



# InTuition

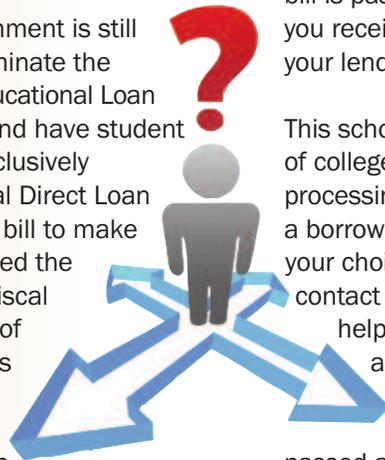
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## Up in the Air

Does the title sound familiar? No, unfortunately this does not refer to the George Clooney movie of the same name made right here in St. Louis, but rather to the situation with the federal student loan program and other financial aid. Most financial aid experts thought legislation would be completed by this time, and we would know what to expect for the 2010-2011 academic year, but that is not the case. The best we can do is summarize how things currently stand.

The federal government is still determined to eliminate the Federal Family Educational Loan Program (FFELP) and have student loans originate exclusively through the federal Direct Loan (DL) program. The bill to make this happen is called the Student Aid and Fiscal Responsibility Act of 2009 (SAFRA). This bill passed the House last fall but has been stalled in the Senate due to the uncertainty of the proposed Health Care bill.



So what does this mean to you as a borrower? On the surface, not much will change for you. You will still complete the FAFSA (which hopefully you have done, as deadlines for free money are fast approaching). You will still receive your award notifications from the school's financial aid office, and you will still be able to receive federal student loans. When (if?) this bill is passed, it will change how you receive loans and who will be your lender.

This school year, approximately 80% of colleges used the FFELP system for processing loans. What this means to a borrower like you is that you had your choice of lenders. You could also contact your financial institution for help and assistance with any aspect of your loan, as well as receive basic financial aid information. If SAFRA is passed and enacted, lenders will no longer be a part of the program; you will get your federal student loans

directly through DL, and the US Department of Education will be your lender. The school will be your point of contact.



Because everyone thought this would be in effect for the 2010-2011 school year (and still may), many schools converted from FFELP

to DL for the coming year. Some are running both programs simultaneously. Converting from one system to another takes time and training for the school staff, so please be patient with them. Some worry that the huge increase in activity and volume to the DL system will cause down time, possible system crashes, and affect customer service quality. While this is pure speculation at this time, remember, forewarned is forearmed.

What does all this mean for Vantage Credit Union? If the bill passes, effective on the date stated in the bill

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## Majors in Demand

According to Job Outlook 2010 by the National Association of Colleges and Employers, there are a few majors that will be in higher demand over the next few years. The top five are:

1. Finance
2. Accounting
3. Mechanical engineering
4. Business administration and management
5. Electrical engineering

When choosing a major, keep in mind that more and more, the world economy involves a multilingual environment. Learning a foreign language can put you in a higher income category and make you more attractive to employers. If you are interested in government work, including security, the need for employees who speak Arabic, Chinese, and Japanese is in high demand. Check out SalaryExpert.com to see the entry-level salary for many majors and jobs.

## What's New?

There is no new news, which is why it has been some time since this newsletter has been updated. We apologize for the delay. We expect more activity over the next several months. Watch [www.vcu.com](http://www.vcu.com) for updates.

## Helpful Websites



Here is a list of helpful websites for use in your search for financial aid.

### Scholarship searches:

www.fastWEB.com  
 www.finaid.org  
 www.scholarships.com  
 www.srnexpress.com  
 www.collegeboard.com

### FAFSA website:

www.fafsa.ed.gov

### Financial aid information:

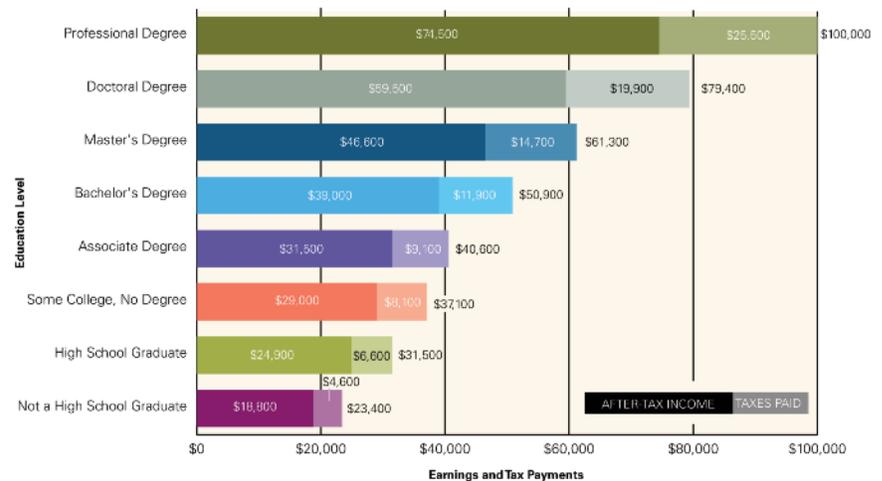
www.finaid.org  
 www.vcu.com  
 www.mohela.com  
 www.nasfaa.org  
 www.mappingyourfuture.org  
 www.petersons.com  
 www.wiredscholar.com  
 www.dhe.mo.gov  
 www.pin.ed.gov  
 www.studentaid.ed.gov

# Tidbits

Despite all the uncertainty of what will happen with financial aid, along with the incredible cost of a higher education and the politics involved, it is still very much worth the investment to earn a college degree. Below is a chart from the College Board showing average income per degree level.

## Education, Earnings, and Tax Payments

**Figure 1.1:** Median Earnings and Tax Payments of Full-Time Year-Round Workers Ages 25 and Older, by Education Level, 2005



**Note:** Taxes paid include federal income, Social Security, and Medicare taxes, and state and local income, sales, and property taxes.  
**Sources:** U.S. Census Bureau, 2006, PINC-03; Internal Revenue Service, 2006; McIntyre et al., 2003; calculations by the authors.

The bars in this graph show median earnings at each education level. The lighter segments represent the average federal, state, and local taxes paid at these income levels. The darker segments show after-tax income.

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(currently July 1, 2010), Vantage will no longer be a lender for student loans. Existing loans will see no disruption or change of services or rates. What you need to know as a borrower is that, whether or not the bill passes (and/or the effective date changes from 2010 to 2011), your school may already have changed from FFELP to DL. This means you might not be able to use Vantage as your lender for the coming school year. Check with your school to see if they have made changes in their loan

program, and if so, what you will need to do to get your loan.

SAFRA is more than just processing all loans through DL. There are provisions to increase PELL Grant amounts, add other scholarships, revamp community colleges, and add needed programs for elementary education. Why eliminate FFELP? Congress believes it could save around \$80 billion, which can then be used to pay for the above mentioned programs. The politics can be argued

on both sides, and definitely have been, but student borrowers are only interested in the bottom line: How do I pay for college? Rest assured, whether changes happen or not, the financial aid staff at your school will help you in any way they can. And until things change, Vantage will be there to guide and assist you with your financial needs. We will keep you updated to changes as they happen. Please check this section of our website periodically for updates.