



Upcoming Events

- ❖ The **FAME Board of Directors** will meet on **July 16, 2009**.
- ❖ The **Grant and Scholarship Advisory Committee** will meet on **July 22, 2009** at the FAME Office.
- ❖ The **Educators for Maine Advisory Committee** will meet on **July 27, 2009** at the FAME Office.

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FAME News

The Financial Aid Tool Kit is being reviewed for the fall 2009 printing. If you have suggestions or comments for the publication, please contact [Angela Dostie](#) by Friday, July 17, 2009.

Ask FAME

Q: How do you calculate satisfactory academic progress for students who previously attended college over twenty years ago, especially if it is difficult for the financial aid office to determine if the student received federal student aid during that time frame?

A: All previous periods of enrollment, even if the student did not receive federal student aid (FSA) funds, must be counted as part of the satisfactory academic progress (SAP) calculation. The 2009-2010 Federal Student Aid Handbook, Volume 2, Chapter 10, page 125 states:

Generally the quantitative and qualitative standards used to judge academic progress include all periods of the student's enrollment. Even periods in which the student did not receive FSA funds must be counted.

However, a school may have a policy (specified in writing in its policies and procedures manual) that for a student who changes majors, the school will not include in the student's SAP calculation the credits attempted and grades earned that do not count toward the student's new major.

State Education Programs

On-line Education Database for Academic Year 2008-2009

Access to the On-line Education Database for the 2008-2009 academic year will no longer be available after **July 15, 2009**. Institutions will not have the ability to certify students and/or request payments for any Education Programs for the 2008-2009 academic year.

Federal Loan Programs

2009-2010 Processing Reminders

Please assist us in ensuring that your FAME guaranteed loans process as timely as possible. The most common causes for non-guarantee are the following:

- **New Address Requirements** - a recent review of the Patriot Act revealed that a borrower must provide a physical address if his/her mailing address is a **Post Office Box**. If your students only provide a P.O. Box for an address, their loans will suspend for guarantee until they call 1-888-272-5543 to provide their permanent street address as well. **(This requirement also applies to repeat borrowers.)**

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- **Lender Deactivation** - please be sure not to transmit loans for a lender that has suspended lending in the FFELP program and/or at your institution. Also, be sure to verify that you're processing a valid lender code for a FAME guarantee. Many lenders will have a unique lender code depending on the guarantor being used. If a loan suspends for guarantee due to an inactive lender, FAME staff can contact your students to request a new Master Promissory Note. If you would prefer to contact these students yourself, please contact Jennifer Lanphear at extension 3548 or send her an e-mail at janphear@famemaine.com

State Legislative Update

The First Regular Session of the 124th Maine Legislature adjourned Saturday, June 13, 2009. The Second Regular Session, largely limited to emergency legislation, will convene Wednesday, January 6, 2010. A special legislative session in the summer or fall is possible, however, to address highway or general budget funding issues.

The overall tone of the session was bipartisan, with much energy focused on state finances. Members agreed by a two-thirds vote to enact a biennial budget that included significant cuts to higher education and FAME's student financial aid programs. A tax reform bill was enacted and approved by the Governor in the final hours of the session. Other significant accomplishments included passage by two-thirds majorities of economic development, transportation, and environmental bond questions totaling \$150 million, as well as enactment of stimulus-related legislation; a civil marriage law (now subject to a "People's Veto" drive); two supplemental budgets; a transportation budget; and sweeping energy legislation.

Eighty-eight bills were carried over to the Second Session. A few of these bills concern higher education, including L.D. 352, President Mitchell's bill to encourage veterinary practice in Maine; and L.D. 1296, a bill to amend the Job Creation Through Educational Opportunity Program (Opportunity Maine). The Governor's plan to establish medical scholarships for Maine students won funding in the biennial budget and statutory approval in Sen. Marrache's enabling legislation, L.D. 853. Rep. Casavant's L.D. 711, *An Act to Authorize the Social Work Education Loan Repayment Program*, was enacted but not funded.

Although in doubt for some time, legislators eventually approved a \$150 million bond package, L.D. 913, which, if ratified by voters in June 2010, will provide funds for infrastructure and energy efficiency upgrades at campuses of the University of Maine System, the Maine Community College System and Maine Maritime Academy.

Committee on Health and Human Services with suggested plans to obtain federal funding. Also requires the departments to report to the Joint Standing Committee on Education and Cultural Affairs and the Joint Standing Committee on Labor, as well as the Joint Standing Committee on Health and Human Services.

Washington, D.C. Update

Technical Corrections Bill Passed by Congress

On June 23, 2009, the U.S. Congress passed the Higher Education Opportunity Act (HEOA) Technical Corrections Bill (H.R. 1777). The President signed the bill into law on July 1, 2009. Some of the bill's Title IV provisions are as follows:

- Excludes Expected Family Contribution (EFC) from information that must be given to students for the self-certification form to be filed with lenders by students applying for private education loans;
- The list of programs included in the definition of VA education benefits is updated, and the exclusion of all of those VA education benefits from estimated financial assistance is moved up to July 1, 2009;
- Clarifies that lenders and guaranty agencies may provide entrance counseling (on the same basis as previously allowed with exit counseling);
- Expands the Department's temporary authority to purchase loans to include rehabilitated loans and requires lenders to use proceeds of such sales to ensure continued participation in the FFEL Program;
- Clarifies that EZ FAFSA and simplified FAFSA on the web need not be implemented until 2010-11; and
- Effective 7/1/09, the EFC for all Title IV aid is set to zero for children of soldiers killed in Iraq or Afghanistan after 9/11/01, if the student was under 24 years old at the time or enrolled in an institution of higher education at the time, and is Pell-eligible.

The complete text of H.R. 1777 is available at:

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1777enr.txt.pdf

Department of Education Web site Updated

On July 1, 2009 the U.S. Department of Education expanded its Student Aid on the Web site to include information concerning major changes to the student loan interest rates and repayment terms. The following items are now included on the Web site:

A chart of Federal Family Education Loans and Direct Loans Interest Rates:

http://studentaid.ed.gov/PORTALSWebApp/students/english/FFEL_DL_InterestRates.jsp

An Income Based Repayment (IBR) page that includes the IBR eligibility requirements, the benefits of IBR, an IBR payment calculator, and some examples of how a borrower's monthly student loan payment amount can be reduced under IBR:

<http://studentaid.ed.gov/PORTALSWebApp/students/english/IBRPlan.jsp>

Simplified FAFSA Announced

On June 24, 2009 the U.S. Department of Education announced that they would be simplifying the 2010-2011 Free Application for Federal Student Aid (FAFSA). Changes to the FAFSA feature:

- A shorter and simpler online application that skips unnecessary questions;
- Pending legislation to remove more than half of the financial questions; and
- A Web application that will let some families easily answer the remaining financial questions with data from the Internal Revenue Service.

Higher Education Opportunity Act (HEOA) Provisions

Did you know...?

HEOA's provisions prohibit the formation of a Federal database of student information.

Prohibited specifically is:

The development, implementation or maintenance of a Federal database of personally identifiable information on students, including a student unit record system, an education bar code system, or any other system that tracks individual students over time;

The prohibition, however, does not apply to a system, or successor system that is necessary for the operation of programs authorized by Title II, IV, or VII of the Higher Education Act and was in use prior to August 14, 2008. Examples include:

- The Integrated Postsecondary Education Data System; and
- The Common Origination and Disbursement System.

In addition, the provision does not prohibit a state or a consortium of states from developing, implementing or maintaining state-developed databases that track individuals over time using a student unit record system containing information related to:

- Enrollment and attendance;
- Graduation and retention rates;
- Student financial assistance; and
- Graduation employment outcomes.

A full summary of the HEOA provisions are available on IFAP at:

<http://ifap.ed.gov/dpccletters/GEN0812FP0810.html>

GOALS

Outreach Update

Mary Dyer attended the Maine Partners for Financial Literacy Kick-off Meeting at the Office of Securities on June 15. At this meeting, leading advocates for financial literacy in Maine government were invited to begin the planning process for a day-long financial literacy summit aimed at Maine educators and school administrators. The summit is intended to provide educators with a series of best practices and programs for teaching financial literacy to K-12 students. Mary will serve on the planning committee, as well as the working group charged with selecting speakers and program content. For more information, please contact [Mary Dyer](#).

Mila Tappan attended the 19th Annual Teen Conference for Youth in Foster Care held at the University of Maine on June 25. The conference provided both motivational presentations and practical information to students and those who care for them. Mila and Kathy Ingraham (Assistant Director of Financial Aid at University of Maine) jointly presented a session entitled, "Paying for College", which focused on financial aid, the tuition waiver program and other related topics.

Mila conducted a presentation at the Maine Adult Education Conference on June 24 at Colby College. The topic of the presentation was "Preparing Financially to Attend College" and focused on what students can do to get their budgets in order and maximize a variety of resources to help make the financial transition to college easier.

Mila also participated in the EASFAA Retreat that was held from June 28-30 in Annapolis, MD. The purpose of the annual retreat is for the EASFAA Executive Council, Committee Chairs and State Representatives to discuss goals, plans and challenges and prepare for the upcoming year. Mila, as the EASFAA Leadership Chair, is excited to report that all thirteen attendees of last February's Leadership Symposium will be serving on various EASFAA Committees during the upcoming year.

Default Prevention Update

Reminder – Income Based Repayment & Public Loan Forgiveness

Effective July 1, 2009, student loan borrowers may now be eligible for a new loan repayment program that provides borrowers with two options which should prove to be very beneficial in reducing student loan repayment difficulties. Income Based Repayment is available to borrowers in both the Federal Family Education Loan and the Direct Loan Programs. The following summary was created to provide you with information regarding both options, as well as additional resources.

Income Based Repayment (Available for both FFEL and Direct Loans)

- IBR caps borrowers' monthly loan payments to 15 percent of their discretionary income;
- After 25 years of participation in IBR, a borrower's remaining Federal student loan debt will be completely forgiven;
- The beginning date for the purposes of counting the 25-year time frame begins no earlier than July 1, 2009; and
- The earliest that any loan could qualify for forgiveness is July 1, 2034.

Mapping Your Future Introduces New Income-Based Repayment Calculator

Students and their families, as well as financial aid professionals, will benefit from a new Income-Based Repayment (IBR) calculator implemented by Mapping Your Future on June 12. The calculator is online at mappingyourfuture.org/paying/ibr/calculator.cfm.

Additional IBR Resources

- FinAid.org page about IBR
- [2009 HHS Poverty Guidelines](http://2009.HHS.gov)
- IBRinfo.org (from the Project on Student Debt)
- [FAME Wednesday Webinar Entrance Counseling & IBR Presentation](#)

In addition to IBR, borrowers in the Direct Loan program may also be eligible for Public Service Loan Forgiveness. Details of the program include:

- Effective for qualifying monthly Direct Loan payments made on or after October 1, 2007;
- Borrower has been employed full-time for a total of 120 months in a qualifying public service position on or after October 1, 2007;
- Borrower has made 120 qualifying loan payments on Federal Direct Loans during period of qualifying public service employment;
- Any amount cancelled in this program will NOT be taxable in the calendar year it is cancelled; and
- To qualify, the borrower cannot be in default.

If you have any questions, please contact [Rita Fournier](#), [Jennifer Lanphear](#) or [Michael Roy](#).