



MAFAA Loan Issues Committee 2008-2009 Year End Report

Committee Members:

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Accomplishments for the year:

The Committee initially met in July 2008 to brainstorm ideas for the year's goals/objectives, which were finalized in October 2008. Committee members hailed from various geographic regions so in an effort to maximize productivity and minimize costs (i.e., time away from the office for "drive time"), the Committee did much of its work via email or conference calls.

The Committee established three objectives for the 2008-2009 year:

- 1) **Rework and complete the loan brochure started by the 2007-2008 Loan Issues Committee.** The loan brochure, "Student Loans: What you should know", was completed and posted to the MAFAA website in two places:
 - http://www.mafaa.org/committees/loan_issues/files/lic-brochure-logo-12_22.pdf for students/families, and
 - http://www.mafaa.org/committees/loan_issues/loan_issues.asp for MAFAA members. There are two versions available for members – PDF with the MAFAA logo, and Word so schools can modify it with their logo and for their own needs.
- 2) **Develop financial literacy presentation materials for schools (Webinar, PowerPoint, or Breeze).** A survey was sent on December 30, 2008 to the MAFAA membership to solicit information on what schools provide to their students in the area of financial literacy. From respondents' feedback, the Committee designed a PowerPoint with three components: a) Budgeting, b) Your Credit Score and Report, and c) Responsible Borrowing. The PowerPoint will be presented at spring conference.
- 3) **Complete an online loan literacy course for students.** This objective was not accomplished this year. Action Steps/Benchmarks for this objective include:

- Loan definitions/terms/glossary for loans and borrowers (e.g., *credit-worthy cosigner, percentage rates, repayment, lender, servicer, grace period, default, guarantor*). Refer to the resource at: <http://www.finaid.org/questions/glossary.phtml>.
- Complete a draft of online loan literacy to include glossary of terms and loan payment calculator.
- Make more specific than entrance counseling and have available on the MAFAA website.

Additionally, the Committee:

1. Updated online resources listed on the MAFAA website:
 - a. **Understanding Financial Aid**
(http://www.mafaa.org/students/aid_night_powerpoint.asp): Updated the PowerPoint which guides students through the financial aid process.
 - b. **Student Budget Calculator**
(http://www.mafaa.org/students/budget_calculator.asp): Text was reworded to focus more on financial literacy rather than borrowing as previous text was worded.
 - c. **Federal Loan Programs**
(http://www.mafaa.org/students/federal_loan_programs.asp): Updated this resource with current loan amounts and interest rates.
 - d. **Student Loan Payment Calculator**
(http://www.mafaa.org/students/simple_interest_calculator.asp): Updated text.
2. Submitted article for the April “MAFAA Matters” newsletter, “April is Financial Literacy Month” (http://www.mafaa.org/mafaa_matters/pdf/200904a.pdf)

Recommendations for the Future:

- Complete Objective #3 (above).
- Regularly review, revise, and update resources listed on MAFAA website (i.e., loan interest rates and limits, PowerPoint presentations, etc.)

Respectfully submitted,
Valerie Knopp