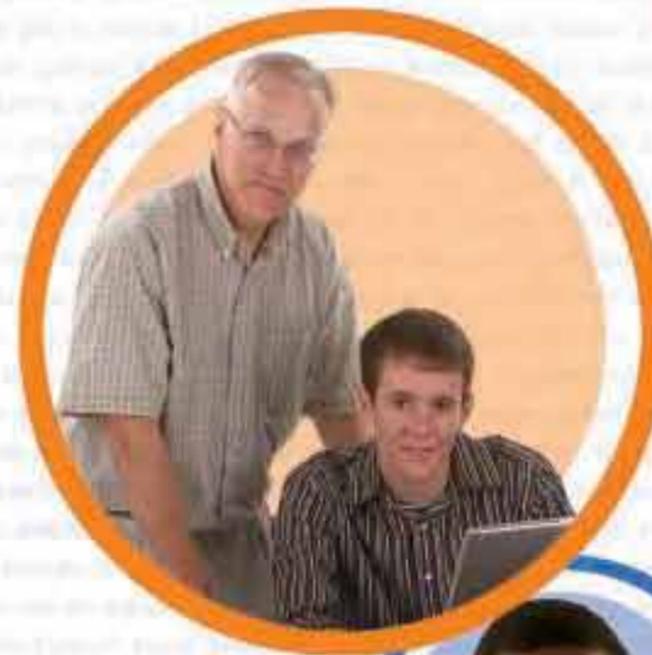


BY THE NUMBERS
ANNUAL REPORT 2005-2006



IowaCollegeAid.gov
Your Financial Aid Connection

BY THE NUMBERS
ANNUAL REPORT 2005-2006



Message from the Executive Director

Connecting Iowans to Resources that Help Make College Affordable

The decision to go to college has the potential to shape and secure a person's future. While the cost of a college education can be daunting, the only thing that is more costly is not getting one. Earning a college degree, entering a trade program or completing a certificate program provides Iowa families with better job opportunities and a higher lifetime earning potential. According to the U.S. Bureau of Labor Statistics, 60 percent of new jobs created between today and 2010 will require some higher education. Today, more than two-thirds of the fastest growing occupations require postsecondary degrees. Due to this trend, the Iowa College Student Aid Commission strives to make higher education accessible to all Iowans.

The Commission is a state agency with more than 40 years of experience connecting students and families to the essential resources and services to make higher education possible. Along with our experience, we continue to expand our capabilities and services to meet and exceed the needs of students, colleges and universities, lenders and communities that we serve. We listen, understand and proactively respond to the changing needs of our customers. When it comes to service, our customers have our undivided attention.

In this report, we reflect on the accomplishments of the Iowa College Student Aid Commission and the connections made during 2006. While we are proud of our many accomplishments, we are concerned with the imbalance between loans and grant assistance that is causing greater loan debt for students upon graduation. The Commission is challenged, yet committed, to finding programs and services that will help promote access and affordability to all Iowans and reduce loan debt upon graduation.

Our mission is 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. The financial aid impact of Commission-administered programs in FY 2006 is described in this report.



Accomplishments

- We provided Iowa students with more than \$57.8 million in Iowa General Fund Appropriations for need-based scholarships, grants, work-study and other related programs. The Commission also actively pursues additional state funding for increased need-based aid awards.
- We reduced the cost of borrowing for students and parents who need federal student loans to help pay education expenses. The Commission saved Iowa families approximately \$4.5 million during FY 2006 by paying a 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 and high schools. 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 developed new publications to better connect Iowa families to information and resources about career and college planning, as well as preparing and paying for college.
- We helped 925 borrowers rehabilitate \$6.8 million in defaulted student loans.
- We saved taxpayer dollars through more efficient processes resulting in a 20.5% increase in rehabilitated loan sales, a 13.7% increase in FFELP borrower payments and a 16.8% increase in Partnership Loan Program collections over the previous year.
- We conducted surveys and published findings on higher education, ethnic diversity and other special studies useful to state policy makers.

While we are pleased to celebrate these accomplishments, we are mindful that our work is not done. As we move into 2007, we will continue our advocacy to increase state appropriations that help to increase college access and affordability for Iowa students. In this report, you will find information about how we connect Iowa families to the essential resources, services and information to help students succeed.

Sincerely,

A handwritten signature in black ink that reads "Karen Misjak".

Karen Misjak
Executive Director

Helping one student at a time.



Continuity, Continuousness, Connections.



Commissioners

A board of Commissioners governs the operation of the Iowa College Student Aid Commission. Commissioners are appointed by the Governor to serve three-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 2006 Commissioners are listed below.

MS. MICHELLE DURAND-ADAMS¹, Chair
 Represents Iowa lending institutions
 Senior Vice President, Regions Bank
 Appt. 7/01/94 – Term expired 6/30/06

MR. RUDOLPH S. LEYTZE¹, Vice Chair
 Represents the Iowa Student Loan Liquidity Corporation
 Chairman of the Board, Bank Iowa
 Appt. 7/1/01 – Term expires 6/30/09

MS. JANET L. ADAMS¹, Secretary
 Represents the General Public
 Executive Director, Iowa Reading Association
 Appt. 6/1/04 – Term expired 6/30/06

DR. MARY ELLEN BECKER²
 Represents the State Board of Regents
 Director, Special Education, Southern Prairie Area Education Agency
 Appt. 8/4/05 – Term expires 4/30/07

REPRESENTATIVE ROYD CHAMBERS⁴
 Represents the Iowa House of Representatives
 Appt. 7/13/05 – Term expires 7/13/09

DR. JANICE NAHRA FRIEDEL
 Represents Judy Jeffrey, Director of the Iowa Department of Education
 Administrator, Division of Community Colleges and Workforce Preparation, Iowa Department of Education
 Appt. 9/11/00 – Serves as the designee of the Director Department of Education

MR. PHILLIP D. HALL¹
 Represents the General Public
 Senior Vice President, Human Resources/Risk Management
 Appt. 8/15/05 – Term expires 6/30/09

MR. MICHAEL HALUSKA¹
 Represents the General Public
 Superintendent, Jefferson-Scranton Community School District
 Appt. 8/15/05 – Term expires 6/30/07

DR. JOHN V. HARTUNG¹
 Represents Iowa Independent Colleges and Universities
 President, Iowa Association of Independent Colleges and Universities
 Appt. 7/1/86 – Term expires 6/30/07

DR. BECKI S. LYNCH¹
 Represents Iowa Community Colleges
 Vice President, Educational Services, Kirkwood Community College
 Appt. 10/6/99 – Term expires 6/30/09

SENATOR HERMAN C. QUIRMBACH³
 Represents Iowa Senate
 Associate Professor, Economics, Iowa State University
 Appt. 3/04/03 – Term expires 3/04/07

MS. LORRICE C. SAILOR¹
 Represents Iowa Postsecondary Students
 Student, Grand View College
 Appt. 10/5/05 – Term expired 6/30/06

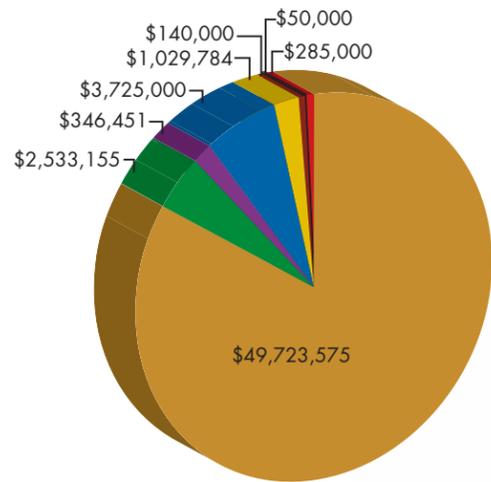
¹ Appointed by the Governor
² Appointed by the Board of Regents
³ Appointed by the President of the Senate
⁴ Appointed by the Speaker of the House

Connecting Students to Financial Aid

The Iowa College Student Aid Commission connects students and families to the essential resources and services they need to go to college. We are available every step of the way from planning, preparing and paying for college. On behalf of the State of Iowa and the General Assembly, we support students and families with scholarships, grants, forgivable loans, 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

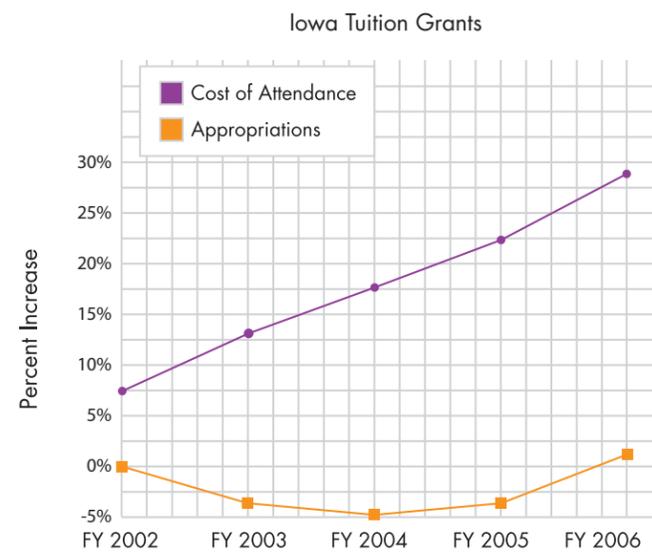
An investment of nearly \$57.8 million made it possible for 23,645 students to receive a state-funded grant, forgivable loan or work-study opportunity to pursue degrees at Iowa's colleges and universities in FY 2006. Iowa-funded programs provide access and choice to students pursuing postsecondary education opportunities beyond high school.



- Osteopathic Forgivable Loans
- Iowa Work Study
- Teacher Shortage Forgivable Loan
- Physician Recruitment Program
- Iowa Grants
- Vocational-Technical Grants
- National Guard Grants
- Iowa Tuition Grants

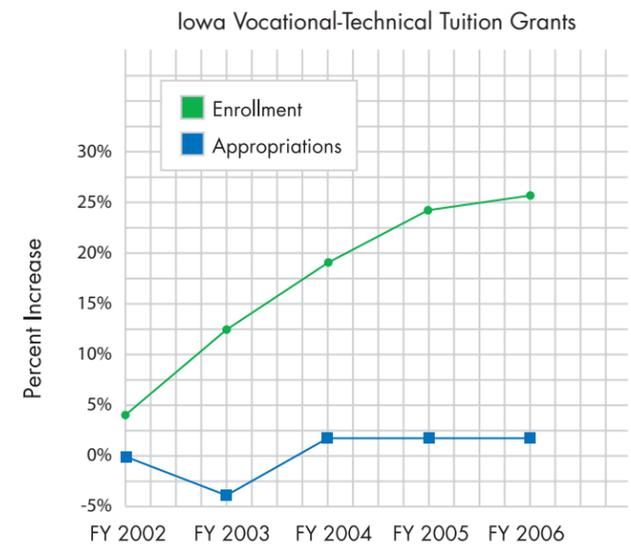
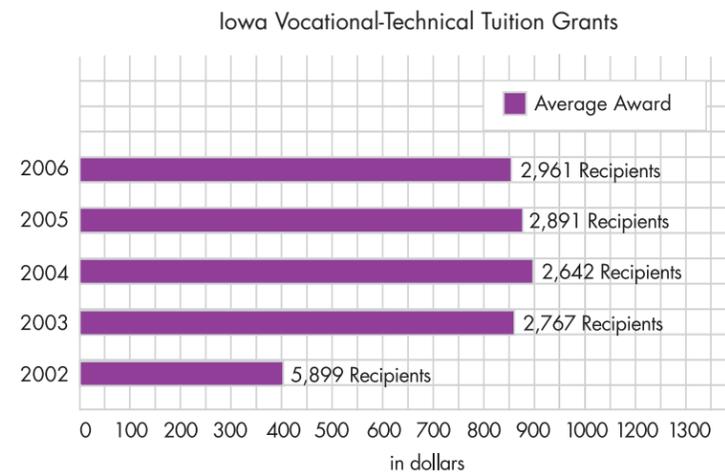
Iowa Tuition Grants

The Iowa Tuition Grant Program, which is intended to reduce the costs associated with attending a private versus public college or university, provides grant assistance of up to \$4,000 to students attending Iowa's private colleges and universities. Over the past 5 years, the cost of attendance at Iowa's private colleges and universities increased 28.26¹ percent while the annual appropriation for the Iowa Tuition Grant Program decreased from 2002 to 2004. The funding level for FY 2006 is only 1.83 percent above the FY 2002 funding level.



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 23%¹ in the past five years.



23,645

Number of students who received a state-funded grant, forgivable loan or work-study opportunity in FY 2006

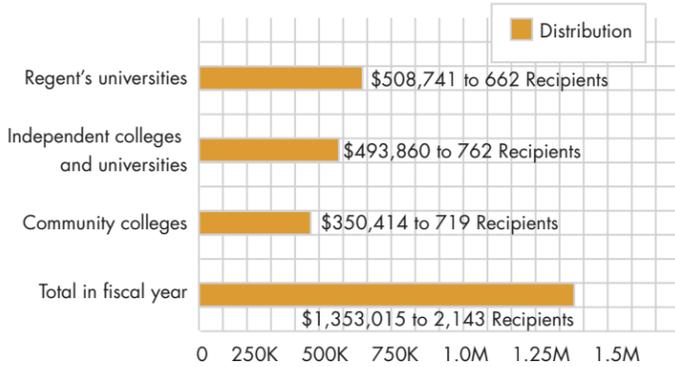
¹ Information Digest of Post Secondary Education in Iowa, 2001 - 2006

Connecting Students to Financial Aid *Continued*

Iowa Grants

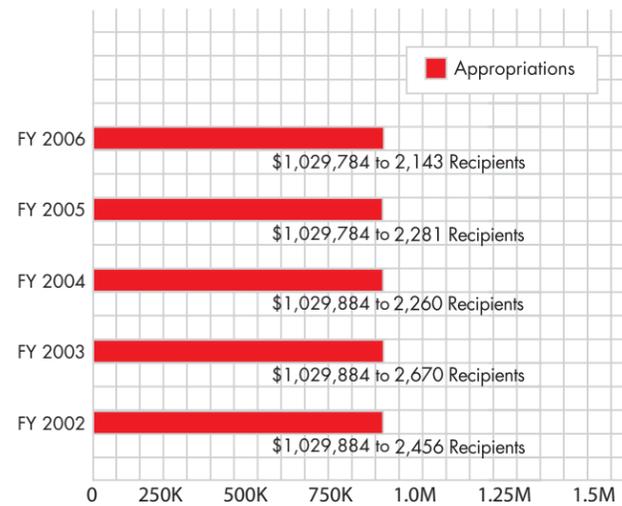
State legislators developed the Iowa Grant Program in 1990. This program provides grant assistance of up to \$1,000 to students with the greatest financial need who attend Iowa colleges and universities.

Iowa Grant Distribution for 2005-2006



*Total combines state appropriations of \$1,029,784 and federal LEAP/SSIG of \$323,256

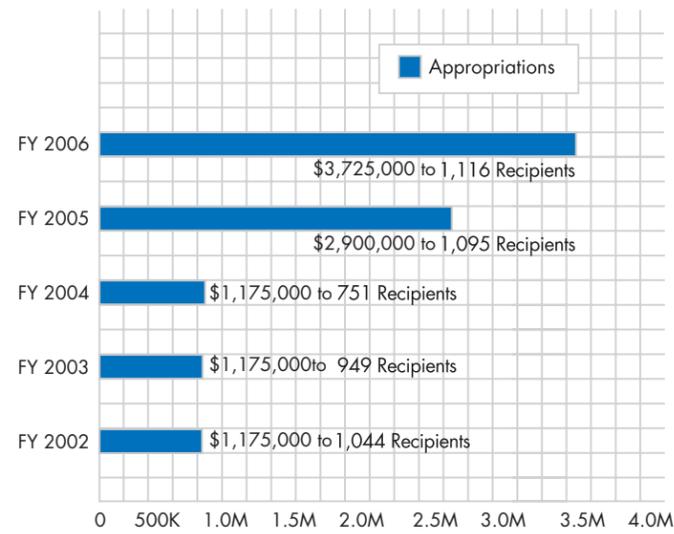
Iowa Grants



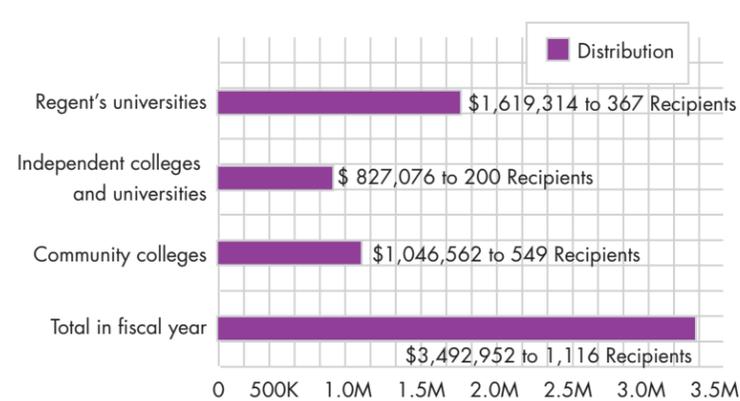
Iowa National Guard Educational Assistance Program

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 provides grant assistance averaging \$3,130 to students attending Iowa colleges and universities.

Iowa National Guard Educational Assistance



Iowa National Guard Distribution for 2005-2006



Work-Study

The Iowa Work-Study Program was designed to supplement the federal Work-Study Program at Iowa colleges and universities. State funding for the program was discontinued in FY 2002. The total number of Iowa Work-Study recipients dropped from 4,308 in FY 2001 to no recipients during FY 2002 through FY 2005.

In FY 2006, significantly reduced funding of \$140,000 was appropriated. This amount provides work study assistance averaging \$586 for 220 students attending Iowa colleges and universities.

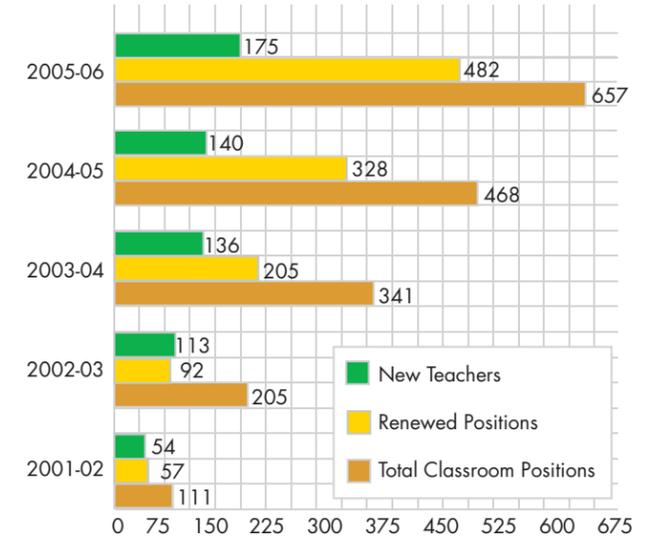
Forgivable Loans

Forgivable loan programs provide an attractive incentive for individuals who want to pursue education and training in high-demand professions. Iowa families and communities benefit from these programs because student recipients fulfill service obligations in communities where services are in short supply. Our programs are formulated in partnership with other public and private entities who also want to take proactive steps to address specific challenges facing Iowa communities.

Teacher Shortage Forgivable Loan Program

The goal of the Teacher Shortage Forgivable Loan Program is to invest in Iowans who will utilize their talents and education as teachers in high-need positions in Iowa's K-12 schools. Recipients may receive forgivable loans of up to \$3,000 per academic year, up to a cumulative total of \$9,000. Twenty percent of the forgivable loan balance is forgiven for each year that the recipient teaches in a designated shortage area. In FY 2006, the program provided an average award of \$2,752 to 503 students studying to become teachers.

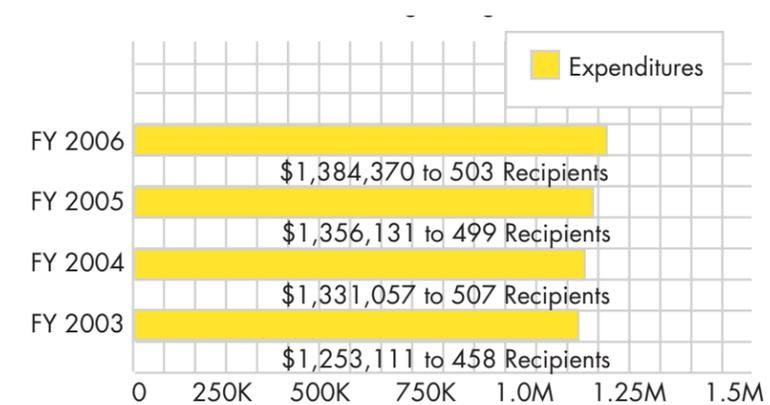
Shortage-Area Teaching Positions Filled by Iowa Teacher Shortage Forgivable Loan Program Recipients



*Graduates from the Class of 2006 were hired to fill K-12 teaching positions for year 2006-07.

Unfortunately, state funding for the Teacher Shortage Forgivable Loan Program over the last few years has continually decreased from \$500,000 in FY 2001 to \$285,000 in FY 2006. Federal funds that have supplemented state appropriations will drop from roughly \$500,000 per year through FY 2008 to \$100,000 in FY 2009.

Teacher Shortage Forgivable Loans



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

\$57,832,965

Dollar amount of Iowa General Fund Appropriations for need-based scholarships, grants, work-study and other related programs in FY 2006

Connecting Students to Financial Aid *Continued*

Physician Recruitment Program

This program provides forgivable loans and tuition scholarships to students at Des Moines University as they pursue medical profession careers. The program also provides loan repayment benefits to health professionals who are willing to provide services in underserved Iowa communities.

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 423 Des Moines University students. In FY 2006, State Appropriations combined with a Des Moines University match, provided students with average Osteopathic Forgivable Loan awards of \$2,500. This program has enabled 169 participating physicians to complete their service obligations in 46 Iowa communities.

Osteopathic Forgivable Loans

Awards	2005-06	2004-05	2003-04	2002-03	2001-02
Recipients	89	106	133	133	147
Average Award	\$2,500	\$2,500	\$2,985	\$2,985	\$3,200
Total Expenditure	\$222,500	\$265,000	\$242,000	\$397,000	\$470,400

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 2006, the program provided an average award of \$33,361. Since the

program was established, 86 physicians have been placed in 52 Iowa counties.

Physician Recruitment Scholarship and Loan Recruitment Information

Scholarships	2005-06	2004-05	2003-04	2002-03	2001-02
Total Recipients	4	4	7	6	15
Average Award	\$30,965	\$26,292	\$17,318	\$21,916	\$15,033
Total Expenditure	\$123,860	\$105,169	\$121,226	\$131,494	\$225,496
Loan Repayment	2005-06	2004-05	2003-04	2002-03	2001-02
Negotiated Contracts	5	5	6	8	5
Average Award	\$35,278	\$38,449	\$30,148	\$30,000	\$30,000
Total Expenditure	\$176,391	\$192,247	\$180,000	\$240,000	\$150,000

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 2006, 250 students received this prestigious award that provides a \$1,500 academic scholarship that is renewable for up to four years. The awards accompany students to any college or university in the country.

Governor Terry E. Brandstad

Iowa State Fair Scholarship

This scholarship, which honors Iowa's former governor Terry E. Brandstad, 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.

Iowa Foster Child Grants

The Commission 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 for higher education. The Iowa Foster Child Grant (IFCG) was a pilot program initiated in the FY 2000 academic year. New recipients were selected annually until the program's final year in FY 2005. The Commission and DHS jointly funded the IFCG program and monies have been set aside to ensure continuous support for the 15 students who remain in the program.

The Education and Training Voucher (ETV) Program is a new initiative 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 2006, the program provided assistance of up to \$5,000 to 112 former foster youth.

Federal Family Education Loan Program

Loan guarantees provided by the Commission last year made it possible for Iowa students and their families to borrow approximately \$450 million to invest in higher education. Since 1979, the Commission has provided more than \$5 billion in loan guarantees for students and parents.

In addition, the Commission waived the one-percent guarantee fee charged to federal Stafford and PLUS Loan borrowers. This benefit has provided more than \$14 million in total cost savings to Iowa students and parents since 1999.

\$4.5 Approximate amount (in millions) that the Commission saved Iowa families by paying the required federal default fee on federal Stafford and PLUS loans in FY 2006

Rusty's Success



Rusty Johnson dreamed of going to college. Tragically, when he was 13, Rusty was devastated by the loss of his mother. With no father in the picture, his aspirations for a bright, promising future were hampered by his struggle to overcome his loss. He was placed in a foster home, which provided him with warm meals, clothing, and a roof over his head. But gone was his dream of going to college.

Rusty kept the memories of his mother alive by pursuing music. He developed his passion for music with the saxophone his mother gave him just prior to her death. Rusty received several outstanding musician awards for his dedication. With the compassion of some very caring individuals, Rusty was encouraged and inspired once again to think about college.

In 1999, the Commission implemented a program for youth aging out of the Iowa foster care system. At age 18, when most other state-funded assistance ended, the Commission provided grants to these students to help pay tuition and fees at any college or university in Iowa.

With the assistance provided by the Iowa College Student Aid Commission, Rusty pursued his dreams of becoming a musician at Central College in Pella, Iowa. He later developed his musical talent in a graduate program at the University of North Texas.

Today, Rusty is an up-and-coming musician. He has dazzled audiences around the world, from the National Cathedral in Washington, D.C., to the arenas of Shanghai, to the Douwstra Auditorium in Pella, Iowa.

Inspired by those who helped him overcome obstacles, Rusty uses his personal experience to connect with youth, foster parents, communities and legislators. At the national level, Rusty worked with Congressman Silvestre Reyes in 2004 to promote the Child Welfare Agenda One Church, One Child legislation. At the state level, on November 2006, he kicked off a statewide campaign to raise awareness and hope for youth in foster care by performing at a concert hosted by Central College. Concert and silent auction proceeds were donated to the Iowa Friends of Foster Care organization.

Rusty is just one of millions of students who have received state scholarship and grant support to pursue their education dreams. With the continued support and resources provided by the state, we hope to make all of Iowa's students' dreams come true.

Connecting Through Information, Resources, Services & Research

The Commission 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, the Commission:

- Provided Iowa middle and high schools with a career and education planning system free of charge. The Commission, in partnership with the Iowa Department of Education and Iowa Student Loan Liquidity Corporation, provided the Iowa Choices web-based career and education planning system to help students identify education and career goals.
- Introduced Commission Connection. This secure, web-based system allows the exchange of sensitive information between the Commission and our partners. Messages and files can be shared securely to comply with privacy laws.
- 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. The Commission, through a partnership with Iowa Student Loan Liquidity Corporation, has continued to provide exemplary customer service for loan processing through the iLink Service Center. iLink provides colleges and universities with one destination to send electronic data and one point of contact for questions on loan processing, regardless of lender.
- Expanded training opportunities. In all, more than 210 college, university and lender partners took advantage of our training programs in FY 2006 which were held in locations throughout the state.
- Added a policy analyst to its team. Our policy analyst ensures that our college, university and lender partners are provided answers and resources on student financial aid program regulations.
- Sponsored an Annual Default Prevention Symposium. The Commission partnered with Iowa Student Loan Liquidity Corporation to sponsor an annual Default Prevention Symposium. The symposium provides Iowa financial aid professionals with practical tools and resources to help increase student retention, prevent student loan defaults and increase financial literacy education for students.
- Provided Student Assistant Grants to Iowa colleges and universities. The Commission's Student Assistant Grants enable Iowa colleges and universities to enhance financial literacy and default prevention efforts through peer-to-peer counseling to students. The student assistants connect with their peers by bringing a shared perspective and level of empathy that only fellow students can share. In addition, the Commission provides the student assistants with formal training and resources. Seventeen eligible colleges and universities each received a \$3,000 grant in FY 2006 to fund a student assistant.
- Provided the opportunity for 26 financial aid administrators to serve on a taskforce. The Commission was able to listen and provide all of our college and university partners with the services and tools that meet their needs.
- Partnered with Iowa college and university officials to prepare and present higher education data. College and university officials use the data in strategic planning, while state lawmakers and other policymakers use the data at a statewide level.
- Conducted research on a variety of higher education topics which include: enrollment, college completion, location of alumni, access and affordability, academic benefits of work-study, out of state students attending Iowa colleges and universities, and elasticity of student debt.

iLink—Linking Advanced Technology with Personalized Service

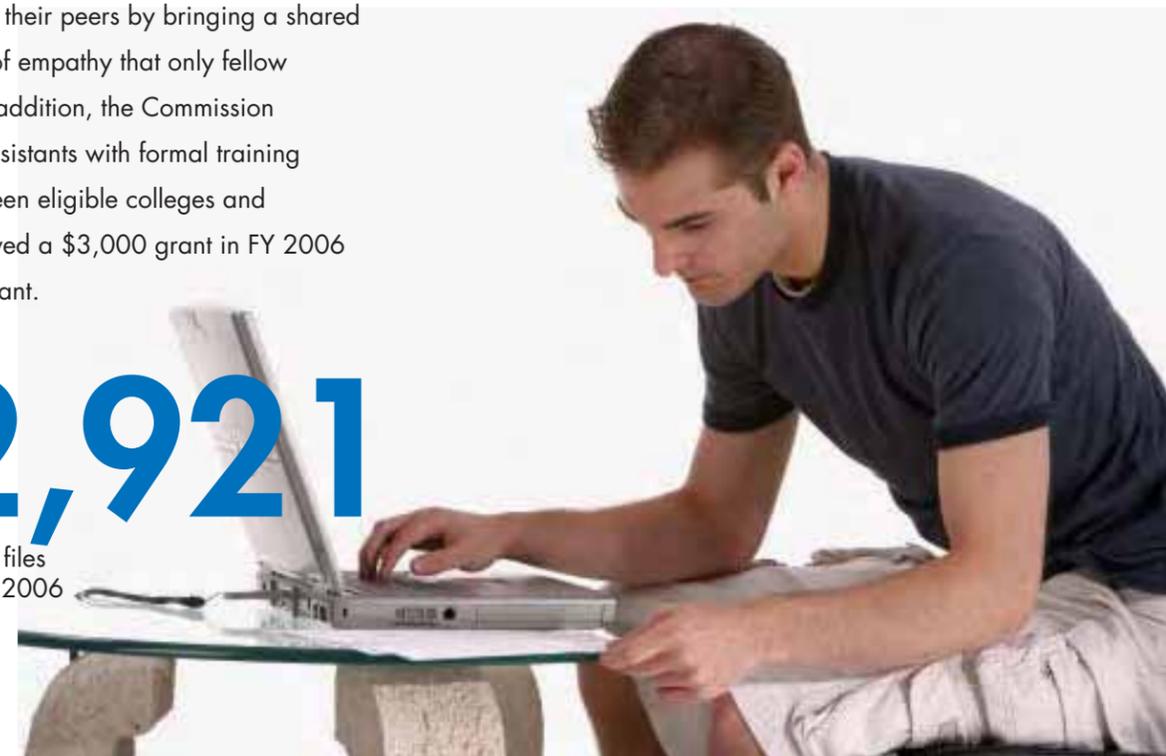
The Iowa College Student Aid Commission partnered with the Iowa Student Loan Liquidity Corporation in 2001 to create iLink, an information processing system and customer service center that helps colleges and universities streamline student loan processing.

iLink's strength lies in its combination of 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 questions.

222,921

Total number of electronic files routed through iLink in FY 2006



Connecting Through Information, Resources, Services & Research *Continued*

Regulatory Guidance

The Commission's Policy Analyst, Carolyn Small, has earned the trust of financial aid professionals when it comes to regulatory guidance. As a veteran of the Common Manual Policy Committee, Carolyn has become a valuable resource for Iowa's financial aid community. The following feedback shows how appreciative the financial aid community is to have reliable regulatory guidance at their fingertips.

"Carolyn Small knows her facts. Great job, this is something we have been missing."
Tracie Pavon, Assistant Vice President of Enrollment and Financial Assistance
Simpson College

"How lucky we are to have the talents of Carolyn Small at the Commission. She will no doubt bring a new level of expertise to our state and will be a great asset."
Robin Fisher, Assistant Director of Financial Aid
Luther College

"Carolyn Small shares her knowledge with us in a way that is very understandable to all levels of staff."
Connie Loven, Director of Financial Aid
AIB College of Business



91,320

Number of publications that the Iowa College Student Aid Commission distributed to Iowa schools, colleges, universities, lenders, students and families in 2006, including:

- Your Course to College
- Planning for Our Futures
- How to Apply for Financial Aid—A Guide for Students
- Student Loans—A Guide for Students and Parents
- Scholarships and Grants—A Guide for Students
- Student Loan Forgiveness—A Guide for Teachers & Nurses
- Guide to Financial Aid for Adult Students
- Federal Teacher Loan Forgiveness
- Education Training Voucher Program
- Teacher Shortage Forgivable Loans
- Helpful Websites

Institutional Volume

Institution/Location	Volume*FY06	Institution/Location	Volume*FY06
AIB College of Business—Des Moines	\$ 3,413,792	Iowa Wesleyan College—Mount Pleasant	\$ 4,522,886
American College of Hairstyling—Cedar Rapids	\$ 81,392	Iowa Western Community College—Council Bluffs	\$ 8,550,653
American College of Hairstyling—Des Moines	\$ 233,536	Kirkwood Community College—Cedar Rapids	\$ 139,658
American Institute of Commerce—Davenport	\$ 9,959,717	La James College of Cosmetology—Mason City	\$ 525,835
Ashford University—Clinton	\$ 22,035,304	Loras College—Dubuque	\$ 5,537,667
Briar Cliff University—Sioux City	\$ 5,086,809	Maharishi University of Management—Fairfield	\$ 1,496,808
Buena Vista University—Storm Lake	\$ 14,523,849	Marshalltown Community College—Marshalltown	\$ 2,842,610
Central College—Pella	\$ 8,125	Mercy College of Health Sciences—Des Moines	\$ 3,330,916
Clarke College—Dubuque	\$ 6,561,473	Morningside College—Sioux City	\$ 4,207,170
College of Hair Design, Inc.—Waterloo	\$ 315,572	Northwest Iowa Community College—Sheldon	\$ 1,462,332
Cornell College—Mount Vernon	\$ 4,248,321	Northwestern College—Orange City	\$ 5,244,035
Des Moines University—Des Moines	\$ 49,730,065	Palmer College of Chiropractic—Davenport	\$ 72,788,313
Divine Word College—Epworth	\$ 76,238	Professional Cosmetology Institute—Ames	\$ 628,096
Dordt College—Sioux Center	\$ 3,007,254	St. Ambrose University—Davenport	\$ 21,042,546
Drake University—Des Moines	\$ 34,300,983	Simpson College—Indianola	\$ 8,292,341
Eastern Iowa Community College—District	\$ 11,428,845	Southeastern Community College—Burlington	\$ 5,302,612
Ellsworth Community College—Iowa Falls	\$ 2,298,530	St. Luke's College—Sioux City	\$ 517,650
Emmaus Bible College—Dubuque	\$ 634,592	University of Dubuque—Dubuque	\$ 4,473,889
Faith Baptist Bible College—Ankeny	\$ 1,105,506	Upper Iowa University—Fayette	\$ 25,210,577
Grand View College—Des Moines	\$ 6,924,947	Vatterott College—Des Moines	\$ 4,999
Grinnell College—Grinnell	\$ 2,353,165	Vennard College—University Park	\$ 327,475
Hamilton College—All Campuses	\$ 30,201,049	Wartburg College—Waverly	\$ 8,647,775
Iowa Central Community College—Fort Dodge	\$ 9,629,849	Wartburg Theological Seminary—Dubuque	\$ 672,850
Iowa Lakes Community College—Estherville	\$ 6,701,858	Western Iowa Tech Community College—Sioux City	\$ 7,506,757
Iowa Methodist School of Nursing—Des Moines	\$ 93,588	William Penn University—Oskaloosa	\$ 11,257,764

Out of State Institutions \$ 12,044,790
Total for FY 06 \$ 441,533,363

*Gross Guarantees for federal Stafford (subsidized and unsubsidized)
This amount excludes federal PLUS and Consolidation Loan volume.

120,328

Number of federal subsidized Stafford, unsubsidized Stafford, PLUS, and Consolidation Loans guaranteed by the Commission in FY 2006

Connecting Through Information, Resources, Services & Research *Continued*

Default Prevention Initiative

Student Assistant Program



Heather Rhoades hopes to one day become a secondary education teacher in Iowa. In that role, she says, her goal is to make a difference in the lives of her students. She is already making a difference

in the lives of her fellow classmates at Grand View College. As a senior majoring in Secondary Education and English Education, with an endorsement in Business, Heather works in the Financial Aid Office as a Student Assistant.

The Student Assistant Program provides eligible Iowa colleges and universities with a \$3,000 grant to hire a student assistant to help with default prevention and financial literacy strategies on their campuses. Student assistants connect with their peers by bringing a shared perspective and level of empathy that only fellow students can share. In addition, the Iowa College Student Aid Commission provides the formal training and resources to help them do their jobs.

As a student assistant, Heather helps prepare exit

counseling information, presents information on loan forgiveness and financial aid options to college classes and student groups, prepares articles on financial literacy topics for the school newspaper, creates and distributes credit card tip information to students, prepares total indebtedness data for students and organizes outside speakers to come to campus and present financial literacy information to students. Heather feels the Student Assistant Program has been very beneficial to Grand View College students. "I think it is important for students to know their financial aid options and to be prepared for student loan repayment," Heather said. "I have learned so much that I can take with me and continue to help others, such as the importance of budgeting and how to calculate interest."

"I feel really good about the work that I do through the Student Assistant Program," said Heather. "The Commission provides me with the training and reference material I need, and I really enjoy sharing ideas with the student assistants at other Iowa colleges and universities. I am so glad that I had this opportunity to combine work with something I am passionate about—helping others!"

Planning for Our Futures Guide

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. Here are some of the comments that were received from Iowa school counselors:

"These guides are great, complete and to the point."

"It is a wonderful resource for parents. It is easy to understand."

"We appreciate the resource and plan to incorporate it with career planning."

"It is an outstanding resource. Thank you for making it available!"

"I appreciate the guides since they are to the point, well-written and appealing to the eye."

"I am going to give this to all of my 8th graders. The guide will answer the questions they have been asking."



Connecting with Colleges and Universities



The Iowa College Student Aid Commission is a key resource for all of the financial aid offices in the State of Iowa. This year the benefits of the Commission have been invaluable to our office. Sure, they do all of the traditional things that you would expect

from the state agency assigned to administer the state financial aid programs, but they went above and beyond normal expectations.

Central has a small financial aid office with three full-time professional staff members. When one of our staff went on maternity leave, Carol Bogaard, our customer relations representative came down to help our office when the students arrived. It was a hectic time, full of last minute loan applications. We could not have done it without the additional help that was so graciously provided. When that same staff member followed her husband's career out of state, Carol again volunteered to come down and help train our new staff member by doing a one-on-one financial aid boot camp.

The Commission provides valuable training, school support, support and participation in the state financial aid association, and provides a voice to our legislators. You can count on the Commission to take the lead in providing training on the federal programs as fast as interpretations become available. The service is impeccable; they set the standards for the rest of us to follow.

**Jane Vander Wert, Director of Financial Aid
Central College**



I have to admit that I almost fainted this past summer when I found out that I would become the new Financial Aid Director at Mount Mercy College. I started the fall semester with a staff of two, my office manager and myself ... a seemingly daunting task for almost

1,500 students. However, help was just a couple of hours away.

I remembered from a Commission training in Dubuque this summer that the Iowa College Student Aid Commission had generously offered their staff to help schools in a time of

need. I didn't think much about it at the time, but was thankful I attended the training if only for that bit of information. In August and September, I had help from Julie Ntem, Dave Kegy and Luann Beckel. Each individual had their own specialties and assisted me in everything from certifying loans to answering phones. Dave also researched and resolved some NSLDS issues for me!

The training provided by the Iowa College Student Aid Commission has also been very beneficial this year, especially in light of HERA. These trainings have given us the opportunity to expand our wealth of financial aid information while conversing with our colleagues from across the state. I'm hopeful that the Iowa College Student Aid Commission will offer more training opportunities in 2007. I would recommend their staff to anyone in need of a helping hand.

**Aaron Steffens, Director of Financial Aid
Mount Mercy College**



The Iowa College Student Aid Commission offers a range of training opportunities for financial aid administrators in Iowa. The trainings are geared towards those who are new to the profession as well as seasoned veterans. One of the greatest strengths

of the Commission trainers is their ability to interpret and bring clarity to difficult regulatory guidelines.

I can always count on the staff at the Commission to provide me with guidance on current regulatory and legislative issues. They also keep me informed of industry topics through their website. The Teacher Forgivable Loan information on their website is user-friendly and helpful. The iLink Service Center combines a knowledgeable staff with a state-of-the-art system that enables quick access to loan changes. In addition, the educational materials provided by the Commission for entrance and exit counseling are informative, colorful and designed to attract the attention of students. Karen Misjak is always available to me when I need her. I believe the entire staff works hard to accommodate their customers.

**Jolaine R. Sweiger, Assistant Director of Student Loans
Drake University**

Connecting with Borrowers

As a student loan guaranty agency, the Commission 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. The Commission works hard to get those borrowers back on track through default aversion assistance. If a borrower does default on his or her student loan, the Commission remains dedicated to working with the defaulted borrower through loan rehabilitation and collections.

Default Prevention

The Commission developed the Student Loan Outfitters Program to connect with borrowers early in the loan process to prevent situations that lead to unmanageable levels of debt. The Student Loan Outfitters Program consists of:

- **Reliable Resources**
Financial literacy information promoting responsible borrowing and successful repayment is provided to students, high schools and financial aid administrators through the Outfitter's website, on CDs, worksheets, presentation packets, and brochures. In FY 2006 more than 40,000 Iowa students received a comprehensive repayment guide prior to college graduation.
- **Borrower Referrals**
Iowa colleges and universities refer at-risk borrowers to the Commission through the Outfitters Referral

Service. Through this process, the borrowers receive the information and attention they need to achieve successful loan repayment.

- **Student Assistant Grants**
The Commission provided 17 eligible colleges and universities each with a \$3,000 grant in FY 2006 to fund a student assistant on their campus. The objectives of the Student Assistant Program are to encourage the development of innovative programs that help students understand budgeting, promote sensible borrowing, and develop strategies for successful repayment.

Default Aversion Assistance

When borrowers become delinquent on their student loan payments, the Commission assists lenders in their efforts to help prevent the borrowers from defaulting. In FY 2006, the Commission received default aversion requests for loans totalling approximately \$300 million. Of those delinquent loans, 86% were brought current.

Collections

In FY 2006, the Commission recouped more than \$20 million on behalf of taxpayers through its collection strategies that included recoveries made through third-party collection services, in-house collection efforts, offsets from income tax refunds and loan consolidation. Borrower payments (excluding offset and consolidation) on defaulted student loans increased 13.7% in FY 2006.

Loan Rehabilitation

Loan rehabilitation is a strategy that offers favorable outcomes to all parties involved in student loan financing. When a defaulted loan is rehabilitated, the borrower's record of default is expunged from his or her credit report and the borrower regains all the rights of a non-defaulted borrower. This is particularly valuable for students who drop out of school during difficult times, default on their loans, and later want to re-enroll. A record of default would prevent the student from receiving any type of state or federal financial aid.

In FY 2006, the Commission helped 925 borrowers rehabilitate \$6.8 million in defaulted student loans. This is an increase of 20.5% over the previous year. As an incentive for borrowers who rehabilitate their defaulted loans, the Commission waives the authorized fee of 18.5% that may be charged to the borrower. This waiver saved borrowers more than \$1.2 million in collection costs in FY 2006.

20.5%
Increase in dollar amount
of rehabilitated loans in
FY 2006 over FY 2005



\$6,800,000

Dollar amount of loans that were rehabilitated from default in FY 2006

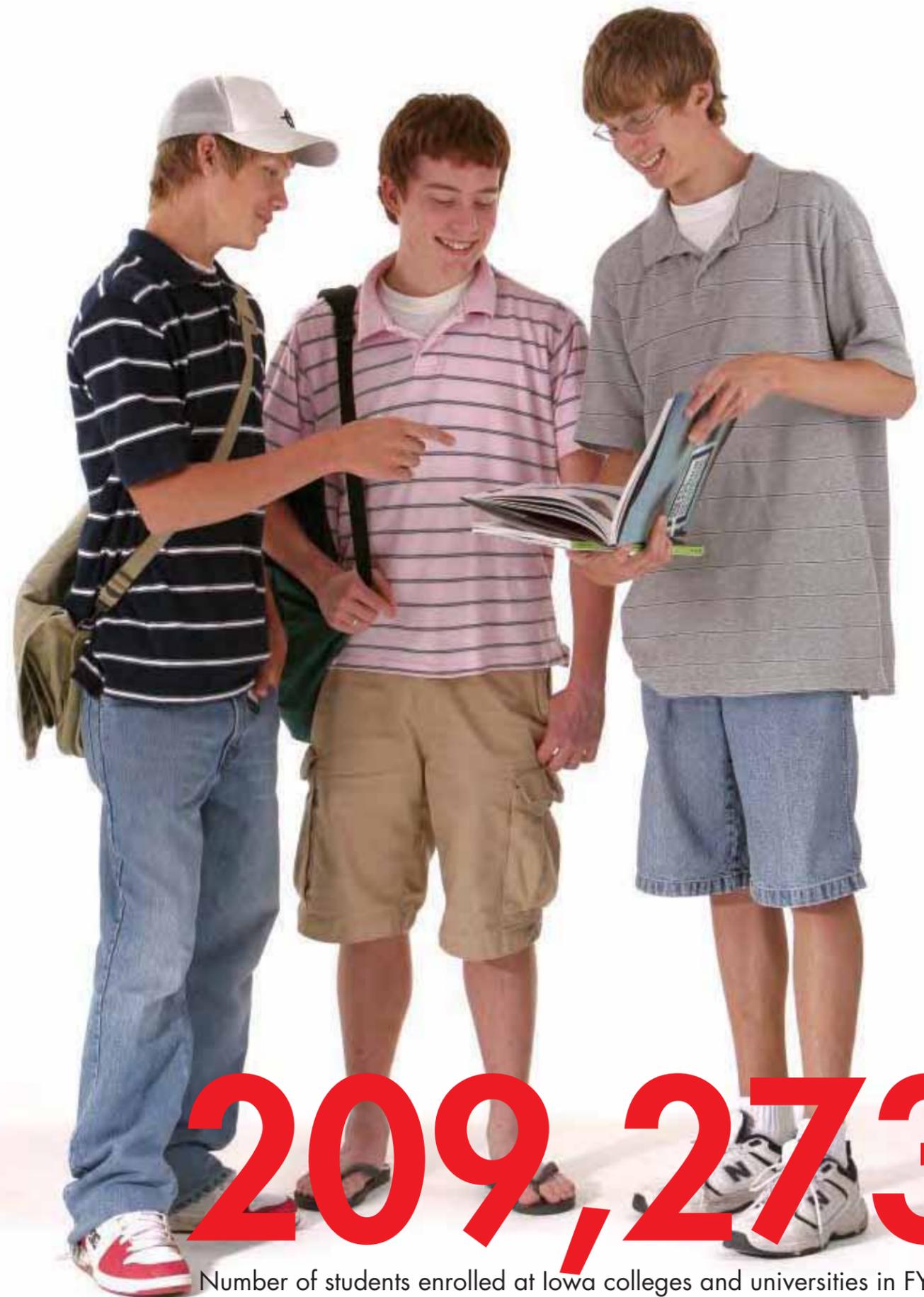
TOP 25 LENDERS OF FY 2006

Lender/Location	Dollar Volume* Fiscal Year			Numerical Ranking		
	2006	2005	2004	2006	2005	2004
U.S. Bank, Des Moines	\$117,361,468	\$82,957,612	\$67,535,204	1	1	1
Palmer College of Chiropractic, Davenport	\$68,216,854	\$49,952,899	\$56,626,135	2	2	2
Des Moines University, Des Moines	\$40,551,812	\$19,072,613	\$10,712,530	3	6	11
West Bank, West Des Moines	\$28,509,675	\$34,365,772	\$33,398,259	4	3	7
Regions Bank, Des Moines	\$22,320,978	\$15,995,293	\$12,428,223	5	7	10
Quad City Bank & Trust, Bettendorf	\$21,616,611	\$26,288,575	\$26,385,574	6	4	5
Veridian Credit Union, Waterloo	\$21,157,886	\$13,609,451	\$15,072,127	7	8	8
Bankers Trust, Des Moines	\$11,456,312	\$13,537,304	\$21,825,820	8	9	9
Security National Bank, Sioux City	\$11,107,943	\$10,884,192	\$10,255,434	9	10	12
Wells Fargo Bank, Sioux Falls, SD	\$8,715,961	\$6,611,754	\$7,986,956	10	13	13
Citibank Student Loans, Rochester, NY	\$7,363,408	\$570,286	\$488,958	11	56	57
First Federal Bank, Sioux City	\$7,154,949	\$7,324,476	\$7,659,240	12	12	14
First National Bank, Sioux Center	\$5,326,319	\$1,972,828	\$2,376,725	13	25	24
American Trust & Savings Bank, Dubuque	\$4,507,288	\$3,784,868	\$4,158,313	14	16	18
Dupaco Community Credit Union, Dubuque	\$4,413,201	\$3,935,032	\$3,756,770	15	15	16
First Midwest Bank, Centerville, SD	\$4,211,907	\$8,748,382	\$20,160,491	16	11	3
Mt. Vernon Bank & Trust, Mt. Vernon	\$3,568,417	\$3,444,127	\$3,071,046	17	17	21
Iowa State Bank, Alton	\$2,853,850	\$2,802,189	\$2,228,625	18	22	25
Farmers & Merchants, Burlington	\$2,835,193	\$1,804,848	\$1,495,245	19	25	31
Principal Bank, Des Moines	\$2,734,112	\$771,947	\$482,264	20	46	59
Clinton National Bank, Clinton	\$2,710,739	\$924,160	\$900,162	21	39	42
Citizens Community Credit Union, Ft. Dodge	\$2,639,336	\$2,910,520	\$1,864,321	22	21	27
Northwest Federal Savings Bank, Spencer	\$2,637,780	\$3,022,740	\$3,698,127	23	20	19
State Bank of Waverly, Waverly	\$2,539,963	\$1,743,722	\$2,810,512	24	26	21
American State Bank, Sioux Center	\$2,258,482	\$2,231,058	\$2,749,827	25	24	23
Total	\$408,770,444	\$319,266,648	\$320,126,642			

*Gross Guarantees for Federal Stafford (subsidized and unsubsidized) and PLUS Loans.

\$463,633,000

Total dollar amount of loan guarantees in FY 2006
(excluding consolidations)



209,273

Number of students enrolled at Iowa colleges and universities in FY 2006

Unaudited Combined Balance Sheet

June 30, 2005 & 2006

	SFY 2006	SFY 2005
ASSETS		
Cash	\$ 38,844,477	\$ 36,843,750
Due from Federal Government:		
Default Reimbursements & SPA	\$ 4,057,204	\$ 5,832,549
Loan Processing Issuance Fee	\$ 181,407	\$ 146,055
Account Maintenance Fee		\$ 172,948
Guarantee Fees Due From:		
Lenders		
PLP Receivable	\$ 4,741,708	\$ 4,950,126
Osteopathic Receivable	\$ 239,453	\$ 255,846
Other Receivables		
Interest	\$ 533,262	\$ 390,792
Overpayments & Repurchases	\$ 199,822	\$ 161,233
Default Collections	\$ 72,417	\$ 88,676
Payment from DE for IRS Refunds	\$ 2,390	\$ 8,608
Misc	\$ 25,925	\$ 8,837
Total Assets	\$ 48,898,065	\$ 48,859,420
LIABILITIES AND FUND EQUITY		
Accounts Payable (USAF)	\$ 528,002	\$ 240,865
Salary and Benefits Payable	\$ 99,853	\$ 90,336
Payables to DE, Defaults, Other	\$ 1,968,991	\$ 2,318,749
Federal Reserve Return	\$ 2,842,038	\$ 2,842,038
Total Liabilities	\$ 5,438,884	\$ 5,491,988
Fund Equity	—	
Fund Balance:		
Reserved:	—	
Federal Recall		
Unreserved:		
Fund Equity	\$ 43,459,181	\$ 43,367,432
Total Fund Equity	\$ 43,459,181	\$ 43,367,432
Total Liabilities and Fund Equity	\$ 48,898,065	\$ 48,859,420

Unaudited Statements of Revenues, Expenditures and Changes in Fund Balance

	SFY 2006	SFY 2005
REVENUE		
Loan Processing Issuance Fee (LPIF)	\$ 1,549,600	\$ 1,460,503
Account Maintenance Fee (AMF)	\$ 2,626,748	\$ 2,002,848
Default Aversion Fee (DAF)	\$ 1,081,617	\$ 1,004,649
Default Aversion Rebate	\$ 394,524	\$ 340,945
Fed Pmts on Defaulted Loan and SPA	\$ 40,495,878	\$ 34,897,081
PLP Income	\$ 391,099	\$ 275,307
Osteopathic Repayment Revenue	\$ 22,689	\$ 23,840
Choices Revenue	\$ 291,193	\$ 295,708
Interest Income	\$ 1,453,428	\$ 963,246
Default Collections	\$ 15,763,118	\$ 14,529,668
Overpayments and Repurchases	\$ 3,444,199	\$ 1,972,820
Other	\$ 377,009	\$ 377,147
Total Revenues	\$ 67,891,102	\$ 58,143,762
EXPENDITURES		
Iowa Stafford Student Loan Adm.	\$ 6,263,128	\$ 5,553,101
Default Collection & Pmts to DE	\$ 5,394,921	\$ 5,222,825
Collection Expenses	\$ 1,818,544	\$ 1,844,110
Payments on Default Claims	\$ 44,891,682	\$ 37,779,195
Foster Grant Payments	\$ 19,349	\$ 50,780
Default Aversion Expenses	\$ 179,815	\$ 40,984
Default Aversion Fees and Rebate	\$ 1,476,141	\$ 1,345,594
Due DE for Refunds & Rehab.	\$ 5,017,502	\$ 4,562,062
Due to Other Funds	\$ 2,293,430	\$ 808,877
Other	\$ 297,685	\$ 147,284
Total Expenditures	\$ 67,652,197	\$ 57,354,812
Revenues Over (Under) Expenditures	\$ 238,905	\$ 788,950
OTHER FINANCING SOURCES (USES)		
Net increase/decrease in fair value of investments	\$ (147,156)	\$ 6,166
Revenues and Other Sources Over Expenditures and Fund Balance	\$ 91,749	\$ 795,116
Revenue	\$ 91,749	\$ 795,116
Beginning of Year	\$ 43,367,432	\$ 42,572,316
Federal Reserve Return		
Fund Balance end of Year	\$ 43,459,181	\$ 43,367,432