



[MARY HARDANE:] I would like to introduce myself. I'm Mary Hardane. I am the Chief of Staff to the Chief Information Officer in Federal Student Aid. As a little preface to this session, about 4 to 5 years ago, you, all the IT professionals, and your software vendors asked that we have a session for you all to get together to discuss items of a commonality among yourselves, and so we have been doing this for about the last 3 or 4 years, only we have called it "Birds of a Feather." Have any of you ever participated in that? Okay, anybody over here, I didn't see? "Birds of a Feather" – okay so you kind of know. I don't know how it's going to go, because before it was always a lively interchange, but I hope it will be today, too, because the best people to teach you is each other and not me.

It really is an opportunity for you all to discuss and share with your colleagues what's on your mind, particularly this past year and this coming year. I'm sure there are a lot of things on your mind as IT professionals and software vendors. Let me first of all ask how many of you are software developers? Okay, everybody look around and see who they are, because they might be your software developer. The rest of you I assume are IT professionals at institutions, right? Okay. Let me just as a way of kind of getting to know, because I was going to have everybody introduce themselves but that's going to be a little difficult. Let me see a show of hands for those who use SunGard or who is a SunGard vendor. So look around and see who your SunGard people are. What about Datatel? Several Datatel? What about PeopleSoft? Okay. Powerfaids? Jensibar? Okay. Campus management? Home Grown Systems?...I know I saw several of you. Okay. How about EDEExpress Combos? Do we have any of those? Just a couple, okay. Okay, let me just start by asking, how many of you have been attending the DL sessions on COD and getting you up to snuff on the DL sessions – I assume most of you? What about the PELL Grant sessions with all the new PELL changes? Okay.

Let me just start out by asking you a couple of questions: How many of you are currently FFEL schools in the process of going to direct lending? Okay. How many of you are direct lending and have been for a few years? Okay. Let me ask the first group, those of you who are transitioning: If you had to say what is the worst obstacle you had to overcome in getting direct lending up, could you share that with your colleagues, any of you who have started direct lending? Yes, you need to come to the mic.

[AUDIENCE:] Yes, in my opinion, I think the worst problem is that COD doesn't provide a good test place. I mean most of us developers have a development area, a test area, and a production area, and all we're getting from COD is a production area. It sure would be handy to have a well-designed test place where we can try our software out as we are developing it and figure out what is working and what isn't.

[HARDANE:] Are you a software developer – or are you.

[AUDIENCE:] Yes. A software developer.

[HARDANE:] Okay. What about the rest of you? Have you experienced that? Anybody? Okay anybody else have some lessons learned that we can either help you



with or you can help yourself with on the direct lending transition? Well let me ask the direct lending schools who've been direct lending. What advice would you give your colleagues? We had some out there? Where is another one of our direct lending schools? What advice would you give our colleagues? Oh come on. Okay. I asked a couple of months ago our software developers about the biggest obstacles for all of the programs and what can we at the Department of Ed do to help you. This gentleman gave one, but let me open it up to not just to Direct Loan but PELL grants and the new Perkins Loan program. Yes.

[AUDIENCE:] Thank you. I think the time is way past to get rid of fixed length records, and I think ISIRs should be transferred using XML. That's the way most modern files are transferred nowadays, and it would make making changes from year to year a lot easier. I know they just widened the ISIR record, but I think it might not be too difficult for your people to run two parallel systems, one for those of us that want the XML along with the one that still has software that only does the fixed length record and then over time, phase out the fixed length record.

[HARDANE:] Yes, I know, and thank. Okay there is a lady back there that wants to make a comment? I thought there was somebody that wanted to make a comment here. Thank you for that comment. We get that quite frequently but as many of you may know, we're under the same kind of budget constraints that you hear about the country, and we're on a continued resolution so a lot of our innovations that you all have requested in the past, and we know that they would really be helpful to you, we have not been able to get to, and I don't know. I can't give you a timeframe, but that's one of the things that we have top on our list to help you all out with – is to do the ISIRs via XML. So I appreciate that comment. What about any others? What about the PELL Grant changes? When we did the general session yesterday there were all kinds of groans. From an assistance perspective what kind of issues that you have that you would like us to be aware of or that you would like to share with your colleagues? What kind of obstacles are you facing with implementing the year-round? There's a lady here and a lady back there.

[AUDIENCE:] Personally, I think the timeframe to get our software systems up and running to be able to handle the year-round PELL is a big issue for where I'm from.

[HARDANE:] Are you ready yet?

[AUDIENCE:] No.

[HARDANE:] Is that comment for the rest of you? You're not ready yet?

[AUDIENCE:] And, we don't even feel that we're going to be completely ready by the time we have to start disbursing the money either.

[HARDANE:] No. there was a lady in the back.



[AUDIENCE:] We have a Home Grown system. We're one of the combo schools and our Home Grown system is very academic period and fiscal year specific. So this whole – and we are currently ignoring the full-year PELL terminology right now. We have been the trailer school. So for us to be looking at for summer, actually having to do some of our students in the next fiscal year because they might get more PELL for the next fiscal year is daunting for us.

[HARDANE:] What about – have any of the Home Grown been able to implement the year-round. A couple of – well not a Home Grown – but a software vendor up here, but I would like to hear from some of the other Home Grown whether or not you've been able to implement the year-rounders. The gentleman over here. Yes, it might help if we move this mic back too and some of you can come to the mic, but it was this gentleman there. No? Okay. Somebody in the back, No? There you go. I thought I saw some hand.

[AUDIENCE:] I would like to know how you did the future ISIR as far as coding. How do you look at a future ISIR that is beneficial to the student as far as the reporting side? and we do Express.

[HARDANE:] Okay you want to get for not Express but for year-round PELL.

[AUDIENCE:] If you are in that crossover section you're supposed to, if the student has the next year's ISIR already in, and it's more beneficial for the student to be paid on that year, you are supposed to pay them on that and future year ISIR, and I just – how do you do the reporting for that? Are you doing it in that next year? I mean, I found no documentation on how to do that.

[HARDANE:] I thought there was somebody over there that was going to say how we do it. What was the answer sir? Nobody knows? Okay. Well, I was hoping somebody here would have solved that, but we will take that – we will take that back also. Um, any other issues with the PELL Grant? Because I heard that horrible groan, yesterday regarding implementing it. What other issues are you having regarding implementing it? The lady here.

[AUDIENCE:] Well, we're having an issue with – you know, we have a smaller staff, and so we're deciding whether to take on direct loans and PELL at the same time. And so, we're putting PELL ahead and then I guess we're talking about pushing off direct loans, but Bank of America has already pulled out of offering loans. So we're kind of trying to weigh out between the 2. I think it's 2, for us, 2 major projects at the same time. So in a sense that's our obstacle. I think Banner is ready for it, but I do not think we're internally ready for it as far as processes are concerned.

[HARDANE:] So by reporting.

[AUDIENCE:] Reporting and reconciling is our issue.



[HARDANE:] Okay, so if I hear what you're saying is you have to choose between the DL and the PELL Grant implementation and you're choosing the PELL. Your software vendor is ready to go?

[AUDIENCE:] Yes, we're choosing the PELL. Software is not quite there. We're going to work on that, but again, we're at that point where if everybody pulls out of the loans, then are we hurting our students by not going to direct loans. I think that's kind of what the debate is I suppose.

[HARDANE:] Anybody else come up with a different answer. I mean that's probably intuitive that that would happen when you have two major projects and you only have staff with resources for one, that you're going to have to settle on one, you know, settle on one over the other one at the very beginning. Software vendors – are you all ready to go? I assume you all are. What did your schools – are they experience – I see several of you up there. Are they experiencing the same thing as this woman as far as having to set a priority between two and, therefore, jeopardizing, or perhaps, jeopardizing their students regarding the Direct Loan? Any other – we got a little bit sidetracked. Any other obstacles that you are facing with regard to either the Direct Loan or the FFEL? One of the things I heard at breakfast this morning, and I would be interested in your reaction, is that I heard talking to some schools this morning who were FFEL and are now going to direct lending, that they are having problems with the lenders not doing things as quickly or doing them more strictly and, therefore, access has been harder to get for their students in the FFEL Program. Has anybody else heard that? Anybody else experience that? That surprised me that they named several banks, not just one or two, that they were having more difficulty getting loans through than ever before – yes.

[AUDIENCE:] Yes, we've definitely experienced that along with banks like Bank of America and US Bank and Keybank all pulling out. We're finding that lenders are not processing the same as they used to. They are taking longer. They're not updating as well. So it's been kind of a mess the last couple of years, and we're hoping that Direct Loans will actually be a big process improvement.

[HARDANE:] Anybody else on that? There is a lady in the back. If you can yell loudly I can repeat your question. The lady back there in the corner.

[AUDIENCE:] The other thing is the problem of the lender list with all the banks pulling out. Our lender list is getting really, really tiny. So we're kind of wondering how we're going to handle that also. Does that mean we have to go to DL right away since we can't fulfill the lender lists or give them enough lenders?

[HARDANE:] Let me ask the others. That's a good comment because what are you doing if your lenders are pulling out for access since you're not in Direct Loans. Are you able to get some other lenders to be lenders of last resort at your institutions? What are you doing to ensure access for those of you who are FFEL? This lady up here – again if you talk loud I can repeat your question. He's running.



[AUDIENCE:] As a 3rd-party servicer and software vendor, we've got clients all over the country and many of them have experienced, over the last year, the massive pullout of the lenders and so we've had to assist many of them to go into direct loans much faster than what they would have normally intended to do, because they are not being able to find other lenders of last resort.

[HARDANE:] Are any lenders stepping up to take the business? I suspect not. Is that a correct – that's what I've been hearing from everybody – that the no lenders are really stepping up to be a lender of last resort. So I guess that makes your priority dilemma even worse in order to assure your students have loans. Let me ask – it's being recorded so I can't say I will keep – but I don't know who you are so you can be honest – and they won't recognize your voice. Have you worked with the department, because we have a lot of people out there and here at the conference and various sessions to help you get Direct Lending? Is there something there that those of you who have utilized it, that you would recommend that we do more of, that was very helpful to you so we can try to spread that around? Because we have had several hundred schools sign up for Direct Lending, whether they are direct lending we're not sure. So if you think that you are out there, what did you do – or what did we do to help you that we can do more of to get you there?

[AUDIENCE:] Hi. We're moving over to Direct Lending here in the next few months, and we've set up weekly meetings with a representative there at the Department of Ed and where we submit, you know, 'x' number of questions any of our questions by Friday night, or whatever, Monday mornings, or Monday afternoons – whatever the time is – we all have a meeting and we have little roundtable meetings with her and usually get a lot of our questions answered, and that's been very helpful.

[HARDANE:] When you say roundtable meetings, is this somebody from the regional office coming out to you all, or a conference call, or?

[AUDIENCE:] It's a conference call.

[HARDANE:] A conference call.

[AUDIENCE:] It's a conference call.

[HARDANE:] Anybody else using that? Because I mean our people don't have a lot of travel money but we can certainly participate in conference calls to help you get going. Anybody else utilizing that? There is a lady up here. Over here. If you can talk loud enough, I'll paraphrase your question.

[AUDIENCE:] We're actually just starting with the direct loan specifications for an old mainframe built on COBOL and it does have some serious challenges, but we are using the same conferencing technique with our customer service representative who has been assigned and getting a lot of questions answered in that way.



[HARDANE:] The lady over here who had to prioritize. Would that be helpful to you, or are you doing that and you feel you need some more assistance from us?

[AUDIENCE:] [inaudible]

[HARDANE:] Okay it's more funding – yes, okay. Okay I had a feeling it was more than just our resources, but I do want to emphasize – and in your book, which I don't have here – in your book or all of our school relations people who can. If any of you aren't utilizing them in a conference call weekly because if it's a lack of knowledge and expertise that you need, I would encourage you to call your regional people and start setting these up so that we can begin to assist you with that. Anybody here, show of hands, how many have successfully converted to direct lending from FFEL? Okay. Well let me ask you – what was the most important thing in doing that to get you there? Can you – yes this gentleman here. Oh wait a minute there's one back there with a mic. We will come back up here.

[AUDIENCE:] Ah, for us, there were a couple of things. Number 1, we use a servicer. We use Global, and obviously they were able to help us make a large part of the move. We also had to make some policy decisions. We decided to totally go away from FFEL all at once, and the way we did it is any new students that were coming as of the start month – up until their start month – those people we would use Direct Loan only, they'd only have the option for Direct Loans. If we were doing repacks here and so forth and they started with FFEL, we've left them there. So I think that helped in terms of making sure that the policies are logically put together so you understand where your students are in the process and then, you know, like these people getting help from the Department, us getting help from Global – you know, lean on people who have more experience.

[HARDANE:] Well let me hear, because there are a couple of things you said that I didn't hear. I thought I heard you say that you went all at once to direct lending and didn't keep any FFEL students so you weren't running 2 systems?

[AUDIENCE:] Well, we did – that's exactly right. We were running 2 systems, but we start them monthly. We have monthly starts, the month the academic year starts. So anybody who is starting as of a certain month, they only have the choice of direct lending. Anybody that would start previously that was already packaged with FFEL, we just left them.

[HARDANE:] Okay. There was a gentleman up here. Right here.

[AUDIENCE:] Let me preface my comments by saying I'm new to both higher ed and financial education. So many of the things that my institution has done I am not as familiar with, but I know one of the things that we've done is we're running 2 systems in parallel – both FFEL and Direct Loan, and our Direct Loan system is not where we want it to be but it's good enough to at least see it through until a more permanent solution is in place. So, another thing that we've done is that we have a good relationship with a



former financial aid director from University of Arkansas, and now he's in consulting, and I'm actually – my financial aid team tells me there are quite a few people like that out there who will gladly answer and ask questions for a very reasonable rate, so that there are additional resources out there. And so, we've utilized him quite a bit to kind of bounce ideas off of and to use him just as a general resource. So that's been very helpful.

[HARDANE:] Okay I thought I saw some other hands who look successfully converted. There is one in the back and one up here. Again, for those institutions who may not be able to buy a consultant, because we do have some financial aid administrators, so obviously we are very good and have run a successful Direct Lending Program, our staff is also willing to do that and try to help out.

[AUDIENCE:] I just wanted to mention that also I do not know how many of you are aware or have used this, but there is also the Direct Loan Coalition, and they will assign a mentor to you, and this is free. I do not have the web site address off the top of my head, but you can definitely Google it and find it. But, the Direct Loan Coalition is there to help support the schools that need to transition from FFEL to direct loans and they will assign a mentor to you that uses the same software that you do – if you use a vendor software – that will help you through that transition, and there is no cost to you. So definitely look into that.

[HARDANE:] Thank you. Are you with the coalition or are you just a member?

[AUDIENCE:] No, I'm with SunGard.

[HARDANE:] Okay, there was a gentleman here.

[AUDIENCE:] Yes, we transitioned last January. We did all of our new students. I'm at Florida National University. We're large. There are 40,000 students so we transition. We did about 6 million in volume, running both systems parallel last spring. In Summer we converted everyone. We did about \$30 million dollars and we're glad we did it in those steps because for us the big issue is just getting the reconciliation. We're a PeopleSoft school. We've been very pleased with what PeopleSoft has done with direct lending. It works for us. It worked better than an FFEL quite honestly. And then this fall, at again 100% and we've done \$69 million dollars already and the reconciliation fees is no longer an issue.

[HARDANE:] Any other school?

[AUDIENCE:] Yes, I'm from the University of Missouri at Kansas City. We've got about 13,000 students. We converted this current 8-year and we felt that it worked really well going into the new 8-year with Direct Lending and making the switch. We made a complete switch, except for alternative loans. We're not doing anything else FFEL-type processes. We're PeopleSoft. The Direct Loan Coalition – we use that list to contact some other PeopleSoft schools and, we contacted like 3 and we got 2 responses, and



that was very helpful. But as far as with the figuring out the setup for our software specific was where we had some questions and issues where the coalition helped out with other schools to be able to compare because of the same software vendor and then our biggest problem has been communicating with students. We found that with Direct Lending you have a lot more problems getting originations set up on the front end, and so it seemed initially like we were having a lot more problems than we were in FFEL but with FFEL, you originate very easily and then you have problems actually paying because of the rejections, and with Direct Lending you reject when you are trying to originate and then once you get a little bit further in the process, it is much smoother. So it's done really pretty well this year for us.

[HARDANE:] Was there another hand before I ask another question? The gentleman raised a good point in communicating with your students. How are you communicating with your students about a whole new process? What techniques have you been using, because from the student's perspective, they are used to going to the lender and now they've got a whole new thing about going with you and signing prom notes? How are you communicating with your students?

[AUDIENCE:] Well, we've been trying, and we're getting some success. We E-mailed students and we then for students that – our biggest problem is communicating to current students that they need to sign a new prom note. They think that they're fine. They'll accept their financial aid and they'll ignore bills from the cashiers because they think well I have financial aid, and they'll never take care of that; and, we've had to resort on some of our students who – sending out more letters and then even trying a phone campaign to get the last of them but that has been the biggest problem – is getting students to do prom notes so.

[HARDANE:] Your prospective students are easier because they are looking at everything as a new light.

[AUDIENCE:] Right. They're coming in and they haven't done anything before, and they pay more attention. It is our current and ongoing students that, you know, have been with FFEL and now they need to sign a new prom note for Direct Loan because that's what we're using and they don't quite understand – they don't understand why they're being hassled – why it doesn't work like it did before, you know, and they don't read the information we send. We prepared a whole new required reading document that they don't want to look at, and so. It is just education with the students is our biggest problem right now.

[HARDANE:] Anybody else have some thoughts on that for what you're doing to communicate? Because I think you're probably right. The continuous students are probably the most difficult because they already know everything. The gentleman over here.

[AUDIENCE:] I think the one unique thing we did is we did a little customization of PeopleSoft. When you go in and accept – first you have to accept your loans and so



when you accept your loan, we have a popup now that we built, and the popup tells them this is a Direct Loan you have to do a new prom note, because it knows whether they've done it or not. And in the popup we are able to put the links to send them out to the direct loan site to do their entrance interview and to do their prom note, and they've done it. It went really well, and the Direct Loan site is working really well for them, and they don't seem to have any problem negotiating it and doing the things they need to do there.

[HARDANE:] Good. Any other obstacles for those of you who have gone to Direct Lending that you would like to share – lessons learned of things that you had to overcome and that might help your colleagues? Anything else on communicating with students? Are any of you using any of the new social media successfully with your students? I know that's been a very popular topic at some of our conferences as to how you're using Twitter or those types of web sites. There are a couple of people back there. Are you using any of those to help your students through this?

[AUDIENCE:] Well, no and actually the comment I made – we haven't gone to Direct Lending but we're a PeopleSoft school as well; and, we've been talking to other people and a lot of the schools that we've talked to have made them do new entrance counseling and by doing that they sent out the information that you've provided, and it makes the student more aware as you said that the loan has changed; you know, you're starting from scratch more or less. And that was the only reason they made them do the entrance counseling again was that to make it a break – that we're starting over here.

[HARDANE:] I think there's a lady behind her.

[AUDIENCE:] We're still primarily using E-mail as the primary means of communication. It does kind of feel like students are reading their E-mail less and less. My sense is that what is currently getting the highest response rate from students is text messaging. We currently don't have a system that would allow us to send text messages. I know some schools do. My comment on things like Twitter and Facebook is that they really should be seen as a supplement to your messaging stream. We have a Twitter feed but you cannot guarantee that anybody is looking at it to see the message that you're sending out, so it's really just a supplement that may or may not reach all of the people that need to see what you're saying. So if there's an important message, you need to send it another way as well.

[HARDANE:] So that in an E-mail as well as opposed to a text message is that it – what I hear you saying?

[AUDIENCE:] No, I'm saying Twitter and Facebook cannot be your primary means of communication. Whatever that is – E-mail or text. I think text is most effective but it's – not all schools are ready to do that, including us.

[HARDANE:] Any other ways of communicating with students, because that's very important as we don't forget our students making this transition, particularly our



continuing students. How many of you have not started the conversion to Direct Lending. Do we have any? And we've already heard a couple of reasons. Are there other reasons you haven't started? One of them was resources. Are there other reasons you haven't started so we can figure out how we can help you? I think there was a lady back there – no? Okay. There were several people here who hadn't converted. What's your biggest obstacle in getting there?

[AUDIENCE:] [inaudible]

[HARDANE:] Okay. The same as the other lady – competing priorities. Yes.

[AUDIENCE:] Our main obstacle is that our financial aid director feels she is being forced to switch to Direct Lending and is opposed to that.

[HARDANE:] Well, if Congress passes the law, I guess that's a true statement – that we are all being ongoing into that program. As you heard Secretary Duncan say, the \$87 billion dollars is very important to other programs. The lady back there.

[AUDIENCE:] Ours is – there's nothing pretty much you can help us with. It's more political. We just went to FFEL like 3 years ago from Direct Loans. Yes that didn't work out very well. The reason why we went was for a good reason. It benefited our students greatly but right now, I am more worried that our students are are going to have problems – our continuing students, again, are going to have problems signing a new prom note. They are not going to have problems understanding why they are going to have to sign a new prom note. They are going to be upset they have to do it for a 4th time in 2 years since all the lenders keep dropping out. So that is going to be interesting for us, but hopefully we will make the switch next year.

[AUDIENCE:] We've been dealing with some of those same issues about worrying about what the students are going to say, and we're taking the approach that we're not apologizing for this. That our school is their savior and is coming in to make sure that they have funding lined up and not afraid of the conversation with the students – that's one approach you may want to consider taking.

[HARDANE:] There's another lady over here.

[AUDIENCE:] Another concern that we have is that with the FFEL program and especially our primary guarantee agency, we get a lot of support with debt counseling and default prevention-type stuff that, so far, we haven't really seen a lot of that coming from the Department of Ed; and so, we're concerned that we are going to lose that because we've already lost the fact that they were able to help us with some of our handbooks and things like that now with the regulations on the kind of help we can get from the lenders; and now we're looking at possibly having to lose what we have with our debt counseling.



[HARDANE:] Are you concerned with entrance and exit counseling or the counseling afterwards or both?

[AUDIENCE:] Counseling both before and afterward in terms of the more general debt counseling, not just the student loan counseling part of the debt counseling, because we were involved in a financial literacy program with ED Fund for several years that has been a bit benefit for our students.

[HARDANE:] Is there anything specific that we could do to help with that? I know we have our publications and a lot of you use those, but is there anything else that the department can do to assist you. Do we need to re-look at our publications and obviously we cannot create a curriculum with debt counseling, and I think I hear you saying that lenders provided just a general debt counseling program, which now they are not going to be doing. Did I capture you right?

[AUDIENCE:] Yes.

[HARDANE:] Any of you schools – I know a former institution of mine started their own, and I've talked to several people over the last year as the freshman orientation they do debt counseling. Do any of you do that as a part of freshman orientation? And I've got a couple over here – anybody else do it? I see yes and I – several years ago I had 1 school where it was a course. Do any of you offer a course in debt management? And it came out of, I think, the business school as you might imagine. But you might want to explore those avenues to see whether if it is out of the, as I recall, in the student activities I used to offer mini-courses in something like that that you could get your institutional resources to help you provide that – and there is a lady there.

[AUDIENCE:] We offer a financial management session once a quarter, but what we have found is that while we think it is important for the students and parents think it is important for the students, the students do not perceive it to be important to them. So it is not a requirement anywhere. It is just offered. So we have very, very low attendance. I think that kind of program can only be successful if it is required.

[HARDANE:] I think that may be why some of the schools make it a part of orientation because orientation is required, but that is a good point. Students I think with loans, they don't really pay attention to them until the rubber hits the road and they have to know about it.

[AUDIENCE:] We have a program – the city of Jacksonville has a program for students who receive a scholarship on free and reduced lunch, and we did make it a requirement for them to take a financial class because a couple of them used their money to buy personal possessions so we – yes, that's a requirement for us and that's – we just started and it's been very successful.

[HARDANE:] Good. So you make it a requirement as part of getting a scholarship, which, do you do it with financial aid or just academic scholarships?



[AUDIENCE:] [inaudible]

[HARDANE:] Okay, so really it's financial aid not just the academic.

[AUDIENCE:] [inaudible]

[HARDANE:] Did you hear that? They don't take the class; they don't get anymore financial aid. That's a motivator. Anything else on communicating with students? Has anybody else used anything successful? Let me go to something else I've been hearing – the PLUS loan program converting from FFEL to Direct Lending. Have you experienced any difficulties with that with parents, and how are you communicating with parents, or hasn't that come up yet? I just had a couple at breakfast this morning saying something about the issues with PLUS Loans and communicating with parents. Anybody experienced any issues there? Parents are easier to communicate with? The other thing I heard was a difference in credit checks. Have any of you experienced – and this was a couple of people this morning at breakfast – different schools, who indicated they experienced a different amount of rejections for credit for PLUS. There was less in the direct loan than there was in the film. Any of you all experience it one way or the other?

[AUDIENCE:] [inaudible]

[HARDANE:] You heard the same thing that the direct loan program is more stringent, more rejections?

[AUDIENCE:] [inaudible]

[HARDANE:] Less. Okay.

[AUDIENCE:] [inaudible]

[HARDANE:] Okay so the Direct Loan Program has less rejects. Gentleman in the back. Yes, I can't see behind the pole, the camera. Thank you.

[AUDIENCE:] I have a man's hand, I guess. But, anyway we transitioned in year 2 EDEXpress goal and we've definitely seen where we have students who come to our school who were – their parents were denied a PLUS for credit, and they're being accepted by the Direct Loan Program and I think that's great.

[HARDANE:] So, are they expressing any credibility issues or are they just happy to get the loan I imagine?

[AUDIENCE:] Well, both. You know, they get an endorser so.



[HARDANE:] Right. And I think there was another person over there that I didn't see because of the lady behind the pole that I did see but not her.

[AUDIENCE:] When we switched to direct loans this year, one of the things we were noticing with FFELP was initially the parents would be approved for a PLUS loan and then when they sent the prom note in but on the FFELP side, they would be denied. So, it is actually nice to, you know, if the parents are approved, they are approved with direct loans versus, you know, not knowing exactly what the status is going to be.

[HARDANE:] In the Direct Loan Program? Anybody else with that? I see a couple of yeses.

[AUDIENCE:] Yes, that's the one nice thing – is that you know the what the status is with direct loans, if it is approved – it's approved, if it's denied, it's denied so.

[HARDANE:] Yes, okay. Okay well. This has been a lively discussion on direct loans and PELL Grants. Let me open it up to other issues or concerns that you all have in the IT. This lady right here.

[AUDIENCE:] I'm looking ahead to the Direct Perkins Program if that becomes a reality, and thinking about some of the IT implications that we might have. We're a school that created a bolt-on several years ago so that we could collect an electronic promissory note and it's absolutely been fabulous and I think okay how are we going to allocate or transfer those loans to the department since we've got our own file, you know, table structure and all that, but even more alarming is that part of our bolt-on is to also service health professions loans and if Direct Perkins goes in one direction and health professions stays behind in another world, now suddenly we have multiple programs and, you know, multiple approaches that the direct Perkins, even though that might move to COD is still going to create a lot of problems for the schools that do have health professions. So, you know, as you are planning, look ahead and think about how health and human services might be pulled in and bring these worlds together.

[HARDANE:] Yes, thank you for that. Many schools that don't have health professions forget that. They are not Title IV programs for those of you who don't know – they are not Title IV programs, so they are driven by different legislation and different regulations, and they certainly aren't at this point going in this direction, but your point is well taken. We need to begin to work with our Department of Human Services to try to get that [inaudible] I remember many, many years ago they weren't coordinated at all and we worked hard to get a number.

[AUDIENCE:] [inaudible]

[HARDANE:] Yes. The lady said that they're closer now, but she could see that they could go in direction, and I had been in this 30 years ago when they didn't talk to each other and it really was a problem. They used 2 different need analysis systems – does anybody remember that? One for them and one for the Title IV program. So they have



come a long way. So thank you for that comment, because we don't want to go backwards in that relationship. Any other issues or concerns from an IT perspective? What's the number one IT issue other than direct loan and Perkins that you all experience? No? Oh, okay all of a sudden a bunch over here.

[AUDIENCE:] Well, I guess I'm going back to the PELL issue.

[HARDANE:] That's okay.

[AUDIENCE:] I was a little shocked when you brought it up and nobody really said much, but I'm not sure everybody in here understands about how big of a job that is going to be having the 2 PELL Grants in 1 year, what that is going to mean in the financial aid offices, in your business offices, and everything else. What came out of negotiated – well actually it didn't come out of negotiated rule making – what didn't come out of negotiated rule making was something that in my opinion is nearly impossible to program; and I'm not sure everybody's got their mind around that – and I think the department has done a wonderful job – COD in particular has done a wonderful job getting Direct Lending on the ground and running and ready for all the Direct Lending things that are going on here. That's been wonderful, but I hope you're ready to put some resources into this PELL issue, and I know you're under a continuing resolution. But there is a lot of FAMS systems out here. There is a lot of people in schools and everything that are going to need some help and support to get this done as the regulations are written right now. And, I would make one suggestion, and I'm not exactly sure how this would be done, but what's happening is that this issue, the interpretation of these crossover periods and using an EFC and it has been put off now, we hear from Jeff Baker, for what, another year, right? So we are going to have a reprieve I guess this year – this summer. But, there is going to have to be a lot of resources, time, energy resources that are going to be put in by FAMS managers, be put in by schools, and the department the way it is right now – and I would suggest, and I would put this forward, is that the department and COD, which has done a great job with Direct Lending to figure out a way to do it at the COD level – whatever that may be. I'm not exactly sure I even have a suggestion on how to do that, but instead of everybody across all the country and all these systems having been changed, maybe COD should change to accept this. If it's going to stick and it's going to be out there, maybe just COD should change because the problem that we're going to have is how do we report this back to COD. We're going to get the PELL Grant and then we gotta back it out, then we gotta re-fund it and G5 and all that has to come back through and then we have to make those changes on our systems, which were award year-based and so on and so forth. So that's just my 2 cents on that. See if COD can do it.

[HARDANE:] Thank you for that comment, because as Secretary Duncan said, we really want to partner with you to make it work and if that suggestion can work, we will take a look at it. There were some other hands over here, so if you want to raise them again – there were a couple more hands.



[AUDIENCE:] So I was going to address your other question – what are the biggest obstacles in IT right now – and it seems like there are more and more requests, which are more and more complicated and we have the same or fewer resources to deal with them. So too many requests, not enough resources whether it be people, money, or time. And then the financial aid, well specifically we have requests – we have changes coming from the department, we have changes coming from our software vendors, we have changes coming from the administration of the school, and it's just a lot.

[HARDANE:] So, it's not just the changes that the federal government has thrown at you with regard to HEA and all of those, but you were saying institutional as well, which will be a challenge because of a lack of resources, am I paraphrasing that correctly, in priorities and resources? There's another one. The lady I think I see her first and then there's a gentleman in the back.

[AUDIENCE:] So, I would like to tag onto that that resources are dwindling at our school also because of budget cuts, and we're faced with a triple threat this year ourselves because not only do we have to figure out year-round PELL and we're looking at DL right now, also, but our school now has decided that we are really going to do the ERP conversion starting in July.

[HARDANE:] The what conversion?

[AUDIENCE:] A conversion to a vendor system starting in July and the financial aid package will be among the first to be implemented, so we're getting overwhelmed with all these requirements and limited resources.

[HARDANE:] Anybody have any suggestions? Those I think are both common – too many requirements. Any suggestions? Has anybody successfully gotten the resources or convinced the administration to not doing - to do all the changes at this time since the federal government is giving you any? There is a gentleman in the back.

[AUDIENCE:] Yes, I would say to reiterate or to support some of the other comments – I think our largest challenges are having to deal with things that our software vendor can't react to the federal government in time, we have requirements – you know, if there could be more – I know it is a difficult process for the Department of Ed, but if maybe, I don't know if you guys are telling Congress that these changes need a certain amount of time to be enacted, if maybe approaching it from the technical standpoint because it puts a huge burden on us to try to react to things where our systems aren't designed to do it, and we're a PeopleSoft school and it takes a long time for PeopleSoft to make adjustments, and we still have never received a SMART Grant and ACG. Still they've never really adapted to or just able to pay them. We still have to find all the students and it's a huge burden. That's it. Also I have a question about last – for us particularly at our system, they are pushing very hard to try to get rid of SSNs being seen by anybody, and we are going through a process right now with Oracle where we are going to be capturing SSNs and doing strange things with them. I know last year at the conference they were saying the future project that the Department of Ed was talking about was a



project where they were going to remove SSN from a lot of the information that we share back and forth and use an alternate number, and I was wondering if there was any update on that.

[HARDANE:] Yes, and we are still in the process of looking at that, and that is our long-term goal that we would – for those of you who didn't know this – for security reasons obviously we are concerned about using SSNs in any way given all of the identity theft that's out there. And the people who are out there who are malicious sometimes get to be smarter than us, we catch up with them and then they just get smarter again, that we are moving away from SSNs and we will be using an internal number that stays with the student, and that project has been ongoing for I want to say a year, a year and a half. I can't give you an estimated time because all of our new development is on a hold at the time because of the continuing resolution. I can only say that that's again one of the things that we are doing as well as our PIN reengineering. So we've not taken that off because of security reasons. But we will at some point in time have a financial aid unique number for each student and only use the SSN behind the scenes because we have to link to the Social Security Administration, but for all of our transaction, it would be a unique number to the student. But, I apologize I cannot give you a number because we this year are significantly, just like you all, have significantly less money from the federal government on top of which the continued resolution means they don't give us the money when we need it. So we are just using our money right now to run the systems – CPS, COD, etc., and so until such time as we get out of the continuing resolution and we get some more money, that's probably going to be on hold. I'm just being candid with you. I'm not going to tell you what's going to happen next week when it isn't. We've also been diverting a lot of resources as you know to the secretary's initiative simplification of the FAFSA and some of the other initiatives that he has announced. So we will catch up to the unique number, but I can't tell you when at this point in time.

[AUDIENCE:] I have a question on that. I'm part of a state that is moving to assigning high school students a unique number and passing those on to the colleges, although at this point it's going to be some sort of magic osmosis since they won't give us their social security numbers. We're not sure how we're supposed to match them to our students. But is there any thought to bringing the states into this as well so that the unique number could be coordinated with the state number so we don't end up with 2 unique numbers.

[AUDIENCE:] [inaudible]

[HARDANE:] Yes, and we've heard that comment before and it really is important, and we do work very closely with PESC and I don't know if you're familiar with PESC – Postsecondary Education Secondary Council, but anyway, they are working very strongly with the elementary, secondary, and high school and higher ed, and we are working with them on that, so I agree with you that's an important concept. We cannot implement this without working in concert with the state agencies. So I appreciate that comment. Yes, the lady here. If you can talk loud enough I'll paraphrase your question.



[AUDIENCE:] [inaudible] from within the PeopleSoft software. ACDC SMART Grant was supported. We didn't jump within the very first elective year if you will where it wasn't mandatory but you could go ahead, and one of the things that we do, part of my responsibility is figuring out what are we going to support and what are we not going to support. Just trying to understand how long programs are going to stick around, where do we invest the resources just like, you know, you do – you have to make decisions on what is the most important. So, even though we didn't necessarily that first year, we have supported that, and I think that's another problem that a lot of the software vendors are wrestling with with this year-round PELL – is it really going to last? Is it really something that we need to invest resources in? Yes we do, we understand that, but is it going to be something else that we're going to throw away?

[HARDANE:] Yes, I think what I take away from that, as an ED school person, is that we have to be understanding that the software developers are going through the same things as schools are with a lot of things thrown out at the same time with limited resources – is that a – and they have to make the business decisions that we at the campus level and at the federal level also have to make.

[AUDIENCE:] We're a PeopleSoft school who are actually using ACG SMART and so I am happy to talk to you about it, if you want to know more about how to implement it. But the thing I wanted to say is a real challenge I think for us right now, and I would be interested in hearing from others. There is sort of a culture shift within our financial aid offices. Technology continues to grow. People are retiring. Those positions are being filled often with more functional analysts, technical people, and those areas are growing and at least in our school, some of the counselors are feeling really sort of left out and disenfranchised, and, we're starting to try to really think about the culture shift and it's a really sort of a challenge for us, and I think a lot of it has to do with technology, so.

[HARDANE:] Any comments to help her out? She talks about a cultural shift. The gentleman up here.

[AUDIENCE:] Yes. We see most of our IT challenges coming not from IT at all. For instance we have to produce in December new IPED report with clearly defined rules what does the report look like? So, we see more change. The challenge is not from IT actually.

[HARDANE:] Yes, I think you're right. I think you're going to see more and where IT becomes more and more important on your campuses, which maybe gives you good job security for those of you in IT, because it, given all the systems – I see a lot of heads shaking – given all the systems that we have that you interact with and with state agencies, etc., and it's going to become more and more settled. I think the lady who said the culture change is going to be more towards technology is probably true, and what I hear and have heard over the last couple of years is the biggest challenge in technology, again, is resources. Is that from you IT people. Are you an IT person, the lady here? Are you an IT person?



[AUDIENCE:] [inaudible]

[HARDANE:] Manager. IT manager, okay.

[AUDIENCE:] [inaudible]

[HARDANE:] She didn't have a mic but she was saying that as people retire, most of the positions are being replaced by technology people and that's creating a morale problem at the school, at the institution.

[AUDIENCE:] Hi. I'm an IT person and I just recently was charged with supporting financial aid and other systems and as we had, you know, our great functional person left from that side, everything now is coming to me – 'we don't know how to do that, you're technical, you need to do it' – and it's like 'I'm sorry, I'm just learning this, and I need you to help me to figure it out so I can help you best' and we actually made a step by getting me on the hiring committee but it's a state school, and you can't change a job description so I'm like 'I don't understand why I'm here because I think we need to hire a technical person, but you're saying we can't even ask those kinds of questions. Do you know how to use a mouse, do you know how to save a file?' I mean it's really difficult and they just, you know, they're swamped, they get more – they have more and more applications, and they're looking to us to find anything we can do to help them and they want everything automated, automated, automated, automated, automated – it's like 'we can only do so much and if something goes wrong, you need to know how to fix it' and I just feel overwhelmed at times. And this is my first conference, so I just want to say thank you to everyone that I'm hearing the same thing, that it's the same everywhere. One quick question. I feel like I ready something that our school uses at Connect to get the files. Is there some new program or application that automates that file in moving things, because our staff gets so confused about moving the files to the server so then they can use our, we're a Banner school, to use Banner to get it up there and it's like that's beyond them having to get this file and move it over there so it gets into the system. Was I crazy when I heard something about that, or is there something new that's like, at Connect that's more a scheduling-type thing to get the files from the mailbox – anything anyone?

[HARDANE:] I don't know the answer to that question, so I am going to see if somebody in the audience can help you. If not, I'll take it back to our ED Connect person and I can get you an answer, if you will come up afterwards with a card. Does anybody, can anybody else answer her?

[AUDIENCE:] [inaudible]

[HARDANE:] I think there's somebody in the back; and if that doesn't answer your question, give me your card and I'll connect.

[AUDIENCE:] TD Client for Windows.



[HARDANE:] What?

[AUDIENCE:] TD Client for Windows and it's on the ED Connect web site.

[HARDANE:] I think one of the things I heard you say is that in addition to trying to hire more IT people, the business side, your business unit is wanting you to support them more, and help you but in some ways, the culture is still the other way because you can't change your job description. So I think you're both coming at the same thing from a different perspective. Do you – let me ask you – are there any nontechnical people here? Are there any financial aid managers? Okay. Maybe you can help them out, because I've heard this for a number of years and even when I was on a campus and you do the technical stuff and let us do our thing and really what I found out very quickly at a large day school is that you really gotta get married with your IT person and your business people, because it really takes both of you to get the job done. And so what we did is we integrated – did a couple of things: 1. Put IT people on our staff who had business knowledge and train the IT staff to have business knowledge was one of the things that we did and bring them in our committees, not just our hiring committee but on our financial aid committees, bring them to these conferences so they learn financial aid and, therefore, they can help you and the IT people. But, let me ask some of the business people.

[AUDIENCE:] [inaudible]

[HARDANE:] Payment for origination.

[AUDIENCE:] And basically we're kind of a cost allowance-like PELL for processing PELL and, you know, I'm thinking is it possible to bring back the PIN for origination services?

[HARDANE:] The administrative allowance for PELL?

[AUDIENCE:] Yes, I mean it was similar to if you process the PELL Grant, you get what you get.

[HARDANE:] Yes.

[AUDIENCE:] There was something similar when Direct Loan started, which was the PIN for origination services.

[HARDANE:] Right but sure, yes. And I can't answer that. That's kind of a political question because it also has to do with congressional funding, but I remember the days when we did get subsidized for it and, therefore, you had some resources to divert to the systems. Yes. There was somebody else. Any other business unit that can offer some ideas to help their IT people out?



[AUDIENCE:] Well, we are a Jansibar CX school, and I work in IT, and I have a couple of people that you know are here with financial aid as well. But, we finally started meeting with each other. We spent a lot of time together, and I'm the only one supporting our entire system and our portal system for our school, so I understand being overtaxed and having too many things to do, but at some point financial aid is very important to the success of your institution. So, we have a weekly meeting and just, you know, spend that time together, and they save up their requests. They promise to save up, you know, unless it's an emergency, until we have that time together once a week, and we spend an hour and a half, 2 hours together every Tuesday and take care of all the things that they are needing. That, for the last year and a half, has been working really, really well, not only for the financial aid office but for me to be able to prioritize the note 'okay, Tuesday afternoon I'll be with financial aid.'

[AUDIENCE:] We're a Powerfaids Datatel school and what we've done is we've set up a liaison in the IT department and then financial aid, and I've been designated financial aid liaison for IT. It's taken some adjustments but working just with 2 people we've learned the lingo of each other and have learned to look out to give a heads up to the other department of what's coming down what we see. It's been a couple of years to get to this point, but it's worked well for us.

[HARDANE:] Are any of you familiar with our technical track that we did until this year? We used to do tracks for guarantee agency lenders, technical track. Did any of you ever go to our technical track sessions? There were a couple of them. We had a presentation, and again because of the uniqueness of this conference we didn't, but if by chance we are able to next year was the session on financial aid for IT people helpful. They already got a full room, and that was a session where we had a financial aid person telling IT people about the business – how it worked, what the acronyms were, what the programs were. Was that helpful to you? There are only a few hands up, so I don't know. There is a yes there. Yes. Okay. I don't know if we are going to be able to do tracks but if we do – yes. Two people here, that's great.

[AUDIENCE:] [inaudible]

[HARDANE:] Webinars.

[AUDIENCE:] [inaudible]. It's much more quicker and you know it's easy for us IT people to get it together. It will decrease time not only within our departments but with you and us to communicate and get together and discuss issues like we are doing right now. It's not that hard to do.

[HARDANE:] Did any of you hear that because she started without the mic? She is suggesting that webinars with us, with you on a regular basis so that you can continue this dialogue, and then a gentleman had something to add.

[AUDIENCE:] I think I can only 100% agree with that. Especially for us, those who are new to financial aid, that would be extremely helpful because I know the biggest



obstacle I had when I started to work for the university that I'm at was just learning the language of financial aid, because it is just you know people are talking to me 'okay well that's nicer,' you know, and it's like 'okay.' The same thing etc., etc., and it was just, it's amazing to me, and I guess it shouldn't be, but there is just a number – it is a whole new business language that you'd have to learn coming in. So any sort of resources, whether it be a track here or even some courses or webinars, web resources – anything would be very much appreciated.

[AUDIENCE:] Last year in the IT “Birds of a Feather” session we actually discussed that – having a financial aid for IT and there is an overwhelming ‘yes please have that next year,’ and this is next year. So, maybe we can have it next year.

[HARDANE:] Thank you for that comment. I think Holly was your facilitator last year and she has moved to a different area. She would be doing this but she came back with all of your great recommendations, but the decision from the department was given the direct lending and the PELL Grant we have limited resources like you all that it was more important for us to help you all convert, understand what you needed to do, and help you convert with the Direct Loan. So we will see if we are able to do it next year, and I'd like take your comments back, because she did come back to us with, again, a very positive evaluation of the technical track and the things that we did. But, I surely will take back the idea of the webinars because that's something that is minimal cost to do, minimal – no travel – that we could still maybe provide you with. Not a technical track but still the opportunity. So take back both of those suggestions. It's very helpful. There is a lady there.

[AUDIENCE:] I'm not sure if the CPTs are still available but I've had people come in at different times to say whether I was working at a school or working for a corporation to say I do not know anything about financial aid. How do I even began to understand; and those computer-based programs were out there and I think they still are. So I just put together a list of resources and that was one of those that you know is not as good as having somebody you know work with you directly. But that may be 1 place to start for the IT people and then also for the functional people, chocolate works wonders. I've worked at a school. I found out what my IT person liked –typically it was chocolate, but you know you really do have to work so closely with them and like you say almost be married to them because if you don't help them understand what it is that you need, you're not going to be successful and they can't possibly do what they need to do for you, unless they can at least basically understand what it is you're asking them to do.

[HARDANE:] Right. The biggest thing out of that is both the groups like chocolate. This gentleman here, right behind you.

[AUDIENCE:] Yes, I was wanting to know if there is someplace you can go to sign up to get notifications for new things coming up, webinars, you know, and so on, so that you get that notification that may not just be from the government; you know if people know of any groups or anything if they could mention them.



[HARDANE:] Well we, and probably the best, is our IFAP web page. Are you familiar with that? Okay. She wanted to say something.

[AUDIENCE:] [inaudible]

[HARDANE:] E.COD?

[AUDIENCE:] [inaudible]

[HARDANE:] Oh, well I thought you said DO. Yes, our IFAP is I-F-A-P, Information For Financial Aid Professionals.ED.gov, and on that it has a calendar of things that are coming up. It will have new regs published. It has information about the conferences.

[AUDIENCE:] [inaudible]

[HARDANE:] What did you say?

[AUDIENCE:] [inaudible]

[HARDANE:] Yes, if you sign up for it, and I can find out for you. If you will give me your card, I'll send you the links and everything, but you can sign out for it and then you'll get an automatic E-mail that comes overnight, like the night, or 1 a.m. or so, but it comes out regularly so you'll get those things.

[AUDIENCE:] It's on the member services.

[AUDIENCE:] [inaudible]

[HARDANE:] Yes, thank you. You can tailor it to what you need. I get everything because I'm interested in everything, but you might be overwhelmed with that, so you might want to tailor it to what you're interested in. There is a lady in the back there, in blue.

[AUDIENCE:] Just a quick question that's kind of away from this, but I was wondering what the status of Windows 7 and EExpress, the compatibility issues or if they have been worked on.

[HARDANE:] The status of – I didn't hear – the status of the 1st thing EExpress.

[AUDIENCE:] EExpress and Windows 7.

[HARDANE:] EExpress.

[AUDIENCE:] [inaudible]



[HARDANE:] Yes, I'll have to get you the answer and we will try to get that out while the conference is, as much as we know, because I don't know that myself. We will try to get it out through – we have this 'ask a question' and I'll put that question in and I'll answer it usually in the daily newspaper. If you want to leave me your card I'll make sure you get it personally. But I'll put it in my list of questions from sessions that need to be answered. Anything else from anybody? A gentleman up here.

[AUDIENCE:] [inaudible]

[HARDANE:] Are you asking what listservs are out there?

[AUDIENCE:] And that could be one of the resources that you use [inaudible].

[HARDANE:] Yes, the gentleman said that there is an FSA technical list serve. There is also the Direct Loan list serve for those of you on Direct Loans. Okay the gentleman is giving me the high sign and everybody is leaving so, I really want to thank you all. I came with no presentation because the session before was view-sharing and thank you very much. I hope you all got as much as I did. Thank you.