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VSAC office closings through April 30, 2008

Monday, January 21
Monday, February 18

Martin Luther King Jr. Day
Presidents Day

FAFSA personal identification numbers

The personal identification number (PIN) process for 2008–2009 has been enhanced to simplify and speed the process for students and parents completing the Free Application for Federal Student Aid (FAFSA).

PINs are now issued in real time, eliminating the wait to receive a PIN via e-mail or postal mail. This enhancement allows students and parents to complete the FAFSA immediately.

Applicant data is still compared with Social Security Administration records. If the match is successful, the PIN remains valid. In limited cases when the match is not successful, the PIN is disabled and the applicant is mailed a paper Student Aid Report to sign.

Mark your calendar

VSAC College Pathways, a free college planning event for high school juniors (and sophomores!) and their parents:

- March 15** at Saint Michael's College
- March 29** at Castleton State College
- April 12** at Lyndon State College

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- April 10** VSAC School Advisory & VASFAA spring meeting at Vermont Law School in South Royalton
- May 18–21** Eastern Association of Student Financial Aid Administrators (EASFAA) conference in Portland, Maine

Vermont state grants update

We have awarded eligible full-time Vermont grant applicants who applied on or before October 31, 2007. Applications received after October 31, 2007, will be held until funding availability is determined.

Full-time students can still complete an application and should be aware that funding availability may not be determined until later this spring. We expect to be able to fund eligible part-time applicants who applied on or before December 31, 2007, and eligible non-degree grant applicants who apply on or before January 31, 2008.

Vermont grant applications for the 2008–2009 academic year have been mailed to schools. We will mail letters to students who applied for the 2007–2008 year to remind them to reapply for the upcoming school year.

Scholarships update

The VSAC scholarships booklet for the 2007–2008 academic year lists 156 scholarships (with many providing awards to multiple recipients). By the end of the 2007–2008 academic year, we anticipate awarding approximately \$6.5 million in scholarships for Vermont students.

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

We've redesigned VSAC's scholarship booklet for academic year 2008–2009. Schools should receive their supply of new booklets by mid-January. For additional copies, please contact the VSAC Scholarships Program at 888-253-4819 (toll-free) or e-mail douse@vsac.org.

FAFSA4caster

The Federal Student Aid FAFSA4caster was developed to serve as an early awareness tool to inform prospective postsecondary students of college affordability. It does not serve as the PIN application, but there is an option for seniors to transfer their FAFSA4caster data to the 2008–2009 FAFSA.

You can direct students to this site by visiting www.fafsa4caster.ed.gov.



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VSAC's 2008–2009 borrower benefits

VSAC remains committed to lowering the cost of financing postsecondary education. We are pleased to announce our borrower benefits for the 2008–2009 academic year. We will provide updates on our benefits through our Web site, so check back often.

Stafford loans

- 0% origination fee
- 0% guarantee fee
- 1% interest rate reduction at conversion to repayment, maintained as long as the borrower continues to make on-time payments (within 21 days); if the borrower loses the benefit, he or she can gain it back with 12 consecutive on-time payments.

Graduate/Professional PLUS loans

- 0% guarantee fee
- 1% interest rate reduction at conversion to repayment, maintained as long as the borrower continues to make on-time payments (within 21 days); if the borrower loses the benefit, he or she can gain it back with 12 consecutive on-time payments.

Parent PLUS loans

- 0% guarantee fee
- 1% interest rate reduction at conversion to repayment, maintained as long as the borrower continues to make on-time payments (within 21 days); if the borrower loses the benefit, he or she can gain it back with 12 consecutive on-time payments.

Consolidation loans

- .5% interest rate reduction after 36 consecutive on-time payments (within 21 days), maintained as long as the borrower continues to make on-time payments (within 21 days); if the borrower loses the benefit, he or she can gain it back with 12 consecutive on-time payments.

Entrance and exit counseling

Final student loan regulations published on November 1, 2007, no longer allow lenders or guarantors to conduct in-person, school-required student loan entrance or exit counseling.

VSAC will continue to offer in-person entrance and exit counseling until July 1, 2008, when the regulations take effect. After this point, we will continue to assist you with materials to support your loan counseling activities.

We are exploring opportunities to assist schools with providing financial literacy and debt management information



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CCRAA interest rate reduction

Recently, Congress passed the College Cost Reduction and Access Act (CCRAA) of 2007. As part of the Act, interest rates will be reduced for new undergraduate subsidized Stafford loans. The chart below provides the schedule for the interest rate reductions.

Loans with a first disbursement between	Subsidized Stafford Fixed Interest Rate	Unsubsidized Stafford Fixed Interest Rate
July 1, 2008, and June 30, 2009	6.0%	6.8%
July 1, 2009, and June 30, 2010	5.6%	6.8%
July 1, 2010, and June 30, 2011	4.5%	6.8%
July 1, 2011, and June 30, 2012	3.4%	6.8%

There are no changes to the subsidized Stafford loan interest rate for graduate students. The interest rate for graduate students remains 6.8% fixed.

Stafford loan processing update

In order to implement system changes to support the CCRAA Interest Rate Reduction initiative, we will temporarily prevent all Stafford loan types with a first disbursement on or after July 1, 2008, from approving.

These loans will be on an “administrative hold” until system changes are implemented. We anticipate that this work will be completed by the end of April 2008. We will continue to keep you updated as more information is available.



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