

NASFAA CONSUMER INFORMATION & LAW STUDENT INDEBTEDNESS TASK FORCE REPORT



FOCUSING FEDERAL STUDENT AID WEBSITES ON GRADUATE AND PROFESSIONAL STUDENTS



NASFAA
ADVOCACY
PUBLISHED MARCH 2016



NASFAA

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

**The National Association
of Student Financial Aid
Administrators (NASFAA)
provides professional
development for financial
aid administrators; advocates
for public policies that increase
student access and success;
serves as a forum on student
financial aid issues, and is
committed to diversity
throughout all activities.**



NASFAA CONSUMER INFORMATION & LAW STUDENT INDEBTEDNESS TASK FORCE REPORT

FOCUSING FEDERAL STUDENT AID WEBSITES ON GRADUATE AND PROFESSIONAL STUDENTS

Introduction and Background

Much research has been conducted on the concept of “early notification” or “early awareness” of financial aid related to underrepresented undergraduate students. These studies show that when presented with award amounts and total costs at an early age, students are much more likely to attend college and complete a degree (Kelchen & Goldrick-Rab, 2015; Dynarski & Scott-Clayton, 2013; Dynarski & Wiederspan, 2012). Findings of this research infer that the same holds true for graduate/professional (G/P) students. That is, if given early information about costs, debt amounts, future earnings, and other financial factors, students may feel that real or perceived financial barriers have been addressed. This knowledge increases access to G/P education and leads to better-informed borrowing decisions by empowering students with the information they need to recognize their options for financing graduate school.

However, the Department of Education’s (ED) primary consumer information websites on federal financial aid, StudentAid.gov and StudentLoans.gov, focus predominantly on the needs of undergraduates rather than graduate students. Examples of this include:

- Very basic information about exploring career options that is generally not applicable to graduate students.
- References to aid programs that don’t apply to graduate students, such as parent PLUS Loans and subsidized Direct Loans.
- Sample borrowing scenarios that typically use undergraduate borrowing limits.

As part of a project funded by Access Group, NASFAA’s Consumer Information and Law Student Indebtedness Task Force set out to make recommendations for the StudentAid.gov and StudentLoans.gov websites that would expand their focus to include the needs of G/P students and allow for greater transparency related to G/P program costs and borrowing. With websites tailored to their distinctive needs, G/P students will be better-informed consumers with clearer pictures of their options, leading to institutional choices that are good matches for their long-term financial and educational goals.

The Solution: Create Landing Pages with Audience-Specific Pathways

While the task force developed a number of specific recommendations for StudentAid.gov and StudentLoans.gov, they are all predicated on the overarching recommendation that ED create new “landing pages” for the websites to direct the user down one of several different pathways, such as “Undergraduate and Career School Students” or “Graduate and Professional Students.” ED could then customize each pathway to meet the specific needs of the intended audience.

The result would be several cleaner and more relevant pages for the disparate audiences. Each audience would receive information that is specific to their characteristics, reducing the possibility for confusion.

Task Force Members

Chair: Gina Soliz, Syracuse University College of Law

Katherine Anderson, MGH Institute of Health Professions

Cheryl Constantine, Boston University School of Law

Ursula Duran, Fordham University School of Law

John Garcia, Michigan State University College of Law

David Schrock, The Catholic University of America Columbus School of Law

Tracy Simmons, University of the Pacific, McGeorge School of Law

Jared Smith, The George Washington University School of Law

Lindsey Stetson, The University of Michigan Law School

Jill Stone, Yale Law School

NASFAA Staff Liaisons

Charlotte Etier

Karen McCarthy

Recommendations

Currently, ED's primary consumer information websites about federal financial aid, StudentAid.gov and StudentLoans.gov, focus predominantly on the needs of undergraduates rather than graduate students. The following recommendations were developed to present the disparate audiences that visit these sites with cleaner, more relevant pages that reduce the possibility for confusion and allow them to find the information most relevant to them.

Recommendation 1: ED should create a new "landing page" which allows the user to choose from among two or more channels to guide their experience on StudentAid.gov and StudentLoans.gov.

Recommendations for formatting:

The task force recommends the landing pages have either two separate channels or pathways listed as "Undergraduate and Career School Students" and "Graduate and Professional Students," or four channels or pathways listed as "Undergraduate Students," "Career School Students," "Graduate and Professional Students," and "Non-Traditional Adult Students." ED will then use a master template, based on the current structure of StudentLoans.gov and StudentAid.gov to customize each page (or delete or add pages if appropriate) for each of the channels.

The result would be several cleaner and more relevant channels for the disparate audiences ED is trying to reach. Each audience would receive information that is specific to their demographic which would minimize the time the viewer spends deciding which information is relevant to them and thus reduce the possibility for confusion. A further advantage is the audience-specific feedback could allow ED to more easily make updates without adding complexity because the focus would be on accommodating only one audience's needs, rather than trying to accommodate everyone in the same place (e.g., there would be less need for text that explains exceptions and to which audience certain things apply, etc.). This would be a win-win solution for ED and students from all sectors.

The main recommendation of this task force is for ED to make separate channels for StudentAid.gov and StudentLoans.gov based on student type. The recommendations that follow below will help structure channel-specific pages and provide suggestions for additions and updates to existing pages.

Recommendations for StudentAid.gov

Recommendation 2: Improve Upon the “Prepare for College” Section

Upon reviewing StudentAid.gov, there were several sections the task force found to be strong. Among the pages the task force found valuable were:

- **“Why Go to College” subsection:** which underscores the value of an advanced degree;
- **“Taking Required Tests” subsection:** which has been separated into information for undergraduate and graduate/professional students; and
- **“FAFSA: Applying for Aid” section:** which is fairly straightforward and mostly applicable to both G/P students and undergraduate students.

However, the task force identified several opportunities for improvement to this section. Since the majority of G/P students have already been through this decision process at least once during their undergraduate career, and may have more definite ideas of the careers they would like to pursue, they need more specialized information with specific links. Additionally, some potential G/P students may not know what they would like to do – or whether or not they need to go to a G/P school to pursue their career interests. Presently, the language in the “Checklists” and “Choosing a School” subsections doesn’t include those undecided students who will actually be the ones using these sections on the site. The task force recommends adding checklists with items specific to this population.

The task force offers the following sub-recommendations for the subsections of the “Prepare for College” Section on StudentAid.gov:

- **“Exploring Your Career Options” subsection:** G/P students need the specific and more detailed information that they receive from their institutions and other professional organizations (ABA, AAMC, etc.). Replace this section with a link to the Bureau of Labor Statistics’ (BLS’) “Occupational Outlook Handbook,” as it provides information on salary, projected job growth and educational requirements.
- **“Checklists for Academic and Financial Preparation” subsection:** Provide a checklist specific to G/P students, and include a “G/P students” path graphic for the “Financial Aid Process.” Add a reminder to students to check for financial aid deadlines and other required documents.
- **“Choosing a School” subsection:** Add to this section brief and general G/P school information, including time to complete a degree. Remove the College Navigator, as this resource is not a helpful tool to search for G/P schools. Replace the College Navigator tool with a link to relevant national organizations, such as the American Medical Association’s list of medical schools, or the American Bar Association’s section on Legal Education and Admission to the Bar.
- **“Taking Required Tests” subsection:** Replace the current links with links for websites to G/P school tests (GRE, GMAT, LSAT, MCAT).
- **“Applying to Schools” subsection:** Some G/P disciplines offer more specialized information that could be helpful for students to know. Add links for explanations so that students know how to access that type of information. Examples include:
 - o American Bar Association: http://www.americanbar.org/groups/legal_education/resources/pre_law.html
 - o Association of American Medical Colleges: <https://www.aamc.org/>
 - o American Dental Education Association: <http://www.adea.org/GoDental/>
 - o Graduate Management Admission Council: <http://www.mba.com/us>
- **“Finding Help” subsection:** Add links with resources for students who are current undergraduates or considering G/P school.

Recommendation 3: Improve Upon the “Types of Aid” Section

Remove the FAFSA4caster or Educational Training Vouchers (ETV) information and replace it with additional information for budgeting and reducing costs/expenses, as this is a better use of space and wording for G/P students. Place more emphasis on loan repayment options and institutional awards and less on grants that may not be available to G/P students. Move higher up on the webpage the “Aid From Your College or Career School” section to make it more prominent for G/P students.

Recommendation 4: Improve Upon the “Who Gets Aid” Section

In order to better meet the needs and priorities of G/P students, replace the words “college or career school” with “college, career, graduate, or professional school” or “educational institution.” Further, the task force recommends the subtopics in this section be reordered and updated as follows:

1. “Basic Eligibility Criteria”
2. “Non-U.S. Citizens”
3. “Staying Eligible” (The need to re-file a FAFSA each year should be made more prominent) and combine it with current “Regaining Eligibility” and “Getting Your Eligibility Back” sections.
4. “Students With Intellectual Disabilities”
5. “Students With Criminal Convictions”
6. “Students With a Parent Who Was Killed in Iraq or Afghanistan” should be removed from this section as this is only applicable to undergraduates.

Additionally, reorder the three “Quick Links” listed at the top right of this section as follows:

1. “FAFSA: Applying for Aid”
2. “Types of Aid”
3. “Leave Us Feedback”

Recommendation 5: Improve Upon the “FAFSA: Applying for Aid” Section

The video in this section makes reference to the FAFSA providing students with access to grants, loans, and work-study from the federal government and discusses dependency status throughout. In order to better serve G/P students, eliminate these references and update the “Quick Links” pages in the box on the top right of the page as follows:

- **“Estimate Your Aid”**: As with the “Types of Aid” section, remove the FAFSA4caster.
- **“Filling Out the FAFSA”**: Remove references to parental demographic information and add notation about reporting parental information to the section on determining dependency, as some graduate schools use parental financial information on the FAFSA to determine institutional need-based aid.
- **“Dependency Status”**: Revise to say that the student is independent for federal financial aid purposes since they are a G/P student, and remove the 12 other dependency questions. Include a short section stating that institutions may require parental information to help determine institutional aid.
- **“How Aid is Calculated”**: Update the need-based aid section to reflect that G/P students can only get Federal Work-Study (FWS) as a need-based federal aid program. Add a note that explains amounts of FWS vary from school to school so it is not guaranteed that funds are available for everyone.

Recommendation 6: Improve Upon the “How to Repay Your Loans” Section

Overall, this would be more useful for G/P students if it provided an organized, chronological description of the timeline and required steps to enter repayment beginning with grace period and ending with full repayment or forgiveness set forth in a simple, clear way. The “Federal Student Loans: Repaying Your Loans” PDF currently available in this section provides a good template for this information as it succinctly outlines specific actions that students should take before they graduate and/or leave school, during grace or deferment periods, and while in actual repayment. However, the present structure and look of the page serves as a barrier to G/P students and may ultimately serve to confuse and overwhelm them regarding the whole loan repayment process. As such, the task force recommends ED rework and streamline this section by including the following:

- Dropdown menus on major topics that visitors can click on to see the rest of the text specific to that topic. Doing so would alleviate the current navigation of scrolling down full pages of text.
- A main landing page that focuses on the primary topics applicable to all borrowers (i.e. role of servicer, timeframe for repayment and choosing a plan). Ancillary topics (forbearance, deferment, default, etc.) that may not be common to all borrowers should be available in fact sheet formats for download.
- Keywords on each page that are hyperlinked to a definition. These should replace the glossaries currently on the page.

The task force also recommends that numerous calculators and examples to illustrate various scenarios and pathways be provided in this section. In making their loan repayment decisions, G/P students have a particular interest in critically evaluating data specific to their options. As such, the task force recommends ED incorporate into the site more examples and “what if” scenarios, and imbedded calculators. For example:

- Under the “What happens to my loan during deferment?” question in the “How to Repay Your Loans” subsection, show a sample scenario ($\$X$ debt at $Y\%$ interest deferred for 24 months = Z) or imbed a calculator that will allow the borrower to input his or her own debt and deferment estimate.
- Negative amortization calculator- show examples of the interest that can accrue on the income-driven repayment plans.
- Under the “Can I pay more than my required monthly payment?” question in the “How to Repay Your Loans” subsection, show an example of how payments on principal shorten repayment period and amount of interest.
- Under the “Loan Consolidation” subsection, provide a calculator that pulls their current loan balance and projects consolidation monthly payment, total principal, total interest and amortization schedule.
- To foster this comparative evaluation, the site should incorporate one central table/chart that lays out for each repayment plan:
 - Eligibility;
 - Basis of repayment calculation;
 - Terms (amortization schedule); and
 - Objective assessment of pros and cons of each plan.

Finally, the task force recommends that ED reframe the message and tone from warnings about default to strategies for successful, manageable repayment.

Recommendations for StudentLoans.gov

Upon reviewing StudentLoans.gov, the task force found the “Manage your Spending” subsection of the “Financial Awareness Counseling” section to contain good information about the timing of disbursements and their effect on budgeting one’s expenses. The other subsections also contained pertinent information on how to manage student loans and good, interactive calculators.

However, the task force suggests that the following be updated, preferably in a newly created G/P specific portal, but at the very least in G/P specific sections of the existing website:

- Delete references to Direct Subsidized Loans;
- Change references to Direct Parent PLUS loans to Direct Grad PLUS loans;
- For all examples illustrating the fees and interest accrual, use the \$20,500 Direct Unsubsidized Loan amount with updated interest rates to reflect the current rate; and
- Update all examples reflecting average amount borrowed to reflect G/P student averages.

Recommendation 7: Improve Upon the “Complete Counseling” Section

The current “Complete Counseling” section is focused on the undergraduate population, even on the G/P student tab, with the examples and aid-related questions based on undergraduate terms and situations. In addition to the overarching changes above, below are more in-depth recommendations to help make the examples and loan information in this section more relevant for G/P students:

- In the “Your Student Loans” subsection of the “Understand Your Loans” tab, change the average debt figures in the yellow box at the top to reflect G/P programs generally, and not specific program like law or medicine;
- In the “Loan Basics” subsection of the “Understand Your Loans” tab, provide an example illustrating the fees and interest accrual;
- In the “Check Your Knowledge questions,” change these questions to reflect terms or situations related to a G/P population;
- In the “Free Money First” subsection of the “Understand Your Loans” tab, create a different grant page for G/P students and less emphasis on the Federal Work-Study program;
- In the “Loan Limits” subsection of the “Understand Your Loans” tab, remove the reference to the “EFC as an influence on actual loan amount” and the chart should have one column for medical students and one for other grad/G/P students;
- In the “Your School Expense Budget” of the “Manage Your Spending” tab there is no option specifically for G/P students, only for two- or four-year public or private institutions. This subsection also asks students to enter monthly expenses and it calculates yearly expenses – but it calculates yearly expenses for 12 months – many G/P programs can only cover expenses for 8 or 9 months based on their enrollment dates. If updated this section should reflect G/P students correctly. Also, remove the link to the National Center for Education Statistics CollegeNavigator;
- In the “PLUS Counseling” page, list a separate option for G/P students in initial counseling menu, include REPAYE information in the repayment plans chart, and add information about supplemental counseling for Direct Grad PLUS loans denials/overrides;
- On the “Exit Counseling” page, change questions to reflect G/P answers; and
- Update the average loan balance listed on the Repayment Estimator on this portion of the website to include specifics for medical and law students in addition to regular G/P students.

Conclusion

Currently, the Department of Education's (ED)'s primary consumer information websites on federal financial aid, StudentAid.gov and StudentLoans.gov, focus predominantly on the needs of undergraduates rather than graduate students. The recommendations offered in this report by NASFAA's Consumer Information and Law Student Indebtedness Task Force would ensure these important websites are better serving the needs of graduate and professional students.

The task force strongly recommends that, in order to give graduate and professional students a fuller, more streamlined view of their options, the Department of Education create new landing pages which allow students to choose one of several different pathways so they see only the information relevant to them. Doing so would increase transparency and reduce the possibility for confusion.

Acknowledgments

We would like to thank Access Group for their generous support of this important work.



NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

1101 CONNECTICUT AVENUE NW, SUITE 1100
WASHINGTON, DC 20036-4303
202.785.0453 FAX. 202.785.1487 WWW.NASFAA.ORG