



2008 IHEP Symposium for Minority Servicing Institutions

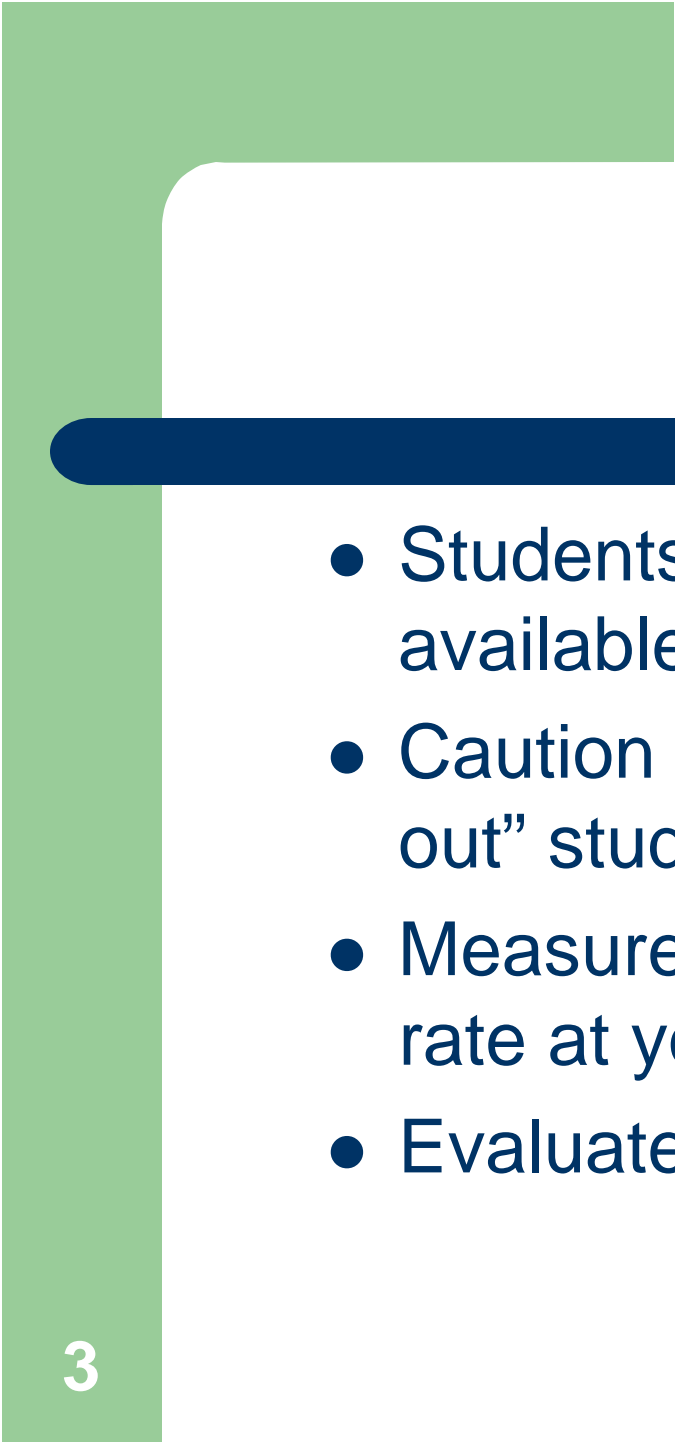

San Diego, California
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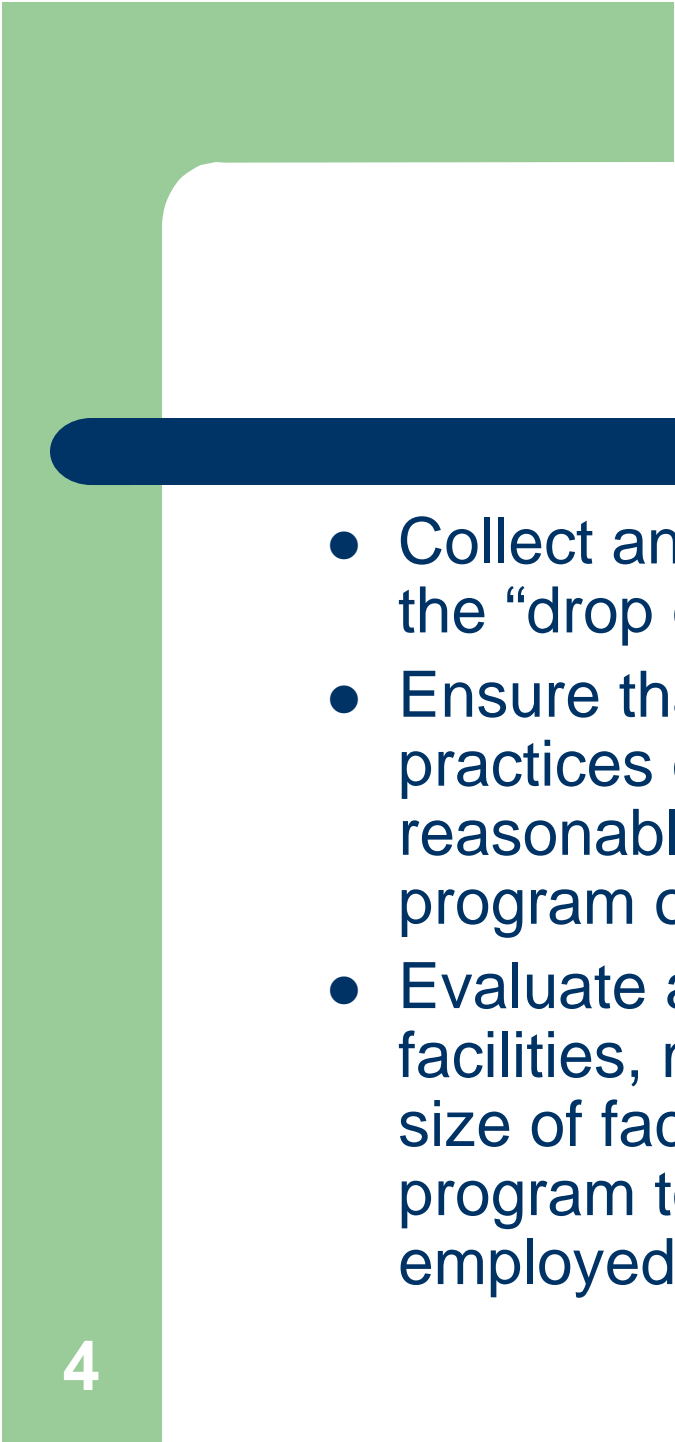

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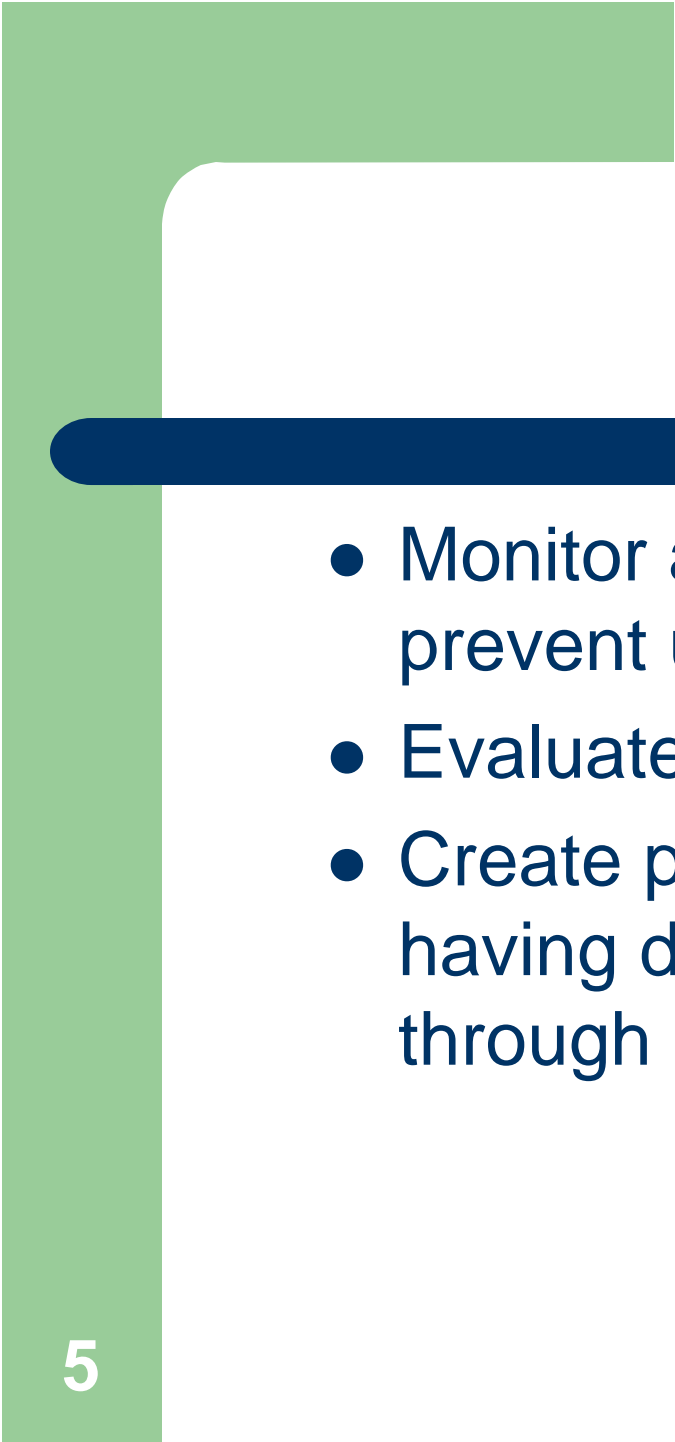



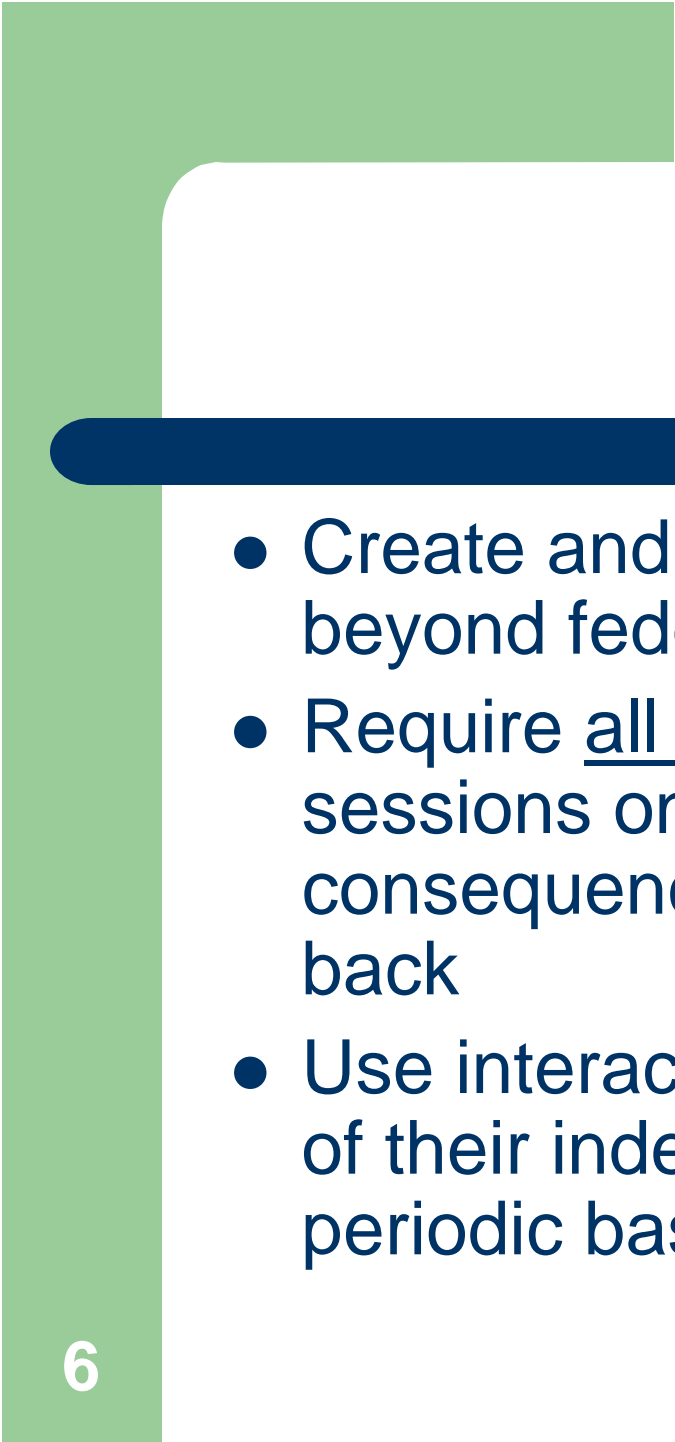

INTRODUCTION

- ASSESS
- EDUCATE
- CREATE
- IMPLEMENT

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- Students informed about financial aid available – most likely will stay in school
 - Caution students about the pitfalls of a “drop out” student
 - Measures to be taken to assure the retention rate at your institution will be low
 - Evaluate where your school is at this point

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- Collect and analyze data to identify characteristics of the “drop out” student
 - Ensure that admission policies and screening practices only admit students who have a reasonable expectation of succeeding in their program of study
 - Evaluate and improve if necessary curricula, facilities, materials, equipment, qualifications and size of faculty, and other aspects of its educational program to ensure students remain in school and/or employed

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- Monitor attendance and counsel students to prevent unofficial withdrawals
 - Evaluate and track transfer students
 - Create programs to assist students who are having difficulty in finding employment through career counseling and job placement

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- Create and implement alternative financial aid beyond federal and state aid level
 - Require all students to attend counseling sessions on the effects of borrowing and the consequences of loans if they are not paid back
 - Use interactive technology that inform students of their indebtedness to the university on a periodic basis – not only at exit counseling

Debt Management Tips

- To effectively manage your debt, you must:
 - Understand the difference types of financial aid.
 - Understand how credit works and analyze your credit report.
 - Create a budget.
 - Reduce expenses
 - Stay organized.

Types of Financial Aid

- Student Loans: Must be repaid after graduation. Most are interest accruing while in school.
- Federal Work Study: Part time employment. Does not have to be repaid. Student receives a biweekly paycheck for hours worked.
- Scholarships: Free money based on donor's requirements. Does not have to be repaid.
- Grants: Free money based on financial need. Does not have to be repaid. Only available to undergraduate students for the first bachelor's degree.

Which Loan is the best to borrow?

- Always maximize on your Federal Stafford loan and campus based loans(Perkins, HPL, Nursing, PCL, LDS) first.
- Once you have maximized on these, students may explore the Federal Grad Plus loan as a secondary option.
- Students should consider private alternative loans only after all other options have been exhausted.
- **IN ALL CASES, BORROW ONLY WHAT YOU NEED!**

Understanding your credit report and credit scoring

- Students should review their credit report annually to ensure that there are no errors or discrepancies.
 - Review all 3 credit bureaus
 - Transunion
 - Experian
 - Equifax
- You can request a 3 in 1 report at:
annualcreditreport.com

Your credit report and student loans

- Graduate Plus and Private Student Loans are credit based.
- Having a negative credit rating can affect your ability to borrow when and if you need funds.

How to keep a good credit rating

- Maintain good records.
- Pay your bills on time.
- If you are unable to make your payments on time, seek help immediately. Creditors are willing to work with you early on.
- Remember that student loans are reported to the credit bureaus monthly!
- Research what resources are available to refinance debt payments from the highest debt to the lowest debt.
- Reduce credit card spending.

Creating a budget

- Obtain a copy of your program's annual budget. Become familiar of the expenses that financial aid can cover.
- Remember financial aid can only cover the student's expenses such as tuition, books, room and board. It cannot cover consumer debts such as car payments or credit card payments.

Creating a budget

- List all sources to come up with your total income.
 - List all sources of financial aid.
 - List all savings.
 - List all assets.
 - List all wages.
- List all expenses.
 - List your entire fixed expenses.
 - List your variable or flexible expenses.

Creating a budget

- Discretionary income is the difference between your total expenses and your total income.
- If you have discretionary income, consider using this to place in savings (for emergencies) or to reduce your student loan debt.

Personal Budget sheet

Expenses	Resources/Incomes
Tuition	Grants
Room/Board	Loans
Food	Scholarship
Transportation	Employment
Personal/Misc	Non taxable income
Child Care	Other income/resources
Health	Family Contribution
Entertainment	Gifts
Total Expenses	Total Income

Reducing expenses: Staying out of a budget deficit!

- Utilize family resources.
- Look at part time employment.
- Reduce fixed expenses:
 - Decrease transportation costs by considering CARTA.
 - Decrease housing costs by considering getting a roommate.
 - Decrease food costs by brown-bagging or cooking more.
 - Control your personal expenses by evaluating your lifestyle choices.

Staying Organized!

- Prepay monthly expenses for the semester.
- Avoid late fees. Pay bills online through automatic bank draft.
- Get your refund check on time. Apply for financial aid early.
- Keep a folder of all important financial aid and other loan, credit card payments etc.
- Review your tuition bill and indebtedness report on your web advisor.

Help! I'm out of school and can't keep up with my payments!

- Each graduating student goes through a student loan exit interview. It explains your loans and repayment. Also, you are given a list of your lenders, their phone numbers and addresses. Keep this info for future reference.
- If you move, remember to contact your lenders and give them your new address and telephone number.

CONCLUSION

If the following steps in the intro of this presentation is adhered to perhaps it would be a basis to alleviate high retention rates.

Each school/university varied methods may be necessary to be used in as much as the schools differ.