

Executive corner

Last fall, consistent with VSAC's state, nonprofit mission, we announced that we would reduce fees and offer an interest rate reduction of one percent on the federal education loans we provided to students and parents for the 2008–2009 academic year.

The federal government recently announced regulatory changes designed to stabilize the student loan market across the country. Under these regulations, lenders like VSAC who raise student loan capital in the bond markets will not be permitted to reduce interest rates by more than one-quarter percent this year. This limit has become a market standard and is now dictating the terms of financings in the student loan bond market.

As a state-chartered organization established to serve Vermont students and families, we are committed to offering the maximum benefit permitted by law. As a result, we will proceed to reduce the fees on federal loans and will lower the interest rate by the amount permitted — 0.25% — for borrowers who elect to repay their loans through automatic debit.

Our borrower benefit programs are among the most generous and successful in the nation and have saved students and families more than \$100 million since they were instituted more than 10 years ago. While not as generous as we would like, the new borrower benefits for academic year 2008–2009 will make VSAC loans among the lowest-cost loans available anywhere in the nation.

Thank you for your strong support of our programs and services. We stand ready to help you as you evaluate the education loans that best meet your needs.

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VSAC office closings through October 31, 2008

Friday, July 4	Independence Day
Monday, September 1	Labor Day
Monday, October 13	Columbus Day

Meeting VSAC's mission

VSAC continues to receive numerous inquiries about eligibility for VSAC loans. In support of our mission, we continue to ensure that applicants be one of the following:

- a Vermonter, or
- borrowing for attendance at a Vermont school, or
- an existing VSAC borrower

If VSAC determines during the loan application process that the applicant does not meet at least one of these conditions, the application will be denied. Please contact your School Services representative with questions.

EASFAA 2008

The 2008 EASFAA conference held in Portland, Maine, in May was very successful. Sessions covered an array of topics such as developing a preferred lender list and helping at-risk students. Attendees enjoyed a lobster bake, an entertaining comedian, and a moving presentation by Travis Roy. Gordon “Dino” Koff, director of financial aid at Dartmouth Medical School, took his new position as EASFAA president.

The 2009 EASFAA conference will be held in Washington, D.C, May 17–20.

VASF AA 2008

The VASF AA summer conference was held in Killington, Vermont, on June 10–11. VASF AA members participated in an informative general session on the culture of poverty and had the opportunity to ask questions of a panel of first-generation college students.

Numerous breakout sessions were also offered and were well received. Attendees enjoyed an evening of dancing and visiting with fellow VASF AA members.

Vermont grant update

VSAC mailed the first 2008–2009 academic year award letters to students in April, a month earlier than usual. We will continue to send award letters on a more frequent basis. At this time, we expect to award eligible full-time applicants who apply on or before September 30, 2008, part-time applicants who apply on or before December 31, 2008, and non-degree applicants who apply on or before January 30, 2009. These dates are subject to change based on availability of funds.

In July schools will receive 2008–2009 informational rosters that will list the status of Vermont grant applications for all those students who indicated they will attend your school in the 2008–2009 academic year.

Scholarships update

Scholarships that require verification of enrollment and academic standing prior to disbursement will be disbursed on or before November 30, 2008, for the fall semester. Scholarships that do not require verification will be disbursed in August.

Scholarships that are renewable require an annual Unified Renewal Application that VSAC mailed to eligible candidates in May. The completed renewal applications and supplemental documents were due June 1. We anticipate awarding the bulk of the renewal candidates by mid-July.

The scholarships booklet for the 2009–2010 academic year is currently being updated. We expect the new version to be available in November.

VSAC Advantage loan credit agreements

As part of the VSAC Advantage Loan Program change in May 2008, loan applications will now be referred to as “application/credit agreements” instead of “application/promissory notes.” VSAC will continue to use the term “application/promissory notes” in relation to Federal Family Education Loans and private loans that did not change in May. We will use the general term of “loan agreement” on our Web site to represent both a promissory note and a credit agreement.

Advantage loan vs. Choice loan

Students can apply for the VSAC Advantage loan for the current semester even after the loan period has ended, as long as VSAC receives the completed Advantage loan application/credit agreement within 30 days of the loan period end date. School certifications can be received outside of this 30-day window.

If VSAC receives the Advantage loan application/credit agreement after the 30-day deadline, the student needs to apply and qualify for a VSAC Choice loan to cover the back balance.

Please contact a School Services representative if you have any questions.

New Stafford loan limits

As authorized by the Ensuring Continued Access to Student Loans Act of 2008 (H.R. 5715), students borrowing Stafford loans with first disbursements on or after July 1, 2008, may now borrow up to the loan limits in the table on the next page. VSAC systems are updated to accept the new additional unsubsidized limits.

Academic grade level/loan type	Maximum loan amount	
	Dependent student	Independent student or dependent student whose parent is ineligible for PLUS
First-year undergraduates		
Base Stafford loan eligibility (subsidized and unsubsidized)	\$3,500	\$3,500
Additional unsubsidized Stafford loan eligibility	\$2,000	\$6,000
Maximum first-year total	\$5,500	\$9,500
Second-year undergraduates		
Base Stafford loan eligibility (subsidized and unsubsidized)	\$4,500	\$4,500
Additional unsubsidized Stafford loan eligibility	\$2,000	\$6,000
Maximum second-year total	\$6,500	\$10,500
Third- and subsequent-year undergraduates		
Base Stafford loan eligibility (subsidized and unsubsidized)	\$5,500	\$5,500
Additional unsubsidized Stafford loan eligibility	\$2,000	\$7,000
Maximum third- and subsequent-year total	\$7,500	\$12,500
Graduate and professional students		
Base Stafford loan eligibility (subsidized and unsubsidized)	N/A	\$8,500
Additional unsubsidized Stafford loan eligibility	N/A	\$12,000
Maximum graduate/professional total	N/A	\$20,500

Academic level	Aggregate loan limits
Dependent undergraduate students	\$31,000 (no more than \$23,000 of which may be subsidized)
Independent undergraduate student or dependent student whose parent is ineligible for PLUS	\$57,500 (no more than \$23,000 of which may be subsidized)
Graduate/professional student	\$138,500 (no more than \$65,500 of which may be subsidized) (Higher limits may apply to certain health professions students.)

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Look for our next issue in the fall!