

The President's Message

Iowa Student Loan and Student Lending Changes



Steve McCullough
President & CEO

There's no question that President Obama's signing of the Health Care and Education Reconciliation Act of 2010 (HCERA) brings big changes to federal student loans. But with those changes, new funding opportunities will also present themselves to Iowa students and their families.

What has been most covered by the media is the fact that HCERA eliminates the Federal Family Education Loan Program (FFELP) in favor of federal student loans being financed

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and disbursed through the William D. Ford Federal Direct Loan Program (Direct Loan). This means that beginning July 1, 2010, Iowa Student Loan® cannot originate new federal student loans.

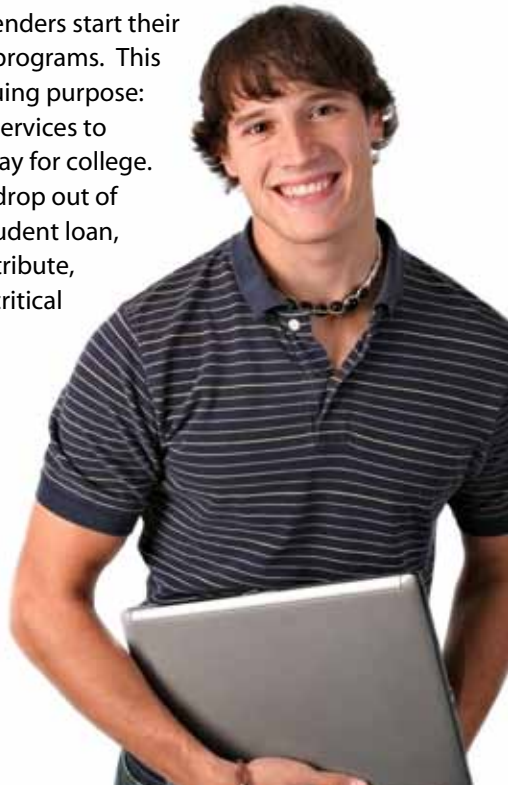
Creating Supplemental Private Loan Programs

However, Iowa Student Loan and other lenders continue to participate in financing student loans to help Iowa students reach their higher education goals. For example, we continue to seek lender partners for the new Iowa Alliance Private Student Loan ProgramSM (Iowa Alliance Loan), which offers no-cosigner supplemental private student loans to students who have exhausted all state and federal financial aid options. During the 2009 – 2010 academic year, 19 Iowa-area banks pooled their funds to provide private student loans to more than 1,000 students, many of whom had no other funding options.

Iowa Student Loan is also helping Iowa lenders start their own supplemental private student loan programs. This harkens us back to our initial and continuing purpose: to provide expertise and administrative services to empower lenders to help Iowa families pay for college. Indeed, for students who might have to drop out of college if they cannot obtain a private student loan, the assistance that Iowa lenders can contribute, with the help of Iowa Student Loan, is a critical component of college success.

Servicing Federal Student Loans

Thus far, I have focused on how federal changes are affecting Iowa Student Loan and private student loans, but that does not mean HCERA prevents Iowa Student Loan from helping with federal student loans. In fact, the legislation signed by President



Obama recognizes the good work of state-based nonprofit loan providers like Iowa Student Loan. Because of the top-quality customer service, value-added programs and local jobs we have provided over the years, the legislation included provisions allowing state-based nonprofits like us the opportunity to continue servicing federal student loans. In the months to come, we will work with the U.S. Department of Education so that we can service new federal Direct Loans, thus allowing us to continue providing Iowans with the customer service and support programs they have come to expect.

Act Provides Additional Benefits

Iowa Student Loan provides customer service for both Direct Loans on behalf of the federal government and for private student loans on behalf of lenders, many students will have only one organization with which to correspond and call with questions. This will benefit students as well as our school partners.

In addition, HCERA was good in the sense that it will increase federal Pell Grants over the next 10 years, which will help some of Iowa's neediest students.

So as you can see, there is still a role for Iowa Student Loan in the future of federal and supplemental private student loan programs. We hope to continue our working relationship with you as we navigate these changes and find new ways to help Iowa students and families achieve their postsecondary aspirations. ■

Need to Provide Enrollment Information?

Iowa Student Loan® has created a new phone number to simplify your process of calling in with enrollment information. Now you can call **(888) 879-1934** to relay borrowers' enrollment details. This direct line will eliminate call transfers. Look for more details soon!

Iowa Alliance Loan Continues to Serve Students

The Iowa Alliance Loan Private Student Loan ProgramSM (Iowa Alliance Loan) has been extended for a third year to help those students who have no other choices when it comes to supplemental private student loan funding. The extension is thanks to a number of local lenders who continue to step up to meet this important need in the community.

Partnering Lending Institutions

At this time, the following lenders partner to provide the Iowa Alliance Loan program to students attending Iowa colleges and universities. Iowa Student Loan[®] is currently working with additional lenders to expand funding.

Iowa Alliance Loan Partnering Lending Institutions	
Bankers Trust Company (Des Moines)	Modern Woodmen Bank (Rock Island, Ill.)
Crawford County Trust and Savings Bank (Denison)	Northwest Bank (Spencer)
Fairfax State Savings Bank (Fairfax)	Shelby County State Bank (Harlan)
Heartland Bank (Gowrie)	Sibley State Bank (Sibley)
MidWestOne Bank (Iowa City)	Treynor State Bank (Treynor)

Iowa Student Loan applauds these lenders who continue to make students and their community a priority by supporting the Iowa Alliance Loan program. Without lenders willing to help keep college accessible for Iowa students, this loan program could not succeed.

By letting lenders in your community know the impact the Iowa Alliance Loan program has on your students, your school can encourage continued and expanded support of the program.

Loan Eligibility Criteria

The newly revised program is available for students needing a no-cosigner supplemental private loan. Students who meet Iowa Student Loan's standard no-cosigner loan eligibility criteria (no credit is good credit) and who have been denied a private loan requiring a cosigner are eligible for this program. Students will find information about the Iowa Alliance Loan on www.studentloan.org, but they will not be able to access the application without receiving the correct URL from your school's financial aid office.

Online Application

Students may access Iowa Alliance Loan information and the application online at www.studentloan.org/privateloanapp. Your school's financial aid office must provide this URL or an updated "Guide to Completing the Online Application" brochure for students to access the online application. ■



Credit Union Loan Programs Benefit Students

A number of credit unions in Iowa are dedicated to ensuring college students have access to supplemental private student loans with clear and upfront terms, and that number continues to grow. Scott Schools Credit Union and Community 1st Credit Union are two of the latest credit unions initiating loan programs serviced by Iowa Student Loan® that provide opportunities and options to more students.

Students can also learn more about the following credit union private loan programs by visiting the credit unions' websites. ■

Credit Union	URL
Alliant Credit Union	www.alliantcu.com/studentloan
Ascentra Credit Union	www.ascentra.org/studentloans
Community 1st Credit Union	www.c1stcreditunion.com/studentloans
Dupaco Community Credit Union	www.dupaco.com/studentloan
The Family Credit Union	www.familycu.com/loans-credit/student-loans
Health Services Credit Union	www.hscudbq.com/studentloan
Premier Credit Union	www.premiercu.org/home/loa/student_loans
Scott Schools Credit Union	www.scottschoolscu.org/privatestudentloans.php
Veridian Credit Union	www.veridiancu.org/loans/private_student_loans.asp

Ten Reasons to Offer In-Person Federal Loan Counseling

Providing in-person counseling has many benefits.

1. In-person sessions allow students and their peers to ask questions and receive immediate answers.
2. Loan repayment has become more complicated with multiple servicers and repayment options, and in-person counseling sessions allow experts to provide additional information to clarify questions.
3. In-person entrance and exit counseling can help serve as part of a school's successful default prevention plan.
4. Federal requirements that a financial aid officer be present during on-campus counseling allows students an opportunity to ask questions of them, compared to using online counseling programs.
5. At the spring IASFAA conference in Des Moines, U.S. Department of Education official Mark Walsch stated his personal preference is that students hear counseling information during a live presentation.
6. Iowa Student Loan® counseling sessions simplify work for financial aid officers by providing one set of records of students who have completed counseling instead of tracking e-mails that are submitted one at a time by students.
7. Entrance and exit counseling deficiencies have been among the top 10 audit findings for two years in a row and in-person sessions can help curb this trend.
8. It gives the financial aid office staff another opportunity to visit with their friendly Iowa Student Loan school services liaison!
9. Iowa Student Loan has updated all materials for the 2010 – 2011 academic year. The information provided meets Federal Family Education Loan Program (FFELP) and William D. Ford Federal Direct Loan Program (Direct Loan) requirements.
10. Who better than a knowledgeable loan representative to answer any questions students have regarding their loans? ■

One URL Offers Private Loan Options and Information



Students can learn more about their private student loan options by visiting www.studentloan.org/FillTheGap. Here, students can compare supplemental student loan options, review upfront loan terms and check out additional information to make the right choice for funding their postsecondary education.

You may order postcards with the URL to provide to students from the online materials request form available at www.studentloan.org/fao. ■

Contact Us

Please direct comments, questions and suggestions to:

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