

Navigating the changing landscape

The enactment of the College Cost Reduction Act (CCRA) and the completion of negotiated rulemaking present many changes and create new challenges for the financial aid community. Schools that recommend lenders are now required (1) to have a lender list that includes at least three lenders, and (2) to disclose that a borrower may use a lender not on the school's list. In addition, while schools may not automatically assign a lender for a first-time borrower, schools are permitted to assume that a returning borrower wishes to borrow from the lender he or she borrowed from previously.

The objective of the preferred lender list, as well as the new rules on prohibited inducements, is to ensure borrower choice and restore consumer confidence that the advice schools provide regarding student loans is based on objective criteria and free from inducements provided by a lender, guarantor, or servicer.

Key principles in the development of preferred lender lists, and in the advice offered by schools to students, are transparency, consumer education, and choice. Schools determine (and disclose) the criteria they have used to identify the lenders placed on their lists. They may use these criteria to explain and compare the benefits offered by each of the lenders they have identified on their lists, as well as answer questions students and families have about federal and private education loans.

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VSAC office closings through July 31, 2008

Monday, May 26
Friday, July 4

Memorial Day
Independence Day

Mark your calendars

May 18–21	Eastern Association of Student Financial Aid Administrators (EASFAA) conference in Portland, Maine
June 10–11	VASFAA summer conference in Killington, Vermont
July 6–9	National Association of Student Financial Aid Administrators (NASFAA) conference in Orlando, Florida

Vermont grant update

For the 2007–2008 academic year, VSAC has awarded grants to eligible full-time students who applied by October 31, 2007, and to eligible part-time students who applied by December 31, 2007. Applicants who applied after these dates have been notified that they will not be receiving grants from us. We are still accepting non-degree applications. Students interested in applying for a non-degree grant should be urged to submit their applications as soon as possible as remaining funding is limited.

Scholarships update

Scholarship deadlines for VSAC–assisted scholarships are rapidly approaching. Approximately 10 days after each postmark deadline, VSAC will compile application materials and forward them to selection committees for review and selection. Applicants can expect to receive notification 8–10 weeks after the postmark deadline. All applicants are notified, regardless of the results.

Applicants are encouraged to contact the VSAC scholarships program at least one week prior to the postmark deadline to determine whether or not VSAC has received all documents required from the applicants and/or from third parties.

Announcing VSAC's new online application service

Your students and families can now go to www.vsac.org/applyonline to submit electronic applications for federal education loans. Stafford and PLUS loan applicants can now fill out and electronically sign their Master Promissory Notes and, if desired, print copies to mail to you or to VSAC.

Additional benefits include real-time processing of both promissory notes and credit data received online, as well as seamless integration with school certification processes established with VSAC. Contact your VSAC School Services representative for more information.

Announcing myVSAC

VSAC is pleased to introduce *myVSAC*, its new portal into online school services. *myVSAC* authenticates the credentials of individuals authorized by your institution to access VSAC loan and grant information for students at your school.

Your VSAC School Services representative will contact you soon to help your institution set up its *myVSAC* account.

VSAC's new 2008–2009 loan brochures

Visit our Web site publications page to view our updated loan brochures for academic year 2008–2009. The revised content is consistent with our counseling approach, which encourages families to consider federal education loans before private loans.

The four new brochures target specific audiences:

- undergraduate students and/or their parents
- graduate students
- law school students
- medical school students

For a supply of brochures, please contact your VSAC School Services representative.

VSAC Advantage loans — new tier structure

The VSAC Advantage loan will transition to a new tier structure on May 19, 2008.

Tier	Fee	Interest rate
Exceptional cosigner credit	0%	LIBOR + 2.25%
Excellent cosigner credit	0%	LIBOR + 3.25%
Better cosigner credit	2%	LIBOR + 4.00%
Good cosigner credit	3%	LIBOR + 4.75%
Satisfactory cosigner credit	5%	LIBOR + 5.25%
Student only, good credit	5%	LIBOR + 5.50%

Before the transition to the new tier structure, your VSAC School Services representative will work with your office regarding any pending Advantage loan applications.

Please **discard** any Advantage loan applications currently on your campus; the new Advantage loan structure will require new applications that VSAC will have available after May 5, 2008.

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 e-mail us at schoolservices@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 will ensure that individuals contacting VSAC reach the staff trained to assist them.

Look for our next issue in the summer!