



INVESTING IN STUDENTS TODAY

Successful Careers Tomorrow
ANNUAL REPORT 2006-2007



IowaCollegeAid.gov
Your Financial Aid Connection

Message from the Executive Director

Making College Affordable is an Investment in Iowa's Future

Dedicating Iowa resources to programs and services that help Iowa families afford college is an investment in Iowa's future. According to the U.S. Bureau of Labor Statistics Current Population Survey, in 2006, college graduates with 4-year degrees had median incomes that were nearly 62% above those of high school graduates. In addition, the unemployment rate in 2006 for high school graduates was nearly double the unemployment rate of those with bachelor's degrees. Access to quality, affordable higher education is a necessity in helping Iowans to lead productive, financially stable lives.

Iowans are fortunate to have access to an excellent network of Regent universities, independent colleges and universities, community colleges, and trade schools. The Commission is entrusted by the State of Iowa to connect Iowans to the resources and services they need to accomplish their higher education goals. In FY 2007 over 24,000 students benefited from a state-funded scholarship, grant, forgivable loan, or work-study opportunity while pursuing degrees at Iowa's colleges and universities.

In this report, we have highlighted many of our accomplishments in FY 2007. As we move into 2008, we will face the challenges of rising college costs, minimal parental savings for college, and increased student loan indebtedness, while we continue our advocacy to increase state appropriations that help to increase college access and affordability for Iowa students. We are confident that by investing in Iowa's future today, Iowa will reap the rewards for years to come.

Invest



Accomplishments:

- We provided Iowa students with more than \$59.8 million in Iowa General Fund Appropriations for need-based scholarships, grants, work-study and other related programs. The Commission also actively pursued 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 over \$5 million during FY 2007 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 schools, high schools, colleges and universities. 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 increased publication usage by nearly 300% in FY 2007. Our publications are a neutral, unbiased resource to help connect Iowa families to information and resources about planning, preparing, and paying for college.
- We helped 1,433 student loan borrowers rehabilitate over \$10.7 million in defaulted student loans.
- We saved taxpayer dollars by increasing rehabilitation loan sales by 59% and FFELP collections by 23% over the previous year.
- We conducted surveys and published findings on higher education, ethnic diversity and other special studies useful to state policy makers.

We would like to thank all of our partners for supporting the Commission's mission 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. We are pleased with our accomplishments in FY 2007 and are prepared to face the challenges and opportunities that lie ahead. I invite you to review our FY 2007 annual report to learn more about the Iowa College Student Aid Commission, our accomplishments, and our focus on helping Iowa students and families plan, prepare and pay for college.

Sincerely,



Karen Misjak

Executive Director

Focusing on Connections

The Commission partners with the Iowa General Assembly, colleges and universities, middle and high schools, lenders, parents, students, borrowers and many other agencies and organizations that share our vision to provide educational opportunities for all Iowans.



Commissioners

A board of Commissioners governs the operation of the Iowa College Student Aid Commission. Commissioners are appointed by the Governor to serve four-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 2007 Commissioners are listed below.

MS. JANET ADAMS¹, Chair
Represents the General Public
Executive Director, Iowa Reading Association
Appt. 6/01/04 – Term expires 6/30/10

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

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

MS. CATHERINE BEYERINK¹
Represents the Iowa Student Loan Liquidity Corporation
Chief Executive Officer, Telco Triad Community Credit Union
Appt. 9/11/06 – Term expires 6/30/09

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

MR. TIMOTHY COLE¹
Represents the General Public
Vice President of Operations, Midwest Region, Kaplan
Higher Education Corporation
Appt. 7/01/06 – Term expires 6/30/09

MR. ROBERT DENSON¹
Represents Iowa Community Colleges
President, Des Moines Area Community College
Appt. 10/23/06 – Term expires 6/30/09

MS. MICHELLE DURAND-ADAMS¹
Represents Iowa Lending Institutions
President, e-Market Solutions, LLC
Appt. 7/01/94 – Term expires 6/30/10

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

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

SENATOR HERMAN C. QUIRMBACH³
Represents Iowa Senate
Associate Professor, Economics, Iowa State University
Appt. 3/04/03 – Term expires 8/27/11

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

Focus

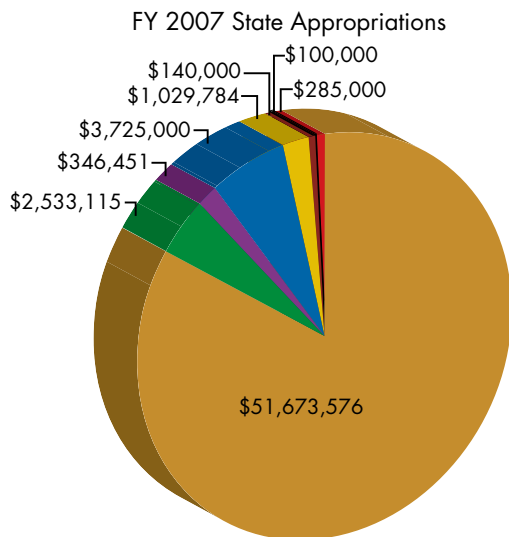
¹ Appointed by the Governor
² Appointed by the Board of Regents
³ Appointed by the President of the Senate
⁴ Appointed by the Speaker of the House

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 to help students plan, prepare, and pay 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 \$59.8 million made it possible for 24,214 students to receive a state-funded grant, forgivable loan or work-study opportunity to pursue degrees at Iowa's colleges and universities in FY 2007. Iowa-funded programs provide access and choice to students pursuing postsecondary education opportunities beyond high school.

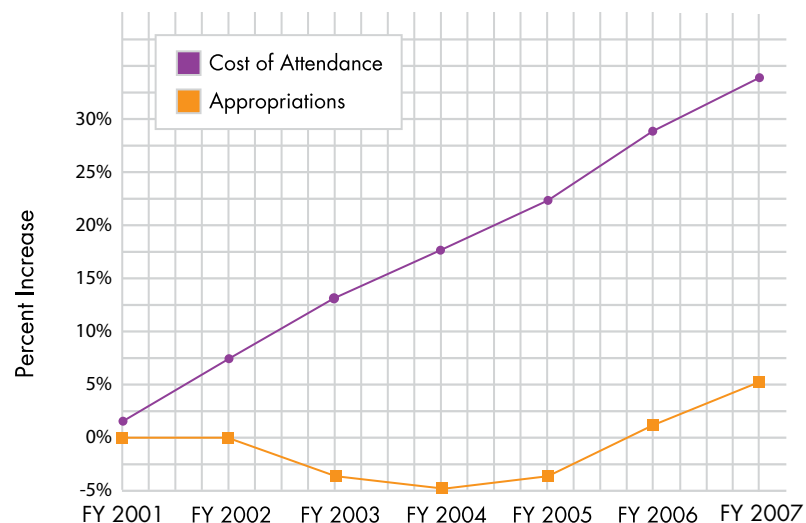


- Osteopathic Forgivable Loans
- Iowa Work-Study
- Teacher Shortage Forgivable Loan
- Physician Recruitment Program
- Iowa Grants
- Vocational-Technical Grants
- National Guard Grants
- Iowa Tuition Grants

Iowa Tuition Grants

The Iowa Tuition Grant Program, which is intended to reduce the costs associated with attending a private college or university, provides grant assistance of up to \$4,000 to eligible students attending Iowa's private colleges and universities. Over the past six years, the cost of attendance at Iowa's private colleges and universities increased 35¹ percent while the annual appropriation for the Iowa Tuition Grant Program decreased from 2002 to 2004. The funding level for FY 2007 is only 5.8 percent above the FY 2001 funding level.

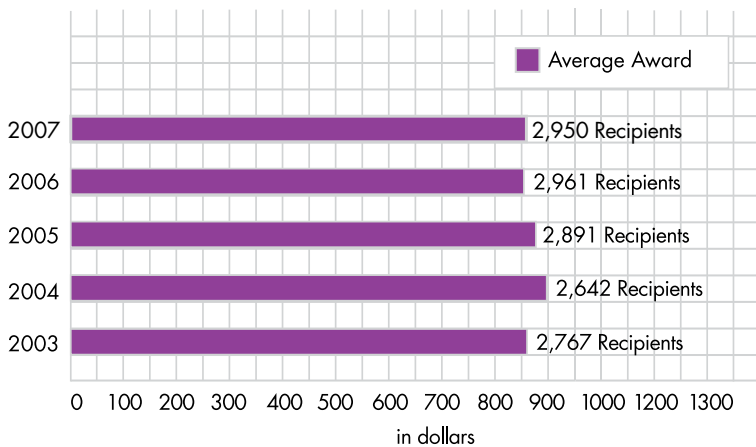
Iowa Tuition Grants



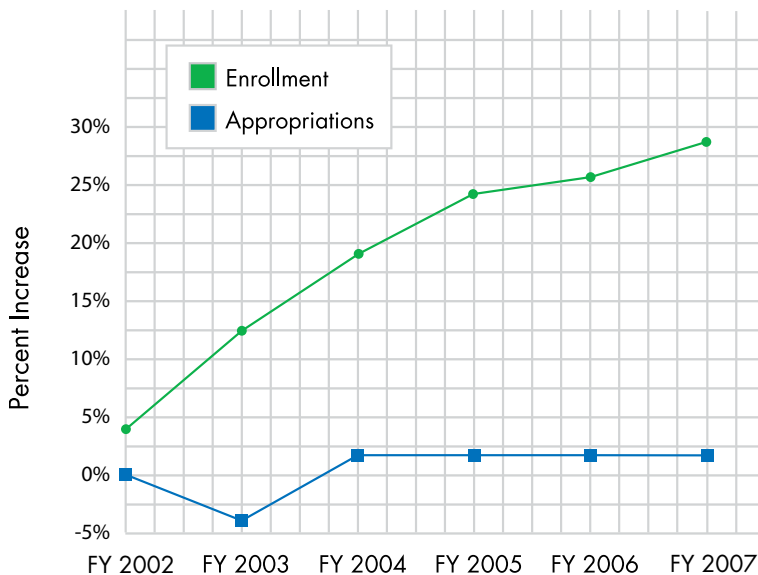
Iowa Vocational-Technical Tuition Grants

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.

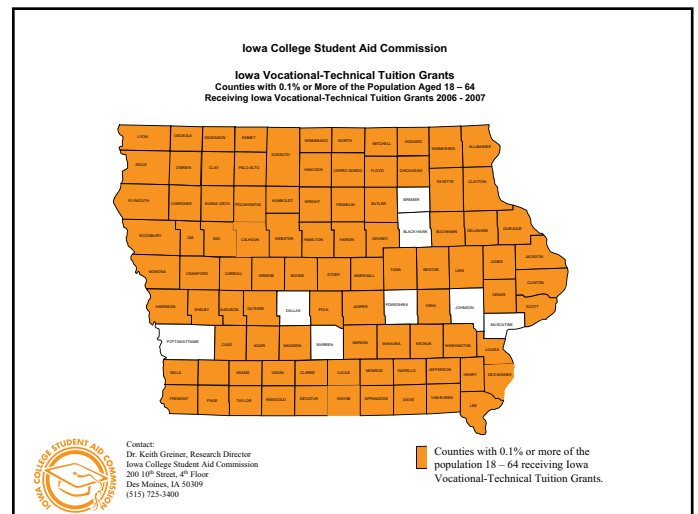
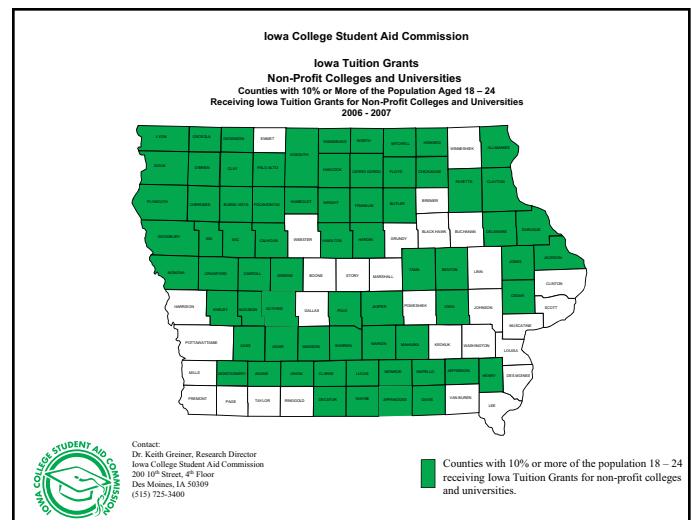
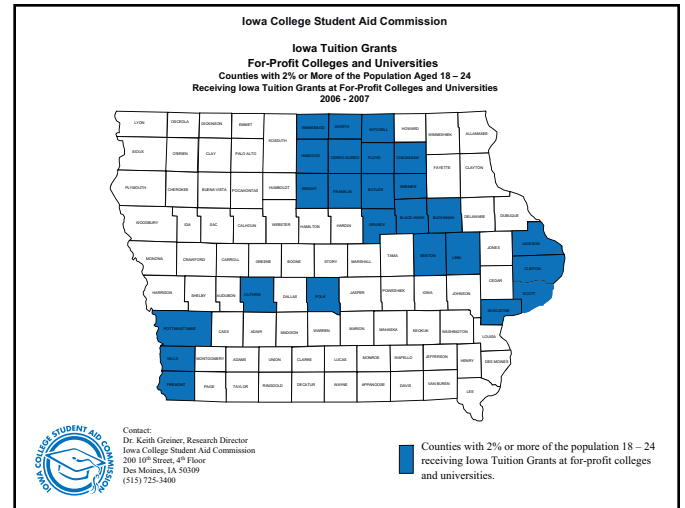
Iowa Vocational-Technical Tuition Grants



Iowa Vocational-Technical Tuition Grants



Grant Recipient Distribution



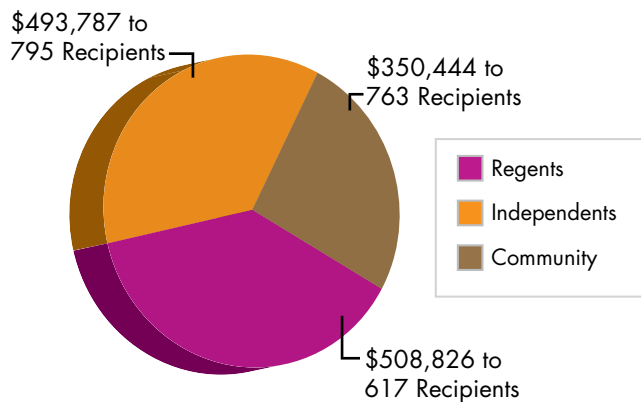
¹ Information Digest of Post Secondary Education in Iowa, 2001 - 2007

Connecting Students to Financial Aid *Continued*

Iowa Grants

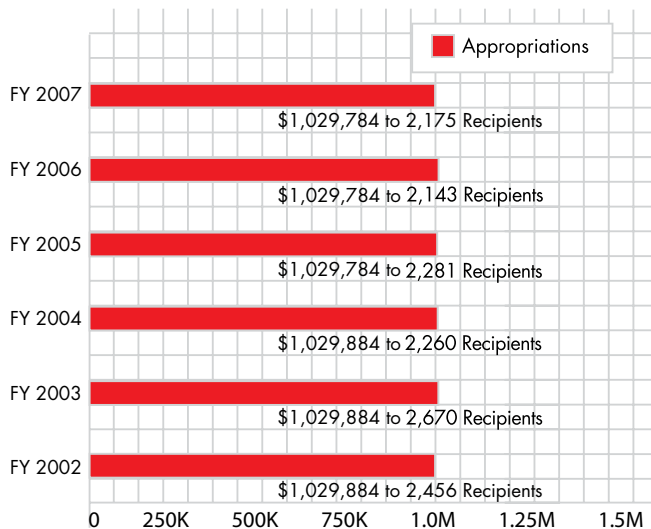
State legislators developed the Iowa Grant program in 1990. This program provides grant assistance of up to \$1,000 to students with the greatest financial need who attend Iowa colleges and universities. This program provided 2,175 students with awards averaging \$622 in FY 2007.

Iowa Grant Distribution for 2006-2007



* The appropriation of \$1,029,784 was supplemented with federal funds.

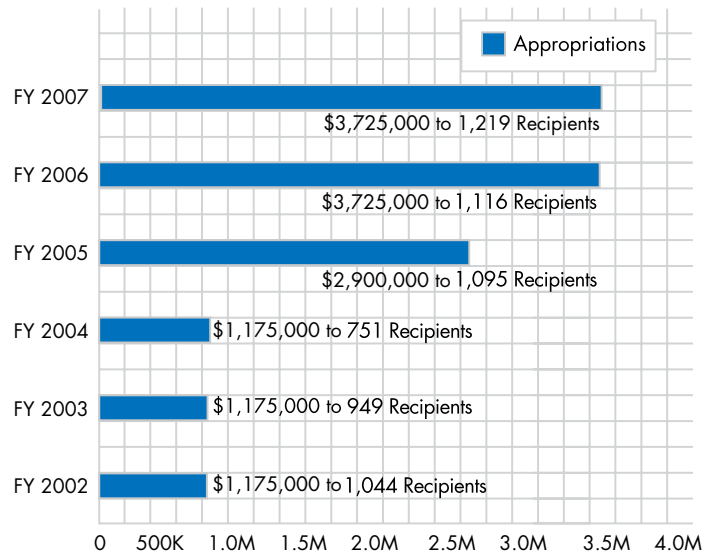
Iowa Grants



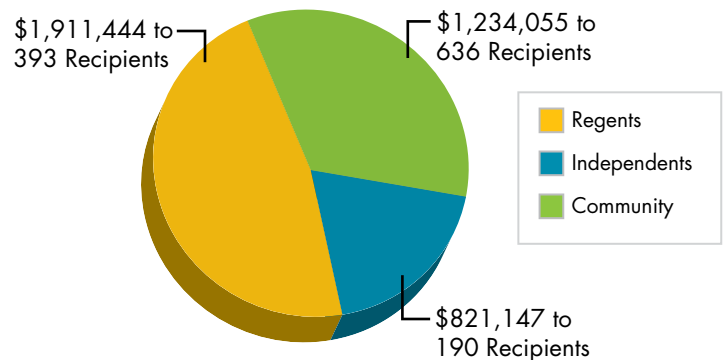
Iowa National Guard Educational Assistance Program

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 provided grant assistance averaging \$3,254 to 1,219 students attending Iowa colleges and universities in FY 2007.

Iowa National Guard Educational Assistance



Iowa National Guard Distribution for 2006-2007



* The FY 2007 expenditure includes funding that was carried over from previous years.

Affordability

Work-Study

The Iowa Work-Study Program was designed to supplement the Federal Work-Study Program at Iowa colleges and universities. While state funding for the program was discontinued in FY 2002, the state renewed its interest in funding the Iowa Work-Study program in FY 2006. The total number of Iowa Work-Study recipients dropped from 4,308 in FY 2001 to 182 students in FY 2007. In FY 2007, an appropriation of \$140,000 provided 182 students with awards averaging \$702.

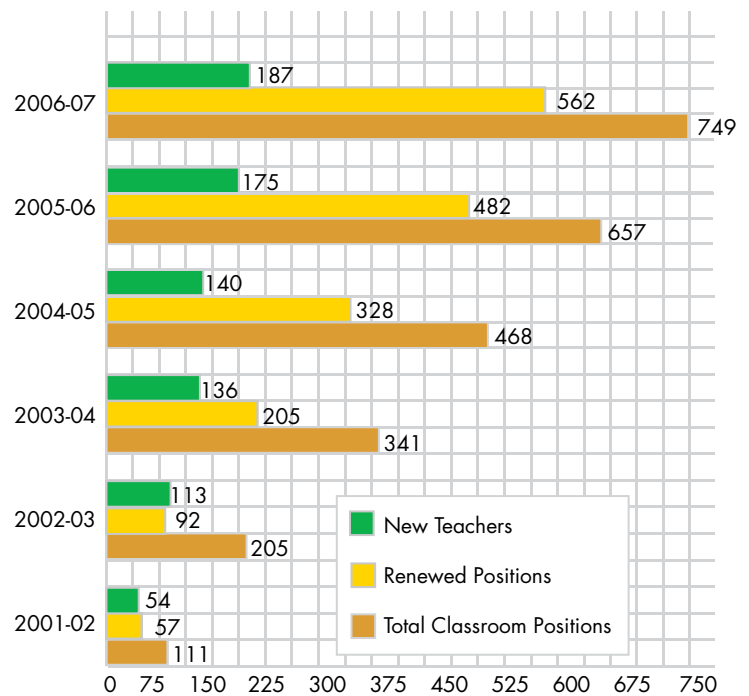
Forgivable Loans

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 designed 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 Teacher Shortage Forgivable Loan program invests 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 2007, the program provided an average award of \$2,750 to 502 students studying to become teachers.

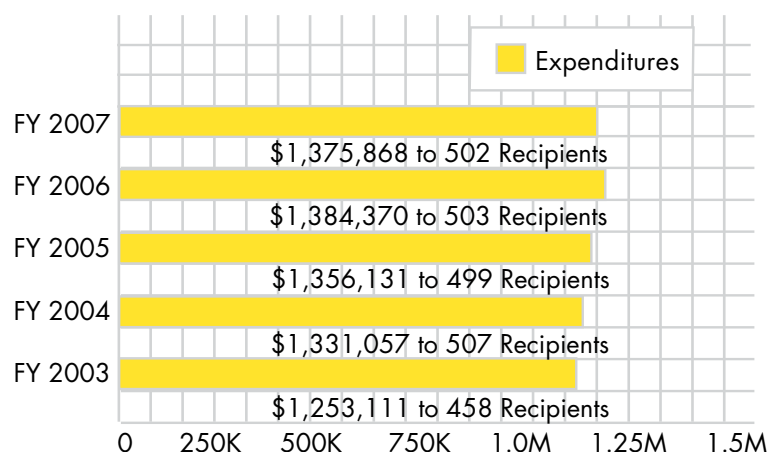
Teacher Placements



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 2007. Federal funds that have supplemented state appropriations were depleted by the end of FY 2007. The Commission continues to seek new opportunities that will encourage individuals to enter and remain in the teaching profession in Iowa.

In FY 2007, state and federal funding of \$1,372,118 assisted 502 students.

Teacher Shortage Forgivable Loans



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

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 555 Des Moines University students. In FY 2007, state appropriations combined with a Des Moines University match, provided students with average Osteopathic Forgivable Loan awards of \$4,100. This program has enabled 77 Iowa communities to benefit from the services provided by 149 physicians.

Osteopathic Forgivable Loans

Awards	2006-07	2005-06	2004-05	2003-04	2002-03
Recipients	89	89	106	133	133
Average Award	\$4,100	\$2,500	\$2,500	\$2,985	\$2,985
Total Expenditure	\$364,900	\$222,500	\$265,000	\$242,000	\$397,000

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 2007, the program provided an average award of \$50,093. Since the program was established, 92 physicians have been placed in 52 Iowa counties and 63 Iowa communities.

Physician Recruitment and Loan Recruitment Information

Loan Repayment	2006-07	2005-06	2004-05	2003-04	2002-03
Negotiated Contracts	6	5	5	6	8
Average Award	\$50,093	\$35,278	\$38,449	\$30,148	\$30,000
Total Expenditure	\$300,558	\$176,391	\$192,247	\$180,000	\$240,000

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 2007, 134 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. Branstad

Iowa State Fair Scholarship

This scholarship, which honors Iowa's former governor Terry E. Branstad, 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 to help pay college expenses. The Iowa Foster Child Grant (IFCG) was a pilot program initiated by the Commission in FY 2000. 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 students who remain in the program.

The Education and Training Voucher (ETV) Program is 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 2007, the program assisted 117 students with awards averaging \$2,793.

Federal Family Education Loan Program

Loan guarantees provided by the Commission last year made it possible for Iowa students and their families to borrow over \$526 million to invest in higher education. Since 1979, the Commission has insured more than \$5.5 billion in loan guarantees for students and parents.

In addition, the Commission has waived the one-percent guarantee fee charged to Federal Stafford and PLUS Loan borrowers. Since 1999, this has saved borrowers more than \$19 million. In FY 2007, the Commission paid over \$5 million in required federal default fees on behalf of Iowa students and parents.



Following Her Dreams

Randie Camp's parents divorced when she was two years old. Most of her early childhood was spent packing up and moving before her abusive father could find them. "My life was always hectic and unstable; school was the only place where I did not have to worry," recalled Randie.

Randie and her younger siblings were placed in foster care after their mother remarried and entered into another abusive relationship. They were returned home and sent back to foster care several times. Randie's brother, who had been placed at the Four Oaks Center in Cedar Rapids, was eventually transferred to Iowa Lutheran in Des Moines. Their mother moved to Des Moines to be closer to him. When Randie joined her family in Des Moines, it only took her mother a few short weeks before she placed Randie in a youth shelter for a three-day time-out. Her mother did not make contact with her for over six months, so Randie was again placed in foster care.

Her new foster home was a good fit for Randie. She attended Southeast Polk High School where she became Vice President of the National Honor Society, participated in several extra-curricular activities, and taught Sunday school at her church. Randie, like most teenagers, tested her boundaries. When she continued to assert her independence and fell victim to several eating disorders, she was moved to another foster home, and then to a youth shelter before being accepted into the Independent Living Program in Polk County. She struggled in the program and dropped out of high school. Randie then moved to a more structured independent living program in Ames.

Randie earned her GED and started classes at DMACC when she was 18 years old. During her first semester she found out she was pregnant. The birth of her son Noah was a turning point in her life. "I am very dedicated to my studies because I want to provide my son with all of the love and opportunities that I did not have growing up," said Randie.

Now Randie is a student at Iowa State University and will graduate in 2010. She is majoring in elementary education with an emphasis in special education and social studies. Her goal is to continue her studies and achieve a Reading Endorsement as a graduate student. "I first decided to go to college because I have always wanted to be a teacher," Randie explained. "I think my mom may have been less likely to stay in abusive relationships if she had an education and earned a decent salary."

The grant assistance that Randie received has enabled her to follow her dreams. "The financial aid, including the ETV grant, helped me to pay for my college expenses, as well as daily expenses like gas, and of course lots of Huggies! My financial assistance goes beyond just paying for essentials. I am able to attend school without working which allows me to spend time with Noah and focus on my studies. It would be very difficult for me to go to school, spend time with Noah, and work on top of that. If it were not for financial aid, I probably would have given up and dropped out of college by now."

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 Iowa CHOICES®, a career information and decision-making 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 and connect them to careers and colleges that will help them meet these goals.
- Provided the Commission Connection, a secure web-based system that allows the exchange of sensitive information between the Commission and our partners.
- 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, continues to provide exemplary loan processing customer service through the iLink Service Center. iLink provides colleges and universities with one destination for exchanging electronic data and one point of contact for questions on loan processing, regardless of lender.
- During FY 2007, the iLink Service Center answered 46,182 incoming and outgoing phone calls. In addition, the following files were routed through iLink:
App Send Files - **28,208**
Disbursement Roster Files - **38,041**
Change Send Files - **60,301**
Response Files - **169,234**

iLink—Linking Advanced Technology with Personalized Service

The iLink Service Center was created in 2001 to streamline student loan processing for colleges and universities. iLink's strength lies in its combined 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 loan questions.

- Provided timely, accurate, and reliable answers and resources on student financial aid program regulations.
- Added a Congressional Liaison/Compliance Specialist to our team. This person is responsible for addressing Commission concerns with federal legislative leaders, coordinating lender reviews, and assisting with regulatory guidance.
- Sponsored an annual Default Prevention Symposium. The Commission partnered with Iowa Student Loan Liquidity Corporation to sponsor a Default Prevention Symposium that provided 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 on their campuses by offering 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. Fifteen eligible colleges and universities each received a \$3,000 grant in FY 2007 to fund a student assistant.
- Hosted college and university task force meetings to discuss legislative changes, program implementation and administration, and other key topics. Task force members represented each sector of higher education in Iowa.
- Hosted the first Iowa Higher Education Research Conference. Researchers met to discuss ways to increase the value of higher education and the effectiveness of research when influencing federal and state policy.
- Partnered with Iowa college and university officials to collect, prepare, and present higher education data. College and university officials use the data in strategic planning, while state lawmakers and other policy makers use the data on 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.

Serve



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

Congressional Liaison/Compliance Specialist



Senator Tom Harkin discusses student aid issues with Commission Congressional Liaison, Jeremy Davis.

The Commission's Congressional Liaison/Compliance Specialist, Jeremy Davis, visited Washington D.C. several times during FY 2007 to meet with policy makers and develop relationships with Iowa's Congressional Delegation. He communicated the Commission's position on a variety of issues related to federal student aid and higher education. The ultimate goal was to advocate for all Iowa students and

families to ensure that our United States representatives and senators realized that college access is a necessary and achievable goal.

In addition to his congressional liaison duties, Mr. Davis will coordinate federally required lender and loan holder reviews to ensure compliance with federal and state regulations, as well as assist with regulatory policy guidance.



Training

The Commission provided group and individual training sessions for college, university, and lender representatives throughout FY 2007. Each training session provided insight on the financial aid process, covered products and services offered by the Commission and iLink, and reviewed current federal, state, and regulatory issues. Below are some of the comments that were received from attendees:

"It was a great session that made a complex topic easy to understand."

"The session was very informative, it was all helpful."

"I liked all of the resources provided. I just wish there was more time."

"There was great discussion. I felt that there was real involvement with everyone in attendance."

Institutional Volume

Institution/Location	Volume*FY07	Institution/Location	Volume*FY07
American College of Hairstyling–Cedar Rapids	\$ 139,475	Iowa Wesleyan College–Mount Pleasant	\$ 5,102,015
American College of Hairstyling–Des Moines	\$ 182,250	Iowa Western Community College–Council Bluffs	\$ 11,364,729
AIB College of Business–Des Moines	\$ 5,309,613	Kaplan University–Davenport	\$ 7,870,973
Ashford University - Clinton	\$ 70,775,002	La James College of Hairstyling–Mason City	\$ 635,479
Briar Cliff University–Sioux City	\$ 6,897,060	Loras College–Dubuque	\$ 5,809,401
Buena Vista University–Storm Lake	\$ 15,509,767	Maharishi University of Management–Fairfield	\$ 1,425,043
Central College–Pella	\$ 87,175	Marshalltown Community College–Marshalltown	\$ 3,202,504
Clarke College–Dubuque	\$ 4,939,811	Mercy College of Health Sciences–Des Moines	\$ 3,893,407
College Of Hair Design, Inc.–Waterloo	\$ 378,460	Morningside College–Sioux City	\$ 5,860,842
Cornell College–Mount Vernon	\$ 4,523,293	Northwest Iowa Community College–Sheldon	\$ 1,751,651
Des Moines University–Des Moines	\$ 45,649,776	Northwestern College–Orange City	\$ 6,693,468
Divine Word College–Epworth	\$ 67,608	Palmer College of Chiropractic–Davenport	\$ 85,263,695
Dordt College–Sioux Center	\$ 5,354,283	The Salon Professional Academy–Ames	\$ 900,670
Drake University–Des Moines	\$ 34,208,722	St. Ambrose University–Davenport	\$ 21,677,847
Eastern Iowa Community College–District	\$ 11,878,877	Simpson College–Indianola	\$ 10,555,197
Ellsworth Community College–Iowa Falls	\$ 2,205,882	Southeastern Community College–Burlington	\$ 4,833,614
Emmaus Bible College–Dubuque	\$ 594,567	St. Luke's College–Sioux City	\$ 468,816
Faith Baptist Bible College–Ankeny	\$ 1,212,012	University of Dubuque–Dubuque	\$ 10,135,503
Grand View College–Des Moines	\$ 9,533,561	Upper Iowa University–Fayette	\$ 28,868,142
Grinnell College–Grinnell	\$ 4,302,984	Vennard College–University Park	\$ 416,475
Hamilton College–All Campuses	\$ 31,952,220	Wartburg College–Waverly	\$ 7,562,695
Iowa Central Community College–Fort Dodge	\$ 9,235,459	Wartburg Theological Seminary–Dubuque	\$ 607,250
Iowa Lakes Community College–Estherville/Emmetsburg	\$ 6,120,900	Western Iowa Tech Community College–Sioux City	\$ 6,552,991
Iowa Methodist Medical Center School–Des Moines	\$ 188,875	William Penn University–Oskaloosa	\$ 12,377,250

Out of State Institutions	\$ 11,645,298
Total for FY 07	\$ 526,722,587

*Gross Guarantees for Federal Stafford (subsidized and unsubsidized) Federal PLUS and Federal Grad PLUS loan volume.

Collaborate

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

First Annual Research Conference

The Iowa College Student Aid Commission hosted the state's first Iowa Higher Education Research Conference. Researchers met to discuss ways to increase the value of higher education and its effectiveness when influencing federal and state policy.

The conference provided researchers from across the state an opportunity to discuss how data, when coordinated and disseminated properly, can influence policy makers. Topics covered included research and state and federal policy, a panel discussion on Iowa higher education data sources, research coordination in Iowa, and the future of higher education. Keynote speaker, Harold Hodgkinson, a nationally recognized expert on education demographics, discussed the changing demographics and national trends in education.

Attendees and speakers found the conference very valuable. Several attendees expressed their appreciation for the opportunity to network and collaborate with fellow researchers on state trends in higher education. Based on the positive feedback received, the Commission plans to host the Iowa Higher Education Research Conference on an annual basis.

Information Service Center— Iowa's Financial Aid Connection

In FY 2007, the Commission created the Information Service Center, a customer service unit designed specifically for financial aid administrators, school counselors, lenders, students, and families. A new toll-free number, 877-272-4456, provides direct access to Information Service Center specialists who are available to answer questions and to quickly connect callers to the information they need. In the first year of operation, Information Service Center specialists received over 2,000 phone calls and responded to requests for nearly 300,000 college planning and financial aid publications.

The Information Service Center is a single point of contact for Commission products and services, regulatory guidance, borrower eligibility, and information regarding planning, preparing, and paying for college.



L-R: Information Service Center representatives, Kathi Gosnell, Luann Beckel, Tiffany Martinez, Dave Kecz, and Natalee Girardi give customers their undivided attention when they call the Information Service Center

Listen

Connecting Students to Success

James Young has been a Certified Nursing Assistant for ten years and truly loves taking care of people. While he found his profession both challenging and rewarding, he always regretted not getting a college education. "The big reason I decided to return to college was for my 13 year old daughter. I wanted to be a positive role model and have a leg to stand on when encouraging her to attend college," explained Mr. Young.

Making the decision to return to college may have been easy, but paying for it was another story. In order to keep up with the hectic schedule of a full-time nursing student, Mr. Young went from full-time to part-time employment. While his wife continued to work full-time as a CNA, the financial strain was difficult on their family. "We went from making it from paycheck to paycheck comfortably, to not being able to afford to buy school pictures for our daughter," said Mr. Young.

State grant assistance made the difference for the Young family. Mr. Young was the recipient of an Iowa Vocational-Technical Tuition Grant while attending Iowa Western Community College in Clarinda. The grant money helped put food on the table for the Young family. "The grant money has meant a great deal to us. Thank you very much," expressed Mr. Young.



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. In FY 2007, this publication was selected for two prestigious awards.

Silver ADDY®

Planning for Our Futures was awarded a Silver ADDY® by the Marketing, Advertising, and Communication Professionals of Northeast Iowa. The ADDY® is a three-tiered competition held by the American Advertising Federation.

National Association of Student Financial Aid Administrators State Award

NASFAA State Awards recognize individual states for outstanding projects that contribute to the financial aid profession. The intent of the award is to encourage creative and innovative services to individuals or groups of individuals who are directly or indirectly involved in student financial aid.



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 Commission's website, on CDs, worksheets, presentation packets, and brochures. In FY 2007, more than 45,000 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 Borrower Referral

Service. In FY 2007, colleges and universities referred 2,806 borrowers to the Commission to receive the information and attention they needed to achieve successful repayment.

- **Student Assistant Grants**
The Commission provided 15 eligible colleges and universities each with a \$3,000 grant in FY 2007 to fund a student assistant on their campuses. 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 2007, the Commission received default aversion requests for loans totalling approximately \$313 million. Of those delinquent loans, 86.2% were brought current.

Collections

In FY 2007, the Commission recouped more than \$33 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. Collections on defaulted student loans increased 23.3% in FY 2007.

Encourage

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 Commission's default entry is removed from the borrower's 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 2007, the Commission helped 1,433 borrowers rehabilitate over \$10.7 million in defaulted student loans. This is an increase of 58.98% over the previous year.



Success

TOP 25 LENDERS OF FY 2007

Lender/Location	Dollar Volume* Fiscal Year			Numerical Ranking		
	2007	2006	2005	2007	2006	2005
U.S. Bank, Des Moines	\$147,651,875	\$117,361,468	\$82,957,612	1	1	1
Palmer College of Chiropractic, Davenport	\$80,613,174	\$68,216,854	\$49,952,899	2	2	2
Des Moines University, Des Moines	\$35,863,218	\$40,551,812	\$19,072,613	3	3	6
West Bank, West Des Moines	\$31,402,703	\$28,509,675	\$34,365,772	4	4	3
Regions Bank, Des Moines	\$23,798,348	\$22,320,978	\$15,995,293	5	5	7
Citibank Student Loans, Rochester, NY	\$22,178,265	\$7,363,408	\$570,286	6	11	56
Veridian Credit Union, Waterloo	\$18,557,252	\$21,157,886	\$13,609,451	7	7	8
Wells Fargo Bank, Sioux Falls, SD	\$16,577,563	\$8,715,961	\$6,611,754	8	10	13
Quad City Bank & Trust, Davenport	\$16,064,982	\$21,616,611	\$26,288,575	9	6	4
Security National Bank, Sioux City	\$11,668,213	\$11,107,943	\$10,884,192	10	9	10
Clinton National Bank, Clinton	\$11,384,258	\$2,710,739	\$924,160	11	21	39
Banker's Trust, Des Moines	\$10,271,100	\$11,456,312	\$13,537,304	12	8	9
First Federal Bank, Sioux City	\$6,684,966	\$7,154,949	\$7,324,476	13	12	12
First National Bank Midwest, Oskaloosa	\$5,039,215	\$5,326,319	\$6,192,354	14	13	14
Dupaco Community Credit Union, Dubuque	\$4,944,323	\$4,413,201	\$3,935,032	15	15	15
Principal Bank, Des Moines	\$4,423,329	\$2,734,112	\$771,947	16	20	46
Affinity Direct, Sioux Falls, SD	\$3,910,493	\$0	\$0	17	-	-
American Trust & Savings Bank, Dubuque	\$3,542,312	\$4,507,288	\$3,784,868	18	14	16
Mt. Vernon Bank & Trust, Mt. Vernon	\$3,264,743	\$3,568,417	\$3,444,127	19	17	17
Iowa State Bank, Alton	\$3,134,787	\$2,853,850	\$2,802,189	20	18	21
Central Bank, Storm Lake	\$2,819,296	\$1,101,751	\$1,273,017	21	39	33
Farmers & Merchants, Burlington	\$2,700,487	\$2,835,193	\$1,804,848	22	19	25
American State Bank, Sioux Center	\$2,667,222	\$2,258,482	\$2,578,246	23	25	23
First National Bank, Sioux Center	\$2,419,336	\$1,897,750	\$1,972,828	24	28	24
Peoples National Bank, Council Bluffs	\$2,336,330	\$1,954,864	\$2,699,276	25	27	22
Total	\$473,917,790	\$401,695,823	\$313,353,119			

*Gross Guarantees for Federal Stafford (subsidized and unsubsidized), PLUS, and Grad PLUS loans.

Empower



Unaudited Combined Balance Sheet

June 30, 2006 & 2007

	SFY 2007	SFY 2006
ASSETS		
Cash	\$ 39,760,175	\$ 38,844,477
Due from Federal Government:		
Default Reimbursements & SPA	\$ 4,405,102	\$ 4,057,204
Loan Processing Issuance Fee	\$ 190,001	\$ 181,407
Account Maintenance Fee	\$ 699,466	
Guarantee Fees Due From:		
Lenders		
PLP Receivable	\$ 3,950,274	\$ 4,741,708
Osteopathic Receivable	\$ 168,595	\$ 239,453
Other Receivables		
Interest	\$ 647,205	\$ 533,262
Overpayments & Repurchases	\$ 146,772	\$ 199,822
Default Collections	\$ 277,104	\$ 72,417
Payment from DE for IRS Refunds	\$ 5,535	\$ 2,390
Misc	\$ 4,270	\$ 25,925
Total Assets	\$ 50,254,499	\$ 48,898,065
LIABILITIES AND FUND EQUITY		
Accounts Payable (USAF)	\$ 461,190	\$ 528,002
Salary and Benefits Payable	\$ 117,351	\$ 99,853
Payables to DE, Defaults, Other	\$ 1,782,238	\$ 1,968,991
Federal Reserve Return	\$ 1,421,019	\$ 2,842,038
Total Liabilities	\$ 3,781,798	\$ 5,438,884
Fund Equity	—	
Fund Balance:		
Reserved:	—	
Federal Recall		
Unreserved:		
Fund Equity	\$ 46,472,701	\$ 43,459,181
Total Fund Equity	\$ 46,472,701	\$ 43,459,181
Total Liabilities and Fund Equity	\$ 50,254,499	\$ 48,898,065

Unaudited Statements of Revenues, Expenditures and Changes in Fund Balance

REVENUE

	SFY 2007	SFY 2006
Loan Processing Issuance Fee (LPIF)	\$1,710,523	\$1,549,600
Account Maintenance Fee (AMF)	\$ 3,444,425	\$ 2,626,748
Default Aversion Fee (DAF)	\$ 1,246,615	\$ 1,081,617
Default Aversion Rebate	\$ 381,340	\$ 394,524
Fed Pmts. on Defaulted Loan and SPA	\$ 39,824,489	\$ 40,495,878
PLP Income	\$ 478,085	\$ 391,099
Osteopathic Repayment Revenue	\$ 13,988	\$ 22,689
Choices Revenue	\$ 480,799	\$ 291,193
Interest Income	\$ 1,990,574	\$ 1,453,428
Default Collections	\$ 20,081,118	\$ 15,763,118
Overpayments and Repurchases	\$ 2,557,045	\$ 3,444,199
Other	\$ 352,508	\$ 377,009
Total Revenues	\$ 72,561,509	\$ 67,891,102

EXPENDITURES

	SFY 2007	SFY 2006
Iowa Stafford Student Loan Adm.	\$ 6,807,507	\$ 6,263,128
Default Collection & Pmts. to DE	\$ 5,946,537	\$ 5,394,921
Collection Expenses	\$ 2,479,470	\$ 1,818,544
Payments on Default Claims	\$ 43,702,220	\$ 44,891,682
O.F. Match for Nursing and TFLP	\$ 289,000	
Foster Grant Payments	\$ 14,500	\$ 19,349
Default Aversion Expenses	\$ 290,186	\$ 179,815
Default Aversion Fees and Rebate	\$ 1,627,955	\$ 1,476,141
Due DE for Refunds & Rehab.	\$ 8,158,427	\$ 5,017,502
Due to Other Funds		\$ 2,293,430
Other	\$ 394,149	\$ 297,685
Total Expenditures	\$ 69,709,951	\$ 67,652,197
Revenues Over (Under) Expenditures	\$ 2,851,558	\$ 238,905

OTHER FINANCING SOURCES (USES)

	SFY 2007	SFY 2006
Net Increase/Decrease in Fair Value of Investments	\$ 161,962	\$ (147,156)
Revenues and Other Sources Over Expenditures and Fund Balance	\$ 3,013,520	\$ 91,749
Revenue	\$ 3,013,520	\$ 91,749
Beginning of Year	\$ 43,459,181	\$ 43,367,432
Federal Reserve Return		
Fund Balance End of Year	\$ 46,472,701	\$ 43,459,181

INVESTING IN STUDENTS TODAY

Successful Careers Tomorrow
ANNUAL REPORT 2006-2007



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