

# HESAA's State & Federal Update

NJASFAA Fall Conference

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## HESAA: Serving Students Since 1959

- 1.6 million students received \$3.4 billion in TAG awards
- 50,000 awards for Part-Time TAG students totaling \$27 million
- \$152 million for 72,000 Garden State Scholarships
- 15,000 awards for NJ STARS and NJ STARS II totaling over \$43 million
- Federal and NJCLASS loans have assisted more than 21 million students with \$16 billion

**HESAA has delivered more than \$19 billion  
to students over the past 50 years!**

# 2009 – 2010 Grants and Scholarships

- Applications received 447,382 – an increase of 17.1%
- TAG eligible recipients increased by 10,000 or 14.8%
- Expenditures may exceed appropriated resources

# NJCLASS

- Loans approved – 20,397
- Average loan increased from \$13,976 to \$14,837
- Total borrowed \$302 million

# Budget Recommendations – FY 2011

- Full-time TAG Program - \$327.2 million - an increase of \$41.6 million
  - Maintain the one-year lag in award values for students demonstrating the highest need
  - Maintain the three-year lag for all other TAG recipients
  - Maintain award structure for degree granting proprietary schools currently participating in the TAG Program
  - Fund an additional 1,200 new awards

# Budget Recommendations – FY 2011

- Part-Time TAG for County College Students - \$7.7 million
  - Increase of \$561,700
- NJ STARS/NJ STARS II - \$24.6 million
  - Increase of \$6.8 million
- Coordinated Garden State Scholarships - \$7.3 million
  - Increase of \$170,000 to restore award to \$1,000
- All other programs – recommended level funding

# FAFSA Changes

## Paper FAFSA Changes

- Eliminate questions regarding VA educational benefits
- Add questions to collect information about earnings from cooperative education programs

# FAFSA on the Web

- Pre-filled data from prior year
- Extensive use of “skip logic”
- Income and asset questions will be tailored based on responses to other questions
- Optional questions based on the use of “filtering” questions
  - Enrollment status in 2010-2011
  - Interest in other types of aid, including student loans and work study
  - Plans to complete coursework to become a teacher
  - Driver’s license

# FAFSA Changes

Options for data collection to determine State aid eligibility may include:

- A link from FOTW to allow states to ask a limited number of questions
- Contract with outside vendor to collect data:
  - Untaxed social security benefits
  - Earned Income Credit
  - Veteran's Educational Benefits
  - State Driver's License information

# Automated ISIR Correction Process and Professional Judgment

- Successful implementation of the ISIR Correction Process
- Bypass PJ cases where the PJ flag is set
- Projected year income used for State grant eligibility is unchanged
- NJ Change Form should be used to report PJ cases
- Projected year income changes due to unemployment should be submitted after the individual has been unemployed for 10 or more weeks

# Student Aid & Fiscal Responsibility Act (H.R. 3221)

- Consolidation of all student loans into the Federal Direct Loan Program
- Increase Pell funding
- Fund a new Federal Direct Perkins program
- Increase funding for other higher education and K-12

# Student Aid & Fiscal Responsibility Act (H.R. 3221)

- Amendment allows for organizations to provide borrower services
  - Delinquency Prevention
  - Default Aversion
  - Public Outreach
  - Financial Literacy
  - Loan Counseling

Also permits the USDE to contract directly with Guaranty Agencies for funded services

Senate has not put forth their version of the bill yet

# TILA

- Amends Regulation Z Truth in Lending Act
  - Covers private education loans
  - Additional disclosures
    - Type of interest rate-fixed/variable
    - Maximum possible rate, if any
    - Frequency of change
    - Triggers
  - Loan terms disclosed at time of application, pre-disbursement and acceptance
  - Loan information disclosed at time of application

# TILA

- Signed Self Certification of:
  - Cost of attendance
  - Expected financial aid
  - Remaining cost
  
- 30 Days to Accept Loan Office
  
- 3 Business Days Right to Rescind
  
- Effective February 14, 2010

# Future Enhancements

- E-Sign
- Letter writing System
- Web-based Applicant Information Request Forms
- Electronic Student Eligibility Notices



Thank You