



UTAH HIGHER EDUCATION  
ASSISTANCE AUTHORITY

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August 1, 2011

Diane McLaughlin  
U.S. Department of Education, Federal Student Aid  
830 First Street, NE, Room 101J2  
Washington, DC 20002

**Sent Via Email To: [vfateam@ed.gov](mailto:vfateam@ed.gov)**

Re: Voluntary Flexible Agreements

Dear Ms. McLaughlin & Team;

We are pleased to provide the Department of Education with the proposal included with this cover letter. As requested in the Federal Register Notice of May 31, 2011 the following individual will be our contact person for this project:

Michael J. Nemelka  
Associate Executive Director for Guarantor Services  
UHEAA  
Board of Regents Bldg., The Gateway  
60 South 400 West  
Salt Lake City, Utah 84101

Telephone Number: (801) 366-8410  
Fax Number: (801) 366-8470  
Email Address: [mnemelka@utahsbr.edu](mailto:mnemelka@utahsbr.edu)

Thank you for your assistance in this matter. We look forward to future discussions with the Department about our proposal. Please advise of questions or concerns.

Sincerely yours,

A handwritten signature in blue ink that reads "D.A. Feitz".

David A. Feitz  
Executive Director

(801) 321-7200  
(800) 418-8757  
TDD (801) 321-7130  
Fax (801) 366-8470

[uheaa@utahsbr.edu](mailto:uheaa@utahsbr.edu)



Board of Regents Building, the Gateway  
60 South 400 West  
Salt Lake City, UT 84101-1284

P.O. Box 145112  
Salt Lake City, UT 84114-5112

## **Utah Higher Education Assistance Authority Voluntary Flexible Agreement Proposal**

### **Executive Summary**

The Utah Higher Education Assistance Authority (UHEAA) is the designated guaranty agency in Utah under the Federal Family Education Loan Program (FFELP). Organized by state statute in 1977 as the financial aid arm of the Utah State Board of Regents and part of the Utah System of Higher Education, UHEAA is focused on the following three strategic objectives which are equal in priority:

1. Protect the federal interest;
2. Operate with fiscal prudence and with a focus on long-term financial stability;
3. Serve Utah's schools and students in saving, planning and preparing, and paying for post-secondary education.

UHEAA remains focused on achieving these three objectives. Since the passage of SAFRA, UHEAA has re-organized its guarantor services division in order to ensure the ability to fully operate within the revenue generated by the existing agreements with the Department/FSA. UHEAA has produced a 10-year forecast of revenues from its current FFELP portfolio, and created accompanying organizational models matching operating revenue to expenses as the FFELP portfolio declines. These models project positive cash flow beyond 2021. Careful and prudent management of the guaranty program over its entire operating history has created sufficient program reserves to sustain the ability to manage the claims payment process and perform all other required duties through the final amortization of UHEAA's FFELP portfolio.

UHEAA compares favorably with other FFELP guaranty programs in both the Federal Reserve Ratio and the so-called Trigger Rate. UHEAA also has a strong track record of performance as measured by the Department's annual Cohort Default Rate. Included hereto as Attachments 1, 2, and 3 are historical summaries for these three measures. Also, the Utah State Auditor's office performs an annual financial and operational audit of UHEAA's Loan Guaranty Program. Formal audit reports are published and can be provided to FSA upon request.

In this proposal UHEAA recommends the Department and UHEAA enter into a Voluntary Flexible Agreement (VFA) summarized as follows:

1. UHEAA will continue to perform all responsibilities currently contained in the existing guaranty agency agreement with the Department, and in the relevant regulations;
2. The existing revenue model will remain in effect at current rates set in the relevant statutes;
3. UHEAA will agree to perform delinquency and default prevention activities on all Direct Loan Program (DLP) loans originated by Utah's public higher education institutions and private institutions headquartered in Utah, with no additional payment;
4. UHEAA will agree to perform delinquency and default prevention activities on FFELP loans put to the Department under the Secretary of Education's loan purchase program, with no additional payment;
5. UHEAA will perform school training and other support activities at the aforementioned schools for the DLP, with no additional payment;

6. UHEAA will continue its community outreach, school support services, and financial aid and financial literacy programs, with appropriate modifications to include DLP requirements, with no additional payment.

In the sections that follow UHEAA provides additional detail about the performance measures, evaluation schemes, and efficiencies created by this proposal.

## FISMA Compliance

UHEAA attended the guarantor meetings in Washington, DC in June 2009 in which the Department notified FFELP guaranty agencies FISMA compliance was expected. UHEAA uses (and will continue to use under a VFA) the Pennsylvania Higher Education Assistance Authority's (PHEAA) OneLINK system for all guarantor functions. Because it is one of FSA's TIVAS, the PHEAA systems have already been certified by the Department as FISMA compliant. Also, UHEAA's Loan Purchase Program is an eligible Not-For-Profit Servicer and has signed a Memorandum of Understanding with the Department preparatory to becoming a contract servicer for the Direct Loan Program. In its preparations to receive authority to operate as a servicer, UHEAA has completed other requirements for FISMA compliance and is in final preparations for a certification review to be scheduled in early 2012. Preparations for FISMA have occurred simultaneously for both divisions and UHEAA's guaranty program can be ready to host a certification review within 90-120 days of any VFA deadline.

## Capacity & Scalability

Although designated as Utah's FFELP guaranty agency, UHEAA has excess capacity in servicing systems, space, and management expertise, and can significantly expand its operations both regionally and nationally. Use of PHEAA's FISMA-compliant information systems will enable UHEAA to rapidly expand and assume additional volume in GA Responsibility Areas I and II.

UHEAA strongly recommends that FSA establish, as part of any future agency consolidation or co-op plan, common data exchange protocols, formats, and policies in order to ensure timely, accurate, and efficient data transfers.

The Salt Lake City area contains a number of large customer service and loan management operations for such companies as ACS, Verizon, Discover Card, American Express, and E-Bay and has a favorable national reputation for talented, service-oriented employees. Of particular interest to FSA might be Utah's high concentration of multi-lingual citizens, especially Spanish-speaking.

## GA Responsibility Areas

### **Area I – Claims Review, Claims Payment, and Default Collections**

#### Overview

UHEAA proposes to continue performing all claim review and claim payment processes as under the existing agreement with the Department. Claim reinsurance from FSA will remain as it is today; lender claims will be paid at either 97% or 95% as required by the regulations. UHEAA will also retain the responsibility to perform collection and recovery activities on defaulted and Chapter 13 bankruptcy claims according to the existing revenue structure in the regulations. The focus of recovery efforts will continue to be loan rehabilitation, and UHEAA's Loan Purchase Program will purchase all eligible loans on a

monthly basis. Its Loan Purchase Program will also continue to repurchase completed Chapter 13 bankruptcy claims as required under 34 CFR 682.402(j).

UHEAA will continue to use state collection tools such as job data sharing for Administrative Wage Garnishment (AWG) and skip tracing, and state income tax seizures. It will also continue to work with FSA and other federal agencies on the NDNH and IRS data sharing projects.

All revenue earned in performing default collection activities will be used to further UHEAA's mission to protect the federal interest, operate with fiscal prudence and long-term stability, and deliver superior service to FSA, state and local communities, schools, students, and borrowers.

#### Objectives & Activities

Primary objectives in this area of responsibility are:

1. Maintain current policies, procedures, and schedules for reviewing and paying lender claims for death, disability, bankruptcy, and default;
2. Continue post-claim review of default claims identifying and communicating to lender/servicers areas of improvement in delinquency management efforts;
3. Continue year-over-year improvement to the overall collection rate;
4. Continue year-over-year improvement to the rehabilitation rate in the default portfolio;
5. Continue year-over-year improvements in skipped borrower locate rate;

UHEAA proposes to continue performing the following activities and functions on its defaulted FFELP portfolio, which support the aforementioned objectives:

1. Persistent and sustained defaulted borrower contact strategies by predictive dialer, email, text messaging, social networking sites, and regular mail;
2. Persistent, in-depth research via the internet and other information sources to locate skipped borrowers;
3. Skip tracing via social networking sites and other conventional and unconventional websites;
4. Special campaigns for in-office appointments and unannounced personal visits to defaulted borrowers with student loan debt greater than \$75,000;
5. Attorney General letters;
6. Selective litigation of defaulted borrowers with substantial assets;
7. Special contact and account management campaigns focused on borrowers making payment toward rehabilitation to ensure payment commitments are kept;
8. Customized counseling and mentoring campaigns focused on helping borrowers making "reasonable and affordable"<sup>1</sup> payments insufficient to satisfy interest accrual or qualify for rehabilitation, to increase their monthly payments in order to pay down principal as well as qualify for rehabilitation;
9. Monthly review of bankruptcy accounts to ensure borrowers are performing under approved Chapter 13 Bankruptcy plans;

UHEAA also proposes to continue performing the following activities related to claims and default collections, which further support the objectives identified above:

1. Review, approve, and submit Teacher Loan Forgiveness requests;

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<sup>1</sup> "Reasonable and affordable" as defined in 34 CFR 682.401(b)(4)(i).

2. Perform NSLDS error-correction and other data reviews, as necessary;
3. Perform enrollment reporting to lenders and servicers via NSLDS and the National Student Clearinghouse;
4. Manage the purchase and transfer of rehabilitated loans (purchased by UHEAA's Loan Purchase Program);
5. Manage the mandatory repurchase of completed bankruptcy accounts (purchased by UHEAA's Loan Purchase Program);
6. Manage the annual mandatory subrogation process;
7. Manage the internal UHEAA Ombudsman function and provide liaison services to the Department's Office of the Ombudsman;
8. Continue maintenance of hardcopy and imaged document retention in accordance with the regulations in 34 CFR 682.414;
9. Continue all other necessary claims, financial, operational, audit, and loan document records management responsibilities.

#### Implementation Plan

Unnecessary because UHEAA proposes to continue its existing programs.

#### Expertise & Accomplishments

UHEAA's executive leadership team of 9 seasoned professionals average 22 years experience in student loans. The Manager of Claims, Michelle Hansen, has 23 years with UHEAA, all in claims review and claims management. The Manager of Default Collections, Kevin Jorgensen, has 31 years of collection experience. Michael J. Nemelka, the Associate Executive Director for Guarantor Services, has 33 years experience in servicing, collecting, and administering consumer and student loan portfolios; most of which occurred with large servicing organizations of 400+ employees.

#### Service Level Improvements & Efficiencies

Because UHEAA proposes to maintain existing FFELP programs, reports, and fee structures, no change to existing reporting, oversight management, or processing is required by FSA. FSA can expect UHEAA to continue its record of self-sustaining operational performance, financial stability, and regulatory compliance (allowing Department officials to focus on other priorities.) Also, because of its long-term relationship with PHEAA and use of PHEAA's FISMA-complaint systems which can provide guarantor functionality on loans for which UHEAA was not or is not the guarantor, UHEAA can provide FSA alternatives both regionally and nationally should the need arise.

Close geographical proximity will sustain the level of local, individual attention available to defaulted borrowers who need specific, non-standard assistance. State collection tools such as job data sharing with the Utah State Division of Workforce Services, and state income tax offset will be maintained, thus improving recovery rates over national or other program alternatives. In the next section, UHEAA proposes several new performance measures which will improve the level of service to students and borrowers.

#### Specific Performance Measures & Evaluation Scheme

UHEAA proposes to continue the following key performance measures. Changes to the collection, calculation, and reporting of these measures can be negotiated with FSA as needed.

1. Claim return and reject rates;
2. Recovery rates by category;

UHEAA proposes the following new performance measures:

1. Skip locate rate;
2. A customer experience satisfaction survey on borrowers who have interacted with UHEAA's collection personnel in establishing a reasonable and affordable payment plan, voluntary wage assignment in lieu of Administration Wage Garnishment, or successfully completed either rehabilitation or consolidation;
3. A monthly report showing a borrower's continued performance under a monthly payment plan, in the form of standard delinquency reporting formats.

Attachments 4 through 6 in the Appendix contain UHEAA's historical results in the areas of claim returns/rejects, collection rates, and rehabilitation rates respectively. Comparisons of UHEAA's performance relative to other FFELP guaranty agencies or to new VFAs can be performed either by UHEAA's internal audit group, or by an independent third party.

#### Financing Plan

No new financing plan is necessary because UHEAA is proposing to continue the current regulatory collection retention and AMF structure. As stated in the Executive Summary, UHEAA is proposing to perform delinquency and default prevention activities on all DLP loans originated at Utah's public institutions and all private institutions headquartered in Utah. These services will be paid for from collection retention and AMF. All other functions and activities referenced above will also be funded by these two fees.

#### Expansion Limitations or Timing Constraints

UHEAA believes it can demonstrate substantial regional and national expansion capabilities in this area of responsibility. PHEAA has committed to perform system changes made necessary by a VFA. Until final agreement is reached on a VFA, and necessary changes identified, a precise deadline for these changes cannot be set. No other significant timing constraints exist.

### **Area II – Delinquency and Default Prevention and Management**

#### Overview

UHEAA proposes to perform delinquency and default prevention activities on FFELP loans for which it holds a guarantee and DLP loans originated at Utah's public institutions and private institutions headquartered in Utah. (See Attachment 7 in the Appendix for a list of proposed institutions.) In this section, UHEAA describes the objectives and activities it will perform, current and proposed performance measures, and an evaluation scheme for both FFELP and DLP intervention activity.

#### Conflict of Interest

The Department stated in the Federal Register Notice that it considers performance of both default collections and delinquency/default prevention on the same FFELP loans to be a conflict of interest. Nevertheless, UHEAA proposes to continue performing both default collections and default prevention on the FFELP portfolio for which it holds the guarantees. A long history of strong national comparative results provides evidence no such conflicts exist when UHEAA performs these services. UHEAA urges the Department to consider a conflict of interest to exist only where evidence can be found supporting the claim, and it does not believe such evidence exists where UHEAA is concerned.

UHEAA has a long tradition of strong performance as measured by the Department's Trigger Rate and Guarantor Cohort Default Rate (see Attachments 2 and 3.) In addition, schools in Utah for which UHEAA

has traditionally performed default aversion activities compare quite favorably to their national peers according to the Department's School Cohort Default Rate measurements. Attachment 8 in the Appendix provides historical statistics supporting this claim.

UHEAA has a long history of low trigger rates, low cohort default rates, and low delinquency coupled with relatively low default collection rates. We do not believe a claim of conflict can be successfully made against UHEAA in its performance of delinquency and default prevention activities in FFELP, and thus we propose to maintain the status quo.

It is clear from the Federal Register Notice that the Department considers some forms of default prevention to be compatible with default collections. Intervention activities performed after claim filing but before claim payment was suggested as one of the activities the Department would like to see performed by agencies choosing GA Responsibility Area I. Continuing extraordinary default prevention efforts through claim payment is a long-standing characteristic of UHEAA's strategy. However, the few business days between claim filing and claim payment are insufficient to successfully contact severely delinquent borrowers and find resolutions. Therefore, UHEAA begins its extraordinary intervention activities at approximately 180 days—7 monthly payments—delinquent.

Severe delinquency is most frequently caused by either difficult financial problems or the lack of valid contact information (a valid street address, email address, and/or telephone numbers.) Although small numbers of severely delinquent borrowers will qualify for a deferment, they will be few as compared to those who are delinquent because of financial difficulties, neglect, contact avoidance, or bad contact information. Significant problems require significant research, personal assistance, patient and thorough education, and response time to resolve. Simply presenting borrowers with information about options and consequences is not effective and is not an acceptable level of service to borrowers. In UHEAA's view, there is no difference between pre-claim intervention activities beginning at 180 days delinquent and the activities that FSA recommends a GA Responsibility Area I agency should perform after a claim is filed.

UHEAA believes its offer to perform delinquency and default prevention services on DLP loans will provide significant cost savings to the Department in the form of reduced delinquency and defaults. UHEAA commits below to a performance measuring and evaluation scheme which will continue its long-standing record of strong performance in educating delinquent borrowers and averting defaults on both FFELP and DLP loans. Prevention efforts will be closely coordinated with the TIVAS and Not-for-Profit Servicers, and concentrated on loans 180 days or more delinquent.

#### Objectives & Activities

Primary objectives in this area of responsibility are:

1. Manage delinquency in accordance with best practices from both the government-guaranteed student loan and private consumer loan industries;
2. Reduce delinquency (and thus defaults), especially in the later delinquent stages 180 days and above;
3. Target sub-populations of at-risk borrowers;
4. Improve borrower contact rates by reducing the volume of accounts with bad demographic data;
5. Provide borrower repayment education before repayment begins;
6. Continue school outreach, support, and training campaigns.

UHEAA proposes to continue performing the following activities and functions in support of the aforementioned objectives. If this proposal is accepted by FSA, these activities will be performed in support of both FFELP and DLP:

1. Persistent and sustained attempts to contact delinquent borrowers by predictive dialer, email, and regular mail, beginning on or about 60 days delinquent, and continuing through claim payment;
2. Industry-standard skip tracing activities in support of servicer's efforts;
3. Persistent, in-depth research via the Internet and other information sources to locate skipped borrowers;
4. Skip tracing via social networking sites and other conventional and unconventional websites;
5. Beginning at 180 days delinquent deploy special default prevention campaigns consisting of the following activities:
  - a. Personalized letter campaigns;
  - b. Senior executive letter campaigns;
  - c. Text messaging;
  - d. Social networking site research and restricted contact strategies;
  - e. Intensive internet research;
  - f. In-office appointments and unannounced personal visits to borrowers with student loan debt greater than \$75,000;
  - g. Special family member reference intervention and communication strategy.
6. Oversee the successful transition to regular servicing of newly rehabilitated loans purchased by UHEAA's Loan Purchase Program, in order to ensure the development of strong monthly payment habits and prevent recidivism;
7. Oversee the successful transition to regular servicing of repurchased bankruptcy loans, in order to ensure the resumption of monthly payment habits;
8. Letter and email campaigns to borrowers in Grace status with a particular focus on schools with traditionally high cohort default rates;
9. Continue UHEAA's "*Borrow Wisely*" financial aid/financial literacy campaign in the financial aid offices at schools, targeting school personnel as well as borrowers and, where applicable, parents;
10. Continue bi-annual school training conferences;
11. Continue other logistical, administrative, and financial support of training programs for school personnel.

#### Implementation Plan

No significant implementation plans are necessary for FFELP because UHEAA already performs all activities listed above. If FSA accepts UHEAA's proposal all programs, materials, and activities will be modified to include both FFELP and DLP loans. Other Title IV aid programs could also be included, as appropriate. Attachment 9 contains a high-level summary of the implementation plan UHEAA will follow to perform the aforementioned activities on behalf of the DLP.

#### Expertise & Accomplishments

In addition to the information provided above regarding management experience and historical performance, UHEAA has a team of training and research professionals whose responsibility it is to review all appropriate information sources from private industry, public and higher education institutions and agencies, and other government entities in order to remain informed on best practices, publications, analyses, regulatory changes, and so forth.

Because it is part of the Utah System of Higher Education, UHEAA remains close to trends in higher education which directly or indirectly may affect student loans or financial aid programs in general. This connection includes not only Utah's public institutions, but also its private non-profit and for-profit schools. These relationships keep UHEAA up-to-date on regional and national trends in higher education respecting financial aid as well as other issues.

#### Service Level Improvements & Efficiencies

FSA and its contract servicers will experience substantial benefits from UHEAA's proposal because of the delinquency and default prevention activity UHEAA will perform on DLP loans. After an appropriate transition period enabling incorporation of DLP requirements into FFELP intervention strategies, schools, borrowers, and FSA officials will receive the same service levels on DLP loans as UHEAA has traditionally provided on FFELP.

#### Specific Performance Measures & Evaluation Scheme

UHEAA proposes to continue the following key performance measures. Changes to the collection, calculation, and reporting of these measures can be negotiated with FSA as needed.

1. FFELP current repayment rates and delinquency rates;<sup>2</sup>
2. DLP current repayment rates and delinquency rates by FSA servicer;
3. Forbearance rate;
4. Deferment rate;
5. Delinquency resolution rate by type (payment, repayment plan change, forbearance, deferment, etc.) – late stage delinquency (<180 days delinquent);
6. Delinquency resolution rate (payment, repayment plan change, forbearance, deferment, etc.) – (31-179 days delinquent);
7. Annualized default rates (Trigger Rate);
8. Two-year and three-year Cohort Default Rates by school.

UHEAA proposes the following new performance measures:

1. Skip locate rate;
2. First Payment Default rate (borrowers newly entering repayment failing to make the first monthly payment timely, which is a measure of the success of repayment counseling by school and UHEAA);
3. Recidivism rate on previously rehabilitated loans;
4. A customer experience satisfaction survey on borrowers who have interacted with UHEAA's personnel in resolving delinquency;
5. A school personnel experience satisfaction survey measuring the effectiveness of UHEAA's "Borrower Wisely" program;
6. A knowledge survey measuring the level of understanding about repayment among borrowers in Grace status;
7. A report monitoring a DLP or FFELP borrower's continued performance under either IBR or ICR;
8. A report monitoring a DLP or FFELP borrower's continued performance under a reduced payment forbearance, or repayment plan other than standard.

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<sup>2</sup> The current rate is the percentage of borrowers expected to make a payment during a given reporting period that actually make the payment fully due. Delinquency is the percentage of borrowers expected to make a payment that did not, organized by monthly segments: 1-30, 31-60, 61-90, and so forth through default claim payment (or transfer to the appropriate recovery agent for DLP loans.) Therefore, at the time of computation, borrowers in repayment status but temporarily in forbearance or deferment are not included in delinquency calculations because no payment is expected.

Comparisons of UHEAA's performance relative to other FFELP guaranty agencies or to new VFAs can be performed either by UHEAA's internal audit group, or by an independent third party.

#### Financing Plan

As discussed above, UHEAA is proposing to perform default aversion activities on both FFELP and DLP loans. Because the UHEAA FFELP portfolio is rapidly paying down, revenues from AMF and Default Aversion Fees have declined precipitously. These two revenue sources will eventually fall below levels necessary to sustain delinquency and default intervention activities. Moreover, the proportion of the FFELP portfolio containing borrowers who have consistently paid timely will reduce faster than the proportion that have not. This will require UHEAA to sustain its intervention programs long past the point at which AMF and Default Aversion Fees can pay for the activities. This will require UHEAA to use revenue generated by its Area I collection activities to support Area II activities.

For this reason, UHEAA is proposing to maintain status quo on required delinquency and default prevention activities, and a continuation of the current AMF and Default Aversion Fee structure. It can only commit to perform these activities on both FFELP *and* DLP loans with no additional payment by, as necessary, using revenue generated in performing Area I activities to support Area II activities.

#### Expansion Limitations or Timing Constraints

UHEAA believes it can demonstrate significant regional and national expansion capabilities in performing delinquency and default prevention activities. School training and support can be provided regionally but with modifications which will be negotiated with FSA. UHEAA will freely share best practices and but can provide school training and assistance on a national basis only electronically via UHEAA's various websites and other online tools.

PHEAA has committed to perform system changes made necessary by a VFA. Until final agreement is reached on a VFA, and necessary changes identified, a precise deadline for these changes cannot be set. Also, as is more particularly described in Attachment 9, UHEAA will need time to adjust its programs and materials to include DLP information. Other than these two timing constraints, none else exist.

### **Area III – Community Outreach, School Support, Financial Aid/Financial Literacy Education**

#### Overview

UHEAA is a primary provider of information, training, mentoring, and other related assistance to Utah's schools, students, government agencies, and businesses respecting preparing and planning for college, college access, degree completion, and financial aid. It is Utah's premier provider of services and information regarding all aspects of financial aid. UHEAA's outreach programs reach every public school and post-secondary institution in the state. It is also a key provider of financial literacy materials and information, event sponsorship, website administration and support, in-person training, and classroom support.

UHEAA participates in a consortium of state agencies in licensing, administering, and managing Utah's online career and education exploration platform called *UtahFutures.org*. Its role is site administration, site development, site marketing, promotion, and training. UHEAA is also the consortium's fiscal and contracting agent with the site system provider. Other agencies participating in the *UtahFutures* project are the Utah System of Higher Education, the Utah State Office of Education (K-12), the State Division of Workforce Services, the state-wide GEAR-UP Program, the Utah College of Applied Technology, the Utah State Library (which includes all public school, public college/university, county, and city libraries),

the Division of Adult Education, the Division of Rehabilitation, and several organizations from the business community, such as Chambers of Commerce.

Additionally, Utah's Office of the Commissioner of Higher Education has established an aggressive goal to increase the number of Utah residents above the age of 18 who hold a post-secondary certificate or academic degree. The goal is to reach 66% by 2020.<sup>3</sup> To support this effort, UHEAA provides administrative and event sponsorship support to the Commissioner's office, schools, and other state agencies and organizations, including local business Chambers of Commerce. UHEAA also administers Utah's two merit-based scholarship programs (Regents Scholarship and New Century Scholarship) and Utah's need-based grant and work-study program called the Success Stipend, in further support of the Commissioner's office.

#### Objectives & Activities

Primary objectives in this area of responsibility are:

1. Increase the rate of participation in higher education by Utah residents, with special focus on underrepresented or disadvantaged groups;
2. Increase the post-secondary completion rate;
3. Increase FAFSA completion;
4. Increase the level of awareness and actual use of college savings programs, grants, scholarships, work-study, employment, and other strategies to pay for post-secondary education without the need to borrow;
5. Improve the skills and knowledge of financial aid among Utah's middle school and high school counselors, teachers, and administrators;
6. Employ the latest online tools and technology to reach Utah's increasingly technologically-savvy population of students, parents, and working adults.

UHEAA proposes to continue performing the following activities in support of the aforementioned objective:

1. Produce, distribute and market print and mobile application versions of the *Student Guide to Utah's Colleges and Universities*, given each year to every high school senior in Utah;
2. Produce, distribute and market print and mobile application versions of the *Are You Ready for College?* guidebook, made available to every middle school student in Utah;
3. Market and administer the online career and education exploration tool called *UtahFutures.org* (<http://utahfutures.org>).
4. Provide direct financial scholarships and scholarship support for MESA, Jump\$tart and other economically disadvantaged or under-represented student populations;
5. Organize and execute personalized, computer lab-based FAFSA Completion Nights using FSA and original materials with a specific focus on serving under-represented populations throughout the state;
6. Provide direct financial scholarships and sponsorship support to the Utah High School Film Festival and post-secondary institution film festivals;

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<sup>3</sup> Please refer to the following studies for additional information about this topic. Georgetown University: *The Undereducated American* - <http://goo.gl/N7VAr>; The White House: *Preparing the Workers of Today for the Jobs of Tomorrow* - <http://goo.gl/SLUKp>; and The NCEE: *Tough Choices, Tough Times: The Report of the New Commission on the Skills of the American Workforce* - <http://goo.gl/HGtpw>.

7. Produce, distribute and promote the widespread use of financial literacy education materials, presentations, and other financial and administrative classroom support for public education in conjunction with [www.financeintheclassroom.org](http://www.financeintheclassroom.org);
8. Produce and distribute free publications and training for high school counselors, administrators, and teachers on college access, persistence, and completion using FSA's NT4CM training materials (enhanced and modified to meet the unique needs of Utah's students and schools);
9. Sponsor free statewide use of the National Student Loan Clearinghouse *StudentTracker* program by high schools and higher education institutions;
10. Sponsor free statewide use of *Mapping Your Future's™* online college entrance and exit counseling programs;
11. Provide financial and administrative support for Financial Aid Nights at college campuses;
12. Provide financial and administrative support for local and national school counselor association events and publications;
13. Provide financial and administrative support, and perform training presentations for local, regional, and national financial aid associations such as UASFAA, RMAFAA, and NASFAA;
14. Create, maintain, and market mobile applications for the Apple and Android platforms;
15. Maintain UHEAA's information networking program (e.g. Facebook, Twitter, YouTube, etc.) to the promote use of college access materials and events to a targeted and widespread online audience;
16. Maintain the *HigherEdShop* online store where users can request financial literacy materials and literature, as well as request custom training sessions - all at no cost to users.
17. Maintain the [uheaa.org](http://uheaa.org) student loan servicing website, including blogs related to online college access resources for student and parents;
18. Support the Utah Valley University/Provo School District data sharing pilot program through [UtahFutures.org](http://UtahFutures.org);
19. Partner with libraries statewide to promote [UtahFutures.org](http://UtahFutures.org), college planning and preparedness, and provide scholarship and financial aid training to Utah residents;
20. Provide organization and sponsorship of early college awareness activities on college campuses throughout the state, targeted towards sophomores and juniors and their families;
21. Provide in-class mentoring services directly to students on [UtahFutures.org](http://UtahFutures.org), resume building, and admissions and scholarship applications;
22. Collaborate with the education community through participation on the boards of various organizations, e.g. Utah School Counselor Association, Utah Jump\$tart Coalition, Utah Council of Financial and Economic Education, Utah MESA (Math, Engineering, Science Achievement), the Utah Council for Secondary/Post Secondary Relations, UBEST (a consortium of education and business leaders focused on improving systemic disconnects that exist between the two entities);
23. Provide sponsorship and training for the Jump\$tart Teachers' Summit, Utah State Office of Education's Summer & Winter Conferences, Utah System of Higher Education's Conference for Secondary School Administrators and Counselors, Utah School Counselor Association's Summer & Winter Conferences, Utah Association of Collegiate Registrars and Admissions Officers' Conference, The Utah Council's Summer Retreat, Utah ACT Conference, Utah TRIO Programs, the Utah College Advising Corps, Utah statewide GEAR-UP Program's services and activities, and PTA Conventions;
24. Partner with the Utah State Libraries to provide Learning Express Library test preparation and academic/skill-building curriculum to all students and residents of Utah;
25. Sponsor and provide training at events for ethnic minority students within Utah such as the annual Pacific Islander Day and Latino/a Day at Salt Lake Community College, Utah MESA Physics Day;

### Implementation Plan

No significant implementation plans are necessary for FFELP because UHEAA currently performs all activities listed above. UHEAA has already completed changes to certain of its financial aid, financial literacy, and other training and mentoring materials to include information pertaining to the DLP.

### Specific Performance Measures & Evaluation Scheme

UHEAA proposes to continue the following key performance measures. Changes to the collection, calculation, and reporting of these measures can be negotiated with FSA as needed.

1. High School Senior FAFSA Completion;
  - a. Participant experience and knowledge survey.
  - b. Increase in the number of students going to college and receiving financial aid in ZIP codes where events were held.
2. Hosting Scholarship & Financial Aid Nights;
  - a. Participant experience and knowledge survey.
  - b. Increase in scholarship dollars received in ZIP codes where events were held.
3. Collecting & Posting Utah Scholarships on *UtahFutures.org*;
  - a. Participant experience and knowledge survey.
  - b. Increase in the number of scholarships accessed through the site.
4. Hosting Financial Aid Nights – Adult Learners;
  - a. Participant experience and knowledge survey.
  - b. Increase in non-K12 population receiving federal student aid and scholarships in ZIP codes where events were held.
5. Hosting GED Workshops, ACT/SAT Workshops;
  - a. Participant experience and knowledge survey.
  - b. Increase in usage of GED and other test prep materials in the ZIP codes where events were held.
6. NT4CM Training;
  - a. Participant experience and knowledge survey.
7. FAFSA Odometers by ZIP Code;

### *Geographic & Socio-Economic Focus Areas*

Outreach activities are focused on specific rural geographic areas of Utah with low average wages, and areas with high concentrations of low-income/high under-represented populations. See Attachment 10 for additional detail and research in this regard.

### *UtahFutures.org Success Measures*

Success is currently measured by:

1. User accounts created, regularly used;
2. User portfolios created, regularly updated;
3. Sessions and average session length;
4. Repeat users by geographic area (ZIP codes, schools, etc.);
5. Test preps taken by school and geographic area (ZIP code);
6. Financial literacy game *Reality Check* sessions by school and geographic area;
7. Assessments taken by geographic areas (ZIP codes, schools, etc.);
8. Online forms requested by school and geographic area;
9. Requests for technical assistance;
10. FAQs accessed or suggested;

11. User experience and knowledge surveys;
12. Usability testing of site and functionality enhancements;
13. Users by state agency (K-12, Higher Education, Div. Workforce Services, Adult Learners, etc.);
14. Scholarship applications via *UtahFutures.org* scholarship search tool.

New success measures in development or pilot program status include:

1. Increase in rigor of course taking in high school by middle school students using the *UtahFutures.org Course Planner*, career assessments, and test prep tools (longitudinal study between Public Ed and Higher Ed);
2. College applications via the *UtahFutures.org* application links;
3. FAFSA completions via *UtahFutures.org* links;
4. Scholarship applications via *UtahFutures.org* scholarship search tool;
5. Scholarships received by K-12 and post-secondary institution;
6. Utah Valley University/Provo School District data sharing of student assessments, career exploration portfolio updates, and post-secondary education program preferences/selections;
7. Business community volunteer and mentoring signups, events, and participant survey results facilitated via the *UtahFutures.org/Salt Lake Community College UBEST* partnership.

#### *Online Social Networking Success Measures*

Attachment 11 contains additional detail regarding UHEAA's outreach social and information networking strategy, performance measures, and impact evaluation. It can be summarized as follows:

1. Facebook: Likes (Fans), Comments, Impressions, Facebook Ads (click-throughs), Monthly, Weekly and Daily Active Users;
2. Twitter: Followers, Retweets (Message Amplification), Mentions (Branding, Message Amplification), Conversations and Interactions;
3. YouTube: Video Plays, Likes, "Shares", Channel Subscriptions, Comments;
4. Blog: Hits, Registered Users, Event RSVPs, Search Engine Optimization, Link Click-Throughs (Links to USHE School web pages, Admissions pages, Campus Tour Pages, Prospective Student Pages, [FAFSA.ed.gov](http://FAFSA.ed.gov), [College.gov](http://College.gov) and other reputable online college access resources.), Q&A Forum Questions, Levels of engagement (comments, inquiries, content sharing, social media 'likes', etc.)
5. Klout Score: [www.Klout.com](http://www.Klout.com). (The Klout score is a measurement of overall online influence or the measure of one's effective employment/use of social and informational media networks. Klout scores range from 1-100 with higher scores representing a wider and stronger sphere of influence. Klout uses 35 variables across various popular social media networks (e.g. Twitter, Facebook, LinkedIn, Foursquare, etc.) to measure Reach, Message Amplification and Network Score. UHEAA current Klout score is 54/100.

#### Financing Plan

No new financing plan is necessary because UHEAA is proposing to continue the current regulatorily mandated revenue structure in all respects. All functions and activities referenced above will be funded through current revenue streams; in particular revenue generated by performing GA Area I default collection activities.

#### Expansion Limitations or Timing Constraints

UHEAA's outreach programs are designed to meet the unique needs of Utah's schools, students, borrowers. It is also customized to meet the needs of government and private organizations, and function

on a highly localized and personal level. UHEAA will freely share best practices but can only provide outreach on a regional or national basis electronically through a variety of websites and other online tools. However, if FSA sees the need for more robust outreach activities regionally or nationally, UHEAA would be amenable to discuss specifics at the appropriate time. No timing constraints are known to exist.

#### **Area IV – Lender & Lender Servicer Oversight**

##### Overview

All 32 guaranty agencies currently participate in the Common Review Initiative (CRI). CRI provides a system for guaranty agencies to fulfill their lender and lender servicer oversight responsibilities set forth in 34CFR682.410(c)(1)(i). Our VFA application proposes continuation and enhancement of the Common Review Initiative, which we believe provides and should continue to provide the most effective and efficient means to conduct lender and lender servicer oversight.

CRI already embodies the principles FSA is attempting to accomplish through the VFA initiative – scale, efficiency and avoidance of potential conflicts. The VFA Notice encourages guarantors to establish consortia. CRI is a pre-existing consortium of guarantors. CRI was initiated in January 2004 following interim approval by FSA. CRI has been continually improved ever since, and was approved by FSA on an ongoing basis on December 21, 2007, at which time FSA found that the process satisfies a guaranty agency's obligation to review lenders and servicers. FSA officials are involved in the administration and oversight of CRI. They actively participate in the monthly calls of the CRI Council, CRI's governing body. FSA has the opportunity to request changes in the scope of CRI reviews, as it did recently when it requested that CRI begin reviewing compliance with ED's Lender Reporting System (LaRS), thereby enhancing administrative efficiency by eliminating FSA's previous direct review of LaRS. Review of LaRS by CRI formally began with the 2010-2011 biennium (though it should be noted that CRI was also asked to assist FSA with the 2008-2009 review and reconciliation). FSA has worked with the CRI Council in developing mutually agreeable measures of CRI effectiveness, also consistent with the VFA Notice.

While we recognize that the VFA Notice states that a guaranty agency that assumes responsibility for claims review, lender claims payment, and collections (GA Responsibility Area I) may not assume responsibility for lender and lender servicer oversight, we believe the structure of CRI addresses the concerns about potential conflicts of interest that underlie this restriction while providing the most efficient oversight to protect the interests of the Department and the taxpayer. As stated, FSA has been and will remain fully involved in setting the CRI agenda and its operating rules and procedures. All CRI reviewers undertake a detailed training program, and through their participation in this training and their collaborative work efforts continue to demonstrate competency in lender and lender/servicer oversight. FSA staff is invited to all training sessions. We believe the high level of awareness of statutory and regulatory requirements by lender and lender servicers is in part attributable to the sophistication of the current CRI process.

CRI reviews are conducted by a team of individuals from multiple guaranty agencies. No single agency is responsible for an individual review, thereby eliminating the potential for conflicts of interest. Generally, there is a desk audit conducted by a CRI work team, which is then followed by an onsite review. The size of the team conducting the desk audit varies, depending on the size of the review and the number of LID's involved. There are usually six individuals from different agencies on each on-site team. No more than two members of the team come from a single agency, and the lead and co-lead cannot be from the same organization. All reports are subject to review by a quality assurance team, and are provided to FSA. As the FFEL Program transitions and loan servicing becomes more concentrated at a reduced number of servicers, there is an opportunity to make the process even more efficient by focusing reviews

at the servicer level. Consideration could be given to improving this enhancement through the VFA initiative. More broadly, the CRI Council is willing to explore with the Department expanding the categories of reviews that are conducted.

In 2007, FSA stated that "CRI reduces the review redundancy and improves the quality of reviews." We question whether replacing CRI with another process will continue these goals, or result in any greater effectiveness or efficiency. This is particularly true given that we assume that not all guaranty agencies will have a VFA. Unless all guaranty agencies continue to be authorized to conduct reviews through the collaborative CRI initiative, reviews will again be conducted in the old, redundant way. That is why we propose that each VFA, including ours, include provisions allowing continuation of the Common Review Initiative, with appropriate enhancements.

Currently, travel costs of CRI reviews are shared among the guaranty agencies. Each agency also funds its own administrative and other indirect costs. Under the current statutory schema, there are no dedicated revenues for performing lender and lender/servicer reviews; our costs are funded from general revenues. The true cost for our performance of Responsibility Area IV through continuation of CRI and other required activities needs to be properly compensated through the VFA.

## Conclusion

The Utah Higher Education Assistance Authority appreciates this opportunity to submit a proposal for a Voluntary Flexible Agreement with the Department of Education. UHEAA's conservative management and innovative personal approach to servicing student loans at all levels, has resulted in low default rates, a consistently high reserve ratio and the ability to rapidly adapt to the needs of the financial aid industry. With a FISMA compliant servicing system and experienced staff UHEAA will:

- Continue to perform all responsibilities presently required in the current guaranty agency agreement between UHEAA and the Department;
- Perform delinquency and default prevention activities on FFELP loans put to the Department and Direct Loans originated by Utah's public and private institutions headquartered in Utah at no additional cost;
- Perform school training and other support activities for public and private institutions headquartered in Utah at no additional cost; and
- Continue to provide outreach, financial aid and financial literacy programs, and school support services within Utah.

We are confident our history of diligent service to students, schools, and citizens coupled with adherence to the standards and regulations of responsible federal student aid management establishes UHEAA as a trusted partner in achieving the goal of educating America.

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## Appendix

- Attachment 1 – Reserve Ratio
- Attachment 2 – Trigger Rates
- Attachment 3 – GA Cohort Default Rates
- Attachment 4 – Claim Return & Reject Rates
- Attachment 5 – Default Collection Totals
- Attachment 6 – Rehabilitation Rates
- Attachment 7 – Proposed List of Utah Schools
- Attachment 8 – Utah’s Public Institution Cohort Default Rate Comparisons to Peer Group
- Attachment 9 – Implementation Plan for DLP Delinquency & Default Prevention Activities
- Attachment 10 – Outreach Geographical Focus Areas
- Attachment 11 – Social Media Strategy & Impact

## ***UHEAA's Reserve Ratio***

Federal Fiscal Year	Percentage	National Ranking
2003	1.423%	1 <sup>st</sup>
2004	1.503%	1 <sup>st</sup>
2005	1.405%	1 <sup>st</sup>
2006	1.306%	1 <sup>st</sup>
2007	1.430%	1 <sup>st</sup>
2008	1.485%	1 <sup>st</sup>
2009	1.718%	1 <sup>st</sup>
2010	2.087%	1 <sup>st</sup>

Notes:

1. Data for periods before Federal Fiscal Year 2003 can be provided upon request.
2. The Reserve Ratio is calculated by taking the Federal Fund Net Asset Balance (plus allowances / other non-cash charges) and dividing it by the Original Loan Principal Outstanding.
3. Since Federal Fiscal Year 2005, UHEAA has continually maintained a Reserve Ratio at least 50 basis points above the state with the second place ranking.

## ***UHEAA's Trigger Rate***

Federal Fiscal Year	Percentage	National Ranking
2003	0.761%	Not Available
2004	1.222%	Not Available
2005	1.400%	Not Available
2006	1.830%	18 <sup>th</sup>
2007	1.340%	10 <sup>th</sup>
2008	1.270%	6 <sup>th</sup>
2009	1.320%	5 <sup>th</sup>
2010	1.720%	9 <sup>th</sup>

Notes:

1. Data for periods before Federal Fiscal Year 2003 can be provided upon request.
2. The applicable Federal reinsurance rate paid on default claims is reduced if the annual default rate (trigger rate) is 5% or greater. The trigger rate is calculated on a Federal fiscal year-end basis by dividing default claims filed for the year by the original guarantee amount of loans in repayment at the end of the preceding year.

### ***UHEAA's Cohort Default Rate***

Federal Fiscal Year	Percentage	National Ranking	National Average
2000	2.8%	3 <sup>rd</sup>	5.9%
2001	3.3%	4 <sup>th</sup>	5.4%
2002	2.7%	6 <sup>th</sup>	5.2%
2003	2.7%	4 <sup>th</sup>	4.5%
2004	2.8%	5 <sup>th</sup>	5.1%
2005	4.3%	17 <sup>th</sup>	4.6%
2006	2.8%	9 <sup>th</sup>	5.2%
2007	2.1%	1 <sup>st</sup>	6.7%
2008	1.9%	2 <sup>nd</sup>	7.0%

Notes:

1. Data for periods before Federal Fiscal Year 2000 can be provided upon request.
2. The cohort default rate is calculated by dividing the number of borrowers that entered repayment in a given fiscal year and defaulted in that fiscal year or the next by the total number of borrowers that entered repayment in the given fiscal year.
3. UHEAA's cohort default rate has consistently been lower than the national average, with its FY 2007 and FY 2008 rates at less than a third of the national average rate.

### ***UHEAA's Claim Return & Reject Rates***

State Fiscal Year <sup>1</sup>	Return Percentage	Reject Percentage
		

Notes:

1. Utah's fiscal year begins July 1<sup>st</sup>.

**Collections as a % of Beginning FSA Inventory**

Federal FY	Collections	Percentage	National Ranking
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Notes:

\* Projection as of June 30, 2011.

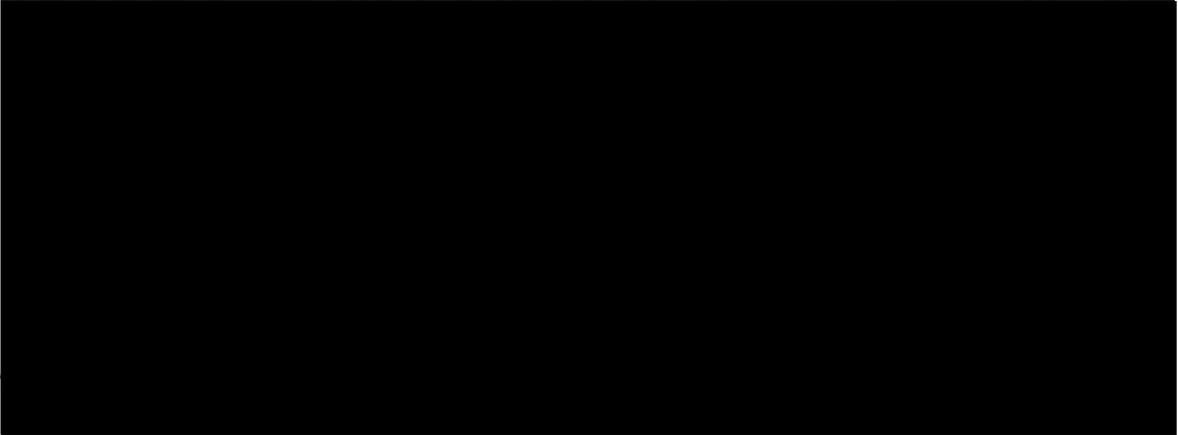
## ***UHEAA's Rehabilitation Rate***

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<i>Federal Fiscal Year</i>	<i>Gross Rehabilitation</i>	<i>Percent Increase Over Prior Year</i>	<i>Percentage of Total Collections</i>	<i>National Ranking</i>
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## ***Public Institutions and Private Institutions Headquartered in Utah\****

### *Public 4-Year*

Name	City
Dixie State College	St. George, UT
University of Utah	Salt Lake City, UT
Utah State University	Logan, UT
Utah Valley University	Orem, UT
Weber State University	Ogden, UT

### *Public 2-Year*

Name	City
Salt Lake Community College	Salt Lake City, UT
Snow College	Ephraim, UT

### *Private Non-Profit*

Name	City
Brigham Young University	Provo, UT
Brigham Young University-Idaho	Rexburg, ID
Brigham Young University-Hawaii	Laie, HI
LDS Business College	Salt Lake City, UT
Westminster College	Salt Lake City, UT
Western Governors University	Salt Lake City, UT

### *Private For-Profit*

Name	City
Eagle Gate College	Salt Lake City, UT
Neumont University	South Jordan, UT
Paul Mitchell The School	South Jordan, UT
Provo College	Provo, UT
Stevens-Henager College	Ogden, UT

\* The list is not exhaustive. Schools may be added during negotiations with FSA.

## ***Utah Systems of Higher Education Peer Group Cohort Default Rate Comparisons***

U.S. Department of Education Cohort Default Rates for the Federal Family Education and Direct Loan Programs <b>University of Utah and Comparison Group*</b>						
INSTITUTION		FY 05 %	FY 06 %	FY 07 %	FY 08 %	4 YR AVE %
1	University of North Carolina - Chapel Hill	0.2	0.2	0.9	0.7	0.5
2	University of California - Irvine	1.3	1.0	1.4	0.8	1.1
<b>3</b>	<b><i>University of Utah</i></b>	<b>1.9</b>	<b>0.9</b>	<b>1.1</b>	<b>1.1</b>	<b>1.3</b>
4	University of Washington - Seattle	1.1	1.6	1.1	1.2	1.3
5	University of Virginia	0.5	0.6	0.7	1.5	0.8
6	University of Illinois - Chicago	1.7	1.7	2.2	1.6	1.8
<b>**</b>	<b>Group Averages</b>	<b>1.8</b>	<b>1.5</b>	<b>1.9</b>	<b>1.9</b>	<b>1.8</b>
7	University of California - San Diego	1.3	1.2	1.6	1.9	1.5
8	University of Iowa	1.7	1.8	2.1	1.9	1.9
9	University of Pittsburgh	1.6	1.4	2.3	2.1	1.9
10	University of New Mexico	5.4	3.0	3.1	3.6	3.8
11	University of Cincinnati	2.7	2.9	3.3	3.7	3.2

\* Ranked by FY 2008 Default Rate

\*\* Unweighted Average (Excluding U of U)

U.S. Department of Education						
Cohort Default Rates for the Federal Family Education and Direct Loan Programs						
Utah State and Comparison Group*						
INSTITUTION		FY 05 %	FY 06 %	FY 07 %	FY 08 %	4 YR AVE %
1	Virginia Polytechnic Institute & University	1.1	0.9	1.2	0.6	1.0
2	<b>Utah State University</b>	<b>1.7</b>	<b>1.1</b>	<b>1.4</b>	<b>0.8</b>	<b>1.3</b>
3	University of California - Davis	1.2	1.2	1.7	1.5	1.4
4	Oregon State University	1.3	1.8	1.7	1.6	1.6
5	North Carolina State University	1.2	0.9	2.2	1.7	1.5
6	Iowa State University	2.1	1.8	2.0	1.8	1.9
7	Colorado State University	1.8	1.9	2.1	2.0	2.0
**	<b>Group Averages</b>	<b>2.0</b>	<b>1.8</b>	<b>2.7</b>	<b>2.7</b>	
8	Texas A & M University	1.8	1.8	2.5	3.0	2.3
9	Penn State University	2.1	2.0	3.5	3.4	2.8
10	Washington State University	2.3	2.0	2.8	3.5	2.7
11	New Mexico State University	5.1	4.1	7.1	7.9	6.1

\* Ranked by FY 2008 Default Rate

\*\* Unweighted Average (Excluding USU)

U.S. Department of Education  
Cohort Default Rates for the Federal Family Education and Direct Loan Programs

**Southern Utah University and Comparison Group\***

INSTITUTION		FY 05 %	FY 06 %	FY 07 %	FY 08 %	4 YR AVE %
1	SUNY at Geneseo	0.8	1.0	1.6	1.7	1.3
2	Sonoma State University	1.8	1.9	1.4	1.9	1.8
3	Truman State University	0.9	1.1	2.5	2.2	1.7
4	<b><i>Southern Utah University</i></b>	<b>2.9</b>	<b>3.3</b>	<b>2.1</b>	<b>2.2</b>	<b>2.6</b>
5	Southern Oregon University	3.6	2.1	3.3	3.0	3.0
6	Christopher Newport University	1.1	0.9	2.5	3.6	2.0
7	Western Carolina Univeristy	3.6	4.1	3.4	3.6	3.7
**	<b>Group Averages</b>	<b>2.8</b>	<b>2.7</b>	<b>3.9</b>	<b>4.0</b>	<b>3.3</b>
8	Georgia College & State University	2.9	1.9	3.1	4.7	3.2
9	Eastern Connecticut State University	2.9	3.2	5.0	5.5	4.2
10	Columbus State University	4.9	5.3	6.0	5.9	5.5
11	Austin Peay State University	5.8	5.4	9.8	7.4	7.1

\* Ranked by FY 2008 Default Rate

\*\* Unweighted Average (Excluding SUU)

U.S. Department of Education  
Cohort Default Rates for the Federal Family Education and Direct Loan Programs

**Weber State College and Comparison Group\***

	INSTITUTION	FY 05 %	FY 06 %	FY 07 %	FY 08 %	4 YR AVE %
1	Western Washington University	1.0	1.2	1.3	1.4	1.2
2	<b>Weber State University</b>	<b>3.8</b>	<b>1.8</b>	<b>1.9</b>	<b>1.7</b>	<b>2.3</b>
3	University of Northern Iowa	1.3	1.8	1.9	2.1	1.8
4	University of Wisconsin - Whitewater	2.6	2.4	2.4	3.0	2.6
5	Western Carolina University	3.6	4.1	3.4	3.6	3.7
6	University of North Florida	2.1	3.3	4.2	3.6	3.3
7	California State University - Dominguez Hills	3.1	3.5	4.2	3.8	3.7
8	Clarion University of Pennsylvania	3.5	3.6	5.8	3.8	4.2
**	<b>Group Averages</b>	<b>3.2</b>	<b>3.6</b>	<b>4.1</b>	<b>4.1</b>	<b>3.7</b>
9	Boise State University	5.4	5.4	5.3	4.7	5.2
10	Youngstown State University	4.4	4.8	5.5	6.5	5.3
11	Indiana/Purdue University - Ft Wayne	4.7	5.9	7.4	8.1	6.5

\* Ranked by FY 2008 Default Rate

\*\* Unweighted Average (Excluding WSU)

U.S. Department of Education						
Cohort Default Rates for the Federal Family Education and Direct Loan Programs						
Dixie State College and Comparison Group*						
INSTITUTION		FY 05 %	FY 06 %	FY 07 %	FY 08 %	4 YR AVE %
1	Central Washington University	2.4	2.2	2.0	2.3	2.2
2	<b>Dixie State College</b>	<b>6.2</b>	<b>6.4</b>	<b>5.9</b>	<b>3.9</b>	5.6
3	Humboldt State University	3.6	3.0	3.2	4.2	3.5
4	SUNY - Farmingdale	5.5	4.6	6.4	5.8	5.6
5	Clayton State University	7.4	4.0	6.3	6.4	6.0
6	Colorado State University - Pueblo	3.7	5.3	7.4	6.4	5.7
**	<b>Group Averages</b>	<b>6.4</b>	<b>5.9</b>	<b>7.5</b>	<b>7.4</b>	6.8
7	Missouri Western State University	4.9	6.0	8.8	7.9	6.9
8	Fort Lewis College	8.0	7.2	9.8	8.9	8.5
9	Mesa State College	9.7	7.4	9.1	9.3	8.9
10	University of Arkansas - Ft. Smith	8.3	9.6	11.2	10.8	10.0
11	Macon State College	10.3	9.4	11.0	12.0	10.7

\* Ranked by FY 2008 Default Rate

\*\* Unweighted Average (Excluding Dixie)

U.S. Department of Education Cohort Default Rates for the Federal Family Education and Direct Loan Programs <b>Snow College and Comparison Group*</b>						
INSTITUTION		FY 05 %	FY 06 %	FY 07 %	FY 08 %	4 YR AVE %
1	Centralia College <sup>1</sup>	0.0	0.0	0.0	0.0	0.0
2	<b>Snow College</b>	<b>5.4</b>	<b>4.4</b>	<b>2.9</b>	<b>4.2</b>	<b>4.2</b>
3	Santa Fe Community College	3.4	2.8	2.8	5.7	3.7
4	Monroe Community College	8.8	8.3	9.6	7.5	8.6
5	Whatcom Community College	7.8	8.7	11.2	8.9	9.2
6	South Puget Sound Community College	0.0	0.0	5.0	9.9	3.7
**	<b>Group Averages</b>	<b>6.6</b>	<b>8.0</b>	<b>8.9</b>	<b>9.9</b>	<b>8.4</b>
7	North Idaho College	8.6	11.6	10.1	10.6	10.2
8	Corning Community College	11.9	13.0	11.4	12.3	12.2
9	Western Nevada College	11.1	10.5	6.8	13.4	10.5
10	Rogue Community College	14.6	14.7	13.0	14.3	14.2
11	Coconino Community College	0.0	10.5	19.4	16.7	11.7

\* Ranked by FY 2008 Default Rate

\*\* Unweighted Average (Excluding Snow)

<sup>1</sup> No borrowers in repayment during these fiscal years

U.S. Department of Education						
Cohort Default Rates for the Federal Family Education and Direct Loan Programs						
Utah Valley University and Comparison Group*						
INSTITUTION		FY 05 %	FY 06 %	FY07 %	FY 08 %	4 YR AVE %
1	Brigham Young University - Idaho	0.9	0.6	0.6	0.6	0.7
2	Weber State University	3.8	1.8	1.9	1.7	2.3
3	<b>Utah Valley University</b>	<b>3.8</b>	<b>2.7</b>	<b>1.5</b>	<b>2.1</b>	<b>2.5</b>
4	Boise State University	5.4	5.4	5.3	4.7	5.2
5	University of Alaska - Anchorage	5.2	6.4	8.0	5.0	6.2
6	Purdue University - North Central Campus	3.7	3.3	5.9	5.7	4.7
**	<b>Group Averages</b>	<b>5.0</b>	<b>5.6</b>	<b>6.7</b>	<b>6.1</b>	<b>5.9</b>
7	Fairmont State College	7.8	9.9	9.9	7.1	8.7
8	University of Houston - Downtown	3.4	7.5	7.9	8.0	6.7
9	Indiana University-Purdue Univ.- Ft. Wayne	4.7	5.9	7.4	8.1	6.5
10	Mesa State College	9.7	7.4	9.1	9.3	8.9
11	Metro State College of Denver	5.7	8.2	10.9	11.0	9.0

\* Ranked by FY 2008 Default Rate

\*\* Unweighted Average (Excluding UVU)

U.S. Department of Education						
Cohort Default Rates for the Federal Family Education and Direct Loan Programs						
<b>Salt Lake Community College and Comparison Group*</b>						
INSTITUTION		FY 05 %	FY 06 %	FY 07 %	FY 08 %	4 YR AVE %
1	<b><i>Salt Lake Community College</i></b>	4.3	6.8	5.5	3.6	5.1
2	Central Piedmont Community College <sup>1</sup>	0.0	0.0	0.0	0.0	0.0
3	Central New Mexico Community College	3.6	4.9	3.0	5.2	4.2
4	Macomb Community College	4.7	7.6	7.2	6.7	6.6
5	Austin Community College	4.0	6.0	6.6	8.3	6.2
6	Broward Community College	8.3	6.7	7.0	8.7	7.7
**	<b>Group Averages</b>	<b>7.7</b>	<b>7.5</b>	<b>7.5</b>	<b>9.9</b>	<b>8.1</b>
7	Portland Community College	9.8	7.3	8.7	9.4	8.8
8	Sinclair Community College	8.9	8.1	9.4	10.1	9.1
9	Sacramento City College	6.4	6.8	7.6	13.2	8.5
10	Pima Community College	10.6	9.8	5.7	13.5	9.9
11	College of Southern Nevada	13.2	10.4	11.9	13.7	12.3

\* Ranked by FY 2008 Default Rate

\*\* Unweighted Average (Excluding SLCC and Central Piedmont CC)

<sup>1</sup> Central Piedmont Community College did not have borrowers in repayment during the selected cohort periods.

## **Implementation Plan – DLP Delinquency & Default Activities**

Project implementation date will be established by mutual agreement with FSA.

Numbers expressed with “-“ represent the number of days before the implementation date the given activity will begin and/or end. Numbers expressed with “+” are the number of calendar days in which a given activity will be completed after the implementation date.

- 180 days: Begin discussions with schools and servicers regarding logistical arrangements. Begin updates to materials and web content.
- 90 days: Conclude discussions with schools and servicers. Obtain school and servicer approval of strategy, correspondence, and communication plans. Begin mapping of school delinquency reports to internal servicing system. Begin recruitment of additional staff (if needed.)
- 60 days: Conclude data mapping. Begin weekly data test uploads.
- 30 days: Confirm reporting formats with FSA and servicers. Complete staff recruitment and begin training.

### Implementation Date

- + 30 days: Produce initial monthly performance report and hold first quarterly performance review teleconference with schools, servicers, and FSA.
- + 120 days: Quarterly performance review teleconference.

### ***UHEAA's Outreach - Geographical Focus Areas & Related Research***

#### *Bureau of Labor & Statistics: 10 Lowest Average Annual Wage Counties*

County	Average Weekly Wage	Average Annual Wage (52 weeks)
Garfield	\$ 471	\$ 24,492
Wayne	\$ 472	\$ 24,544
Kane	\$ 479	\$ 24,908
San Pete	\$ 485	\$ 25,220
Rich	\$ 490	\$ 25,480
Grand	\$ 497	\$ 25,844
Iron	\$ 502	\$ 26,104
Beaver	\$ 532	\$ 27,664
Washington	\$ 542	\$ 28,184
Sevier	\$ 543	\$ 28,236

#### *Department of Workforce Services: 10 Lowest Average Annual Wage Counties*

County	Average Monthly Wage	Average Annual Wage (12 months)
Rich	\$ 1,938	\$ 23,256
Piute	\$ 1,965	\$ 23,580
Sanpete	\$ 2,087	\$ 25,044
Wayne	\$ 2,106	\$ 25,272
Garfield	\$ 2,167	\$ 26,004
Kane	\$ 2,207	\$ 26,484
Iron	\$ 2,266	\$ 27,192
Daggett	\$ 2,300	\$ 27,600
Summit	\$ 2,303	\$ 27,636
Grand	\$ 2,329	\$ 27,948

Other rural areas of focus: Wendover, Moroni, Genola, Ephraim, Hyrum, and Fillmore.

Areas with high concentrations of low-income/high underrepresented population:<sup>1</sup>

Park City - 19.4%  
Salt Lake City - 18.3%  
South Salt Lake - 17.7%  
Midvale - 15.2%  
West Valley City - 14.4%  
Millcreek - 14.0%  
Kearns - 13.4%  
Ogden - 12.2%  
Taylorsville - 9.8%  
Logan - 9.8%  
Provo - 9.6%

### **Related Research**

1. [http://www.census.gov/newsroom/releases/archives/news\\_conferences/2007\\_bio\\_perlich.html](http://www.census.gov/newsroom/releases/archives/news_conferences/2007_bio_perlich.html)
2. Senior Research Economist Pam Perlich's recent publications:
  - o The Coming Boom in Utah's School Age and College Age Populations: State and County Scenarios (with T. Ross Reeve)
  - o Commuting Patterns in Utah: County Trends for 1980, 1990, and 2000
  - o Immigrants Transform Utah: Entering a New Era of Diversity (<http://www.bebr.utah.edu/Documents/uebr/UEBR2004/May-Jun%202004.pdf>)
  - o Long Term Demographic Trends Impacting Higher Education in Utah (<http://www.bebr.utah.edu/Documents/studies/HighEdTrends.pdf>)
  - o Utah's Place in the Macro-Demographics of the U.S. in the 20th Century
  - o Salt Lake County's Unique Demographics: Implications for the Aging Populations
3. First Quarter of 2010 County Employment & Wages in Utah, from Bureau of Labor & Statistics: <http://www.bls.gov/ro7/qcewut.pdf>
4. 2010 County Profiles: <https://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do>
5. BEBR All County Data Profiles: <http://www.bebr.utah.edu/UtahEconomicIndicators.html>
6. Educational Profiles: [http://www.bebr.utah.edu/census\\_county.html](http://www.bebr.utah.edu/census_county.html)

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<sup>1</sup> See "Utah Places with Largest Foreign Born Populations" chart from *Immigrants Transform Utah: Entering a New Era of Diversity* (Perlich, 2004).

## ***UHEAA's Outreach - Social Media Strategy & Impact***

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1. Approximately 5-15 college access, financial aid, college best practice, etc. messages, or "tweets," sent out per day.
  - a. Only quality college access information from reputable resources.
  - b. Link click-throughs on Twitter are tracked.
  - c. Conversations or follow-ups with individuals who have interacted with our online resources are also recorded.
2. Question and Answer Services:
  - a. Sent out at the beginning of every week day on Twitter: "Good Morning! Have ?'s on #FAFSA, #StudentLoans, #FinancialAid, #College, etc? Tweet w/ the tag #heyuheaa & we'll get back to you ASAP!"
  - b. Q&A Environment on Facebook, Twitter and the Blog.
  - c. All audience interactions can be recorded.
3. Online Event Promotion:
  - a. Links to UHEAA event registration/promotion webpages are sent out across all UHEAA social media networks and are tracked.
  - b. Attendance at events can be directly linked to web traffic, web/social media promotions, web engagements, etc. via event registration and referral tracking (Where did you hear about this event?).
4. UHEAA Blog: Online gateway to all things "College" in Utah.
  - a. Quick and easy links to USHE schools' admissions pages.
  - b. Quick and easy links to USHE schools' prospective student pages.
  - c. Several links to FAFSA throughout the site
  - d. Quick and easy links to scholarships available to Utah students. Updated daily.
  - e. Several articles published per week containing college access information, college best practices, college events, etc.
  - f. All link clicks and blog article views are tracked. Using strategic blog writing and link placement, a reader's bounce from the Blog website can be influenced. (What webpage[s] the reader goes to after they're done with the article).

With the rise of online/social media and the decline of traditional media, the need for a consistent, comprehensive and maintained online presence is paramount. While measurement of direct impact is difficult by any other means than "link click-throughs," this does not at all entail that we should not be utilizing online/social media. The thought, desire and drive to attain a college education doesn't immediately instill itself in the mind from a single touch point.

Through the creation and promotion of the use of our online resources, we are able to heighten attendance at Outreach events, add value and positive connotation to the UHEAA/UtahFutures brand, supply a regularly updated college access resource that is available 24 hours a day 7 days a week, send out mass messages notifying the web and it's users of our Outreach events, and so on. Everything from today's current purchasing trends to the types of music people listen to, is strongly influenced by what is made available on the Internet. Today, information is no longer pushed. It's pulled at the audiences request. The creation, promotion, spread and tracking (analytics) of relevant college access and financial aid information online (articles, videos, contests, event promotions, etc.), UHEAA's Outreach efforts as well as those that utilize these resources will be impacted positively.