



LOSFA LOOP

May 2009 Edition

Volume 2-5

From the Desk of the Executive Director

First and foremost, I want to congratulate my agency for the way in which we responded to the spirit of financial literacy month this year. Due to the fact that April is designated as financial literacy month in the United States, our Public Information and Communications Division responded by attending over 50 Office of Group Benefits sessions throughout the state in order to educate state employees on the benefits of the START Saving Program. More details about our financial literacy month activities are included in this issue.

Every issue of the LOSFA LOOP is important, but this issue is especially significant. This issue represents the one year anniversary of the LOSFA LOOP. In May 2008 we introduced this monthly electronic newsletter which replaced the quarterly standard paper publication, Newsline, in an effort to not only be environmentally conscientious, but to also provide the public with more frequent and timely news and information. We celebrate this milestone with the most informative issue of the LOSFA LOOP ever.

On the heels of last month's issue in which we introduced the TOPS Advisory Sheet we are now introducing the TOPS Tech Advisory Sheet (Page 9). In recent issues I have made reference to the current economic climate and this issue is no exception, but we have taken it a step further. This issue includes detailed information regarding student financial aid options during these challenging economic times, including step-by-step instructions for navigating through

various difficult scenarios. Also, since this is the last issue of the LOSFA LOOP before most high schools will be closed for the summer, I felt that we would be remiss if we didn't take this opportunity to remind high school guidance counselors about nominating students for the Trailblazer Camps as well as reminding them, parents and students about the July 1st TOPS application deadline.

Finally, to the high school graduating class of 2009, I want to congratulate you on your achievement, but at the same time remind you that a graduation ceremony is called a commencement exercise. The word commencement means "a beginning" which means that your high school graduation is only the beginning of your journey so I hope that postsecondary education is on the horizon for all of you. Whether that postsecondary education is a trade or technical school, community college or four year college or university LOSFA will still be your first choice for college access.

--Melanie

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LOSFA Outreach

Financial Literacy Month Activities

April was National Financial Literacy Month, where organizations across the country focus on educating people about ways to build a firm financial foundation.

As part of Financial Literacy Month, LOSFA representatives attended Office of Group Benefits (OGB) sessions across the state, offering state employees information on the START Saving plan, as well as other LOSFA programs.

LOSFA representatives attended over 50 OGB sessions in April, spreading financial information to thousands of state employees.

Highlights of April's OGB visits include:

- ▶Leesville High School -- 350 employees
- ▶University of New Orleans -- 200 employees

- ▶La. Department of Revenue -- 300 employees
- ▶Burton Convention Center -- 200 employees
- ▶Dept. of Environmental Quality -- 300 employees
- ▶Dept. of Public Service -- 550 employees
- ▶Dept. of Health and Hospitals -- 300 employees

LOSFA representatives are available to come to your business or community organization to provide information on the START program, TOPS, loans and general financial information. To make an appointment, call 800-259-5626, ext. 1012.

For more information about Financial Literacy Month and tips on how to build your financial foundation, go to <http://financialliteracymonth.com>



DON'T FORGET!

LOSFA's annual Trailblazers Camps are coming up soon. Have you nominated your trailblazers yet?

High school counselors who have not yet nominated a student from their school to attend this year's camp should do so at <http://www.osfa.la.gov/trailblazer-snomination>

The first 2009 Trailblazer Camp will be held at Northwestern State University in Natchitoches from July 12 - 14. The second camp will be held at Nicholls State University in Thibodaux from July 19 - 21.

If you have questions about the camp, call Jerri Mack at 225-922- 1108 or 800-259-5626, ext. 1108.

Student Financial Aid Options in Challenging Economic Times

In these challenging economic times, the Louisiana Office of Student Financial Assistance (LOSFA) wants students and parents to understand their student financial aid options. Many families have experienced the loss of assets reserved for their children's college education or may have lost a primary income source. Whether you are a new high school graduate entering college for the first time or a displaced worker who wants to return to school for additional job training, there are student financial aid options available.

Both federal and Louisiana need-based aid as well as merit-based aid programs remain available for students. For a description of federal need-based aid programs including the Pell Grant, please visit <http://www.osfa.state.la.us/finaid101index.htm>. For information on Louisiana's merit-based TOPS Scholarship and Rockefeller State Wildlife Scholarship, and the need-based Go Grant and LEAP Grant, as well as Louisiana guaranteed student loans, please visit www.osfa.la.gov.

The First Step:

Every college student, regardless of income, is encouraged to complete the Free Application for Federal Student Aid each year. You can complete and submit the FAFSA online at www.fafsa.ed.gov. The FAFSA is the initial application used to determine your eligibility for both federal and state aid programs. Eligibility for need-based aid is based upon your family's assets and your income as reported on the previous year's tax form.

If your family's income will be less this year:

If your family has had a dramatic reduction in income from what was reported on your 2008 income taxes, the financial aid office at your school may be able to make a change to your financial aid eligibility.

To receive consideration for special circumstances, you must first submit the 2009-2010 FAFSA with your 2008 income tax information, and then make an appointment with a financial aid counselor at the institution you plan to attend to discuss your situation. Most institutions will have students and the parents of dependent students fill out a special circumstances form and submit documentation including

tax forms, and verification of the reduction of income such as a letter of layoff or records of unemployment benefits. Special consideration may also be made for other situations impacting a family's finances such as extraordinary medical expenses.

Each school has established their own criteria to define circumstances which may warrant special consideration and the documentation required to prove the necessity of that consideration. Any decision made by an institution regarding special circumstances is final.

If you have a student loan in repayment:

If you have experienced a reduction in income and you currently have a student loan in repayment or you are about to enter repayment, you can file for an Economic Hardship Deferment to delay the payments on the loan. The interest on an unsubsidized loan will continue to accrue while the loan is in deferment status, so the amount you will owe on the loan will be larger as time passes. The sooner you repay the loan, the less money you will pay overall. So only file for a deferment when necessary.

To request an Economic Hardship Deferment, you must complete the Economic Hardship Deferment Form which you can download from www.osfa.la.gov/mainsitepdfs/def0008.PDF and submit the form to your lender. If you need assistance completing the deferment form, you may contact the LOSFA Default Prevention staff at (800) 256-3137 or visit the web site at <http://www.osfa.state.la.us/DPBorrowerIndex.htm>.

It is important as a student loan borrower to know the distinction between a deferment and a forbearance. With a deferment, both the principal and interest payments are deferred on a subsidized loan, whereas with a forbearance only the principal payments are deferred. You are still responsible for the interest payments, and capitalized interest continues to increase your principal balance: causing you to pay interest on interest.

Be advised that you should use a forbearance ONLY IF you do not qualify for a deferment. A forbearance may be the best solution if you are very delinquent

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TOPS application deadline approaching

As Louisiana's High School Classes of 2009 prepare for graduation ceremonies in the coming weeks and look toward beginning their postsecondary education in the Fall, they are reminded that in order to receive Taylor Opportunity Program for Students (TOPS) funding for the 2009-2010 Academic Year, they must apply by July 1, 2009.

"With the whirlwind of activity graduating seniors experience this time of year, it's easy to become distracted," said Louisiana Office of Student Financial Assistance (LOSFA) Executive Director Melanie Amrhein. "But if they plan to begin their postsecondary education this coming Fall and use TOPS funds to do so, the deadline they must keep on their radar is July 1", she added.

Applications received after July 1, 2009, (but before July 2, 2010) will not be eligible for TOPS funding until the subsequent Academic Year, 2010-2011.

There are two methods of applying for TOPS. Louisiana law requires that all applicants who are eligible to receive federal grant aid (Pell Grants) MUST apply by filing the Free Application for Federal Student Aid (FAFSA). The FAFSA may be completed online at www.fafsa.ed.gov. By completing the FAFSA, students are considered for a long list of state and federal assistance programs including TOPS, the Louisiana Go Grant, federal Pell Grants, federal Work Study programs and low-interest federal loans. Many institutional scholarship and grant programs also require completion of the FAFSA.



Students who can demonstrate that they are not eligible for federal grant aid (determined by student and parental income), have the option of completing the TOPS Online Application instead. This application is located on the LOSFA web site, www.osfa.la.gov and considers the student for TOPS eligibility only. However, students who choose this option are cautioned that legislation dictates that, in the event of a budget shortfall, those students who did not file a FAFSA would be the first to be eliminated.

2009 high school graduates who miss the July 1, 2009, application deadline may still enroll in and attend a postsecondary institution during the 2009-2010 Academic Year at their own expense. If the award is not paid during the 2009-2010 Academic Year, students who enroll full time during that year must meet all TOPS requirements for continuation of the award. If they subsequently apply for TOPS prior to July 2, 2010, and have met the TOPS continuation requirements during their first year of attendance, they will become eligible for a full eight semesters (or twelve quarters) of TOPS funding beginning in the 2010-2011 Academic Year.

2009 high school graduates who miss the July 1, 2009, application deadline may also opt to delay their enrollment until the beginning of the 2010-2011 Academic Year and still receive their full complement of TOPS eligibility if they apply prior to July 2, 2010.

Eligibility determinations for TOPS applicants does not begin until final grades and graduation have been confirmed through the Louisiana Department of Education and the application and ACT scores are received by LOSFA.

Students who have questions concerning their TOPS eligibility can check their eligibility status via the TOPS Portal at www.osfa.la.gov, or they may contact LOSFA customer service representatives for assistance at 1-800-259-5626, ext. 1012, or 922-1012 (from within the 225 area code only), or via Email at custserv@osfa.la.gov.

TOPS qualified summer session definition expanded

Students who have attained at least 60 credit hours and have enrolled full-time for the summer session may now request payment for the summer session from their remaining TOPS eligibility.

The rule change was approved at the April meeting of the Executive Committee of the Louisiana Student Financial Assistance Commission and the Louisiana Tuition Trust Authority based on the recommendation of the LASFAC Advisory Committee.

In order to have a summer session paid for by TOPS, the student must sign a form that states he or she understands that the use of the TOPS award for the summer session reduces the student's TOPS eligibility by one semester or term, the hours earned cannot be used to meet TOPS requirement to earn 24 hours each academic year and the grades earned during the summer session will be included in the student's cumulative grade point average.

This rule change does not apply to summer 2009. It will take effect in summer 2010.

LOSFA's March of Dimes campaign a success

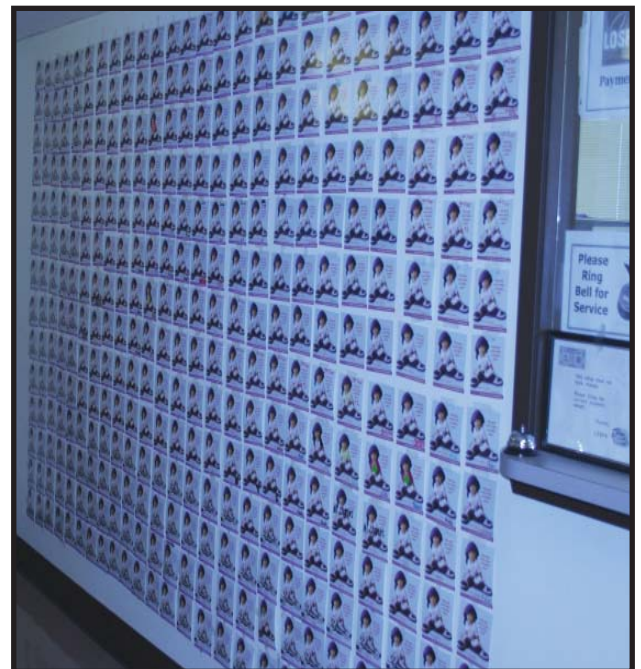
The hallways of the LOSFA offices have been covered with baby pictures for two months as the floors duked it out to see who could raise the most money for March of Dimes.

Amidst a flurry of hot dog, jambalaya, nachos, bar-b-que and coke float sales, LOSFA raised \$4,655.38 for the charity which seeks to improve health care for infants and toddlers.

The fifth floor emerged victorious in the Floor Wars, raising \$1036, while the fourth floor grabbed second place with \$512.

The third floor raised \$661, the sixth floor raised \$288 and the second floor raised \$163.

The winners were determined by how far over its goal each floor was. Each floor's goal was determined by the number of people it had.



LOSFA's fifth floor was the winner of the Floor Wars challenge, earning an entire week of blue jean days. Second place went to the fourth floor, which earned two blue jean days. The fifth floor raised \$1036 and the fourth floor raised \$512.

In every issue of LOSFA LOOP, we will highlight a specific division within the agency. This issue we highlight:

START

With just six employees and one student worker, the START division handles the hopes and dreams of more than 33,000 account owners -- as well as an average of three million dollars a month.

While the daily intake can vary -- Student Financial Aid Administrator Terri Finley said it can be as little as \$5,000 or as much as \$100,000 -- the monthly average is fairly constant from January to November.

"The end of the year is our busiest time, that last week," Finley said. Those days can bring as much as one million dollars a day into the START office.

That money is received, posted, disbursed or refunded by START employees Finley, START Director Carol Fulco, Cynthia Carral, Ronette Granger, Linda Gooch and Erica Hughes. The department is also responsible for opening, maintaining and closing all START accounts, as well as ensuring that all customer services are handled quickly and correctly.

All that may sound easy, but when you're dealing with a program that's taken in \$228 million dollars in deposits since its inception, accuracy and strict attention to detail is imperative.

The current economic downturn brings added stress



Carol Fulco, START Director, oversees a department of six employees that take in roughly \$3 million a month.

to the department. Some owners are not shy about expressing their displeasure with the return on their investments -- even though the market is beyond the START office's control.

The START Saving Program has not experienced a run on account closures and the monthly deposits have remained at current level. That's likely to change in the future, due to the slowdown of the economy, but some investors feel that now is the time to take advantage of low market prices.

Even in tough times, START is a good bargain. "We consider the START Saving Program the number one 529 plan in the country for Louisiana residents because of the generous state match, income deduction and performance of its investments," Finley said.



The START staff: <left to right> Terri Finely, Cynthia Carral, Linda Gooch, Ronnette Granger, student worker Audrey James and Erica Hughes.





In Order to Better Serve You We Need Your E-mail Address!

As a part of the Louisiana state government's effort to be environmentally conscientious and "go green" the START Saving program would like to send your annual statements, your quarterly START Saving Program newsletter, STARTing Line, as well as other correspondence to you via e-mail. In order for us to do this we need you to provide us with your e-mail address.

If you have already gone to the START Saving web site and created a logon account:

1. Go to www.startsaving.la.gov
2. From the menu on the upper left side of the site select "My Account"
3. From "My Account" select "Logon"
4. When prompted, enter your USER ID and password
5. From the menu on the upper left side of the site select "All Forms"
6. Scroll down to the "Account Update Section"
7. Go to "Electronic Delivery Agreement" and click the "Online" link
8. Choose the "Electronic Delivery to the Following E-mail address" option and input your e-mail address in the space provided.
9. Click "Continue"
10. Read the Electronic Delivery Agreement, check "I Agree" and click "Continue"

If you have not already created a logon account:

1. Go to www.startsaving.la.gov
2. From the menu on the upper left side of the site select "My Account"
3. From "My Account" select "Create Logon"
4. Input requested information and click "Create"
5. Follow steps 5-10 above

If you choose not to provide us with your e-mail address you will no longer receive copies of your official START Saving Program newsletter, STARTing Line, but you can still view copies on-line at <http://www.startsaving.la.gov/savings/news.jsp>. If you do not have access to the Internet at home, public libraries often have computers with Internet Access for public use.

nearing default, and are afraid that the lender may file a default claim before the deferment can be completed and/or approved.

If you have a student loan in repayment and you want to return to college:

If you have a student loan in repayment which is in good standing and you want to return to college as at least a half-time student, you can request an in-school deferment from your lender. The financial aid office at the school you are attending must receive certification of your in-school status. Contact the Registrar's Office at your school to obtain the necessary certification. You can download a copy of the deferment request form at <http://www.osfa.state.la.us/MainSitePDFs/def0002.pdf>.

If you have a defaulted student loan and want to return to college:

You will not be able to get additional financial aid until you rehabilitate your defaulted student loan. You should contact the company that currently owns your loan for instructions on how to rehabilitate the loan. If LOSFA currently holds your loan or if you don't know which company owns your loan, you may contact the LOSFA Default Recoveries Staff at (800) 256-6882 or visit the web site at <http://www.osfa.state.la.us/dfltindx.htm>.

In general, to rehabilitate your defaulted loan, you will be asked to cure the loan default by making loan payments on time each month for six months or more. Once you have made the prescribed pattern of payments, you will be eligible to borrow additional



educational loans. If you are unable to resolve issues with your lender or with LOSFA, you can contact the federal Loan Ombudsman at their Web site <http://www.ombudsman.ed.gov/>.

How can I reduce the cost of my college education?

Louisiana's START Saving program assists families with the financial burden of funding a college education. START provides an opportunity for all families, regardless of economic status, to have a professionally managed Education Savings Account. As an incentive to save, the state of Louisiana matches a portion of the Account Owner's annual START deposits. The START Program also provides tax incentives for START Account Owners. Account earnings which are used for Qualified Higher Education Expenses are exempt from state and federal taxes. Account owners may also deduct up to \$2,400 (\$4,800 for married couples filing jointly) in deposits per account per year from income reported on Louisiana tax returns. For information on the START Saving Program or to open a START account, please visit <http://www.startsaving.la.gov>.

The federal government offers two tax credits to help you offset the costs of higher education by reducing the amount of your income tax. They are the Hope Credit and the Lifetime Learning Credit. For information on these federal tax credits for education please visit <http://www.irs.gov/publications/p970/index.html>.

Here are some other costs saving suggestions:

- Share costs with other students by having a roommate, and/or carpooling.
- Choose to attend a school in your vicinity and live at home.
- Choose to attend a community college before transferring to a more expensive four year university.
- Use public or campus paid transportation.
- Research textbook options at your school. Check for lower prices on the internet.
- Work full-time at a college or university that pays employees' tuition at that school.

If you have questions:

Contact the LOSFA Public Information Staff by e-mailing custserv@osfa.la.gov, or by calling (800) 259-5626 Ext. 1012 or (225) 922-1012.

Advisors should ask every student: **Are you receiving TOPS Tech?**

Even if a student is eligible for other TOPS awards (Opportunity, Performance or Honors), he or she must adhere to TOPS Tech rules. His or her Opportunity, Performance or Honors Award functions as a TOPS Tech award while enrolled in a technical program of study. Opportunity, Performance or Honors Awards cannot be used at a proprietary or cosmetology school.

TOPS Tech Continuation Requirements

1. **FULL-TIME ENROLLMENT**

- Students receiving TOPS Tech must be enrolled **full-time** (as defined by your institution) through the 14th class day at semester schools or the 9th class day at quarter schools every semester or quarter they enroll
- Once past the specified "census" date, the student may drop courses to below full-time status according to your institutional policies, but must still meet the academic year earned hours requirement (see # 3)

2. **CONTINUOUS ENROLLMENT**

- Students who resign from all classes will have their award canceled (Students resigning for exceptional/extenuating circumstances should contact LOSFA)
- Students may not withdraw or take a leave of absence without approval from LOSFA (see #5)

3. **HOURS EARNED**

- TOPS recipients must **EARN 24 credit hours per Academic Year (fall, spring and summer terms)**
 - If student is not required to take summer hours by his or her institution, TOPS Tech does not require students to attend. However, if a student chooses to attend during the summer, TOPS Tech will pay for those hours. Summer hours count toward the student's 24 hour Academic Year total
- **For TOPS Tech Purposes, Earned Hours INCLUDE**
 - Credit hours earned during an intersession
 - Credit hours in required remedial/developmental courses that are completed successfully (grades of NC or F will not be included)
 - Credit hours successfully completed with a grade of "D" or better
 - Credit hours earned in Correspondence Studies if final grade is recorded on the official transcript as completed within the Academic Year

For TOPS Tech Purposes, Earned Hours DO NOT INCLUDE

- Earned credit hours by exam (CLEP), advanced placement, or standardized test scores
- Courses scheduled and completed, but no credit earned due to failing or incomplete grade

A student who does not enroll full-time, remain continuously enrolled, or does not earn 24 credit hours per academic year will have his or her TOPS Tech award permanently CANCELED. TOPS Tech Students enrolling for the first time as a full-time student in a winter or spring term will not be checked for the 24 hour requirement for the first academic year.

4. **TOPS Tech GRADE POINT AVERAGE (GPA)**

Cumulative TOPS Tech GPA is determined by the Louisiana Office of Student Financial Assistance and is based on all coursework attempted by the student at all institutions attended.

- Students must meet **Steady Academic Progress (Minimum 2.0 cumulative GPA)** at the end of every semester
 - Students receiving the **TOPS Tech Award** must earn a minimum **2.5 cumulative GPA** at the end of every Spring Semester. Failure to do so will result in award suspension
 - Once a student has had their TOPS Tech Award **suspended** due to not meeting Steady Academic Progress or the required TOPS Cumulative GPA, they have **12 months** to regain the required GPA

Students who fail to regain the required TOPS Tech GPA within 12 months of suspension will have their Award canceled. During periods of suspension, all continuation requirements must be met to qualify for reinstatement of the award.

5. **EXCEPTIONAL/EXTENUATING CIRCUMSTANCES**

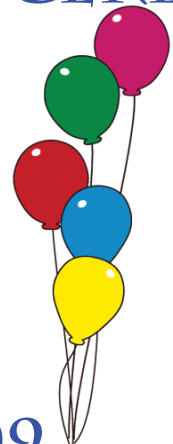
- Student may apply to have his or her circumstances considered for failure to achieve the required hours earned or to maintain full-time continuous enrollment. Contact LOSFA (800-259-5626, ext. 1012 or custserv@osfa.la.gov) for details
- There is no appeal for suspensions or subsequent cancellations due to not meeting the TOPS Tech Cumulative GPA requirement



LOSFA - 800-259-5626, ext. 1012 - custserv@osfa.la.gov



THE LOUISIANA OFFICE OF STUDENT
FINANCIAL ASSISTANCE
WOULD LIKE TO EXPRESS OUR SINCERE
CONGRATULATIONS
TO LOUISIANA'S
HIGH SCHOOL
AND
COLLEGE
GRADUATING CLASSES OF 2009



For more information, contact the
Louisiana Office of Student Financial Assistance:

By Phone: 800-259-5626, Ext. 1012

By E-mail: custserv@osfa.la.gov

By Mail: P.O. Box 91202, Baton Rouge, LA 70821-9202

Web Address: www.osfa.la.gov

For submissions, opinions or comments for LOSFA Loop, please contact
David Roberts at droberts@osfa.la.gov.