

On Track

A NEWSLETTER FOR STUDENT AID PROFESSIONALS

TERISM
SPRING 2006

Bringing A Better Future Within ReachSM

Promoting & Supporting College Access In Your Area

Dear Financial Aid and Lending Partners:

As the season of applications and FAFSA forms nears completion, it is a great time to think about those who are not in the college admissions process or who have difficulties securing financial aid. As many of you already know, there is a growing problem of education access and persistence in our country; one that will intensify as the echo boom generation and the children of an increasingly immigrant population reach college age.



How big is the challenge? About 85% of jobs in the U.S. are classified as "skilled" (i.e., needing an education beyond high school).¹ Recent data suggests, however, that only 68% of our ninth graders actually graduate high school in four years. Even worse, only 40% of those ninth graders will immediately enroll in college, with only 27% still enrolled as sophomores. Incredibly – and most disturbing – only 18% will actually earn an associate's degree within 3 years, or a bachelor's degree within 6 years.² Numbers like these may have been acceptable when the U.S. had lots of factories and manufacturing facilities but they will not sustain us in the knowledge-based global economy.

TERI College Access' work has helped us develop a perspective on how to assist those who are most likely to fall through the cracks: first generation individuals who have college aspirations, and those who are economically disadvantaged. We collaborate with other national partners, including those described below, to replicate strategies and best practices.

- The National College Access Network (NCAN) – An organization dedicated to assisting local communities all over the country to initiate, develop, and sustain college access programs. NCAN has over 140 members located in almost every state in the nation. (www.collegeaccess.org)
- Pathways to College Network – A national alliance of 30 organizations committed to using research-based knowledge to improve postsecondary education access and success for the nation's underserved students. Pathways emphasizes connecting policymakers, education leaders and practitioners, and community leaders with research on effective strategies for improving college preparation, enrollment, and degree completion. (www.pathwaystocollege.net)
- College Goal Sunday – An annual college access event managed nationally by the National Association of Student Financial Aid Administrators (NASFAA) and funded by Lumina Foundation for Education. The event brings together financial aid administrators and other professionals who work in college access programs with students and families at sites around the country to complete the FAFSA form, line by line. (www.collegegoalsundayusa.org)

Recognizing current economic shifts, we must work together to make sure more individuals are gaining an education beyond high school. A dropout with debt is twice as likely to be unemployed and 10 times more likely to default on their loans,³ while a college education generates an average of almost \$1 million more in earnings during a person's lifetime. If we succeed, society benefits greatly from the better quality of life and improved civic participation of those who stay in school.⁴

I urge you to learn more about these efforts and get involved to make a difference. Your support not only will help your institution, but with our mutual commitment and action, we can effect change to improve an increasingly troubling national situation.

There's a lot at stake for all of us. I welcome your thoughts on this.

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Sincerely,

Willis J. Hulings III
President & CEO



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TERI College Access Holds 2ND Annual Get Ready for College Day

This fall, 4,000 Boston Public School (BPS) 8th graders took part in the second annual Get Ready for College Day to learn about the need and viability of going to college.

Teams made up of TERI College Access education advisors, local college students, and local admissions and financial aid officers worked in all BPS Middle and K-8 schools, providing small, classroom-sized programs specially designed for each school. The teams stressed the need for college planning, developing the right study habits, and choosing the right high school courses.

“TERI College Access is performing an important public service by reaching out to our 8th graders,” said Thomas Payzant, Superintendent of the Boston Public Schools. “Most well-paying jobs in our 21st century economy require a college education, and it’s important for middle school students and their families to start seeing college as a viable and important option to help them succeed in education and in the workplace.”

Willis Hulings, President and CEO of TERI said, “With the College Access Centers and other outreach initiatives, we’ve been able to

inform students and adult learners about the different types of colleges and degree programs, and to help them navigate the selection and financial aid process – all of which is essential to their ability to perform well in the mainstream economy.”

“Get Ready for College Day is another way we encourage students to have high expectations of themselves, and give them the tools they need to translate those aspirations into reality,” he added.

Visit TERI College Access at www.tericollegeaccess.org.



Gavin Middle School (L to R): Maya Evans, Associate Director of Admissions, Mt. Ida College and Annie Zhang, Senior Education Advisor, TERI College Access



King Middle School (L to R): Elaina Dulong, Admission Counselor, Regis College and David Montrond, Education Advisor, TERI College Access



Grover Cleveland Middle School (L to R): Mindy Hershberger, Program Assistant, Upward Bound and Talent Search Programs, and Grace Cheng, Senior Admissions Office, Harvard University

Lesley University President Margaret McKenna Named Chair of the BHEP Executive Committee

The Boston Higher Education Partnership (BHEP) named Lesley University President Margaret A. McKenna Chair of their Executive Committee, citing her decades of leadership and advocacy for public education.

The BHEP, a TERI College Access partner with 31 member institutions, serves as a conduit for collaboration between Boston area colleges and universities and the Boston Public Schools. This year, the BHEP is focused on supporting the search and transition of a new Boston Superintendent of Schools, deepening college-school partnerships, and increasing mentoring and support services for new teachers in Boston schools.

“This is a year of transition for the Boston Public Schools, during an era where teacher training, retention, and the preparation of Boston students to excel in higher education needs to be a priority for everyone,” said

McKenna. “The Boston Higher Education Partnership can play a crucial role in bringing the region’s vast educational resources to the same table, and bring more energy to the challenges at hand.”

McKenna has been President of Lesley University since 1985. Under McKenna’s leadership, Lesley University has emerged as the largest provider of teacher education in Massachusetts, the third largest graduate school in the Commonwealth, and among the largest providers of Master’s degrees in education in the country. A strong advocate for improving the quality of public education, she served as the first Deputy Secretary of Education under President Jimmy Carter, and as a member of the transition teams on education for President Bill Clinton and Mayor of Boston, Thomas Menino.

Visit BHEP at www.bhep.org.

Market Development Team Interviews School Clients

TERI recently completed a very valuable and informative survey of our school client base. We are proud to share the top line results with you. The overall feedback revealed that our customer base is pleased with the services TERI offers. We also received valuable advice on how to improve our service and to earn more of your business.

Below is a sampling of the questions and responses from the survey. We've also outlined our follow-up and identified areas for improvement.

Question: What do you value most about working with us?

Respondents shared some insightful feedback about the features that differentiate us in the marketplace. Some specific examples include:

- "History in the marketplace"
- "Online School Services"
- "Priority Service is GREAT"
- "We value the people"
- "The diverse lender options"
- "Past due balance feature"

Question: How easy is it to use Online School Services?

Three out of four respondents say they find our online tools very useful. 5% told us Online School Services (OSS) doesn't meet their needs. Recognizing that we always need to improve our technology services and tools, we are about to implement some powerful new features. For example, ScholarNet is being implemented for academic year 2006-07. We've also begun mapping out expansion of our OSS loan records to include a twelve-month history. For more on ScholarNet, see the accompanying announcement on page 4.

Question: Is our loan processing time competitive?

74% of survey respondents advised us that we are competitive, while 19% said we are not. When providing details on where we

lacked competitiveness, respondents cited our current lack of eSign acceptance, our documentation requirements (for example, "proof of income requirement slows down the process"), and processing times.

We are already focused on addressing many of the items highlighted as "not competitive". For example, we're proud to announce that eSign will be implemented for the upcoming academic year! For more on eSign, see the accompanying announcement on page 4.

Also, TERI, in partnership with First Marblehead, has completed a comprehensive plan to launch several product and process enhancements over the next two years – all focused on improving the borrower experience. These enhancements include opportunities for reduced borrower documentation, a multi-phase redesign of our online application process, and document imaging and indexing enhancements.

Question: On a scale of 1-10 (10 signifying excellence), how well does Priority Services execute or provide the following:

- Issues resolution on the first call – Overall score 8.4
- Customer driven attitudes, behaviors, and professionalism – Overall score 8.4
- Knowledgeable and empowered staff for you to work with – Overall score 8.2

The majority of our school clients recognize our efforts to improve service levels. In fact,

under new leadership, Priority Service is enjoying the lowest turnover rate since the team's inception in 1996.

Recognizing there is always opportunity for improvement, we asked respondents what we could do to earn a "10." Responses included: "Empower staff to provide issue resolution on the first call" and "Expedite inter-departmental response times." Our west coast respondents asked for extended hours to accommodate time zone differences.

Question: Based on your experience, how likely would you be to recommend us to a colleague?

73% of our school clients said they would likely recommend us to a colleague. 15% of respondents said they would not. Focusing on improving these numbers, we've recently doubled the size of the team for greater field support and out-reach. It's our goal to be as accessible to the people we support each day.

Thank you to all who helped us with our annual survey. It was a great opportunity to hear very candid and valuable feedback on how we're doing. However, please know that we don't want you to wait until next year to share your thoughts and experiences with us. Feel free to contact your Market Development representative with your ideas and comments!

January 2006 “TERI College Access Month” in City of Boston



TERI CEO Willis Hulings and Boston Mayor Thomas Menino at City Hall Ceremony

Mayor Thomas M. Menino proclaimed January, 2006 “TERI College Access Month” in the city of Boston, in recognition of the assistance

TERI College Access provides each year to thousands of young people and adults striving to achieve their education and career goals. In a Boston City Hall meeting with TERI CEO Willis Hulings, the Mayor thanked TERI College Access for its role in helping individuals – particularly low-income students and adults – plan and pay for college.

“We appreciate this recognition from the Mayor, and it couldn’t have come at a better time. Students seeking fall admission to schools

typically begin applying in January, and it is a critical time for seeking financial aid,” said Hulings. “Students and families concerned that they can’t afford college need to know that substantial aid is available through state-funded grant programs and the federal government, colleges, and universities. Too often, simple lack of information causes students and adults to think college is not within their reach.”

TERI College Access has assisted over two million youths and adults since its inception in 1984.

TERI College Access Partners with MASFAA for College Goal Sunday

TERI College Access recently partnered with the Massachusetts Association of Student Financial Aid Administrators (MASFAA) on a statewide marketing campaign to raise awareness of this year’s College Goal SundaySM. College Goal Sunday is a national volunteer program that provides assistance to students and families who need help completing the Free Application for Federal Student Aid (FAFSA), with a particular focus on providing guidance to low-income families and first-generation students. College Goal Sunday is coordinated by the National Association

of Student Financial Aid Administrators (NASFAA) and is currently available in 25 states plus the District of Columbia. Visit the website at www.CollegeGoalSundayUSA.org for a listing of all state programs.

With the assistance of TERI College Access, information on the Massachusetts College Goal Sunday and its 11 locations was distributed to 2,300 organizations statewide, including high schools, libraries, churches, and other community organizations, such as rehabilitation centers and one-stop career centers.

Coming Soon to an Aid Office Near You!

We are very pleased to announce that the 2006-2007 program year enhancements will include the delivery of eSign and ScholarNet! Since implementing ELM and multiple disbursement functionality last year, we have been putting the final touches on these developments.

eSign

Coming this summer, eSign will allow our borrowers to electronically sign their credit agreements with just a few clicks of the mouse! The lengthy process of hand-signing and mailing or faxing the credit agreement will soon be a thing of the past.

Our eSign feature is a PIN-less process where we authenticate the identity of the credit-worthy borrower by asking a series of “out-of-wallet” questions pulled from the borrower’s credit report. How does this impact our mutual customers? If applying with a credit-worthy co-signer, the student skips the authentication step and proceeds to eSigning! Our eSign process is fast and easy for both applicants!

ScholarNet

ScholarNet is an information exchange system based on industry standard Commonline file formatting and communication. ScholarNet is how almost 1,000 schools nationwide communicate with all of their lenders for their loan processing.

Launching in late June, Phase I of the ScholarNet implementation will include the option for schools to certify loans, conduct status checks, and submit change requests. Phase II of the ScholarNet Project will include the opportunity for schools to receive disbursement files and rosters via the Great Lakes Common Disbursement System. The release date for Phase II will be determined and communicated soon.

If you’d like more information about our new eSign process or ScholarNet, please contact your regional TERI Market Development Representative.

Helpful Tips from the Desk of Natasha



Helpful Tips from the Desk of Natasha is written in cooperation with Senior Priority Service Associate Natasha Munoz. Natasha began working as a member of the Priority Service Team in January 2004. Prior to this, Natasha was an Associate in our Customer Service Department. In addition to providing exceptional school support to our aid administrators, Natasha is also pursuing a management degree from Bunker Hill Community College.

Below are recent inquiries Natasha has received about TERI's programs and loan processing. Please email your questions to askpriorityservice@teri.org. Questions will be answered by Natasha in our next issue of On Track. Send in your questions! We look forward to hearing more from you.

Q: If a student has been certified as enrolled at least half time in a degree or certificate seeking program, but then his/her enrollment status drops below half time, is the school required to return the funds to TERI?

A: The school is under no obligation to return the funds to TERI. If the school does decide to send the funds back, then the money should be received within 90 days of disbursement in order to cancel the loan in full. If the school wants to return a partial amount of funds, then TERI will forward that to the servicer as a partial payment on the loan.

Q: What are the guidelines when asking for additional disbursements after a loan has been certified?

A: Changes to a loan can be made up to three days prior to disbursement. If a school has certified a loan for Fall only, and needs to adjust the loan for Fall/Spring, Priority Service can make the change by phone. The Spring disbursement can be set for any time and any amount as long as it does not exceed the amount on the credit agreement.

This change can also be done online! Disbursement amounts are another common change that can be made through Online School Services. For example, if a loan has been certified for three equal disbursements but the student needs more funds in the Fall, the school has the option to increase the Fall disbursement and adjust the others accordingly.

If the school has already received the final disbursement, TERI cannot add additional disbursements. The student would need to apply for a new loan.

Q: How can I make changes to a loan guaranteed by TERI?

A: Schools have the option to update loan information online. Things such as disbursement dates, loan amounts, loan period, and enrollment status do not require a phone call or written documentation. The only time a call to Priority Service is required is when the first disbursement has already been made.

Q: Our office prefers to certify loans after all documents are submitted by the student. Is there a way to sort these loans so we can avoid certifying loans awaiting both certification and student information?

A: Yes. Log on to Online School Services, click "Status roster," and then click "Loan status." Next, choose "Awaiting school certification." This lists only loans for which all documentation has been received from the student. Your certification is all that is needed to close the loan. During peak processing season, we recommend you visit www.teri.org daily to review pending certifications.

Q: Do you provide an Online School Services reference guide?

A: For more guidance and details on our Online Schools Services, visit our "Online School Services" section at www.teri.org. You can download or print a PDF copy of our Online School Services Guide.

Q: Does the student need to be making SAP to qualify for a TERI guaranteed loan?

A: Satisfactory Academic Progress (SAP) is not a requirement for a TERI-guaranteed loan.

Q: If a school does not want to receive faxed EFT disbursement rosters, can they get the rosters via email?

A: The EFT rosters are automatically set up to be sent via fax. However, TERI is able to send the EFT roster as a PDF document in a secure email. Please call or email Priority Service to set up this option.

Q: We would like to be set up to receive TERI EFT. How long will it take and what do I do to get signed up?

A: TERI EFT is a great way to receive funds and set-up is easy. Priority Service has an agreement that a school must complete. That's it. We can fax or email this agreement to the school contact for completion.

TERI and Pathways to College Network Release Report Promoting Early Commitment Financial Aid Programs

Too often, low-income students do not prepare for college because they believe they will never be able to afford it, even though they are eligible for financial aid. Programs making an early commitment of aid to students help eliminate the “guessing game” that keeps many capable students from pursuing their college dreams.

Early Commitment Financial Aid Programs: Promises, Practices, and Policies is a new report from TERI and the Pathways to College Network that examines how these innovative programs, such as Project GRAD, Indiana’s 21st Century Scholars, and the Washington State Achievers Program, are using the early commitment model to make a difference. Early commitment

financial aid programs are designed to address the two most significant barriers low-income students face in going to college – affordability and academic preparation – by making a guarantee of financial aid to students while they are in middle and early high school, provided they meet certain requirements, including successful completion of a rigorous college-prep curriculum.

Though many of the programs are too new to have long-term outcome data, early results are encouraging: 85% of

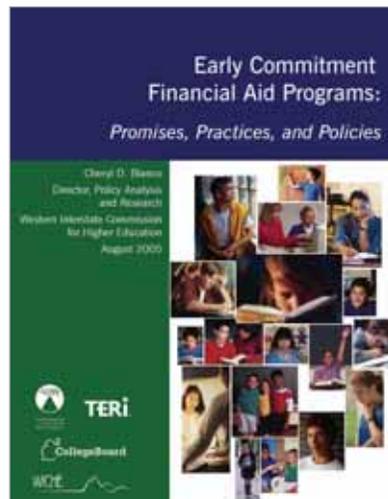
the participants in the Indiana 21st Century Scholars program go on to college, compared to 65% of non-Scholars. 81% of Oklahoma Higher Learning Access Program (OHLAP) graduates in 2003 went to college, compared to 56% of all Oklahoma students. The programs also appear to improve student persistence

in college, with 90.5% of OHLAP graduates returning for the second year; compared to 78.4% of all students.

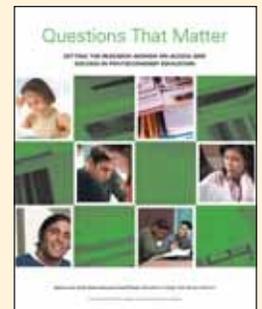
“With the average cost of attending a public 4-year institution climbing to more than \$12,000 a year; finding ways to lower the cost barrier for low-income students is more important than ever,” said Willis Hulings, TERI’s President and CEO.

“The strength of the early commitment model is that it also deals with the question of preparation. It’s a commitment that runs both ways – you’re essentially telling students: If you study hard and do your part, we’ll make sure the money is there for you.”

The Western Interstate Commission for Higher Education and the College Board also supported the production of the report. *Early Commitment Financial Aid Programs: Promises, Practices, and Policies* can be accessed online at www.pathwaystocollege.net/pdf/earlycommitment.pdf.



College Access and Success – What We Don’t Know



Recently released by the Social Science Research Council, a Pathways to College Network partner, *Questions that Matter* answers the question of what we know – and don’t know – about why so many underserved students do not attain postsecondary degrees. Organized around the broad topics of Preparation, Access, Financial Aid, and Retention and Success, the report sets forth a series of research imperatives to guide inquiry into the critical “transitions” where many students are lost in the college pipeline. If you are interested in what research can contribute to college access efforts, you can read the report at <http://edtransitions.ssrc.org>.

Recent Additions to the Team

Jason Powers Joins Market Development Team



TERI is pleased to announce the appointment of Jason Powers as the New England Market Development Representative.

Jason will work directly with school and lender contacts in the region to promote

the utilization of TERI guaranteed loan programs and TERI school support services.

Prior to joining TERI, Jason worked as Director of Professional Studies and Student Services for the School of Graduate and Professional Studies at Endicott College. Jason worked closely with traditional and non-traditional students participating in undergraduate, graduate and certificate

programs. He earned his Master of Education in Organizational Management in 2002 and is the proud of father of a 4 month old daughter, Abby.

Please join us in welcoming Jason to the TERI family!

Priority Service Adds Three New Members

The Priority Service Department is pleased to announce the following additions to the team:

Jillian Baillargeon, Associate, has been with TERI since July 2004. She originally started in our Sales Department and more recently worked as a Customer Service Team Leader. Jillian graduated from Saint Michael's College and received her BA in Business Administration with a concentration in marketing. In her new role, Jillian will be dedicated to supporting our west coast school clients.

Sekou King, Associate, started with TERI in December 2004. He previously worked as a Customer Service Team Leader and brings a wealth of program and processing knowledge to the team. Sekou received his BS in Communications, Politics and Law from Emerson College. He will team up with Jillian to support our west coast school region.

Emily McLaughlin, System Specialist, has been with TERI since February 2005. She previously worked as a Customer Service Representative a role in which she gained valuable system and processing knowledge. Emily is now responsible for maintaining our entire school profile database to ensure all school services and information is accurate.

Announcing Creation of New “School Business Systems” Group

The School Business Systems team is a brand new department in Priority Service dedicated to supporting all current and future Financial Aid Management Systems. This unique department works closely with Market Development to provide superior service and technical assistance to our valued school clients. The School Business System team currently consists of Maly Kapilian, Manager, and Reid August, Analyst. Both Reid and Maly have strong technical backgrounds and are committed to supporting our school clients with any business system-related processing needs or issues.

Footnotes

from page 1

1. "Building a Nation of Learners: The Need for Changes in Teaching and Learning to Meet Global Challenges." Washington D.C: Business-Higher Education Forum, June 2003.

2. NCES Common Core Data, NCES IPEDS Residency and Migration Survey, ACT Institutional Survey, NCES IPEDS Graduation Rate Survey – 2002 data.

3. Baum, Sanda and Payea, Kathleen. "Education Pays 2004: The Benefits of Higher Education for Individuals and Society." The College Board, 2004.

4. Gladieux, Lawrence and Perna, Laura. "Borrowers Who Drop Out." The National Center for Public Policy and Higher Education, May 2005.



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