



# NEWSLINE

A publication of the  
Louisiana Office of Student Financial Assistance



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## LOSFA lowers cohort default rate

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ccording to figures recently released by the U.S. Department of Education (USDE), the Louisiana Office of Student Financial Assistance (LOSFA) has once again reduced its cohort default rate – this year by 2.9 percent.

Cohort default rates are calculated annually and are based on the percentage of students who enter repayment and default within the first 24 months. These most recent rates include students who began repayment on or after Oct. 1, 2000, through Sept. 30, 2001, and defaulted before Sept. 30, 2002.

For the 2001 cohort year, the LOSFA default rate fell to 6.6 percent, in keeping with an agency trend over the past decade. Since 1991, LOSFA's default rate has shown marked decreases, due in large part to the efforts of all parties involved, including lenders and schools.

The USDE has further reported that, for the first time ever, all schools have rates low enough to ensure they remain eligible for federal financial

aid programs, adding that this year's national rate of 5.4 percent is the lowest ever.

LOSFA's Default Prevention Section has been a key contributor to this effort, through various default prevention activities.

As soon as a lender notifies LOSFA of a delinquency, the first delinquency letter is mailed to the borrower, advising of the options available to resolve the delinquency. At least one phone attempt and letter is generated every 30 days from that point until the account is either resolved or defaults.

Numerous additional efforts are performed in an attempt to make contact with the borrower in order to advise them of the delinquency on their account and the best options available for resolution. During the most recent state fiscal year, these efforts resulted in the aversion of over \$335 million in potential default.

Borrower awareness is the key to keeping defaults down. LOSFA's School and Lender Services (SLS) and Public Information and Communications (PIC) Sections have also played a key role in lowering the agency's cohort default rate.

SLS provides the schools with many hands-on activities and events to enhance

borrower awareness of the obligation to repay student loans, such as the annual Default Prevention/Financial Planning Fair.

During this event, lenders, credit bureaus, credit counselors and others set up booths with carnival type games on a school's campus.

The games give vendors an opportunity to talk with borrowers one-on-one, ensuring awareness and preparedness for the loan repayment road that lies ahead.

PIC also works hard to ensure borrower and potential borrower awareness through several public information events and activities, such as conducting financial aid presentations and holding Parent Night Seminars at various locations across the state.

In addition, this section provides annual Guidance Counselor Workshops, where high school guidance counselors are trained in all aspects of financial aid, so they may better assist their students in successful decision making.

Trailblazer Camp is another annual activity offered by PIC. Selected high

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*Newsline* is a publication offering recent technical, procedural and feature information related to the scholarship/grant programs of the Louisiana Office of Student Financial Assistance. This publication also contains material related to Federal Title IV Student Aid Programs. While LOSFA believes that the information herein is accurate and factual, this publication has not been reviewed nor approved by the U.S. Department of Education.

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## NEWS AND UPDATES

### CORRECTIONS AND CLARIFICATIONS

An article in the September 2003 *Newsline* incorrectly reported core curriculum requirements. The description of Act 1121, detailed on page 3 at the top of the third column shows a degree mark where a half-credit should be. The two paragraphs should read:

Act 1121 (House Bill 1657) increases the high school core curriculum requirements for Opportunity, Performance and Honors awards to **1½ units** beginning with the high school graduating class of 2008.

The new TOPS core curriculum will require **1½ units** of Computer Science, Computer Literacy or Business Computer Applications (or substitute at least **1½ units** of computer-related elective courses approved by the Board of Elementary and Secondary Education - BESE).

**LOSFA welcomes home:** Assistant Executive Director of Support Services **Mark Riley** returned to LOSFA in October following two year's of service with the U.S. Marine Corp. Col. Riley, a reservist, was called to active duty on Oct. 29, 2001, in support of Operations Noble Eagle and Enduring Freedom. During his service, Riley was assigned to the Staff Judge Advocate's Office and subsequently transferred to the Office of Homeland Security.

**LOSFA says good-bye:** Marketing Representative Supervisor **Sigmund Morel** has accepted a position as sales manager with LoanSTAR Funding Group Inc. Morel will be in charge of marketing student loans in Louisiana, Arkansas and Oklahoma under the lender name COLLEDGE loans. Morel has worked with LOSFA for the past seven years.

**LOSFA gives :** LOSFA recently concluded its 2003 United Way pledge drive, providing \$8,222.81 for the Capital Area United Way (CAUW) coffers.

**LOSFA hires:** The Collections Section has four new employees – **Eric Dills, David Buchholz, Timothy Raffray** and **Keithan Williams**. All four joined the agency as student loan collectors.

Administrative Services has three new employees - **April Cowie, Chelsea Oliver** and **Cheryl Womack**. Cowie has taken a post as an accounting clerk 1. Prior work experience includes serving as manager for the McDonald's food chain. Oliver is employed in the agency mailroom. Womack is a clerk 4 in cash receipts. Prior to LOSFA, Womack worked with the Department of Labor.

**Sandra Scallan** has filled a newly created position as executive staff officer. Scallan has a master's in human resources education and development from LSU, where she was formerly employed.

The Fiscal section has a new accountant, **Anya Bailey**. A recent graduate of Dillard University, Bailey previously interned for four years as an accounting clerk for IMC Phosphates Co. in Convent, La.

**Joseph Powell** has taken a post with LOSFA's Default Prevention Section. Powell is a recent graduate with a bachelor's in computer information systems and business administration.

**LOSFA congratulates: Nadine Molliere**, LOSFA purchasing agent, recently served as education chair for the National Institute for Governmental Purchasing's (NIGP) conference in New Orleans in September. Molliere was appointed to the post at the bequest of the NIGP president. Her role included coordinating all classes and speakers to fit the needs of the more than 300-plus attendees.

# LOSFA SPOTLIGHT: Focus on Default Prevention

**T**he Louisiana Office of Student Financial Assistance (LOSFA) Default Prevention Section, formerly known as Pre-Claims, assists lenders and schools in resolving delinquent student loan accounts. By contacting delinquent account owners, the section's three teams advise borrowers of the many options available for avoiding default.

The three teams, each charged with a special aspect of the Default Prevention mission, all serve to help borrowers avoid default and carry out the section's operations. While each team is a highly specialized and semi-independently functioning unit, staffers are thoroughly trained in all aspects of section operations so that each member is able to fulfill any needed function. Half of the current staff has been employed with the agency for 10 years or more, which contributes to the section's expertise.

The claim analyst team is comprised of two members who are responsible for processing all incoming Lender's Request for Assistance (LRA), as well as updates and aversions to existing LRA requests. This is no small task, considering LOSFA entered over \$362 million in LRA requests last state fiscal year, and averted \$335 million.

The counseling team is comprised of 12 collectors and two supervisors, who attend to the borrower's specific problems and concerns. Members are responsible for monitoring all active delinquent accounts, averaging more than 12,000 monthly, and ensuring that outgoing letters and phone attempts are delivered as needed. As the name implies, this team also counsels borrowers about the circumstances behind their delinquency and the options avail-

able for resolving delinquency and cautions borrowers regarding the consequences of allowing the loan to default.

The skip-tracing team is comprised of three members, each focused exclusively on tracking down missing borrowers for both the Default Prevention and Collections Sections. As a state agency, LOSFA's skip-tracing team has resources at its disposal that are especially advantageous in finding missing borrowers, including the Louisiana Department of Motor Vehicles and the Louisiana Department of Labor. The

Although Pollage describes the Default Prevention work environment as "ever-evolving," especially in regard to the constant changes in federal regulations, he feels that his team is ready for whatever lies ahead.

"We're preparing now for a conversion to a new operating system in November, the fourth since our creation," he said.

Pollage said the section has faced changes like these in the past, and looks forward to the changes now coming.

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**"We've faced changes like these in the past, and look forward to those now coming. They help to keep us motivated and moving in the right direction."**

**— Default Prevention Administrator Robert Pollage**

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skip-tracing team boasts a found rate of almost 90 percent.

Administrator Robert Pollage and Assistant Administrator Jodie Goodwin guide the three teams. A 22-year veteran of the Agency, Pollage began his career at LOSFA as a student worker while attending Louisiana State University in Baton Rouge. He joined the Default Prevention Section as the section's first and only collector, after the unit spun off from LOSFA's Collections Section in January 1983. Throughout the years, Pollage has held numerous positions in the section, serving at times as a member of all three teams. Goodwin, a 15-year veteran of the agency, also started her career at LOSFA as a student worker while attending Louisiana State University in Baton Rouge. Prior to her promotion to assistant administrator last October, Goodwin also served on all three of the section's teams.

"They help to keep us motivated and moving in the right direction," he said.

Pollage noted that Default Prevention has increased both the number and dollar amount of averted accounts for every year since 1987. "We are also very proud of our continued achievements in lowering the cohort default rate," he added.

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## **Cohort Default rate** continued from page 1

school seniors attend this three-day summer camp to learn about financial aid before returning to school in the fall and educating their peers.

LOSFA is committed to working with borrowers, schools and lenders to prevent defaults and keep borrowers informed and on the right track. For more information, contact the Default Prevention Section at (800) 256-3137.

## SPOTLIGHT ON DEFAULT PREVENTION



### MANAGEMENT TEAM

Overseeing the activities of the Default Prevention section are, from left, Robert Pollage, administrator, and Jodie Goodwin, assistant administrator.



### COUNSELING TEAM- DAY

Members of the Default Prevention counseling team's day shift include, from left, Tracy Howard, Jennifer Crasto, Cathy Steele, Jeanne Ford, Joanna Thompson and Charles Ellis. Not pictured is Kimberly Smith.



### CLAIM ANALYST TEAM

From left, Sheila Cador and Lynda Robinson comprise the Default Prevention Section's claim analyst team.



### COUNSELING TEAM- NIGHT

Serving as counselors for the Default Prevention night shift are, standing from left, Wayne Vidrine, Christopher Norton, Sarah Couvillion, Joseph Powell and Gerald Hughes. Seated are, from left, Jacob Diez and Mary Ann Ellis.



### SKIP TRACE TEAM

Student loan collectors Linda Delaune, far left, and Terri Shields serve on the Default Prevention Section's skip trace team. Not pictured is E.J. Bruce, student loan supervisor.



# Bussie retires from LASFAC Commission

**D**uring the September 2003 meeting of the Louisiana Student Financial Assistance Commission (LASFAC) Chairman Travis Lavigne, far left in the adjoining photo, and Louisiana Office of Student Financial Assistance (LOSFA) Executive Director Jack Guinn, far right, express their gratitude to Victor Bussie, center, for his years of service to the LASFAC.



*Left to right: LASFAC Chairman Travis Lavigne, Victor Bussie and LOSFA Executive Director Jack Guinn.*

Bussie served the commission from September 2000 until May 2003 as a representative of the LSU Board of Supervisors.

Addressing the commission, Bussie commented that, out of all the boards he has served on, the LASFAC was by far the best.

He left his fellow commission members with the parting words that they should each be proud of the work they do for the citizens of the state.

# Guidance counselors attend statewide workshops

**T**he Louisiana Office of Student Financial Assistance (LOSFA) kicked off its seven-city statewide Guidance Counselor Workshop tour with a visit to Baton Rouge's Pennington Biomedical Center Oct. 29.

Teams of representatives from LOSFA's Public Information and Communications (PIC) Division provided the nearly 200 attendees with a wealth of new information regarding many LOSFA programs and services.

The wide-ranging presentations included a Trailblazer program overview, instructions for completing the 2004-2005 FAFSA, an in-depth discussion of Tuition Opportunity Program for Students (TOPS) legislative changes, tips for completing the 2004 financial aid application process and a discussion of eligibility and renewal requirements for the TOPS scholarship program.

The half-day program ran from 8 a.m. to noon and included a continental breakfast. Other presentations addressed this year's highly specific segments geared toward TOPS technical issues, such as; the TOPS processing cycle, core curriculum Grade Point Av-

erage (GPA) calculation and changes to the 2003-2004 Student Transcript System (STS) program.

In addition to Baton Rouge, LOSFA rounded out the tour with stops in Alexandria, Lafayette, Lake Charles, Monroe, New Orleans and Shreveport.

*Editor's Note: A complete wrap up of the entire Guidance Counselor Workshop series will be featured in the next edition of the Newsline.*



*LOSFA representatives greet workshop attendees at the registration table at Pennington Biomedical Center in Baton Rouge.*

## TOPS bulletins reflect program changes

A number of bulletins reflecting changes in the TOPS program were issued to colleges, universities and high schools in recent months (a complete listing can be found at [www.osfa.state.la.us](http://www.osfa.state.la.us)). Below is a listing of the most recent bulletins and a brief synopsis of each item.

**T2003-7** (Dated 7/17/03) – Revisions to TOPS rules based on legislative changes made during the 2003 Regular Session of the Louisiana Legislature.

**T2003-8** (Dated 8/22/03) - Scholarship and grant program rules revisions to establish deadlines for students who seek a TOPS Award after enrolling for the first time as a full-time student in an out-of-state college or university or

who wants to use their remaining TOPS Award for graduate school. Also amends Section 703 of the scholarship and grant program rules to add advanced technical drafting, introduction to business computer applications, technology education computer applications, telecommunications and word processing as substitutes for computer literacy in the TOPS core curriculum.

**T2003-9** (Dated 8/22/03) - Procedures for identifying and billing for post graduate students' TOPS Awards.

**T2003-10** (Dated 9/10/03) - Procedures for determining TOPS eligibility for students returning from out-of-state institutions.

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