



**Electronic Access Conference**

**2002**

THE U.S. Department of  
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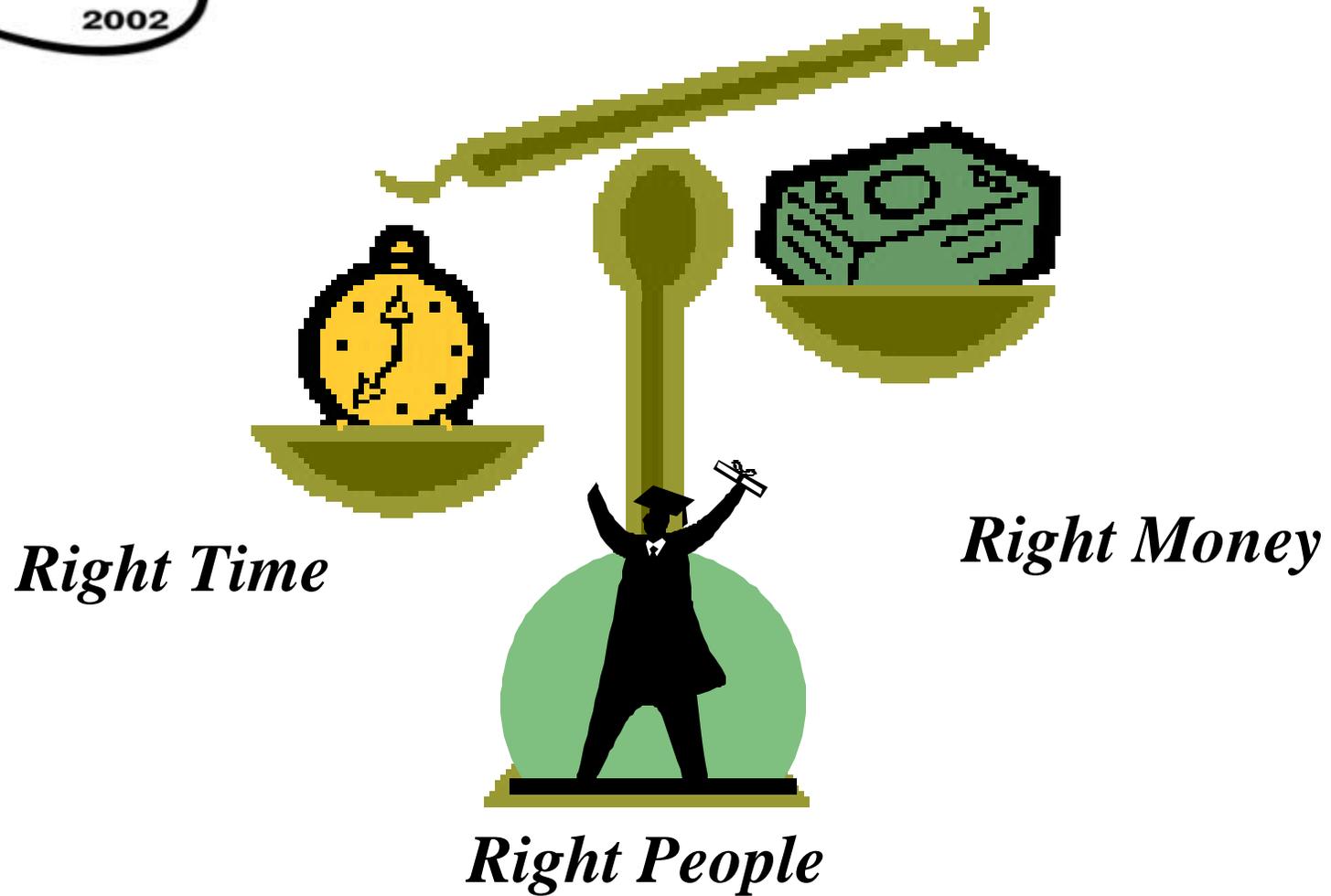


# *Welcome and Opening Remarks*

**Kay Jacks**  
**General Manager for Schools**

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# The Balancing Act



# The Student Aid Lifecycle

## Student Aid Awareness Application Processing System



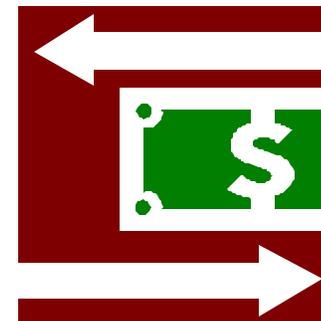
## Student Eligibility



## Disbursement and Cash Management



## Repayment of Title IV Loans



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# *Reauthorization*

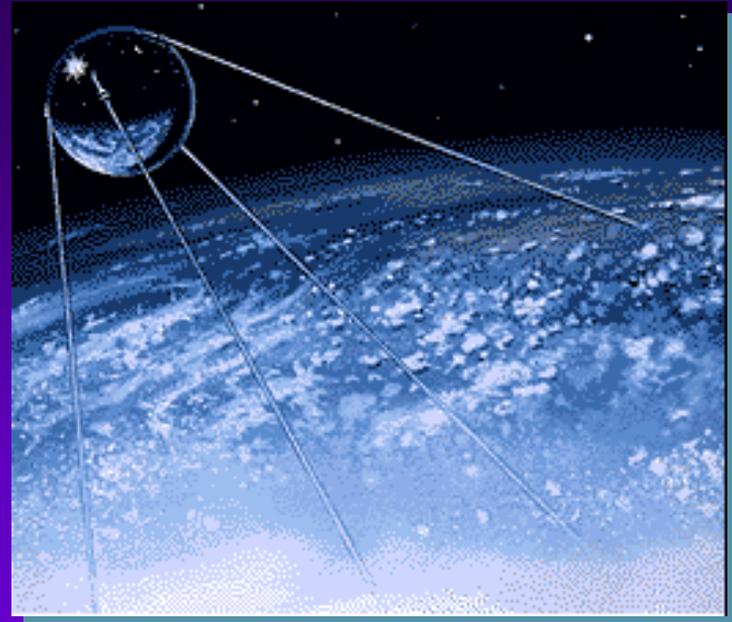
## Federal Regulatory and Reauthorization Update

- **Sally Stroup, Assistant Secretary for Postsecondary Education**
- **Jeff Andrade, Deputy Assistant Secretary**
- **Jeff Baker, Director, Policy Development**

**1958 National Defense  
Education Act**

**National Defense Education**

**National Defense Student  
Loan Program**



**1958**





## 1968 Higher Education Act

- FISL at 7%
- Maximum loan of \$1500

1958/1967

## 1964 Economic Opportunity Act

- CWS Created
- Educational Opportunity Grants
- Established Guaranteed Student Loan Program



## Vietnam War Continues



## 1972 Higher Education Act

Created BEOG  
Sallie Mae was Chartered  
EOG got a "S"

1970s

## HEA 1976

Consumer Information  
MDEs authorized

Leisure  
Suits!!!





1980s

**1978 MISSA**

**Income limits removed**

**Liberalized BEOG formula**





# *1980 Higher Education Act*

- U.S. Department of Education created
- BEOG renamed Pell with \$10 ACA
- Common Need Analysis form and formula
- Minimum Room and Board limits
- Defined the Independent Student
- Four year cap eliminated for Pell
- NDSL Interest Rate increased to 4%
- GSL rate 7% to 9% for first time borrowers



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## *1981 OMNIBUS Budget Reconciliation Act*

- Tightened Pell Grants Eligibility
- Made GSL need based
- GSL Origination Fee
- Eliminated \$10 ACA for GSL
- Pell formula restricted

**1982 Solomon Amendment  
To Defense Authorization Act**

**Selective Service Registration  
required for Title IV Eligibility**



**1980s**

**1985 Gramm-Rudman-Hollings**

**Multiple GSL disbursements  
Checks sent to schools  
Title IV aid denied to defaulters**





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# *1986 Higher Education Act 1987 Technical Amendments*

- **Congressional Methodology**
- **Simplified Needs Test**
- **Verification limited to 30%**
- **Changed Independent definition**
- **Professional Judgment for FAOs**

**1988 Drug Free School  
And Communities Act**

**Schools must have program to  
Prevent drug and Alcohol**

**1988 Tax Reform Technical  
Amendments**

**Creates Educational Savings  
Bonds**

**1980s**

**1988 Crime Awareness  
And Campus Security Act**

**Requires collecting and  
Reporting on Campus Crime**

**1989 Defaults equals 17.6%**

**1990 Rates were 22.4%**

**Default Rates restricted by  
1990 Omnibus Reconciliation  
Act**



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## *1992 Higher Education Act*

- **Plus up to full cost of attendance**
- **Redefinition of the Independent Student**
- **Mandates CM for all Title IV**
- **Creates negotiated rule making**
- **Stafford limits raised**
- **Interest rates are capped**
- **Mandated 5% Community Service for CWS**
- **Mandates refund policy**

**1993 Student Loan Reform Act**

**Reduced margins on FFELP**

**Full implementation of  
Direct Loans**

**1995 Improving America's  
Schools Act**

**Student Right to Know  
Direct Loans renamed**

**1990s**

**1994 Violent Crime Control  
And Law Enforcement Act**

**Eliminated Pell for incarcerated  
Students**

**1997 Taxpayer Relief Act**

**Creates Hope Scholarship**

**Lifetime Learning  
Tax credits**



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## *1998 Higher Education Act*

- PBO created
- R2T4
- SSIG becomes LEAP/SLEAP
- 7% Community Service for Work-Study



# *New Chief Operating Officer*

**Terri Shaw**



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