Dear Valued Student of OLOLC:

I am happy to announce that processing for 2009-10 is underway. Continue to monitor your email as we will be sending notifications regarding the processing of your file. As always, it’s very important that you read the email in its entirety. There will be a few changes to the financial aid process this year. To reduce processing time, you will be utilizing Web Services to view, accept and/or decline awards. If you have questions, please don’t hesitate to contact our office via phone, email, or Ask-A-Financial Counselor located on the Financial Aid webpage.

Reports continue to indicate that our economy will experience more challenges this calendar year and for this reason, now more than ever, you should seek scholarships (free money). This office sends email notifications providing scholarship announcements as they are received and we update our compiled Outside Scholarship listing on a monthly basis. I encourage you to take advantage of these opportunities.

I hope that you will join us in our charge from our state association to “Pay It Forward” on April 30. Do a good deed for someone without asking for anything in return. Simply instruct the recipient of your deed to “Pay It Forward” and watch how the ripple effect begins.

In closing, I would like to congratulate the spring 2009 graduates! Remember that your future depends on many things, but mostly on you. I wish you much success in your future endeavors.

Sincerely,

[Signature]

Director of Financial Aid

Great Websites!!!!

- www.finaid.org
- www.collegeboard.org
- www.fastweb.com
- www.studentaid.ed.gov

In this Issue:
- Federal Updates
- Program Update
- FICO score
- Repayment Strategy
- Crash Course on economics

The Office of Financial Aid awards Foundation-funded scholarships to continuing students. Beginning with the 2009-2010 academic year, students will be automatically considered. A paper application is no longer required. Recipients will be selected and mailed award letters over the summer. If a scholarship has consideration criteria that requires an application to be submitted, students meeting the minimum criteria will be notified of the application process by College email.
On May 1, 2009, we will send notifications to selected 2009-2010 FAFSA filers who indicated, or whose parent(s) indicated, that they completed the FAFSA using estimated income information. We will ask applicants and their parents to compare their Student Aid Report (SAR) with information from their recently completed 2008 Federal tax returns, and to make corrections as necessary. We will also instruct applicants and their parents to update FAFSA questions #33 and #82, which are the tax filing status questions, from "I will file, but I have not yet completed my return" to "I have already completed my return," even if all other income information on the FAFSA is correct.

Selection Criteria
Notifications will be sent to all 2009-2010 FAFSA filers whose highest Central Processing System (CPS) transaction indicates that the student applicant's or parent's income data is based upon estimated income and who meet all of the following:

- The student's transaction has not been selected for verification;
- The student's EFC is 6000 or less;
- The student is not a graduate student; and
- A school did not apply a professional judgment (PJ) on the last transaction.

For dependent students and their parent(s), notifications will be sent to both the student and the parent if either one indicated they completed the FAFSA using estimated income information. A small sample of applicants who meet these conditions will not receive notifications. This will allow us to study the variances in correction activity between those applicants who receive notifications and those who do not.

In addition, we will send an applicable version of the notification to a small sample of applicants who indicated, and whose parent(s) indicated, that they completed the FAFSA using a completed tax return. We will use this second sample to see if there are any variances in correction activity between those who used estimated income information and those who stated that they used completed returns to fill out their FAFSA.
**Maximum ACG and National SMART Grant Awards for the 2009-10 Award Year**

Posted Date: April 09, 2009

The maximum Scheduled Award for a full-time student and the annual award amounts for part-time students for the 2009-2010 Award Year as shown on the following table:

<table>
<thead>
<tr>
<th>PROGRAM/YEAR IN SCHOOL</th>
<th>FULL-TIME ENROLLMENT Scheduled Award</th>
<th>THREE-QUARTER TIME ENROLLMENT Annual Award</th>
<th>HALF-TIME ENROLLMENT Annual Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACG - FIRST YEAR</td>
<td>$750</td>
<td>$563</td>
<td>$375</td>
</tr>
<tr>
<td>ACG - SECOND YEAR</td>
<td>$1,300</td>
<td>$975</td>
<td>$650</td>
</tr>
<tr>
<td>NATIONAL SMART GRANT - THIRD YEAR</td>
<td>$4,000</td>
<td>$3,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>NATIONAL SMART GRANT – FOURTH YEAR</td>
<td>$4,000</td>
<td>$3,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>NATIONAL SMART GRANT – FIFTH YEAR</td>
<td>$4,000</td>
<td>$3,000</td>
<td>$2,000</td>
</tr>
</tbody>
</table>
2009-10 Lela Program Updates

Loan Originations: All Lela 2009-10 Stafford, GradPLUS and PLUS loans must:
- Be certified using the same lender code # 805140
- Reflect a first disbursement date on or after May 1, 2009, but no later than July 1, 2010
- Be certified for a loan period that includes, or begins after July 1, 2009
- Be fully disbursed by July 31, 2010

NEW Plus Originations: Lela did not pre-qualify to bid in the PLUS auction for the 2009-10 year. Therefore, Lela will NOT originate any PLUS loans for NEW borrowers after June 30, 2009.
Note: Lela will continue to originate PLUS loans for continuing borrowers and GradPLUS borrowers for the 2009-10 academic year.

Disbursement of Funds: Effective July 1, 2009, Lela will offer disbursing services only through Edfinancial Services. If your school is using other methods at this time, you will be contacted in the near future to discuss your disbursing options.

HELP Teachers and HELP Nurses: All Lela loans with a first disbursement date on or after 4-1-09 will NOT be eligible for the HELP Nurses and HELP Teachers interest waiver offers. These programs have been suspended until further notice. All borrowers with a HELP eligible Lela loan first disbursed prior to 4-1-09 may continue to apply for interest waivers.

Origination Fees: Lela will no longer pay origination fees on Stafford loans certified with a first disbursement date on or after 5/1/09.

Borrower Benefits:

<table>
<thead>
<tr>
<th>Program</th>
<th>Fees Waived</th>
<th>Interest Rate Reduction/Savings</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stafford (sub &amp; unsub)</td>
<td>NO Default Fee* with a NO FEE Guarantor</td>
<td>0.25% interest rate reduction when borrower signs up for auto debit service</td>
<td>For new loans disbursed on or after 5/1/09</td>
</tr>
<tr>
<td>Grad PLUS</td>
<td>NO Default Fee* with a NO FEE Guarantor</td>
<td>0.25% interest rate reduction when borrower signs up for auto debit service</td>
<td>For new loans disbursed on or after 5/1/09</td>
</tr>
<tr>
<td>Parent PLUS (continuing borrowers only)</td>
<td>NO Default Fee* with a NO FEE Guarantor</td>
<td>0.25% interest rate reduction when borrower signs up for auto debit service</td>
<td>For new loans disbursed on or after 5/1/09</td>
</tr>
</tbody>
</table>

For more information and specific details, please contact your Lela representative or the Lela office at 1-800-226-4755.

- 0.00% Federal Default Fee for loans guaranteed through the Louisiana Office of Student Financial Assistance (LOSFA) or Texas Guaranteed Student Loan Corporation (TG)
- NOTE: These offers are valid through 6/30/10. Funds are limited. Lela reserves the right to modify, enhance, reduce or discontinue these discounts at any time without notice.
In credit score calculations, applying for new credit makes up 10 percent of your FICO score. Anytime a creditor or lender pulls your FICO score to determine creditworthiness and interest your FICO score is reduced due to the inquiry. According to myfico.com, “looking for new credit can equate to higher risk.” Ten percent doesn’t seem like much and for the consumer with an average credit score one inquiry will lower their FICO score five points. However, it is the consumers with little credit history or a lower FICO score that experience a greater impact.

If a consumer wants to shop around for the best loan, why should he be penalized for looking for the best deal? Myfico agrees and states when shopping for mortgages, car loans, and student loans that require a credit check—such as a Grad Plus and private/alternative loan—will be ignored if the inquiries were made in the 30 days prior to scoring. If you find a loan within the 30 days, the inquiries won’t impact your credit score while you’re rate shopping. According to Jill Richardson, Scoring Project Manager for FICO, consumers should not be worried that inquiries from private or alternative student loans will reduce FICO scores if the inquiries are made within the 30 day time period.

Remember, it’s important to review your credit report from all three credit report agencies. This can be done at annualcreditreport.com.
Recently, I spoke with a student who told me she had accumulated a significant amount of credit card debt. She was concerned about how the amount of debt might impact her ability to secure the necessary student loans so she could complete her education.

I reminded her that there was another concern. Based on the level of balances to credit limits, there was a strong possibility that she would see an increase in interest rates on her accounts. Within weeks of the conversation, the student contacted me again. She had received correspondence from each creditor, stating that the interest rates would increase significantly by the next billing cycle. Clearly the increase in interest would make it extremely difficult for her to meet the minimum payments on the accounts and develop a debt elimination or reduction strategy.

I do not tell students seeking financial advice what to do. They must decide what is best for them. However, here are suggestions I gave the student that might help you:

- Contact the credit card company and ask them to hold the interest rate where you were prior to receiving notice of increase. Ideally, you want a zero interest rate for a period of time, but a low interest rate is better than 21 percent or higher. If the customer service representative says no, be prepared to fight your way up the food chain. Ask to speak to a “decision maker,” not a supervisor.

- Look at [www.bankrate.com](http://www.bankrate.com) and the credit card calculator. This calculator demonstrates how to pay down credit card debt.

- Number your debt with the lowest balance as number one and work your way to the debt with the highest balance. Some call this strategy, a “debt snowball”. Make the minimum payment against each account and send extra money toward the account with the lowest balance. Once the credit card with the lowest balance has been repaid in full, add the money that had been applied to that credit card to the credit card with the next lowest balance. Continue this strategy until all money is applied to the debt with the highest balance.

Many people would argue that the "debt snowball strategy will cost them money in interest. This is correct. Nevertheless, this kind of strategy works. The person repaying the debt is more likely to stick with it because when they pay off one debt the positive psychological effect will help them to continue until all their debt is paid.

*ATTENTION: FUTURE NURSES!!!!!!*

Nurses who earn a master's or doctorate degree and then teach full-time at an accredited nursing school would have their student loans paid off under a new bill in the U.S. House. Nurses would be repaid up to $40,000 for a master's degree and up to $80,000 for a doctorate under H.R. 1460.

The measure, which would create a federal student loan repayment program, was introduced late last week by Reps. Tammy Baldwin (D-WI) and Tom Latham (R-IA). Grant recipients would have to teach for four years to qualify for the loan repayment.

The proposal is in response to what some call a deepening nurse shortage in long-term care, and healthcare overall. The most recent study from the American Association of Colleges of Nursing showed that nursing schools turned away almost 50,000 qualified nursing school applicants. The top reason cited (62.5%) was a shortage of nursing school faculty.
Struggling college students are having an even more difficult time because of the financial downturn. Some opt to wait in food-pantry lines. Others have stopped drinking soda, using their cars or eating out. "I have noticed all around that prices have gone up. Rent, food and basic utilities ... it is a lot harder to survive," says Natalie Romero, 24, a student at Metropolitan State College in Denver, which opened a food bank on campus in September. "We have been seeing in the past year that many of our students are in need of the basic necessities," says Johanna Maes, assistant dean of student life.

The Community College of Denver has offered a food bank to students for more than 10 years, but in the past year there been a significant increase in its use, says Jerry Mason, director of student life: "We are actually having trouble keeping up." The student government has doubled its annual funding from $3,000 to $6,000 to help with the increased demand, he says.

Federal financial aid applications filed nationwide for this fiscal year increased by 9% compared with last year, a projected 1.2 million more applicants, according to Department of Education data. "Any time there is a recession, financial need increases," says Mark Kantrowitz of FinAid.org, an online resource for students. And schools that rely on state support are likely to see costs rise even more. "I'm already hearing from colleges that are discussing 10%, 13% increases" in tuition, he says.

Financial strategist Paul Rivers says parents losing their jobs has played a key role in more students seeking aid; 30% of his clients were declared eligible for more aid from their college because of an "unusual circumstance" last year.

"In the middle of the year, a parent may lose a job and fall down to a lower income bracket," says Rivers, head of Sourcesforstudents.com, a New York-based financial aid consulting company He says the number of students who qualify for "unusual circumstances" has increased steadily for five years. "The cost of education continues to increase despite what is going on with the economy." For Matt Long, 28, of Berkeley City College in Oakland, cutting back on expenses last semester meant walking 45 minutes to campus because he couldn't afford the $3 bus fare. He also cut back on meals. "I usually drank coffee, and that got me through the first half of the day," Long says. "My friends kept saying, 'You look skinny.' I have gotten sick as a result of my diet." He says his finances have stabilized since he received his financial aid check. Zack Hall, 21, a senior at the University of Texas, says that with $30,000 in debt, he must be frugal. "I don't use the dishwasher. We don't use paper towels because it is a waste of money. We grab stacks of napkins from restaurants or Starbucks to use at home. ... We eat so much tuna, it's not even funny." His Facebook group, "I'm Broke & Sick of Ramen," has nearly 1,000 members. "I lead a comfortable life, but economic turmoil changes the way you live."

Schools such as Merrimack College in North Andover, Mass., and Benedictine University in Lisle, Ill., have announced tuition freezes; others are responding with programs designed to keep students from dropping out. The University of Arizona will implement a policy this month that allows students to remain enrolled even if they have unpaid tuition at the beginning of the semester by enrolling them in a deferred payment plan, which costs $75. Before, students who had not paid were given 24 hours to pay or their classes were dropped, says Beth Acree, interim registrar. "It could positively impact students who are caught up in financial struggles and are caught off-guard. Maybe students will have a change in circumstances."

The University of South Florida created the "Don't Stop, Don't Drop" program. "We had one young lady living in a car. She needed some more financial aid and a place to stay," says student ombudsman Les Miller. "I referred her to financial aid and housing. She was able to get some additional loan money. She qualified also to get money for the cost of living."

The office has provided services for 129 students since September. "We tried to come up with any means necessary to make sure they would not drop out," Miller says.

When USF senior Stephanie Pafahl, 38, was between jobs and was denied a student loan, she went to the office in desperation, seeking assistance. After being directed to the right resources, she eventually was approved for the student loan she needed to stay in school. "If it wasn't for this, I would have had to quit right now and work full time," Pafahl says.