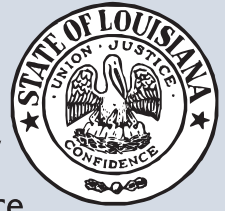




NEWSLINE

A Publication of the Louisiana Office of Student Financial Assistance



Vol. XV No. 1

January 2005

'How To Pay For College' seminars shine spotlight on TOPS and START

The Louisiana Office of Student Financial Assistance (LOSFA) will combine two public presentations – the Tuition Opportunity Program for Students (TOPS) and the Student Tuition Assistance and Revenue Trust (START) Saving Program seminars – into a series of 'How To Pay For College' seminars to be held on weekends during the months of January and February at a variety of locations statewide.

The TOPS portion of the presentation will inform the parents of Louisiana high school students about the program requirements and student responsibilities necessary for successful participation in the state's premier scholarship program. Specifically, the presentations will cover TOPS eligibility requirements, TOPS deadlines, TOPS applications, the TOPS certification process and TOPS retention requirements.

The START portion of the presentation will raise awareness among parents, family members and others interested in establishing a higher education savings account for their college-bound student. Topics will include: How to open a START account, a discussion of the new equities options available to account owners, an overview of START Web site features and an explanation of the Louisiana College Payment Plan, of which START is a major component.

The 'How To Pay For College' seminars are free and open to the public.

Continued on page 7



Earl E. START, the START Saving Program mascot, will appear at several of the TOPS/START 'How To Pay For College' seminars.

INSIDE THIS ISSUE...

News and Updates.....	2
Loan amnesty program/Annual default rate.....	3
Teloquent telecommunications system.....	4
Loan Administration Section changes.....	5
Cohort default rate/STS workshops.....	6

NEWS & UPDATES

Changing addresses?

E-mail the
Newsline staff
with your updated
information at
**Newsline@
osfa.state.la.us.**

LOSFA PUBLICATIONS: The Tuition Opportunity Program for Students (TOPS) Opportunity, Performance and Honors (OPH) and Tech brochures for 2004-05 can be accessed on the LOSFA Web site located at **www.osfa.state.la.us**. Select Information Center from the left menu bar, then TOPS Brochures and Flyers.

COMMISSION ACTION: The Louisiana Student Financial Assistance Commission (LASFAC) determined that the amount of a TOPS Tech award to be paid a student attending an institution that is a member of the Louisiana Association of Independent Colleges and Universities (LAICU) shall be \$792 for Academic Year 2004-05. The amount will be divided by two (or three, if the student attends a summer session).

AGRISCIENCE CLARIFICATION: Agriscience I and II were approved retroactively from 1999 for the TOPS Tech award, and will be approved beginning in 2008 for the Opportunity, Performance and Honors (OPH) award.

ACT: This year, ACT is offering a new version of the college entrance exam – the ACT Assessment plus Writing. It will be offered on selected ACT national test dates. According to the ACT registration booklet, the Writing Test will neither affect subject area scores nor the composite score.

TRAILBLAZER CAMPS: Trailblazer Camps are slated for summer 2004 at Northwestern State University (NSU), July 10-12, and at Louisiana State University (LSU) in Baton Rouge, July 17-19.

KUDOS: At its September meeting, the National Association of State Student Grant and Aid Programs (NASSGAP) named LOSFA Assistant Executive Director and Chief Operating Officer **Melanie Amrhein** president-elect for 2004-05. She will become president in 2005-06.

NASSGAP is comprised of professionals who administer the state grant and scholarship programs in each of the 50 states, plus the U.S. Territories. The organization is responsible for compiling and publishing the annual NASSGAP Survey on State Sponsored Student Financial Aid, which is used by researchers nationwide. In addition, the organization has been instrumental in saving Leveraging Educational Assistance Partnership (LEAP) funding from Executive Branch budget cuts.

LOSFA HIRES: In August, **Richard Omdal** joined LOSFA's Research and Planning Section as a policy planner. His primary area of responsibility will be to focus on the rule promulgation process and the development and implementation of a centralized database to produce historical trend data on LOSFA's performance goals as outlined in agency operational and strategic plans.

Prior to joining LOSFA, Omdal served for almost seven years as a research analyst at the Public Affairs Research Council Of Louisiana (PAR), where he conducted research on Louisiana public policy issues, primarily in K-12 education. Omdal received a bachelor's of science degree in metallurgical engineering from the University of Washington in 1978 and a master's degree in public administration from LSU in Baton Rouge in 1996.

CONTACT LOSFA



Public Information
and Communications
(800) 259-5626, Ext. 1012
or (225) 922-1012



For more
info, links, etc:
www.osfa.state.la.us



For more info,
address changes, etc:
newsline@osfa.state.la.us



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

LOSFA's loan amnesty program nets \$200.5 K in delinquent loan payoffs

The Louisiana Office of Student Financial Assistance (LOSFA) loan amnesty program, put into effect from June through August 2004, spurred 123 borrowers to pay off their defaulted student loans. This resulted in a total recovery amount of \$247,251.29 and represented a waiver of \$46,977.75 in collection costs.

In addition, 150 borrowers with loans in default who were unable to provide the loan amnesty amount entered into traditional repayment arrangements as a result of their inquiries into the amnesty program.

LOSFA's first-time-ever loan amnesty program was designed to help borrowers settle their defaulted Federal Family Educational Loan Program (FFELP) accounts before the end of the summer.

The amnesty offer applied to all LOSFA collection fees, representing a savings of 19 percent of the total loan balance, as long as an amount sufficient to satisfy the loan principal and interest was received on or before Sept. 1, 2004.

By participating in the loan amnesty program, borrowers received the following additional benefits: LOSFA notified credit bu-

reaus and the National Student Loan Database System (NSLDS), stating that the loan was paid-in-full; borrowers are now eligible for additional student aid; and borrowers will no longer be subject to Administrative Wage Garnishment (AWG), seizure of federal or state income tax refunds or withholding of professional licenses.

LOSFA, the state guarantee agency for higher education loans, served as underwriter for more than 193,003 loans for Louisiana students from December 2003 - November 2004, representing more than \$521 million. The total number of loans in repayment equals \$1,112,661,101 as of Sept. 30, 2004. Of that amount, \$126,702,382 are in default.

After graduation, if a LOSFA-guaranteed borrower falls more than two months behind on repaying his or her student loan debt, the lender requests assistance from LOSFA's Default Prevention Section. Most defaults are averted at this point and, on average, less than 3 percent of the loans in repayment default each year.

The Default Recoveries Section works diligently with borrowers in default, offering them many repayment options, including loan consolidation and loan rehabilitation, prior to subjecting borrowers to wage garnishment and tax refund seizures.

LOSFA received more than 1,000 additional inquiries and provided quotes of the amount of principal and interest needed to settle the accounts of 288 borrowers during the period of the loan amnesty program.

LOSFA's annual default rate drops 0.10 %

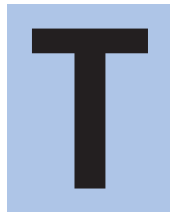
The Louisiana Office of Student Financial Assistance (LOSFA) annual default rate for Federal Fiscal Year (FFY) 2003-04 was 2.64 percent. The rate for FFY 2002-03 was 2.74 percent.

The rate is calculated by dividing the dollars paid by LOSFA to cover defaulted loans (\$26,420,416) by the cu-

mulative dollars of loans in repayment (\$1,001,283,447).

The current figures show that 97.36 percent of LOSFA borrowers are either paying back their loans or taking steps to prevent their accounts from defaulting. (See related story on cohort default rate on page 6.)

LOSFA installs new telecommunications system in PIC and Collections Section



Two telecommunications-intensive departments at the Louisiana Office of Student Financial Assistance (LOSFA)—the Public Information and Communications (PIC) Division and the Collections

Section—have recently updated their phone system with state-of-the-art Teloquent computerized software.

Unlike the previous Pinnacle system, which operated off an electronic/mechanical configuration, Teloquent is a computer-based phone system that runs off computer servers.

Teloquent transforms the operator's personal computer (PC) into a "soft phone," so that all incoming and outgoing phone processes, such as ringing, receiver pick up, caller hold, transfer of calls, sending text messages with transfer, voice mail, disconnect and logging of call subject matter are funneled through the PC dataport. However, a conventional phone line is still connected to the PC in order to transmit the operator's voice-over.

Phone processes can only be launched when the operator is logged into a PC and the mouse is used to click on the various options displayed across the top of the computer screen.

Local vendor BellSouth was awarded the contract to replace the existing statewide phone system by the state Office of Telecommunications Management (OTM). BellSouth then subcontracted the project out to Teloquent, a Massachusetts-based company recently purchased by Phoenix-based Syntellect.

"BellSouth already knew what capabilities were needed by the Collections Section and PIC's Automated Call Distribution (ACD) Unit in a soft phone system because we managed the old Pinnacle system for several years," BellSouth Project Manager Denise Allen said.

"The old ACD system had not changed since 1996 and could no longer be updated since the manufacturer had discontinued the product," BellSouth Service Consultant Linda Burchfield said. "We're excited to be able to provide LOSFA with a soft phone system that has all the latest bells and whistles."

Syntellect Customer Support Engineer Chad LeBlanc said the 40 soft phones also provide



OTM Information Technology Manager Debbie Sharbaugh, seated, trains PIC Supervisor Jerri Mack, standing, in the Teloquent operating system.

LOSFA operators with the ability to monitor the overall call activity in the center.

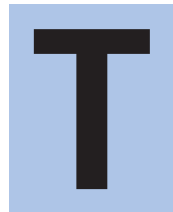
"The agent has a view of the call center as a whole—who is logged in, what type of call activity is in process—which allows for better customer service. For example, if few operators are in ready status, the operator can postpone breaks or non-priority work in order to field calls," LeBlanc said. "The soft phone also opens up desk space in the agent's work area, a plus in today's cubicle environment."

Collections Supervisor Byron Henderson praised the transition process between the

Continued on page 6

According to Craig Meeks of OTM, LOSFA is the fourth state agency to receive the new Teloquent system. "The installation team of OTM, BellSouth and Syntellect engineers expects to finish installing the system in a total of 13 state offices—11 in Baton Rouge and two in New Orleans—by Feb. 5, 2005," Meeks said.

Dawkins retires as head of Loan Administration; Williams steps up



he top slot in the Louisiana Office of Student Financial Assistance (LOSFA) Loan Administration Section changed hands in August when Student Financial Aid Administrator Linda Dawkins retired af-

ter 34 years of state service and Linda Williams was named to fill the position.

Dawkins joined LOSFA in 1997 with 27 years of prior state service. In 1997-98, the agency's guaranteed student loan volume was \$235,864,000. By 2003-04, the loan volume had increased to an all-time high of \$441,778, 000.

In addition to increased loan volume, Dawkins said she is most proud of the section's improved customer service, successful federal audits and Eagle II automation for use with loan servicers, lenders and schools.

"Our staff is extremely organized and streamlined in their work flow," Dawkins said. "We run a very tight ship."

Williams joined LOSFA's Loan Administration Section as an account specialist in charge of lender billing and cancellations in October 1994. She transferred to the Collections Section in January 1998, where, for six months, she served as an account specialist in charge of posting fees for outside contractors.

Promoted to Collector in July 1998, Williams served until August 2001, at which time she was promoted into the position of supervisor in Wage Garnishment. In February 2003, Williams was promoted to Student Financial Assistant Aid Administrator, overseeing a staff of 33.

Williams said her transition into the top slot in Loan Administration has been smooth. "I have served in both the front and back end of

our agency's loan operations departments for many years, so I've gained an overview of the entire guarantee process," she said. "I'm very pleased with this opportunity to utilize my broad-based knowledge and experience in



the Loan Administration Section. It's a homecoming for me."

Lynda Downing, Division Director of Loan Operations, said Williams' past experience in loan operations will come in handy during March 2005, when LOSFA will reinstitute the student loan guarantee fee.

"Several years ago our agency, in keeping with a trend among the 36 nationwide vendors, discontinued charging the federally allowable guarantee fee of up to 1 percent of the loan principal," Downing said. "However, recent market pressures have caused most guarantee agencies to reinstitute their fee. In the spring of 2005, LOSFA will follow suit, but will limit the guarantee fee to 0.5 (one-half) percent."

Downing said Williams brings expertise in this area to her new position in Loan Administration, which will make the transition easier for clients and the agency.

Linda Dawkins (above left), outgoing head of LOSFA's Loan Administration Section, meets with Linda Williams (above right), who has been named to fill the slot.

Most Louisiana students remain diligent in paying federal student loans

Fed figures place LOSFA cohort default rate at 6.7 percent



Recently released figures from the U.S. Department of Education (ED) regarding the guaranteed student loan cohort default rate in Federal Fiscal Year (FY) 2002

place the Louisiana Office of Student Financial Assistance (LOSFA) default rate at 6.7 percent.

Trendline data over the past three years shows LOSFA has consistently maintained its default rate in the upper 6 percent range. The state guarantee agency's rate dropped in FY 2001 to 6.6 percent, from a rate of 6.8 percent in FY 2000.

The new list indicates LOSFA's 6.7 percent rate is better than nine of the nation's 36

guarantee agencies participating in the Federal Family Education Loan Program (FFELP). The national average is 5.2 percent. Georgia has the highest rate at 9.5 percent, while the lowest rate comes from Vermont, at 1 percent.

Each year, the ED calculates the cohort default rates on loans made to students under the FFELP. The federal agency then publishes a list of the cohort default rates of lenders, loan holders and guarantee agencies participating in the program.

Cohort default rates are based on the percentage of students who enter repayment and subsequently default on their loans within the first 24 months. The most recent rates include students who began repayment on or after Oct. 1, 2000 and defaulted before Sept. 30, 2002.

December STS Workshops draw many

In early December, the Louisiana Office of Student Financial Assistance (LOSFA) held a series of training workshops for non-public high school personnel regarding the Student Transcript System (STS).

STS is the system created a few years ago to receive and process high school transcripts, which are electronically transmit-

ted to the Louisiana Department of Education (DOE) as part of the TOPS initial eligibility process.

The six STS training sites were situated at easy access locations for participants from across the state: The Archdiocese of New Orleans, Baton Rouge, Lafayette, Monroe, New Orleans and Shreveport.

Teloquent

from page 4

two systems as being "a bit bumpy, but smoother than we had hoped for."

PIC Director Gus Wales noted that the new system is now operating at full capacity, and the initial operating bugs that occurred

during the changeover in systems are being ironed out.

"We want to equip our representatives with the most advanced telecommunications technology possible, so they may continue to provide our clients with excellent customer service," Wales said.

How To Pay For College Seminars

from page 1

The popular START mascot, Earl E. START, will be present at many of the sites, helping LOSFA's public information and communications representatives distribute publications on student financial aid to participants.

Changes to scheduled seminar dates and locations will be posted on LOSFA's Web site at www.osfa.state.la.us. Please check the site frequently. The tentative schedule follows:

Jan. 29 — Monroe

University of Louisiana - Monroe
Library

9-10:30 a.m. TOPS
11 a.m.-noon START

Jan. 30 — Shreveport

Louisiana State University
Union Theater

2-3:30 p.m. TOPS
4-5 p.m. START

Feb 12 — Lake Charles

McNeese State University
Parra Ballroom

9-10:30 a.m. TOPS
11 a.m.-noon START

Feb. 12 — Natchitoches

Northwestern State University
President's Room

9-10:30 a.m. TOPS
11 a.m.-noon START

Feb. 12 — Alexandria

Louisiana State University
Barbara Caffey Annex

2:30-4 p.m. TOPS
4:30-5:30 p.m. START

Feb. 19 — New Orleans

Dillard University
Chapel

2-3 p.m. START
3:30-5 p.m. TOPS

Feb. 19 — New Orleans

Southern University
Clark Building, Room 109

2-3:30 p.m. TOPS
4-5 p.m. START

Feb. 19 — Harvey

Jefferson Parish Library
West Bank Regional Branch

9:30-10:30 a.m. START
11 a.m.-12:30 p.m. TOPS

Feb. 19 — Metairie

Jefferson Parish Library
East Bank Regional Branch

9-10:30 a.m. TOPS
11 a.m.-noon START

Feb. 19 — Mandeville

St. Tammany Parish School Board
Resource Center

9-10:30 a.m. TOPS
11 a.m.-noon START

Feb. 19 — Slidell

St. Tammany Parish Library
Slidell Branch

1:30-3 p.m. TOPS
3:30-4:30 p.m. START

Feb. 19 — Thibodaux

LaFourche Parish Public Library
Main Branch

9-10:30 a.m. TOPS
11 a.m. - noon START

Feb. 26 — Baton Rouge

Louisiana State University
Pleasant Hall

9-10:30 a.m. TOPS
11 a.m.-noon START

Feb. 26 — Baton Rouge

Southern University
School Of Nursing Auditorium

2-3 p.m. START
3:30-5 p.m. TOPS

Feb 26 — Lafayette

Chenier Auditorium

9-10:30 a.m. TOPS
11 a.m.-noon START



Participants at one of LOSFA's public presentations learn more about financial aid opportunities for higher education.

NEWSLINE

Louisiana Student Financial Assistance Commission
Office of Student Financial Assistance

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

PRSRT STD AUTO
U.S. POSTAGE
PAID
BATON ROUGE, LA
PERMIT NO 2061

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.



Additions to the distribution list and articles for publication should be submitted to:
Newsline Editor, P.O. Box 91202,
Baton Rouge, La. 70821-9202.

EXECUTIVE STAFF

Executive Director
Jack L. Guinn
Assistant Executive Director
Melanie Amrhein
Research and Planning
Sujuan Boutte
General Counsel
George Eldredge
Public Information & Communications
Gus Wales
Support Services
Connie Almond
START Saving Program
Carol Fulco
Scholarship and Grant
Juanita Rougeau
Loan Operations
Lynda Downing
Information Systems
Terry Tuminello
Human Resources
Agnes Bickham
Audit
Susan Michelli

ADVISORY COMMITTEE

Camelot College
Connie Williams
Louisiana College
Shelly Jinks
Louisiana State University-Alexandria
Kenn Posey (Chair)
LSU Health Science Center-New Orleans
Patrick Gorman
Louisiana Health Science Center-Shreveport
Sherry Gladney (Ex Officio)
Nelnet/Intuition
Lisa Simms-Thomas
Northwestern State University
Misti Adams
Office of Student Financial Assistance
Jack L. Guinn (Ex Officio)
South Louisiana Community College
Shonda Rosinski
Southern University-New Orleans
Kathy Woods

NEWSLINE STAFF

Editor-in-Chief
Dawn Love
Copy/Layout Editor
Janice Lovett

CONTRIBUTORS

Claims
Gwen Johnson
Default Prevention
Robert Pollage
Default Recoveries
Byron Henderson
Executive Staff
Melanie Amrhein
Loan Administration
Lynda Downing
Linda Williams
Public Information and Communications (PIC)
Michelle Darling
Research and Planning
Richard Omdahl

This public document was published at a total cost of \$3,557.50. One thousand, eight hundred copies of this public document were published in this first printing at a cost of \$2,478.50. The total cost of all printing of this document including reprints is \$3,557.50. This document was published by the Louisiana Student Financial Assistance Commission, P.O. Box 91202, Baton Rouge, La. 70821-9202 and printed by LSU Graphic Services, 3555 River Road, Baton Rouge, La. 70803-8201 to provide additional training and information to schools, lenders and students in order to use and administer student financial aid programs more effectively, under special exemption by the Division of Administration. This material was printed in accordance with the standards for printing by state agencies established pursuant to R.S.43:31.