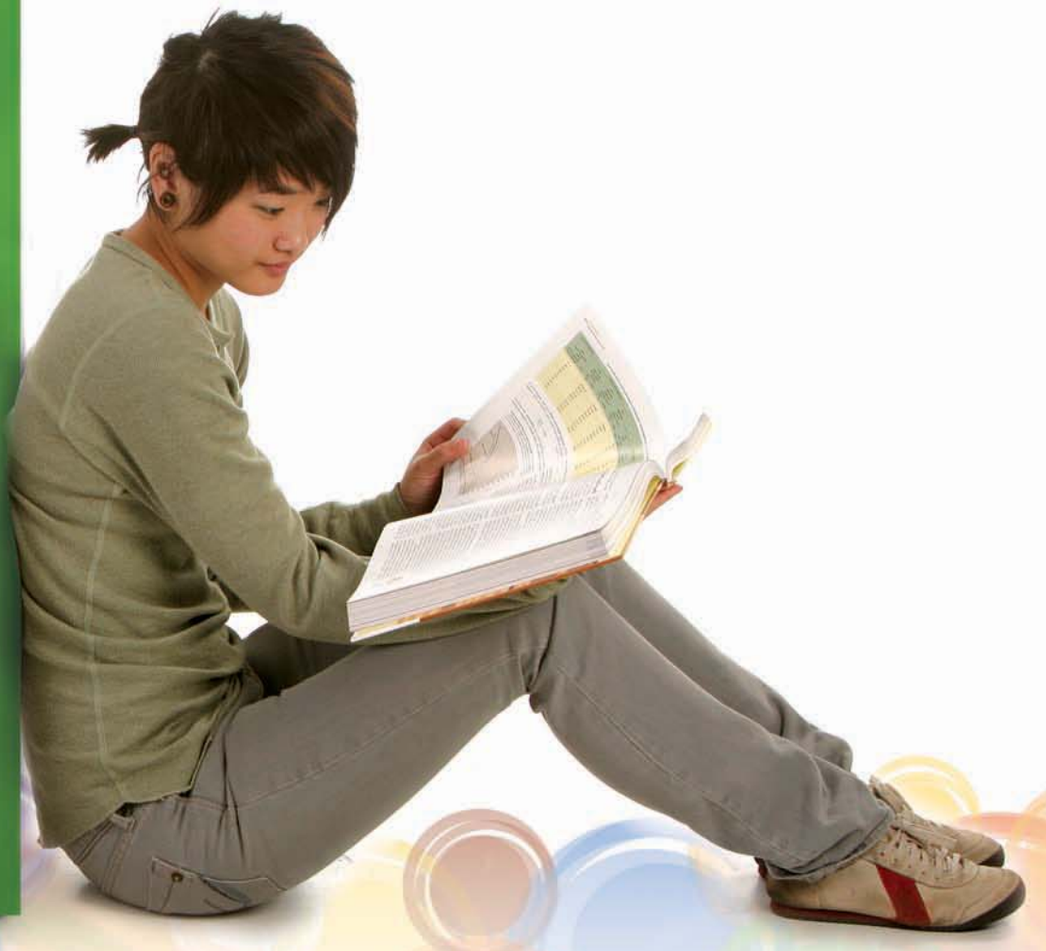
MAKING HIGHER EDUCATION POSSIBLE

One Student at a Time

ANNUAL REPORT 2007-2008



IOWA COLLEGE STUDENT AID COMMISSION

IowaCollegeAid.gov
Your Financial Aid Connection

Message from the Executive Director

Surviving the Storms of 2008

Iowa College Aid is entrusted by the State of Iowa to connect students and families to the resources needed to make higher education possible. As stewards of the state, we are fiscally responsible for the state-appropriated student financial aid programs, as well as ensuring access to the Federal Family Education Loan Program (FFELP).

In FY 2008, we remained steadfast in our commitment to helping Iowa families plan, prepare and pay for college, despite a year of unprecedented challenges. The College Cost Reduction and Access Act, enacted by Congress in September 2007, included revenue cuts that not only challenged Iowa College Aid, but the entire student financial aid industry. In addition, Iowans felt the impact from the credit crisis of 2008 that started in the subprime mortgage market and rippled through the financial markets causing some lending institutions to suspend making federal student loans and other lenders to exit the federal student loan program altogether. While the financial crisis stretched the commitments of many Iowa and national lenders, thousands of Iowans were negatively impacted by the tornadoes and floods that swept through the state in 2008.

Despite these challenges, availability of support and resources for Iowa's students continued to make higher education possible. I am thankful for our lending partners who remained committed to the federal student loan program. I am pleased all Iowa students and colleges retained access to the FFELP student loans needed to pay college expenses in 2008. I am thankful for the State of Iowa's increased commitment of approximately $1.5 million to serve students most in need of assistance. The new All Iowa Opportunity Scholarship program reaches beyond economic and social barriers providing scholarships to Iowa students at risk of not pursuing postsecondary education. The scholarships through this program offer hope and prosperity to students with economic barriers that affect future college decisions. Finally, I am pleased funding for students negatively affected by the 2008 natural disasters was secured to ensure those aspiring to attend college in the fall of 2008 had the resources to do so.

In FY 2008, the State of Iowa's commitment to education enabled over 26,000 Iowa students to benefit from state-funded scholarships, grants, work-study or loan forgiveness opportunities to help defray college education costs. In addition, more than 77,000 Iowa students and parents benefited from an Iowa College Aid guaranteed federal student loan to help pay college expenses. We are pleased to share some of our FY 2008 accomplishments that helped to make these outcomes possible.

Accomplishments:

- We provided Iowa students with more than $64.5 million in Iowa General Fund appropriations, nearly an 8% increase from 2007, for need-based scholarships, grants, work-study and other related programs.
- We reduced the cost of borrowing for students and parents who needed federal student loans to help pay education expenses. Iowa College Aid saved families over $6 million during FY 2008 by paying the required federal default fee on Stafford and PLUS loans on behalf of borrowers.
- We partnered with the Iowa Department of Education and Iowa Student Loan Liquidity Corporation to provide Iowa Choices, a web-based career and decision-making system, free of charge to all Iowa middle schools, high schools, colleges and universities. The program helps Iowa students identify education and career goals and assists them in finding colleges and universities with programs that meet their needs.
- We increased awareness of financial aid, career planning, and financing options available to Iowa families as a result of a 25% increase in distribution of our free, neutral, and unbiased publications.
- We helped 1,317 student loan borrowers rehabilitate over $15.2 million in defaulted student loans.
- We saved taxpayer dollars by increasing rehabilitation loan sales by 40% and FFELP collections by 15% over the previous year.
- We developed default prevention strategies that could be customized by Iowa colleges.
- We conducted surveys and published findings on higher education, ethnic diversity and other special studies useful to state policy makers.

We could not have achieved these accomplishments in FY 2008 without our many partners who ardently support our mission to advocate for and provide a continuum of services to support Iowa students and families as they explore and finance educational opportunities beyond high school. We look forward to strengthening and growing these partnerships in FY 2009.

As we look forward to 2009, we recognize that academic preparation is critical to Iowa's future. Employment projections indicate that many of the highest employment growth opportunities in Iowa in the next few years will be in education, management, marketing, legal, social services, computer specialties and healthcare fields.[1,2] Given that these expected high growth fields require education beyond high school, it is imperative that Iowans continue to have access to quality, affordable postsecondary educational opportunities. We embrace the opportunities and challenges that await us and look forward to providing quality programs and services to Iowa students and families for many years to come.

Sincerely,

Karen Misjak

Karen Misjak
Executive Director

[1] Iowa Workforce Development Statewide projections 2006-2016

[2] ACT, The Future Workforce of Iowa, 2008.

All for One…

Iowa College Aid partners with the Iowa General Assembly, colleges and universities, middle and high schools, lenders, parents, students, borrowers and many other agencies and organizations that share our vision to provide educational opportunities for all Iowans.

Commissioners

A board of Commissioners governs the operation of Iowa College Aid. Commissioners are appointed by the Governor to serve four-year terms. As specified by Iowa statute, they are selected to represent each sector of Iowa higher education, as well as lenders, postsecondary students and the general public. Our FY 2008 Commissioners are listed below.

MS. JANET ADAMS[1], Chair
Represents the General Public
Appt. 6/01/04 – Term expires 6/30/10

MR. PHILLIP HALL[1], Vice Chair
Represents the General Public
Senior Vice President, Human Resources/Risk Management
Wells Fargo
Appt. 8/15/05 – Term expires 6/30/09

MR. TIMOTHY COLE[1]
Represents the General Public
President and Chief Operating Officer, Concorde Career Colleges, Inc.
Appt. 7/01/06 – Term expires 6/30/11

MR. BOB DONLEY[2]
Represents the State Board of Regents
Executive Director, Board of Regents, State of Iowa
Appt. 8/07/08 – Term expires 8/07/12

MR. ROBERT DENSON[1]
Represents Iowa Community Colleges
President, Des Moines Area Community College
Appt. 10/23/06 – Term expires 6/30/09

MS. MICHELLE DURAND-ADAMS[1]
Represents Iowa Lending Institutions
President, e-Market Solutions, LLC
Appt. 7/01/94 – Term expires 6/30/10

REPRESENTATIVE GREG FORRISTALL[6]
Represents the Iowa House of Representatives
Appt. 1/17/08 – Term expires 1/12/09

SENATOR DAVID JOHNSON[5]
Represents Iowa Senate
Appt. 9/19/07 – Term expires 1/12/09

MR. FREDERICK MOORE[1]
Represents Iowa Independent Colleges and Universities
President, Buena Vista University
Appt. 7/1/07 – Term expires 6/30/11

SENATOR HERMAN C. QUIRMBACH[3]
Represents Iowa Senate
Associate Professor, Economics, Iowa State University
Appt. 3/04/03 – Term expires 1/12/09

DR. ROGER UTMAN
Represents Judy Jeffrey, Director of the Iowa Department of Education
Administrator, Division of Community Colleges and Workforce Preparation, Iowa Department of Education
Appt. 9/30/08 – Serves as the designee of the Director Department of Education

REPRESENTATIVE CINDY WINCKLER
Represents the Iowa House of Representatives
Appt. 8/01/07 – Term expires 1/12/09

MS. LORRICE SAILOR[1]
Represents Iowa Postsecondary Students
Student, Grand View University
Appt. 10/5/05 – Term expires 6/30/10

1 Appointed by the Governor
2 Appointed by the Board of Regents
3 Appointed by the President of the Senate
4 Appointed by the Speaker of the House
5 Appointed by the Senate Minority Leader
6 Appointed by the House Minority Leader

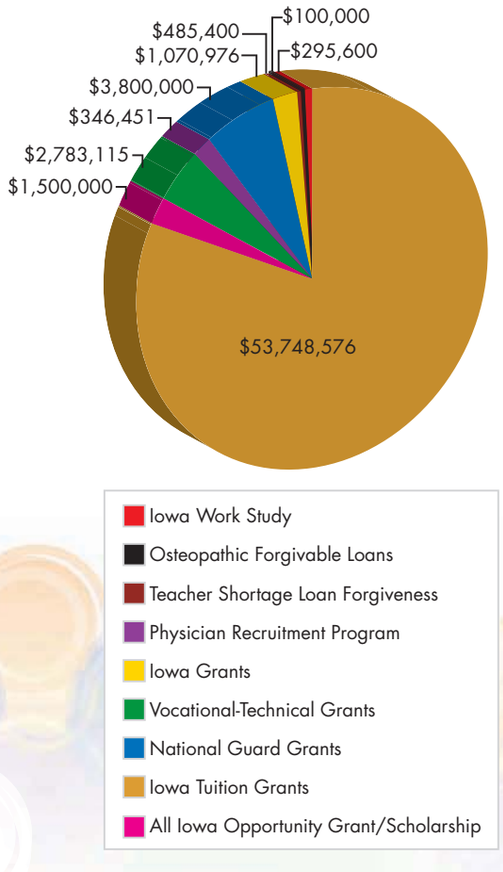
Financial Aid for Students

Iowa College Aid connects students and families to the essential resources and services needed to go to college. We are available every step of the way to help students plan, prepare, and pay for college. On behalf of the State of Iowa and the General Assembly, we support students and families with scholarships, grants, loan forgiveness, work-study opportunities, student loan guarantees, informational resources and a range of services that assist student loan borrowers through the repayment process.

State-Funded Programs

An investment of nearly $64.5 million made it possible for 26,409 awards in the form of a state-funded grant, loan forgiveness or work-study opportunity to be given to students to pursue degrees at Iowa's colleges and universities in FY 2008. Iowa-funded programs provide access and choice to students pursuing postsecondary education opportunities beyond high school.

FY 2008 State Appropriations



Scholarship and Grant Reserve Fund

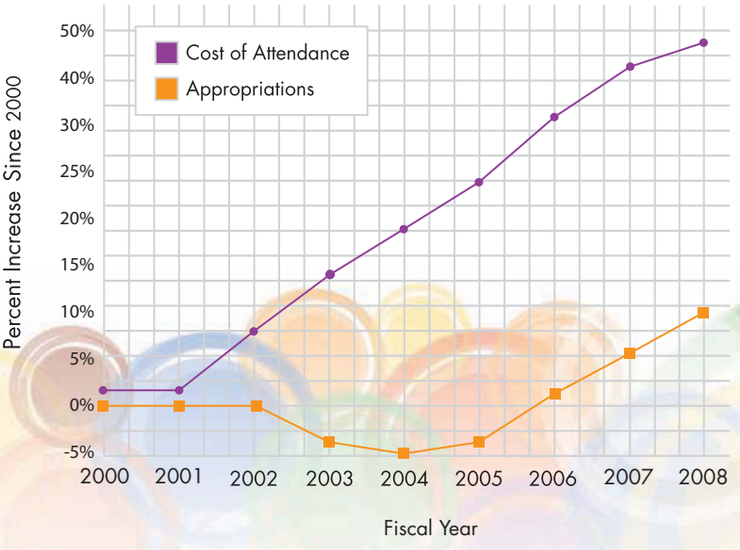
Iowa College Aid administers the Scholarship and Grant Reserve Fund authorized in Iowa Code Section 261.20. Iowa Code requires that the Reserve Fund be used "to alleviate a current fiscal year shortfall in appropriations for scholarship or tuition grant programs that have the same nature as the programs for which the monies were originally appropriated." Monies in this fund do not revert to the State unless the funds exceed the maximum allowed balance, 1 percent of the funds appropriated to the Iowa Tuition Grant and Iowa Vocational-Technical Tuition Grant Programs.

Reserve Fund Activity Details:	
Balance on July 1, 2007:	$564,317
Balance on June 30, 2008:	$555,264

Iowa Tuition Grants

The Iowa Tuition Grant Program provides grant assistance of up to $4,000 to eligible students attending Iowa's private colleges and universities. Iowa Tuition Grants were provided to 17,527 students in FY 2008. While this program has seen a 10 percent funding increase since 2001, the cost of attendance at Iowa's private colleges and universities increased 40[1] percent over the same period of time.

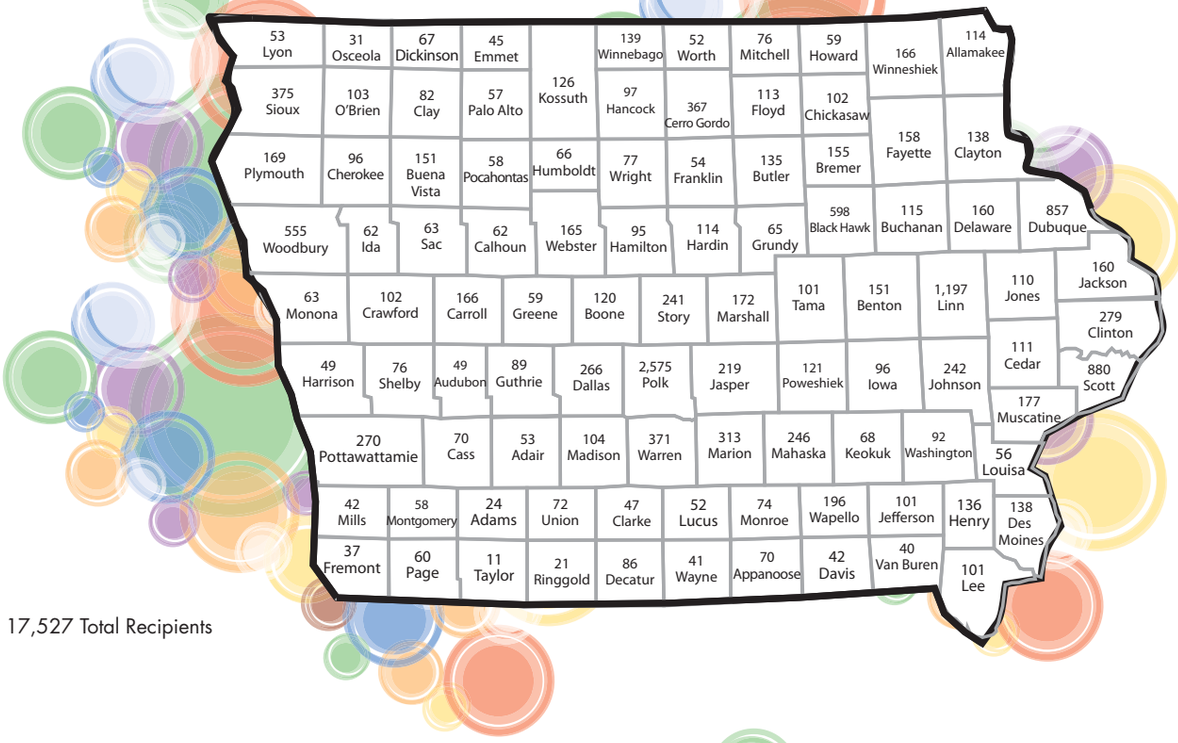
Iowa Tuition Grants



[1] Information Digest of Post Secondary Education in Iowa, 2001 - 2008

Grant Recipient Distribution

Iowa Tuition Grants 2007-2008 by County



17,527 Total Recipients

Voc-Tech Tuition Grants 2007-2008 by County

3,397 Total Recipients

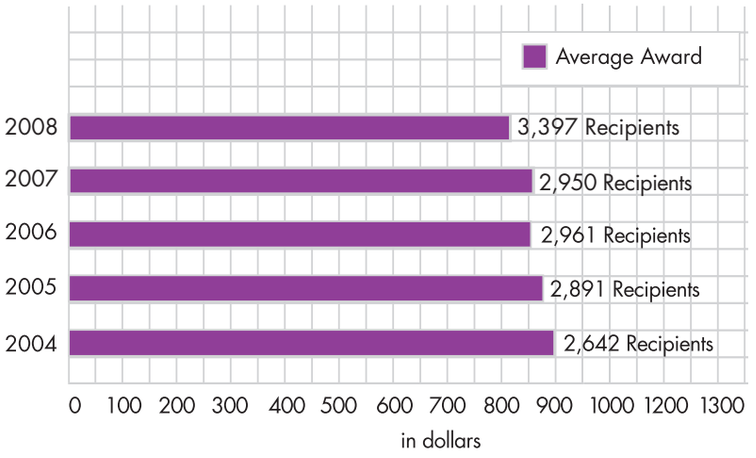
One Mission

Financial Aid for Students *Continued*

Iowa Vocational-Technical Tuition Grants

This program provides grant assistance of up to $1,200 to students attending an Iowa community college. The program encourages students to study in programs critical to economic growth in Iowa. The appropriation for this program has had very little increase in recent years despite the fact that enrollment at community colleges has increased over 27 percent[1] in the past seven years. In FY 2008, 3,397 students received Iowa Vocational-Technical Tuition Grants.

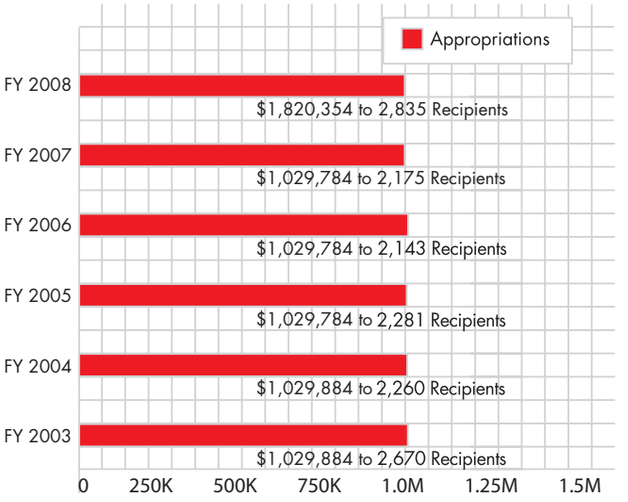
Iowa Vocational-Technical Tuition Grants



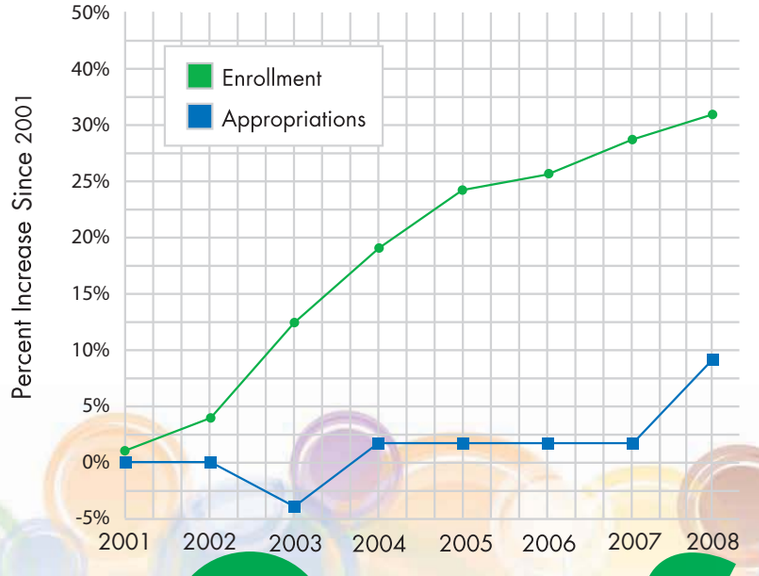
Iowa Grants

State legislators developed the Iowa Grant program in 1990. This program provides grant assistance of up to $1,000 to students with the greatest financial need who attend Iowa colleges and universities. This program provided 2,835 students with awards averaging $642 in FY 2008.

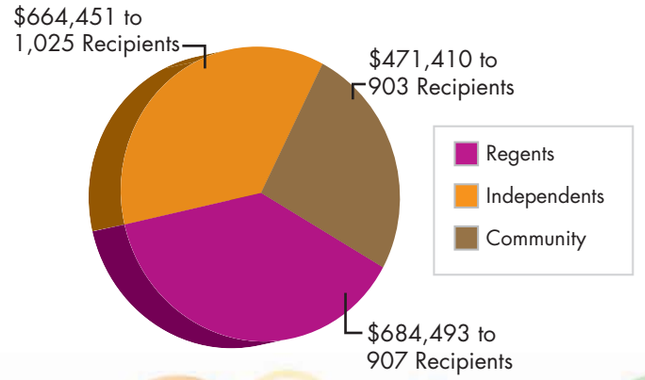
Iowa Grants



Iowa Vocational-Technical Tuition Grants



Iowa Grant Distribution for FY 2008



* The appropriation of $1,070,976 was supplemented with federal funds.

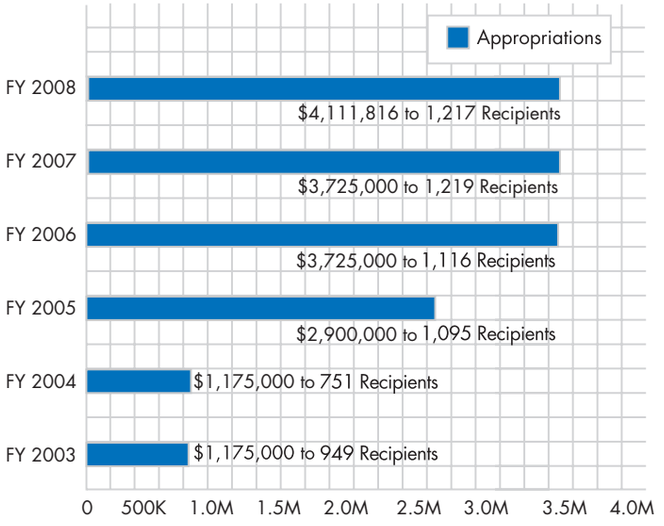
One Source

[1] Information Digest of Post Secondary Education in Iowa, 2001 - 2008

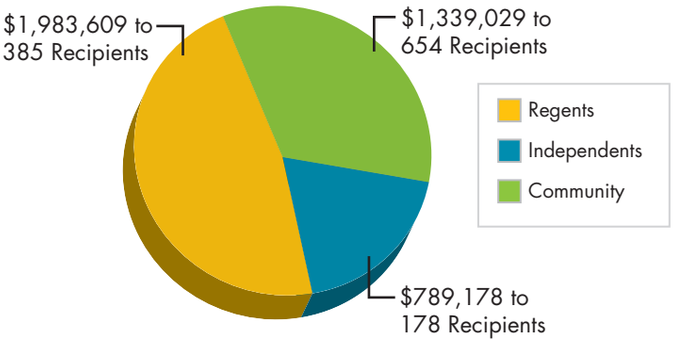
Iowa National Guard Educational Assistance Program

Funding for the Iowa National Guard Educational Assistance Program is one way the State of Iowa demonstrates its commitment to the men and women who serve national security positions at home and abroad. This program provided grant assistance averaging $3,379 to 1,217 students attending Iowa colleges and universities in FY 2008.

Iowa National Guard Educational Assistance Program



Iowa National Guard Distribution for FY 2008



* The FY 2008 expenditure includes funding that was carried over from previous years.

Work-Study

The Iowa Work-Study Program was designed to supplement the Federal Work-Study Program at Iowa colleges and universities. While state funding for the program was discontinued in FY 2002, the state renewed its interest in funding the Iowa Work-Study Program in FY 2006. The total number of Iowa Work-Study recipients dropped from 4,308 in FY 2001 to 182 students in FY 2007. However, the Iowa Work-Study Program figures increased over the past year. In FY 2008, an appropriation of $295,600 provided 294 students with awards averaging $894.

Financial Aid for Students *Continued*

Teacher Shortage Forgivable Loan Program

The Teacher Shortage Forgivable Loan Program was created in 1999 to provide an incentive for Iowans to become teachers in high-need positions in Iowa's elementary and secondary schools, and then to teach in areas of need for at least five years. Eligible Iowa residents attending Iowa colleges or universities can receive forgivable loans of up to $3,000 per academic year for up to a total of $9,000. Loans are provided to sophomore, junior, senior, and graduate level students. Recipients are required to be enrolled at least half time in accredited education programs leading to degrees and certification for teaching in designated shortage areas. Loans are forgiven at the rate of 20% per year for each of five years that the graduate teaches under a full-time contract in the chosen area of specialty in any Iowa K-12 school. If a recipient of the Teacher Shortage Forgivable Loan Program does not complete the requirements to have the loan forgiven, the recipient's loan will enter a 10 year repayment term.

Since 1999, 1,857 students have been awarded forgivable loans. This program enabled 595 teachers to serve 240 Iowa communities in designated teaching shortage areas in FY 2008.

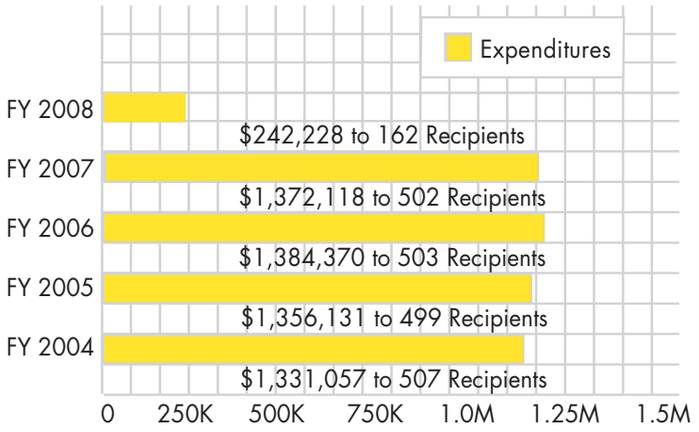
	Students In-School	Currently In Deferment	Fulfilled/Fulfilling Teaching Obligation	In Repayment/ Repaid
# Recipients	148	55	1,036	618
Dollar Amount	$635,159	$238,502	$3,960,509 (Amount Forgiven)	$555,278 (Amount Repaid)

Iowa Teacher Shortage Forgivable Loan Program by Institution

Regent Universities	**# of Awards**	**Total Awarded**
Iowa State University	17	$25,500
University of Iowa	6	$9,000
University of Northern Iowa	25	$36,728
Total	**48**	**$71,228**

Independent Colleges & Universities	**# of Awards**	**Total Awarded**
Buena Vista University	23	$34,500
Central College	6	$9,000
Coe College	3	$4,500
Dordt College	2	$3,000
Drake University	10	$15,000
Graceland College	3	$4,500
Grand View College	5	$7,500
Iowa Wesleyan College	3	$4,500
Loras College	2	$3,000
Luther College	5	$7,500
Morningside College	7	$10,500
Mount Mercy College	4	$6,000
Northwestern College	2	$3,000
Simpson College	26	$39,000
University of Dubuque	2	$3,000
Upper Iowa University	2	$3,000
Waldorf College	1	$1,500
Wartburg College	7	$10,500
William Penn College	1	$1,500
Total	**114**	**171,000**
Grand Total	**162**	**$242,228**

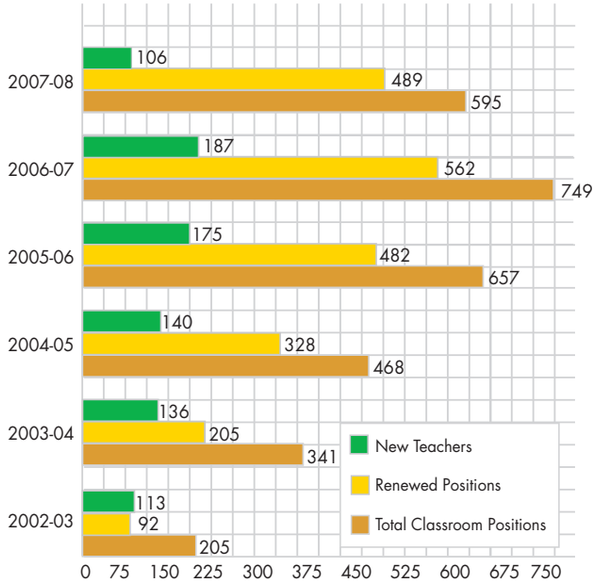
Teacher Shortage Forgivable Loans



*Expenditures represent a combination of funding from state and federal sources, as well as collections

Federal funds that supplemented state appropriations were depleted by the end of FY 2008. No new awards will be made in FY 2009 as the State of Iowa appropriated new funding for the Iowa Teacher Shortage Loan Forgiveness Program.

Teacher Placements



Shortage Areas Defined by the Iowa Department of Education

Special Education	General Education
K-6 & 7-12 Multi-categorical Resource (Instructional Strategist I)	7-12 Science (all)
K-6 & 7-12 Behavior Disorders (Instructional Strategist II LD-BD)	7-12 Mathematics
K-6 & 7-12 Multi-categorical Special Class with Integration (Instructional Strategist I)	K-12 English as a Second Language
Pk-K Early Childhood Special Education	7-12 Foreign Language
K-6 & 7-12 Mental Disabilities (Instructional Strategist II MD)	K-6 & 7-12 Music
K-12 Moderate/Severe/Profoundly Handicapped (Instructional Strategist II MD)	7-12 Industrial Technology
K-6 & 7-12 Learning Disabilities (Instructional Strategist II LD-BD)	7-12 Agriculture
K-6 Physically Handicapped	7-12 Family & Consumer Science
Birth to 21 Itinerant Hearing Impaired	K-6 & 7-12 School Media Specialist
Birth to 21 Itinerant Visually Impaired	K-12 Talented & Gifted
	K-6 & 7-12 Counselor
	PK-6 & 7-12 Principal

Teacher Shortage Loan Forgiveness Program

During FY 2008, the Teacher Shortage Forgivable Loan Program was phased out and converted to the Teacher Shortage Loan Forgiveness Program. This program provides Federal Stafford Loan repayment assistance to teachers serving in high-need positions in Iowa's elementary and secondary schools. Up to 20% of a borrower's total Federal Stafford Loan balance may be forgiven each year for up to five consecutive years. The maximum annual award amount may not exceed the average resident tuition rate established for students attending universities governed by the Iowa Board of Regents for the first year following the recipient's graduation. For 2008 graduates, the maximum award was $6,420.

To be eligible for the Teacher Shortage Loan Forgiveness Program, teachers must teach in an instructional position in one of the shortage areas defined by the Iowa Department of Education. Counselor and Principal positions are not eligible under this program.

A total of 167 applicants received loan forgiveness in FY 2008. The average loan forgiveness award totaled $4,039.

Financial Aid for Everyone *Continued*

Registered Nurse and Nurse Educator Loan Forgiveness Program

During the 2007 session of the Iowa General Assembly, the Nurse Forgivable Loan Program established under Chapter 261.23 was converted from a forgivable loan program to a loan forgiveness program. Under the previous program, loans were made to students enrolled in approved nursing and nurse educator programs and later forgiven if students met certain criteria after graduation.

In contrast, the new program provides Federal Stafford Loan repayment assistance to eligible registered nurses and nurse educators in Iowa. Up to 20% of a borrower's total Federal Stafford Loan balance may be forgiven each year for up to five consecutive years. The maximum annual award amount may not exceed the average resident tuition rate established for students attending universities governed by the Iowa Board of Regents for the first year following the recipient's graduation. For 2008 graduates, the maximum award was $6,420.

A total of 19 applicants received loan forgiveness in FY 2008, consisting of 4 nurse educators and 15 registered nurses. The average loan forgiveness award was $5,047. Mount Mercy College in Cedar Rapids and Northwestern College in Orange City each employed two recipients as nurse educators in FY 2008.

Fiscal Year 2008 recipients employed as registered nurses were employed by the following organizations:

- Boone County Hospital, Boone
- Covenant Medical Center, Waterloo
- Evangelical Free Church Home, Boone
- Genesis Medical Center, Davenport
- Good Samaritan Center, St. Ansgar
- Greene County Medical Center, Jefferson
- Marshalltown Medical Surgical Center, Marshalltown
- Mercy Medical Center, Cedar Rapids
- Mercy Medical Center, Des Moines
- Mercy Medical Center (3) Dubuque
- Pella Regional Health Care Center, Pella
- Postville Medical Clinic, Postville
- University of Iowa Hospitals and Clinics, Iowa City

Osteopathic Forgivable Loan Program

The Osteopathic Forgivable Loan Program allows Des Moines University medical students to receive loans that are forgiven if they agree to practice in Iowa for at least two years following graduation. Since the program began in 1994, forgivable loans have been awarded to 643 Des Moines University students. In FY 2008, state appropriations combined with a Des Moines University match, provided 88 students with average Osteopathic Forgivable Loan awards of $5,945. This program has enabled 52 Iowa counties to benefit from the services provided by 213 physicians.

Osteopathic Forgivable Loans

Awards	2007-08	2006-07	2005-06	2004-05	2003-04
Recipients	88	89	89	106	133
Average Award	$5,945	$4,100	$2,500	$2,500	$2,985
Total Expenditure	$523,160	$364,900	$222,500	$265,000	$242,000

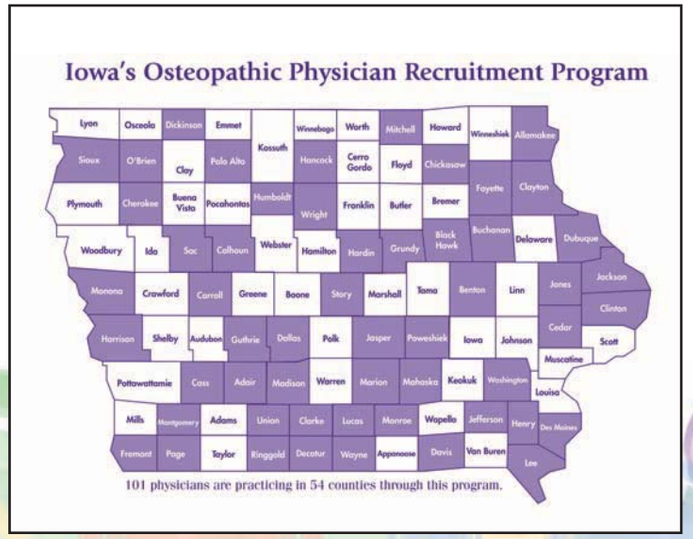
Physician Recruitment Program

The Physician Recruitment Program is a partnership between the State of Iowa and Des Moines University that provides incentives to students and physicians who agree to serve in communities where physician shortages are more acute. The program provides tuition scholarships to students who agree to practice for at least two years in an underserved Iowa community, or loan repayment benefits to practicing physicians who provide at least four years of service in an underserved Iowa community.

In FY 2008, the program provided an average award of $50,384. Since the program was established, 101 physicians have been placed in 54 Iowa counties and 66 Iowa communities.

Physician Recruitment Repayment Contracts

Loan Repayment	2007-08	2006-07	2005-06	2004-05	2003-04
Negotiated Contracts	7	6	5	5	6
Average Award	$50,384	$50,093	$35,278	$38,449	$30,148
Total Expenditure	$302,303	$300,558	$176,391	$192,247	$180,000



Scholarships

Robert C. Byrd Honors Scholarship

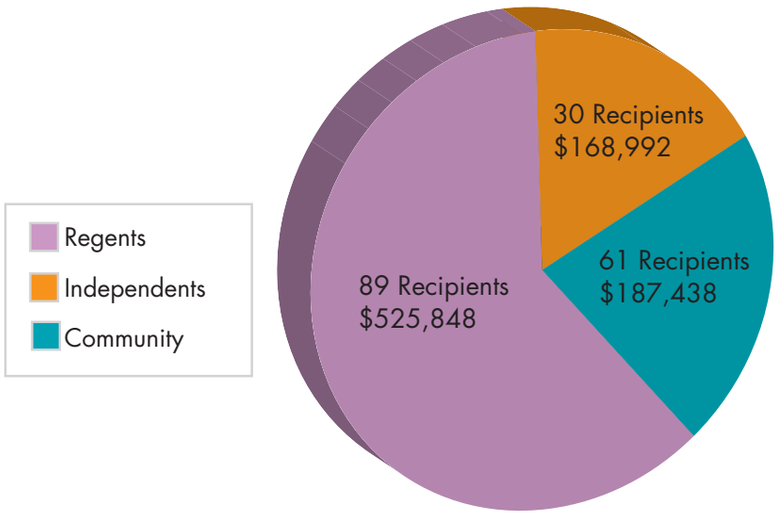
The Robert C. Byrd Honors Scholarship is a federally-funded program that follows a very competitive selection process to reward students who demonstrate the highest levels of academic achievement and leadership. In FY 2008, a total of 249 students received this prestigious award that provides a $1,500 academic scholarship, renewable for up to four years. The awards accompany students to any college or university in the country.

Governor Terry E. Branstad Iowa State Fair Scholarship

This scholarship, which honors Iowa's former governor Terry E. Branstad, recognizes young Iowans who have strong academic and leadership credentials and have made significant service contributions to the Iowa State Fair. The scholarship funds up to four awards ranging from $500 to $1,000 each year. If funding permits, an additional $2,000 scholarship is awarded to the Iowa State Fair Queen.

Financial Aid for Everyone *Continued*

All Iowa Opportunity Scholarship Distribution for FY 2008



180 students received awards averaging $4,902

All Iowa Opportunity Scholarship

The All Iowa Opportunity Scholarship, created by the 2007 Iowa General Assembly, was signed into law by Governor Culver on May 29, 2007 to provide scholarship assistance for students at risk of not pursuing postsecondary education because of social and financial barriers. This program helps cover tuition and fees, not to exceed the average resident tuition rate established for students attending universities governed by the Iowa Board of Regents for the award year. In FY 2008, the maximum annual award was $6,269.

To be eligible for the scholarship, a student must be an Iowa citizen, graduate from an Iowa high school with at least a 2.5 cumulative grade point average (GPA), and enroll in an Iowa college or university within two academic years of graduating from high school.

Iowa College Aid worked with educational outreach programs, such as TRiO, officials from alternative high schools, and the Department of Human Services to help identify first-generation students and those from disadvantaged programs who had the potential, but not the financial means to go to college. This program provided 180 students with awards averaging $4,902 in FY 2008.

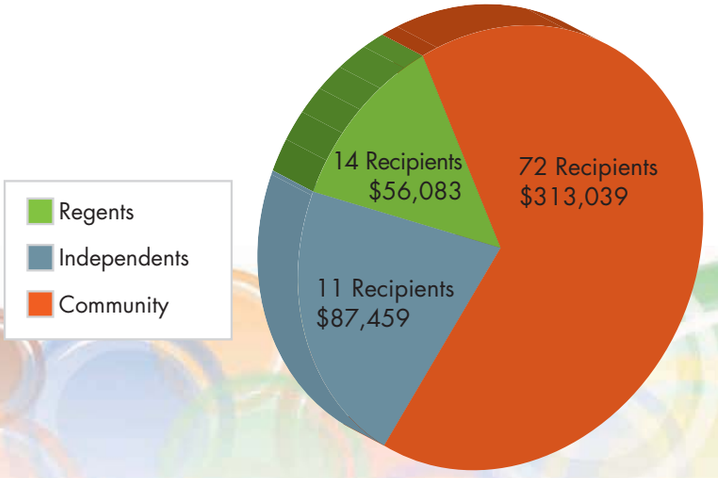
All Iowa Opportunity Foster Care Grant

The All Iowa Opportunity Foster Care Grant was created by the 2007 Iowa General Assembly and signed into law by Governor Culver to provide educational assistance to Iowa youth who were in foster care, or who were adopted from foster care after turning 16 years of age.

This program provides grants up to the full cost of attendance to eligible applicants. In addition to having been in foster care, or adopted from foster care after turning 16, applicants also must be between 18 and 23 years of age, have graduated from high school or attained a general equivalency diploma (GED), and be a resident of the state of Iowa.

The All Iowa Opportunity Foster Care Grant is a separate program from the All Iowa Opportunity Scholarship Program. While both programs are designed to support first-generation students and those from disadvantaged backgrounds, the All Iowa Opportunity Foster Care Grant was specifically created to provide educational funding to foster care youth who do not have family resources to assist them in continuing their educations. This program provided 97 students with awards averaging $4,707 in FY 2008.

All Iowa Opportunity Foster Care Grant Distribution for FY 2008



97 students received awards averaging $4,707

Iowa Foster Child Grants

Iowa College Aid partnered with the Iowa Department of Human Services (DHS) to administer two specific programs to support youth who have "aged out" of the foster care system and have no connection to family financial resources to help pay college expenses. The Iowa Foster Child Grant (IFCG) was a pilot program initiated by Iowa College Aid in FY 2000. New recipients were selected annually until the program's final year in FY 2005. Iowa College Aid and DHS jointly funded the IFCG program and monies have been set aside to ensure continuous support for the students who remain in the program.

The Education and Training Voucher (ETV) Program is funded by the Federal Department of Health and Human Services to assist former foster youth with expenses incurred for postsecondary education and job training. Each year Iowa is expected to receive approximately $400,000. In FY 2008, the program assisted 169 students with awards averaging $4,267.

Federal Family Education Loan Program

Loan guarantees provided by Iowa College Aid last year made it possible for Iowa students and their families to borrow over $696 million to invest in higher education. Since 1979, Iowa College Aid has insured approximately $5.9 billion in loan guarantees for students and parents.

In addition, Iowa College Aid has waived the one-percent guarantee fee charged to Federal Stafford and PLUS Loan borrowers. Since 1999, this has saved borrowers close to $26 million. In FY 2008, Iowa College Aid paid nearly $6.1 million in required federal default fees on behalf of Iowa students and parents.

Continuing Her Dreams

Randie Camp is a recipient of funding through both the All Iowa Opportunity Foster Care Grant and the Education and Training Voucher (ETV) program and was featured in the 2007 Iowa College Aid Annual Report. Randie overcame many obstacles before becoming an Elementary Education major at Iowa State University. She attributes part of her success to the support she received through the All Iowa Opportunity Foster Care Grant and ETV programs that allowed her to focus on her studies as she raises her young son, Noah.

A year closer to making her dream of having a college degree come true, Randie was accepted into the Teacher Education program last spring. She is currently in her first teaching methods practicum where she has experienced a real classroom and taught some lessons on her own. "I'm beginning to really feel and think like a teacher, it is very exciting. I still plan to graduate in May of 2010 and take graduate classes that summer for the Reading Endorsement," said Randie. She has expanded her career goal with plans to pursue a Master's Degree in School Psychology after teaching for a few years.

Randie is aware she is lucky not to carry a large debt load like so many of her peers. "I am very grateful that the ETV Grant and the All Iowa Opportunity Foster Care Grant programs have been so gracious to me this year and in the past, it is nice to go to school with very little loans," She said. "I know many students with massive loan debt already; I can't imagine having to pay all of that back on a teacher's salary." Not only does she feel fortunate to be able to pay her bills without the use of student loans, she realizes the benefits go beyond her financial well-being. "Both of these foster care grants have given me the opportunity to stop the cycles of abuse and poverty in my family, and to start a new cycle of love and education for my son."

Randie admits it is hard managing classes, working, and being a mom. She has included two-year-old Noah in her study time and she believes this has helped him develop a love for reading. "I tell Noah all the time, nothing can stop dreams," said Randie. "In my life I have faced many obstacles, some obstacles slow me down, but no obstacle is going to stop me and Noah has proven he is just as strong." Although it is hard, Randie is positive that she is doing what is best for Noah and graduating from college will help pave the road for Noah to do the same.

She hopes her success as a former foster child and single mom will encourage other foster children and single parents to attend college. "They need to know that they can be successful and that there are supports out there to help them through it."

Many Services, One Goal

Iowa College Aid is committed to meeting the needs of its school, college, university and lender partners. To support their needs and the students and families that they serve, Iowa College Aid:

- Provided Iowa middle and high schools with Iowa CHOICES®, a career information and decision-making system, free of charge through a partnership with the Iowa Department of Education and Iowa Student Loan Liquidity Corporation.

- Trained educators to use the Iowa Choices web-based career and education planning system to help students identify education and career goals.

- Provided the Commission Connection, a secure web-based system that allows the exchange of sensitive information between Iowa College Aid and our partners.

- Launched a newly redesigned website in August 2007. The new website offered an updated look and feel, a user-friendly layout as well as expanded information about planning, preparing and paying for college. From September 2007 to June 2008, the new website received over 109,000 visits.

- Continued to enhance the State Scholarship and Grant Payment System. This online service streamlines the reporting of state grant and scholarship information. The system makes the process more convenient for Iowa colleges and universities.

- Continued to enhance loan processing services. Iowa College Aid, through a partnership with Iowa Student Loan Liquidity Corporation, continues to provide exemplary loan processing customer service through the iLink Service Center. iLink provides colleges and universities with one destination for exchanging electronic data and one point of contact for questions on loan processing, regardless of lender.

- During FY 2008, the iLink Service Center fielded 38,593 incoming and outgoing phone calls. In addition, the following files were routed through iLink:
  App Send Files - **28,905**
  Disbursement Roster Files - **57,330**
  Change Send Files - **85,837**
  Response Files - **211,891**

iLink—Linking Advanced Technology with Personalized Service

The iLink Service Center was created in 2001 to streamline student loan processing for colleges and universities. iLink's strength lies in its combined advanced processing capabilities along with personalized customer service. On the technical side, iLink provides an open, lender-neutral system that serves as a single destination for sending and receiving electronic data. The iLink Service Center also serves as a single point of contact for colleges and universities that have questions regarding federal and private loan processing.

The staff at the iLink Service Center takes pride in providing colleges and universities with superior customer service, regardless of the loan holder. In return, college and university financial aid professionals appreciate the convenience of having one point of contact for all of their loan questions.

- Provided timely, accurate, and reliable answers and resources on student financial aid program regulations.

- Provided Student Assistant Grants to Iowa colleges and universities. Iowa College Aid's Student Assistant Grant provides each participating Iowa college or university with up to $3,000 to enhance financial literacy and default prevention efforts on campus by offering peer counseling to students. The student assistants connect with their peers by bringing a perspective and level of empathy that only fellow students can share. In addition, Iowa College Aid provided the student assistants with formal training and resources. In FY 2008, 25 eligible colleges and universities participated in the student assistant program.

- Hosted the second annual Iowa Higher Education Research Conference. Researchers met to discuss national and state student loan indebtedness trends.

- Partnered with Iowa college and university officials to collect, prepare, and present higher education data. College and university officials use the data in strategic planning, while state lawmakers and other policy makers use the data on a statewide level.

- Conducted research on a variety of higher education topics which include: student and faculty ethnic diversity, enrollment by status, migration of first-time, first-year students to Iowa and from Iowa, access and affordability, federal and state work-study summary and status, and the effects of student loan debt on the American dream.

Trainings and Webinars

Iowa College Aid staff provided group and individual training sessions for college, university, and lender representatives throughout FY 2008. Each training session provided insight on the financial aid process, covered products and services offered by Iowa College Aid and iLink, and reviewed current federal, state, and regulatory issues. The fall and spring Regional Trainings provided information to 158 attendees. Iowa College Aid provided over a dozen webinars to customers in FY 2008. More than 378 members of the financial aid community took advantage of the webinar sessions offered.

A few quotes from attendees:

"Thanks for talking in our language!"

"Carolyn's interpretation is always very valuable."

"Good succinct information - thanks for defining it further."

"Did great in trying to explain 'yuck stuff.'"

"Fun theme. Thanks for trying to make some dry information better."

Institutional Volume

Institution/Location	Volume*FY08	Institution/Location	Volume*FY08
American College of Hairstyling–Cedar Rapids	$ 107,131	Iowa Wesleyan College–Mount Pleasant	$ 3,658,111
American College of Hairstyling–Des Moines	$ 196,560	Iowa Western Community College–Council Bluffs	$ 12,310,239
AIB College of Business–Des Moines	$ 5,827,921	Kaplan University–Davenport	$ 3,015,075
Ashford University - Clinton	$ 201,818,609	La James College of Hairstyling–Mason City	$ 663,384
Briar Cliff University–Sioux City	$ 4,812,227	Loras College–Dubuque	$ 7,686,508
Buena Vista University–Storm Lake	$ 18,343,756	Maharishi University of Management–Fairfield	$ 1,504,037
Central College–Pella	$ 98,224	Marshalltown Community College–Marshalltown	$ 3,715,200
Clarke College–Dubuque	$ 7,201,583	Mercy College of Health Sciences–Des Moines	$ 4,673,526
College Of Hair Design, Inc.–Waterloo	$ 218,765	Morningside College–Sioux City	$ 6,800,182
Cornell College–Mount Vernon	$ 4,633,563	Northwest Iowa Community College–Sheldon	$ 1,704,905
Des Moines University–Des Moines	$ 57,773,652	Northwestern College–Orange City	$ 4,940,484
Divine Word College–Epworth	$ 41,406	Palmer College of Chiropractic–Davenport	$ 103,477,657
Dordt College–Sioux Center	$ 4,832,168	The Salon Professional Academy–Ames	$ 964,948
Drake University–Des Moines	$ 26,959,925	St. Ambrose University–Davenport	$ 21,567,219
Eastern Iowa Community College–District	$ 12,714,453	Simpson College–Indianola	$ 8,087,413
Ellsworth Community College–Iowa Falls	$ 2,650,695	Southeastern Community College–West Burlington	$ 5,787,643
Emmaus Bible College–Dubuque	$ 644,927	St. Luke's College–Sioux City	$ 1,059,970
Faith Baptist Bible College–Ankeny	$ 1,221,979	University of Dubuque–Dubuque	$ 8,644,914
Grand View University–Des Moines	$ 8,685,732	Upper Iowa University–Fayette	$ 33,881,220
Grinnell College–Grinnell	$ 3,370,292	Vennard College–University Park	$ 399,733
Hamilton College–All Campuses	$ 13,651,266	Wartburg College–Waverly	$ 5,132,702
Iowa Central Community College–Fort Dodge	$ 13,914,365	Wartburg Theological Seminary–Dubuque	$ 665,574
Iowa Lakes Community College–Estherville/Emmetsburg	$ 7,088,610	Western Iowa Tech Community College–Sioux City	$ 6,783,021
Iowa Methodist Medical Center Schools–Des Moines	$ 107,975	William Penn University–Oskaloosa	$ 14,066,826

Out of State Institutions	$ 38,058,062
Total for FY 08	$ 696,172,337

*Gross Guarantees for Federal Stafford (subsidized and unsubsidized) Federal PLUS and Federal Grad PLUS loan volume.

One Voice

Many Resources, One Goal *Continued*

Second Annual Research Conference

Iowa College Aid hosted the state's second annual Iowa Higher Education Research Conference held at Des Moines University on October 11, 2007. Researchers met to discuss ways to increase the value of higher education data and its effectiveness when influencing federal and state policy.

Keynote speaker, Robert Shireman, president of the Institute for College Access and Success, a nonpartisan policy research organization, discussed his research on student aid policies. Mr. Shireman provided significant insights relating to student debt and national trends, which through his findings, indicated reasons why students have incurred high levels of student debt, particularly in Iowa.

The conference provided researchers from across the state the opportunity to network and discuss issues related to higher education, including student loan debt levels. The conference was intended to create discussions that will lead to improved dissemination and communication of pertinent information that will ultimately benefit Iowa's students.

Information Service Center—Iowa's Financial Aid Connection

In FY 2008, Iowa College Aid's Information Service Center continued to provide invaluable services to our customers. The Information Service Center is a customer service unit designed specifically for financial aid administrators, school counselors, lenders, students, and families. The center's toll-free number, 877-272-4456, provides direct access to Information Service Center specialists who are available to answer questions and to quickly connect callers to the information they need. In the second year of operation, Information Service Center specialists received over 2,500 phone calls, an increase of 25% from FY 2007. The specialists also responded to requests for nearly 376,000 college planning and financial aid publications, a 25% increase from FY 2007.

The Information Service Center is a single point of contact for Iowa College Aid products and services, regulatory guidance, borrower eligibility, and information regarding planning, preparing, and paying for college.

A Shared Goal

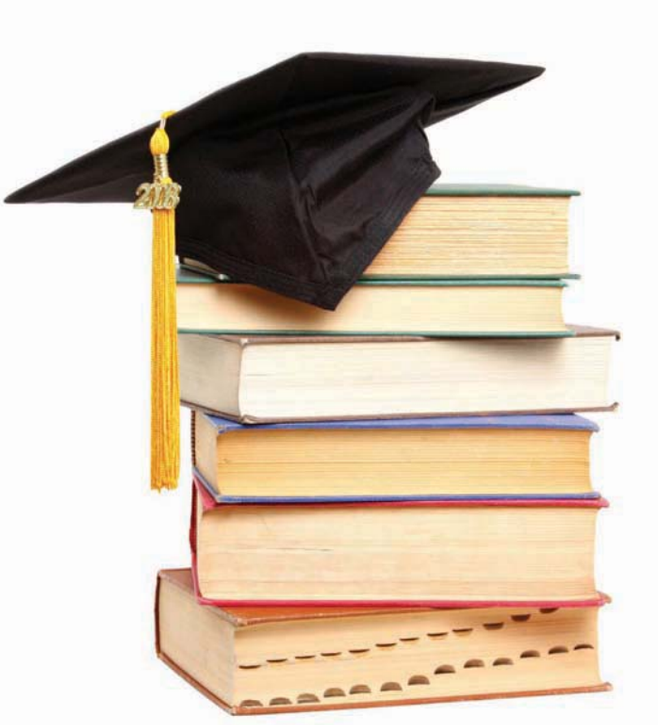
One Vision for Success

Ever since 8th grade, Tiffany Egnew knew she wanted to go to college to become a teacher or a social worker. "My home life was very difficult, so thinking about my future, other than life outside of fear, was furthest from my mind." When she was a sophomore in high school she was placed in foster care. Tiffany went through two different homes before she aged out of the system at 18.

During her junior year in high school, Tiffany began to realize she was academically prepared for college and her dream could become her reality. She had to believe college was a real possibility before she could take the next big steps, like applying for admission and worrying about how to pay for her education. "I loved school and used that as my outlet from the stress at home; fortunately, my grades were good. I received financial aid from scholarships based on grades, but there was still a high price for college, I had even thought about enlisting in the army for college funding. Then my social worker told me about the Education and Training Voucher (ETV)."

Even though the Education and Training Voucher (ETV) helped out immensely during her first two years, Tiffany did have to take out a few loans to pick up some of the costs of going to a private college. Her junior year she was told she qualified for the All Iowa Opportunity Foster Care Grant. With the financial aid she received she won't have to borrow loans for her last two years. "There no longer was the heavy burden of wondering what I would do after college to repay all these loans."

"People always say I am strong for coming from the home I have to now preparing to graduate from college. I am proud of the accomplishments I have achieved, but I know if it wasn't for the help I have received from the ETV and the All Iowa Opportunity Scholarship I would have had great difficulty in continuing my education."



Publications in Spanish

The Planning for Our Futures guide, available in English and Spanish, provides parents with information on how they can start preparing for their children's higher education costs. This guide was developed to help parents understand more about the cost of education and how to begin saving before their children reach high school.

Your Course to College also is available in both Spanish and English. Detailed information about financial aid and Iowa's colleges and universities can be found in this publication. It has become a fundamental resource to school counselors, high school students and families in the development of college planning.

One for All

As a student loan guaranty agency, Iowa College Aid strives to connect student loan borrowers with the information and resources they need to successfully repay their student loans. However, there are still times when borrowers have difficulty in keeping up with their repayment obligations. Iowa College Aid works hard to get those borrowers back on track through default prevention and aversion. If a borrower does default on his or her student loan, Iowa College Aid remains dedicated to working with the defaulted borrower to find the best solution to resolve the default.

Default Prevention

During FY 2008, Iowa College Aid's Default Prevention Team created a toolkit to help schools create and define their default prevention plans. Using these tools will lead to a purposeful and effective default prevention program that benefits students, the school, the lender, the guarantor, and the community. Below is a list of some of the products currently offered by Iowa College Aid's Default Prevention Team:

- Customized Default Prevention Plans
- Borrower Debt Management Service
- Delinquent Borrower By School Report
- Borrower Referral Program
- Customized Letter and Call Campaigns
- Student Assistant Grants
- It's Payback Time
- Online Solution Finder
- Student-Oriented Counseling Materials
- Print- and Web-Based Outreach Materials

Whether the school's needs are big or small, focused on immediate results or a long-term strategy, Iowa College Aid's Student Loan Default Prevention Toolkit provides everything needed to implement a successful default prevention program on campus.

Default Aversion Assistance

When borrowers become delinquent on their student loan payments, Iowa College Aid assists lenders in their efforts to help prevent the borrowers from defaulting. In FY 2008, Iowa College Aid received default aversion requests for loans totaling approximately $333 million. Of those delinquent loans, 80.4% were brought current.

Higher Education is

Collections

In FY 2008, Iowa College Aid recouped more than $39 million on behalf of taxpayers through its collection strategies that included recoveries made through third-party collection services, in-house collection efforts, administrative wage garnishment, state and federal offsets, and loan consolidation. Collections on defaulted student loans increased 15.22% in FY 2008.

Loan Rehabilitation

Loan rehabilitation is a strategy that offers favorable outcomes to all parties involved in student loan financing, especially the borrower. After the borrower qualifies to rehabilitate the loan, Iowa College Aid sells the loan to an eligible lender. Once the rehabilitation sale is complete and collection costs are reduced, the borrower's loan is removed from default status and the information reported by Iowa College Aid regarding the defaulted student loan is removed from credit bureau reports. Additionally, the borrower may be eligible for deferment or forbearance privileges, and may regain eligibility for additional federal student financial aid.

In FY 2008, Iowa College Aid helped 1,317 borrowers rehabilitate over $15.2 million in defaulted student loans. This is an increase of 40.91% over the previous year.

Possible

TOP 25 LENDERS OF FY 2008

	Dollar Volume* Fiscal Year			Numerical Ranking		
Lender/Location	**2008**	**2007**	**2006**	**2008**	**2007**	**2006**
U.S. Bank, Des Moines	$281,817,785	$147,651,875	$117,361,468	1	1	1
Palmer College of Chiropractic, Davenport	$60,190,251	$80,613,174	$68,216,854	2	2	2
West Bank Trust, West Des Moines	$45,703,221	$31,402,703	$28,509,675	3	4	4
Des Moines University, Des Moines	$37,576,267	$35,863,218	$40,551,812	4	3	3
Veridian Credit Union, Waterloo	$31,282,866	$18,557,252	$21,157,886	5	7	7
Wells Fargo Bank, Sioux Falls, SD	$30,233,728	$16,577,563	$8,715,961	6	8	10
Citibank Student Loans, Rochester, NY	$28,138,020	$22,178,265	$7,363,408	7	6	11
Clinton National Bank, Clinton	$26,347,177	$11,384,258	$2,710,739	8	11	21
Bank of America	$11,249,150	$0	$0	9	–	–
Quad City Bank & Trust, Davenport	$11,066,548	$16,064,982	$21,616,611	10	9	6
Security National Bank, Sioux City	$10,722,028	$11,668,213	$11,107,943	11	10	9
SallieMae Education Trust, Reston, VA	$9,541,835	$402,148	$312,186	12	65	80
Vantus Bank, Sioux City	$6,564,988	$6,684,966	$7,154,949	13	13	12
Banker's Trust, Des Moines	$6,554,849	$10,271,100	$11,456,312	14	12	8
Dupaco Community Credit Union, Dubuque	$6,349,283	$4,944,323	$4,413,201	15	15	15
American Trust & Savings Bank, Dubuque	$5,912,125	$3,542,312	$4,507,288	16	18	14
First National Bank Midwest, Oskaloosa	$4,184,155	$5,039,215	$5,326,319	17	14	13
Peoples National Bank, Council Bluffs	$3,280,799	$2,336,330	$1,954,864	18	25	27
Mt. Vernon Bank & Trust, Mt. Vernon	$2,915,213	$3,264,743	$3,568,417	19	19	17
Iowa State Bank, Orange City	$2,569,566	$3,134,787	$2,853,850	20	20	18
Northwest Bank, Spencer	$2,556,683	$2,033,880	$2,637,780	21	29	23
Farmers & Merchants, Burlington	$2,513,015	$2,700,487	$2,835,193	22	22	19
First National Bank, Sioux Center	$2,478,663	$2,419,336	$1,897,750	23	24	28
American State Bank, Sioux Center	$2,360,264	$2,667,222	$2,258,482	24	23	25
Citizens Community Credit Union, Ft Dodge	$2,222,346	$2,256,312	$2,639,336	25	26	22
Total	**$634,330,825**	**$473,917,790**	**$401,695,823**			

*Gross Guarantees for Federal Stafford (subsidized and unsubsidized), PLUS, and Grad PLUS loans.

All Iowa Students

One Student at a Time

Unaudited Combined Balance Sheet

	SFY 2008	SFY 2007
ASSETS		
Cash	$ 37,773,830	$ 39,760,175
Due from Federal Government:		
Default Reimbursements & SPA	$ 8,194,905	$ 4,405,102
Loan Processing Issuance Fee	$ 301,837	$ 190,001
Account Maintenance Fee	$ 461,686	$ 699,466
Guarantee Fees Due From:		
Lenders	_	_
PLP Receivable	$ 3,571,516	$ 3,950,274
Osteopathic Receivable	$ 109,838	$ 168,595
Other Receivables:		
Interest	$ 411,787	$ 647,205
Overpayments & Repurchases	$ 34,392	$ 146,772
Default Collections	$ 151,678	$ 277,104
Payment from DE for IRS Refunds	$ 23,406	_
PLP Income Receivable	$ 10,619	$ 9,805
Osteopathic Income Receivable	$ 300	_
Student Assistantship Receivable	$ 2,342	_
Due from Rehab Guide Error	$ 22,021	_
Due from Other Funds	$ 3, 158,967	$ 1,365,146
Misc	_	_
Total Assets	$ 54,229,124	$ 51,619,644
LIABILITIES AND FUND EQUITY		
Accounts Payable (USAF)	$ 137,994	$ 461,190
Salary and Benefits Payable	$ 20,720	$ 117,351
Due to Other Funds- Default Fee	$ 1,404,632	$ 1,365,146
Payables to DE, Defaults, Other	$ 3,970,058	$ 1,782,237
Federal Reserve Return	_	$ 1,421,019
Total Liabilities	$ 5,533,403	$ 5,146,943
Fund Equity	_	_
Fund Balance:		
Reserved:		
Federal Recall	_	_
Unreserved:		
Fund Equity	$ 48,695,721	$ 46,472,701
Total Fund Equity	$ 48,695,721	$ 46,472,701
Total Liabilities and Fund Equity	$ 54,229,124	$ 51,619,644

Unaudited Statements of Revenues, Expenditures and Changes in Fund Balance

REVENUE	**SFY 2008**	**SFY 2007**
Loan Processing Issuance Fee (LPIF)	$ 2,275,150	$ 1,710,523
Account Maintenance Fee (AMF)	$ 2,364,567	$ 3,444,425
Default Aversion Fee (DAF)	$ 1,315,774	$ 1,246,615
Default Aversion Rebate	$ 658,529	$ 381,340
Fed Pmts. on Defaulted Loan and SPA	$ 64,979,338	$ 39,824,489
PLP Revenue	$ 444,823	$ 478,086
Osteopathic Repayment Revenue	$ 10,241	$ 13,988
Choices Revenue	$ 421,752	$ 480,799
Federal Default Fee	$ 6,075,622	$ 4,465,888
Interest Income	$ 1,756,060	$ 1,990,574
Default Collections	$ 22,983,792	$ 20,081,118
Overpayments and Repurchases	$ 3,667,907	$ 2,557,045
Due from Other Funds	$ 5,756,591	$ 4,500,539
Other	$ 307,631	$ 352,508
Total Revenues	$ 113,017,777	$ 81,527,937

EXPENDITURES	**SFY 2008**	**SFY 2007**
Iowa Stafford Student Loan Adm.	$ 7,316,120	$ 6,807,507
Default Collection & Pmts. to DE	$ 6,977,636	$ 5,946,537
Collection Expenses	$ 2,945,730	$ 2,479,470
Payments on Default Claims	$ 70,386,571	$ 43,702,220
Federal Default Fee	$ 6,075,622	$ 4,465,888
O.F. Match for Nursing and TFLP	$ –	$ 289,000
Foster Grant Payments	$ 700	$ 14,500
Default Aversion Expenses	$ 299,345	$ 290,186
Default Aversion Fees and Rebate	$ 1,974,303	$ 1,627,955
Due DE for Refunds & Rehab.	$ 8,329,928	$ 8,158,427
Due to Other Funds	$ 5,756,591	$ 4,500,539
Refund Overpayments	$ 85,899	$ –
Other	$ 524,347	$ 394,149
Total Expenditures	$ 110,672,792	$ 78,676,379
Revenues Over (Under) Expenditures	$ 2,344,985	$ 2,851,558

OTHER FINANCING SOURCES (USES)	**SFY 2008**	**SFY 2007**
Net Increase/Decrease in Fair Value of Investments	($127,145)	$ 161,962
Revenues and Other Sources Over Expenditures	$ 2,217,840	$ 3,013,520
Fund Balance		
Revenue	$ 2,217,840	$ 3,013,520
Beginning of Year	$ 46,472,701	$ 43,459,181
Federal Reserve Return		
Fund Balance End of Year	$ 48,695,721	$ 46,472,701

IowaCollegeAid.gov
Your Financial Aid Connection

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