months of payments made online
- set up a profile and store bank account information, eliminating the need to re-enter this information each time an online payment is made

Q & A corner

The loan process can be confusing, so we often wonder if everyone might benefit from answers to some of the questions we receive. In an effort to help make the loan process

a little easier, we'd like to share some of these questions, along with our answers. Keep your eye on future *VSAC Express* newsletters for answers to your questions.

Q: On a promissory note, what are acceptable references for different loan types?

A: For all FFELP and VSAC private loans, **two complete personal references** are required on each promissory note. Each reference must include:

- full name
- street name and number (e.g. 15 Park Street)
- city
- state
- zip code
- phone number

Also:

- One reference may be a parent with the same address as the borrower.
- The address provided must be a home address — business addresses not permitted.
- No foreign addresses are permitted.

Q: What are the differences between an “endorser” and a “cosigner”?

A: If an applicant is ineligible for a loan due to an adverse credit history, the applicant may obtain either a credit-worthy endorser (for PLUS and PLUS GRAD loans) or cosigner (for VSAC private education loans).

They both agree to repay the loan if borrower does not, but the two categories differ mainly in liability for repayment of the loan. Differences include, *but are not limited to*, the following:

- A cosigner will be sent monthly bill statements; an endorser will not.
- A cosigner will be reported to credit bureaus the same way a borrower is reported; an endorser is reported to credit bureaus as secondarily liable.
- A cosigner must qualify and sign with the borrower for a deferment; an endorser is not eligible for deferment.
- The ways in which a cosigner or endorser can be discharged from the loan are different, as are the reasons for discharge.

An individual will find a complete list of obligations when he or she signs either the endorser or cosigner addendum.

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Look for our next issue in the summer!