



TSAC UPDATE



• Helping Students Achieve Their Goals Since 1974

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Update on TSAA Notices & Funding

The processing of the 2013-2014 FAFSAs has begun. Students began receiving letters regarding their Tennessee Student Assistance Award (TSAA) the week of January 21st. As in prior years, all students who have completed a FAFSA indicating Tennessee as their state of legal residence will receive a letter notifying them of their eligibility for the TSAA. As of February 1st, TSAC has processed over 76,000 records.

You can access the students who have selected your institution in e*GRandS by going to Reports and selecting Grant Activity Reports. There are separate reports available, one for eligible stu-

dents and one for ineligible students.

Please encourage your students to use the TSAC Student Financial Aid Portal to monitor their application(s). Additionally, it is also the fastest way to process a change in their institution choice.

Also, Governor Bill Haslam has proposed a funding increase of \$5 million to the TSAA program. If approved, the additional monies will help to serve approximately 2,700 students and will increase TSAA funding for 2013/14 to approximately \$69 million. The status of the increase will not be known until the end of session and TSAC will provide an update once further information becomes available.

New Aid Officers Training Workshop

Register now to reserve your spot for the training workshop on March 15, 2013 at the TSAC offices in Nashville. The sessions for the day include the following topics:

- Overview of Financial Aid Programs and Student Eligibility
- Verification
- Campus Based Programs and Packaging
- State Grant and Scholarship Programs
- Lottery Scholarship Program

Please R.S.V.P. to Karen Myers by email, and let her know of your plans for you or your staff to attend the workshop. Directions and parking information will be provided once you've registered to attend. Refreshments will be served from 8:30 a.m. to 9:00 a.m. and the workshop sessions will begin at 9:00 a.m. and conclude at 3:30 p.m. Lunch will be provided. The deadline for reserving your space is March 8th. Karen's e-mail address is karen.myers@tn.gov.



TSAC Continues to Support Borrowers

TSAC's Loan Program initiatives have been successful in dealing with student loan debt problems, a national issue, for Tennessee students and their parents. During this last state fiscal year (SFY), TSAC has worked diligently with delinquent and defaulted student loan borrowers to assist them into either getting back into a current repayment status or reaching a successful repayment plan.

Prior to defaulting on a loan, the borrower moves into a delinquent stage when payments are past due. During this past year, TSAC has increased efforts for a positive resolution with delinquent borrowers. More than 41,000 delinquent Tennessee borrowers became current on their loan, and avoided default in SFY 2012. This means that over 117,000 loans at almost \$700,000,000 dollars moved from a delinquent status back to a current status and avoided default. With the addition of three regional default aversion representatives, the TSAC Loan Division is anxious to see even higher numbers in 2013.

The numbers validate TSAC's efforts. In 2012, TSAC assisted 4,446 borrowers to rehabilitate 12,140 defaulted loans. This represents over \$66 million dollars in defaulted federal student loans returning to a good credit status. The credit status allows Tennesseans a second chance at improving their lives. While TSAC Loan Division is pleased with the results, the work isn't finished. Believing in Tennessee and the residents of this state, TSAC invests resources to assist the borrower before a default.

Additionally, TSAC is excited with the latest rankings of Rehabilitation Loan sales. Borrowers that default on a federal student loan have an opportunity to rehabilitate the loan. A rehabilitated loan is restored to good standing and negative marks on the credit report are removed. TSAC's vision of responsible borrowing and repayment is evident with the latest reporting on FFELP Rehabilitation Loans. Moving up to the 11th position out of 32 guarantors, TSAC has demonstrated its commitment to helping Tennessee borrowers.



TSAC Expands Program to Assist Defaulted Borrowers

You may be aware that TSAC has been statutorily required to notify state professional licensing boards within the Department of Health and the Department of Commerce and Insurance when a licensee is in default on a federal student loan or state-funded loan-scholarship. Under the program the names of defaulted borrowers who hold a professional license or certificate and who fail to enter into and maintain a repayment plan are sent to the licensing boards within these two departments. The licensing boards then have authority to take disciplinary action, including suspension or revocation, against the licensees in default.

Since implementation of the program, the TSAC Loan Division has collected in excess of \$6.8 million in student loan funds and assisted many previously defaulted borrowers in entering and completing the rehabilitation program.

The state legislature expanded the program, effective January 1, 2013, giving TSAC the authority to petition *ALL* state licensing boards. TSAC is now in the process of communicating with all state licensing boards. We encourage all schools to make their current and former student loan borrowers aware of this program, and the importance of keeping their student loans out of a default status. If you are aware of former students who may find themselves in this status, please have them contact us immediately so that we can assist them in making payment arrangements before their professional license is subject to disciplinary action.