

KASRO KONNECTIONS

OFFICIAL NEWSLETTER

*Celebrating
21 Years*

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Just for Laughs

Did You Know?

Upcoming Events

A Message from our President

Hello KASRO members and friends! With the start of the fall semester just behind us, we can finally take a moment to relax. The fall semester always brings a new excitement to campus. The faces of new students are a welcoming site. Yet, it is also a comforting feeling when the excitement settles and normalcy returns. I hope each of you have gotten to the point in the semester where you can experience the peace that comes after the storm.

We are very excited about our upcoming Fall Conference that will be held at Murray State University on October 25th and 26th. Anita Poynor and the conference planning subcommittee have been working hard to make sure we have an informative and fun two days in Murray! I would also like to thank the Board for all the hard work they have provided to KASRO. Without each and every person involved, our conferences would not be possible.

I am very excited to serve KASRO as the President this year and I look forward to a great fall conference. Even though I am still very new to the organization, I feel like the friends I have already made will last a lifetime. I appreciate all the help and encouragement I have received thus far. I could not have asked for a better group of individuals to serve. I can't wait to see everyone soon! Safe travels!

Sincerely,
Ashley Key



"Dear Friends, no matter how we find them, they are as essential to our lives as breathing in and breathing out." Lois Wyse

KASRO BOARD 2012-13

President	Ashley Key	Western Kentucky University	ashley.key@wku.edu
Past President	Rochelle Seals	Eastern Kentucky University	rochelle.seals@eku.edu
President Elect	Tina McWain	Morehead State University	t.mcwain@morehead-st.edu
VP Annual Conference	Cindy Miller	Transylvania University	cmiller@transy.edu
VP Pub. Relations/ Membership	Kevin Hunt	Williams & Fudge	khunt@wfcorp.com
VP Professional Development	Scott Medley	General Revenue Corporation	scott.medley@generalrevenue.com
Treasurer	Crista Fornash	University of Kentucky	fornash@uky.edu
Secretary	Nancy Taylor	University of Kentucky	ntaylor@uky.edu

KASRO MEMBER NEWS

John Masini has joined ERS, with responsibility for sales in the ERS call center and default prevention areas. He resides in Chicago.



WEDDING BELLS



Anita Campbell (formerly Langford), UK Senior Account Analyst, married Roger Campbell on September 14 in Gatlinburg, TN.



NEW ARRIVALS



Debra Priest, Henderson CC, has a new grandson, Noah Anthony Taylor, born July 13.



Connie Byrd, Morehead State Receivables Manager, is expecting her first child in March!



Glenda Back, UK Financial Analyst, welcomed twin granddaughters August 22, just in time for fee collection!



Mallory Worley, UK, will attend the National Association of Veteran's Program Administrators Conference in New Orleans in October.



UK Student Account Services has been represented at all **UK See Blue Preview Nights** across Kentucky and in surrounding states, including Missouri, Ohio, Indiana, Illinois, Tennessee, Virginia, and Georgia.

Interested in running for a KASRO office?
Get involved!
Contact Rochelle Seals at rochelle.seals@eku.edu to get on the ballot next spring!

MISSION

KASRO's mission is to offer professional development and educational opportunities for University Business Officers that will enhance their post-secondary institutional mission of implementing sound financial controls and providing excellent customer service.

You are encouraged to submit letters, photographs and announcements. Items of interest are welcome.

Contact: Nancy Taylor
KASRO Secretary
ntaylor@uky.edu



CUTBACKS AT UK



Dr. Eli Capilouto
12th President of the
University of Kentucky

In June 2012, the University of Kentucky laid off 1 percent of its employees, in what President Eli Capilouto called an unavoidable part of moving the university forward with goals to improve undergraduate education, build new classrooms and pay employees more.

UK officials announced that 140 people, about 1 percent of UK's 14,000 employees, would lose their jobs in the first major layoffs in recent memory. An additional 164 vacant positions were eliminated.

The pain may not be over yet, as President Capilouto has asked the campus to prepare for the second year of the biennium's cuts by next January. There is some hope that the revenue picture could change with this year's increased enrollment.

Source: Lexington Herald-Leader June 14, 2012

As a result of this cutback, UK Student Account Services lost one employee, Stephanie Oghia, Account Analyst.



Western Kentucky University is implementing the Nurse Faculty Loan Program. They join the University of Kentucky, Northern Kentucky University, and the Frontier School of Midwifery as the participating schools in the state of Kentucky.

Western Kentucky University is setting up a contract with the Kentucky Department of Revenue to assist in collection of severely delinquent student accounts receivable.



The University of Kentucky will be issuing a Request for Proposal for long-term contracts for collection agencies and a student loan billing service in the spring of 2013.

FALL CONFERENCE OCTOBER 25-26, 2012

MURRAY STATE UNIVERSITY

CFSB Center – 1401 State Route 121 North

IT'S TIME TO REGISTER FOR THE CONFERENCE!

If you have not yet paid the Annual Membership fee for 2012-13, do that first.

Go to www.kasro.net and click on **Become a Member** to pay the membership fee.

Then click on **Conference Registration** to register for the Fall Conference. It's easy!

Hampton Inn 270-767-2226 \$95.00/night plus tax Group Code KRO Convention

Holiday Inn Express 270-759-4449 \$94.50/night plus tax Mention KASRO

Deadline to reserve rooms: 10/17/12



FALL CONFERENCE AGENDA

CFSB CENTER – MURRAY ROOM

THURSDAY, OCTOBER 25

8:00 am – 9:00 am	Registration – Continental Breakfast Available
9:00 am – 9:30 am	Business Meeting
9:30 am – 9:45 am	Opening Remarks Dr. Joshua Jacobs, Chief of Staff Office of the President, Murray State
9:45 am – 10:45 am	How Upper Administration Views the Bursar's Office Dr. Joshua Jacobs, Chief of Staff
11:00 am – 12:00 pm	State Legislative Update Dr. Kenneth Winters Senator, Kentucky Legislature
12:00 pm – 1:00 pm	Lunch (provided)
1:00 pm – 1:45 pm	Business Ethics Dr. Leigh Johnson, Associate Professor Department of Accounting Arthur J. Bauernfeind College of Business
2:00 pm – 3:00 pm	U.S. Department of Education Update Brian Smith, Program Specialist
3:00 pm – 4:00 pm	What Today's Student Expects from the Bursar's Office Murray State University Student Panel
4:00 pm – 4:30 pm	Campus Tour – Buses available MSU Bursar's Office
6:00 pm – 8:00 pm	Dinner – Fish Fry - Buses available Oak's Country Club

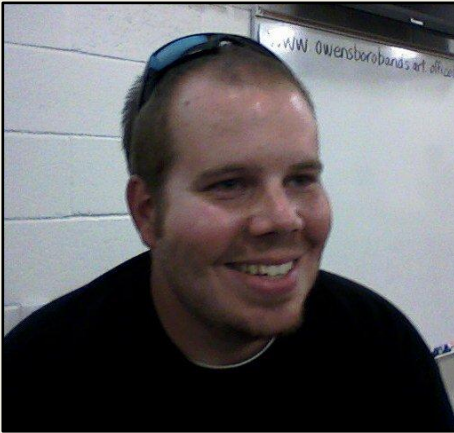
FRIDAY, OCTOBER 26

8:00 am – 9:00 am	Breakfast (provided)
9:00 am – 10:15 am	How America Pays for College Joe Fries, Sallie Mae
10:30 am – 11:30 am	VA-Chapter 33, Yellow Ribbon and Audit – How MSU Handles VA Benefits Christopher Jeter, VA Certification Specialist, Registrar's Office Amy Watters, Contract Billing, Bursar's Office
	Perkins Cohort – How MSU Reduced Perkins Cohort Matt Jones, Student Loan Accounting
11:30 am – 12:00 pm	Business Meeting/Closing Remarks
12:00 pm	Conference Ends – Lunch on Own



CFSB CENTER

Cohort Success Story



Matthew L. Jones
Student Loan Accounting
mjones1@murraystate.edu

The current Perkins Cohort at Murray State is the lowest in university history (2.07%). This not only shocked my supervisors, but shocked me as well. I have been working with Perkins Cohort for less than two years, and it has been a very interesting journey, mainly because of the learning curve.

When I took the position, the Perkins Cohort was not where the university wanted it to be, and it was my responsibility to get the rate down to an acceptable level. I started in March of 2011; the rate was 9.93%, which was a decrease from the previous fiscal year which was 13.09%. Using the methods of the previous individual who held my position, I was able to end the fiscal year at 8.53%. I felt that the methods of my predecessor were very “cold”, and were not geared toward helping the debtor. I knew there had to be a better way.

Beginning in July 2011, I decided to try some new things, and see how they went. One thing that I tried, and found to be successful was to stop making phone calls. The previous method of making phone calls, resulted in voicemail, and what few debtors that would answer or return my call, were very defensive. After several combative conversations, I began to think of ways to adjust my approach.

I put myself in the position of the debtors. If I got a phone call from someone telling me I was late on my payments, and needed to pay, I would certainly get defensive. I began to send out letters and e-mails. Since many of these individuals are alumni of Murray State, I felt that it was still my duty to provide as much assistance as possible, because this was their home for four or more years. I took the approach of not being a collector, but of someone who is here to help them, and making sure that I conveyed that to the debtor. That approach helped me tremendously, and made the debtor feel more comfortable, and willing to work with me. These individuals are usually very stressed, because if they are having trouble paying their Perkins Loan, they are having trouble paying other debt. Being kind and showing that I care and am willing to work with them seemed to help alleviate some of that stress.

I know what I do is not perfect, and there are additional steps that I could take to help our borrowers more, and help my Perkins Cohort rate be even lower. My plan is to continue to modify my approach and methods to constantly try new things, and see what works and what does not work. The most important thing is not my default rate, but helping the people who called Murray State home! Go Racers!

COHEAO UPDATE

Congressional Update October 2012

Micheal Kahler, Windham Professionals
COHEAO Communications Chair



For the 112th Congress it has been a year of *almost* accomplishments – with bills being passed in the House and not taken up in the Senate and similarly bills completed in the Senate and not passed in the House with little or no compromise either way.

When the deficit ceiling last needed to be increased, there was agreement between the President, the House of Representatives, and the Senate that if the ceiling was increased there would be a reduction plan for the deficit. Out of this agreement came the bipartisan Super Committee that would work out a plan for reducing the deficit.

The plan was for the Super Committee to come up with \$1.2 trillion in deficit reduction over the next ten years. If the bipartisan committee failed to come up with the reduction then an automatic cut in the budget would take place January 1, 2013. This is known as “sequestration”. President Obama’s plan to cut over \$1.5 trillion in spending died in Congress. The House unveiled its budget with deep cuts to domestic spending and it died in the Senate. The Senate failed to put forth a budget.

So now we find ourselves coming to the end of 2012 and there looms a large number of priority issues for Congress to deal with:

- Bush era tax cuts will expire on Dec. 31 – taxes to increase including capital gains
- Obama stimulus measures/payroll tax cut ends
- Across the board budget cuts – Defense programs face a 9.4% cut and domestic programs 8.2% cut, with Medicare trimmed by 2% while other entitlements – not counting Social Security – would be sliced as much as 10%.
- Potential for Moody’s to once again downgrade the credit rating of the US
- The Debt Ceiling needs to be increased

All sides have indicated that they will deal with these after the November 6, 2012 elections. Sequestration beginning on January 1 would have the following impact on Higher Education according to the NACUBO *Current* of September 19, 2012:

“The Pell Grant, among a select few programs with special treatment, is protected for one year from sequester cuts - during FY13 - but by and large all other federal student aid programs would be cut 7.6-8.2 percent, according to the OMB report. The Supplemental Educational Opportunity Grant and Federal Work-Study would be cut by 7.6 percent across the board. Federal college access programs, such as TRIO and GEAR UP, would see an 8.2 percent cut. The 1 percent origination fee for unsubsidized Stafford student loans would be raised by 7.6 percent, to about 1.1 percent of a total loan.” (NACUBO *Current*, Sept. 19, 2012)

Continued on Page 6

Bills are being introduced or have been introduced to make private education loans dischargeable in bankruptcy (Senator Durbin from Illinois is pressing on this one) and there is a bill introduced by Congressman Welch that would require some deregulation in Higher Education but it would force the Department of Education to enforce cost reductions at colleges and universities.

Student Loan Debt

"The Pew Research Center issued a new report this past week on student loan debt, finding that a record one-in-five households now owes student loan debt, more than double the share two decades earlier and a significant rise from the 15% that owed such debt in 2007, just prior to the onset of the Great Recession. Since 2007 the incidence of student debt has increased in nearly every demographic and economic category, as has the size of that debt.

Here is a link to an overview of the report's findings on the Pew website:

<http://www.pewsocialtrends.org/2012/09/26/a-record-one-in-five-households-now-owe-student-loan-debt/>

Most of today's press on student loans seems to be about the Pew report. Here is an article on the report from *The Chronicle of Higher Education*:

<http://chronicle.com/blogs/ticker/nearly-1-in-5-households-owe-student-loan-debt-report-says/49604>"

Chronicle of Higher Education

In an article out this week from the *National Journal*, Department of Education Secretary Arne Duncan said that he plans to stay in his position if Obama is reelected and his focus will be on the cost containment in Higher Education. Both Obama and Romney have voiced concerns over the cost of higher education during their election campaigns. Obama had, as a part of his 2013 budget proposal, a plan to revise the formula for determining the amount of funds a school receives in campus based aid (Perkins, Work Study and SEOG) by tying them to the percentage of increases in tuition and fees at the school. In one presentation I listened to in the past couple of weeks there was mention of the fact that schools have "skin in the game" in the Perkins Loan program and this may be an example of what could be done with other types of aid for students.

The Consumer Finance Protection Bureau continues to speak out about student loan issues and the debt burden of students. On Monday, August 27, 2012, CFPB's Rohit Chopra indicated that the agency may play a future role in ensuring the student lending markets operate smoothly, according to a report from Bloomberg News.

"Regulators and agencies and the Fed may have a role to play to ensure that the market is working well and is liquid and that risk really reflects a price appropriately," said Rohit Chopra, Student Loan Ombudsman, CFPB, in an interview for Bloomberg Radio's "Bloomberg EDU with Jane Williams" program.

Chopra noted that some low-risk borrowers should not be paying high student loan interest rates that lead to delays in "economic milestones" and impacts the economy. He continued that "During the financial crisis, we had seen the Fed try and ensure that capital markets were functioning and used certain authorities to make sure that asset-backed securities, whose underlying assets were private student loans, were able to be made. It seems that there are some places where the market is not working. You have a lot of responsible borrowers paying very high interest for several years now, but they're unable to refinance that debt."

Continued on Page 7

The following statistics come from NCHelp and show why there is concern by officials in the administration and its agencies:

"However, despite overall improvements in consumer repayment behavior, student loan delinquencies and write-offs have increased significantly over the past 12 months:

- Write-off rates among student loans increased more than 29% month-to-month from June-July 2012 (dollar-based).
- Student loan 60-day delinquency rates increased more than 14% year-to-year from July 2011-2012.
- Student loan balances increased \$58.5 billion year-over-year from July 2011-2012.
- The total number of student loans has increased nearly 24% from July 2011 (89 million) to July 2012 (116 million).
- At \$9.3 billion, student loan write-offs year-to-date through July 2012 are 10% higher than same time a year ago (\$8.4 billion).
- Severe derogatory balances, the major component of write-offs, on student loans year-to-date through July 2012 (\$7.3 billion) are 14% higher than same time a year ago (\$6.3 billion).

"Student loans is one area of lending not affected by tighter underwriting standards since the start of the recession," said Equifax Chief Economist Amy Crews Cutts. "The investment in higher education pays off over a person's lifetime, while the tuition cost has to be paid up-front, leading to big demand for student loans. Unfortunately, the current job market has not been kind to new graduates and their student loans start to come due once they graduate - if they don't have a job by the time the first installment is due, they can find themselves in quite a jam."

These complete articles can be found on the NCHelp Web site in the Daily Briefing section of the NCHelp e-Library at: August 27, 2012.

Student loan issues and cost containment issues will not be going away under either of the candidates for President of the United States. There will be more legislation this next year dealing with student loans including the interest rates on Direct Loans. The problem in doing so requires that the difference in income between the 3.4% and the 6.8% be retrieved through some other budget offset. If sequestration happens there will be little wiggle room left for the Congress. Discharges of student debt through bankruptcy have both Democrat and Republican support. We may move back to pre-2007 era bankruptcy law where everything was dischargeable with exception of the federal student loans.

A lot of what we will see in the lame duck Congress and next year is uncharted territory and will be interesting (to say the least) to watch.

Micheal Kahler is Communications Chair for COHEAO and Vice President, Business Development for Windham Professionals, Inc. He can be reached at (888) 747-0919 or mkahler@windhampros.com.

SPRING CONFERENCE 2012 HIGHLIGHTS

Spring Conference was held at General Butler State Park May 9-11, 2012.

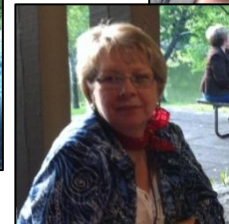
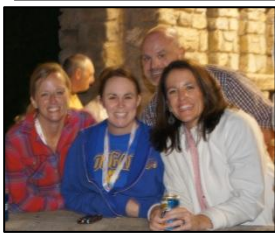
We had great topics, great speakers, and great entertainment!

Life of a Loan
Motivational Speaker
X Factor of Leadership
Business Office & Retention
R2T4 Regulation
Emerging Trends in Banking
VA Benefits
Financial Aid Update
Bankruptcy Update
CFBP & HE Compliance
COHEAO Update
Perkins Roundtable
Student Accounts Roundtable

Lori Hartung, Todd, Bremer & Lawson
Keith Matheny, Mentalist (**EERY!**)
Mary Marcum, University of Kentucky
Anita Poynor, Murray State University
Ken Wolterman, University of Cincinnati
Stefanie Chanell, Sallie Mae
Tracy Clay, KCTCS
Sandy Neel, Bellarmine University
Kevin Hunt, Williams & Fudge
Karen Reddick, NCM & Lori Hartung, TB&L
Mike Kahler, Windham Professionals
Moderator: Nancy Taylor, Univ. of Kentucky
Open Discussion



.....aaaaaand they're off!



CASINO NIGHT!

No pictures, please. Shhhhh. What happens in Belterra stays in Belterra.

INDUSTRY ODDS & ENDS

VA BENEFITS VIA EFT

September 20, 2012

For more than a decade, federal agencies have been required by law (31 USC §3332) to make most payments for government benefits by electronic funds transfer (EFT). Currently, however, only about 1,000 institutions have signed up to receive Post-9/11 veterans' benefits via EFT, with most other schools receiving payments by check. Representatives from the Department of Veterans Affairs (VA) announced at a recent meeting with the NACUBO VA Payments Workgroup that the agency plans to move all schools to EFT payments over the next few months.

This fall, VA will be sending letters to School Certifying Officials (SCO) at institutions currently receiving GI Bill payments by check. The letter will include details on how and when the institution should submit its EFT information and tax identification number to VA. Business officers may want to make sure the SCO knows where to route the request internally.

Business officers and SCOs with further questions on how to submit this data, or who wish to proactively sign up for EFT payments, should contact the institution's VA Education Liaison Representative (ELR). Institutions' ELRs can be identified on the VA's [website](#).

Institutions that are not receiving payments from VA electronically by April 2013 may be contacted by the Treasury Department regarding noncompliance.

Source: [NACUBO VAPLANS 092012](#)

7 PITFALLS TO AVOID WHEN PAYING FOR COLLEGE

September 3, 2012

There are thousands of stories about students who borrow up to \$100,000 or more to get a college degree, only to discover they can't make the payments after graduation. And you know about the parents who try and often fail in their quest to send their kids to schools they can't afford.

Seven pitfalls to avoid:

1. Don't wait until the financial aid awards arrive to decide which schools you can afford.
2. Don't count on a scholarship at your student's "reach" school.
3. Don't assume that stretching for a prestigious school will pay off down the road.
4. Never assume that your star student will get a full ride.
5. Don't choose a private student loan over a federal loan just because the rate is lower.
6. Don't neglect to calculate how much your student can reasonably repay.
7. Never cosign a loan for your student to avoid borrowing in your own name.

Source: [NASDAQ News 090312](#)

LOAN SERVICERS CONTINUE TO MULTIPLY

September 23, 2012

The number of entities that service Direct Loans has risen from one company in 2008 to 13 as of this month, and the number will continue to rise. The Department of Education is scheduled to add 9 more servicers by 2014 and subcontracting may end up raising the total by more than a dozen. These increases are due to 1) a sudden increase in the Department's portfolio as it purchased loans made through the bank-based program, and 2) a large number of not-for-profit and state loan agencies were guaranteed federal loan-servicing contracts as part of a law passed in 2010 that ended bank-based lending.

Financial aid officers say it is a challenge to keep up with the servicers and at the individual-borrower level, the changes are causing confusion over what borrowers are expected to pay and where to go to manage their loans. One of the worst problems is a lack of consistency in how they operate.

The National Direct Student Loan Coalition has suggested that the department create a system in which borrowers call one number or visit one web site, enter an identification number, and connect to the company that services their loans.

Source: [Chronicle LoanServicers 092312](#) (for Chronicle members)

ELECTRONIC INCOME-BASED REPAYMENT APPLICATION

September 26, 2012

Electronic IBR Application is now available for borrowers on the [StudentLoans.gov](#) web site. Borrowers will use the application to apply to repay under the IBR Plan and meet the plan's annual income documentation requirement.

Source: [IFAP Announcement 092612](#)

PERKINS MPN – BREAKING NEWS

The new Perkins Master Promissory Note has been approved by OMB. The expiration date for the new MPN is 9/30/2015. The new MPN is scheduled to be posted to IFAP by the end of October, per Brian Smith of the U.S. Department of Education.

HEAVY WEIGHT OF STUDENT LOAN DEBT

September 27, 2012

Nearly one in five (19%) households in 2010 had outstanding student debt or loans in deferment, up from 15% in 2007.

Average total indebtedness between 2007 and 2010 for all households fell from \$100,720 to \$105,297, but the Fed found that debt related to education had risen. In households headed by someone younger than 35, a record 40% owe student debt, the highest share among any age group.

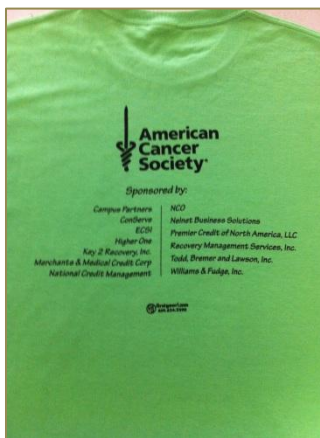
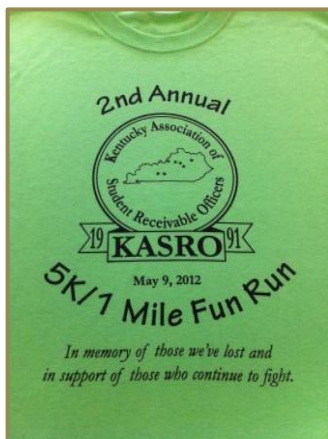
Source: [USAToday StudentLoanDebt 092712](#)

2nd Annual KASRO 5K/1 mile Fun Run

Proceeds from the 5K/1 Mile Fun Run went to the American Cancer Society in memory of Carol Babb and to support those fighting cancer.

KASRO's Relay for Life raised \$720 in 2012.

Plans are underway to continue the event (with a hiking trail twist) next spring at Cumberland Falls. Get ready!



THE WINNER.....



1ST PLACE

MIKE SULLIVAN
Higher One



AND SOME OTHER WINNERS.....



Past Lou Darnell Award Recipients

L to R: Kevin Hunt, Linda Smitha, Mary Marcum, Anita Poynor, Karen Reddick



Nancy Taylor
University of
Kentucky

Recipient of the 2012
Lou Darnell Award
For Distinguished
Service



NEW KASRO BOARD FOR 2012-13

Front Row L to R:

Anita Poynor, Former Past President; Tina McWain, President Elect; Nancy Taylor, Secretary; Rochelle Seals, Past President; Cindy Miller, VP Annual Conference.

Back Row L to R:

Scott Medley, VP Professional Development; Crista Fornash, Treasurer; Ashley Key, President; Kevin Hunt, VP Public Relations/Membership.

UPCOMING EVENTS:

KASRO Fall Conference
Murray State University
October 25-26, 2012

Minnesota Collection
 Conference
 Bloomington, MN
 October 15-17, 2012

PDG
 Student Loan/Receivables
 Collection Conference
 Orlando, FL
 November 11-14, 2012

COHEAO
 Annual Conference
 Washington DC
 Jan 27-30, 2013

NACUBO
 Student Financial Services
 Austin, TX
 March 10-12, 2013

PDG
 Bursars Conference
 Orlando, FL
 April 21-24, 2013

KASRO Spring Conference
Cumberland Falls State
Resort Park
May 8-10, 2013

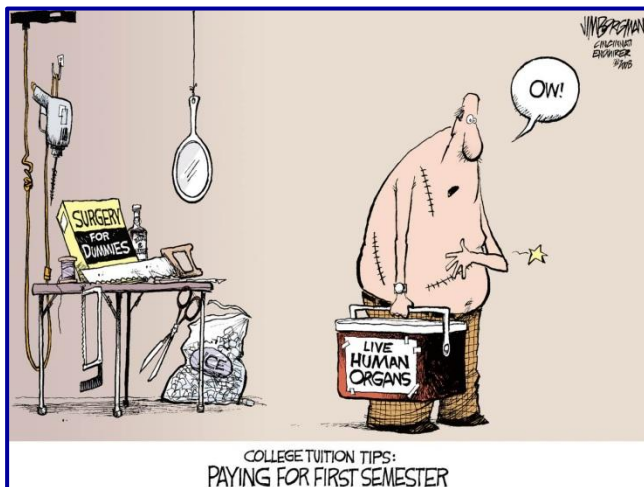


www.kasro.net

JUST FOR LAUGHS!



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COLLEGE TUITION TIPS:
 PAYING FOR FIRST SEMESTER



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DID YOU KNOW?

10 Best College Majors for a Lucrative Career:

1. Pharmacy & Pharmacology
2. Nursing
3. Transportation Sciences
4. Treatment Therapy Professions
5. Chemical Engineering
6. Electrical Engineering
7. Medical Technologies
8. Construction Services
9. Management Information Systems
10. Medical Assisting Services

<http://kiplinger.com/slideshow/10-best-college-majors-for-your-career/1.html>

10 Worst College Majors for Your Career

1. Anthropology
2. Fine Arts
3. Film & Photography
4. Philosophy & Religious Studies
5. Graphic Design
6. Studio Arts
7. Liberal Arts
8. Drama & Theater Arts
9. Sociology
10. English

<http://kiplinger.com/slideshow/10-worst-college-majors-for-your-career/1.html>

