

Annual Report 2018



This annual report fulfills the requirement outlined in Iowa Code 7C.13(2) by highlighting how our operations and activities served students and parents in fiscal year 2018.



Christine L. Hensley, Board Chair

From the Board Chair

As a nonprofit, Iowa Student Loan® is committed to helping Iowa students and families obtain the resources necessary to succeed in postsecondary education. One such resource we've provided since 1992 is access to supplemental private student loans at the lowest interest rate possible, helping families fund the gap left after financial aid, scholarships and any savings have been applied.

Our ability to utilize federally tax-exempt bond financing, in the form of Qualified Student Loan Bonds (QSLBs), allows us to fund these loans to students and families at interest rates that are lower than most for-profit competitors and the Federal Direct PLUS Loan. Our ability to issue QSLBs is beneficial for the lowans we serve, and we're pleased that the recently enacted federal tax reform bill preserved this important authority.

The average historical QSLB rate is 1.58% lower than rates on taxable bonds.

In our unwavering commitment to help Iowa students and families find resources to succeed, beyond providing loans, we reached a milestone during fiscal year 2018 (July 1, 2017, through June 30, 2018), when more than 20,000 visits were logged to our ever-growing suite of free online college financial planning tools.

Created to help families plan and pay for an education after high school, these tools are required elements of our scholarship and award programs, which were expanded to offer even more families the opportunity to earn money for college, reducing their need to borrow.

Collaborations with like-minded organizations that were formed to help students and families, often underserved by traditional college planning and financing avenues, continued to provide valuable information and resources to families across Iowa. Students, parents and educators also benefited from Iowa Student Loan's involvement in sponsorships promoting financial literacy and college preparedness.

Details on how lowans benefit from these truly unique programs, tools and resources fill the pages that follow; on behalf of Iowa Student Loan's board of directors, management and staff, I am pleased to provide you with our 2018 Annual Report.

Christine L. Hensley, Chair, Iowa Student Loan Board of Directors

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Find current information about topics covered in this report at www.IowaStudentLoan.org/AboutUs.

Our Mission

Iowa Student Loan is a private, nonprofit corporation with a mission to help Iowa students and families obtain the resources necessary to succeed in postsecondary education.

Who We Are

Based in West Des Moines, Iowa Student Loan is Iowa's state-designated student loan secondary market. We are self-funded and self-capitalized, governed by a board of directors appointed by the governor of Iowa. We are not a state agency and do not receive any state appropriations. We have no shareholders and do not pay any dividends. Revenue beyond operating expenses and reserves is returned to the community through programs that benefit Iowans.

For nearly 40 years, Iowa Student Loan has worked to support the local economy through growing and maintaining jobs that provide competitive salaries and benefits.



Board Leadership

Iowa Student Loan Board of Directors					
Christine Hensley (Chair) Des Moines	Tammy Bramley (Vice Chair) Ute	Dan Clute Urbandale	Rob Denson Ankeny	Lorraine Groves Okoboji	Laurie Hempen New London
Mark Braun Clive	Marcia Rogers Cedar Rapids	Jim Schipper Ankeny	Scott Schneidermann Rock Rapids	Adam Voigts Indianola	

Aspire Resources Inc.®, Iowa Student Loan's wholly owned, for-profit subsidiary, was created to perform functions not specifically included in Iowa Student Loan's original tax-exempt designation. All revenues beyond operating expenses and reserves are used to fulfill Iowa Student Loan's nonprofit mission. The Aspire board is appointed annually by the Iowa Student Loan board.

Aspire Resources Inc. Board of Directors				
Dr. Norm Nielsen (Chair) Cedar Rapids	Dr. John Hartung (Vice Chair) Indianola	Catherine "Kay" E. Beyerink Sioux City	John Hintze Des Moines	Tony Kaska Chariton

Our Public Policy Priorities: Fiscal Year 2018

Iowa Student Loan works with state and federal policymakers to provide the information they need to make informed decisions about education finance policies and regulations. We also advocate for specific policies in the interest of Iowa students and families.

We follow recommended best practices and forgive student loans in cases where the borrower dies or becomes totally and permanently disabled. Effective Jan. 1, 2018, new federal law, which we actively supported, provides a tax exemption for such student loan forgiveness. As a matter of fairness and simplicity of tax filing for state and federal returns, we also supported "coupling" Iowa tax law to the recently enacted federal provision on exemption of loan forgiveness proceeds in cases of death or total and permanent disability of the student borrower. We appreciate the support of Iowa public officials for enacting these changes.

We continue to advocate for tax policies supporting our ability to use federally tax-exempt Qualified Student Loan Bonds to provide reasonably priced student loan financing to Iowa families. We are appreciative of the strong support we receive from Iowa public officials for this policy.

College Financial Planning Tools

Free online college planning and financial literacy tools are available on our public website to help students, families, educators and the general public plan and pay for education after high school. All our tools are designed to help students and families discover strategies to borrow less and borrow responsibly for postsecondary education.

We also support college planning services for students across Iowa through financial and in-kind contributions.

College Financial Planning Tool Visits Launch Page Visits July 1, 2017–June 30, 2018		
Tool	Total Use	Specialized Use
College Funding Forecaster	4,573	3,925 during award program
Grad Degree Gauge	169	*
Parent Handbook	3,741	3,494 during award program
ROCI Reality Check	3,260	2,800 during award program
ROCI Tool	906	*
Student Loan Game Plan (College Version)	5,634	3,333 during applications
Student Loan Game Plan (Cosigner / Parent Version)	4,649	4,460 during applications
Student Loan Game Plan (High School Version)	5,164	3,931 during award program

* This tool is not currently used to qualify for an award program offered by Iowa Student Loan.



Return on College Investment

Using a compilation of data on average salaries, career tracks and future job prospects, the Return on College Investment (ROCI) Tool and the ROCI Reality Check allows students to explore careers associated with specific college majors. ROCI Reality Check provides tips to help students obtain their desired career. More than 1,000 users experienced the public versions of ROCI Reality Check or the ROCI Tool during fiscal year 2018.

College Funding Forecaster

Students and parents planning for the next college term can use financial aid award packages and their own savings, earnings and scholarship information to forecast a total college cost over four years with the College Funding Forecaster, allowing them to make more informed choices when choosing colleges or planning financing. Use of the public tool is growing, with more than 600 online visitors in fiscal year 2018.

 Visit www.iowaStudentLoan.org/SmartBorrowing to learn more.



Student Loan Game Plan

The flagship of Iowa Student Loan’s suite of tools, Student Loan Game PlanSM offers versions catered for college-bound students, loan applicants and parents and cosigners. The interactive and engaging screens encourage users to learn how student loan debt affects their financial future and provides ideas and tips to reduce borrowing for college. In addition to thousands of visits for scholarship and award programs, more than 1,200 people visited the publicly available high school version of the tool in fiscal year 2018.

Student Loan Game Plan is a required element of our private student loan application. Applicants are given the opportunity to reduce their requested loan amounts after reviewing detailed feedback on their personal debt scenarios.

Student Loan Game Plan Impact

Based on Applications in Fiscal Year 2018 (July 1, 2017–June 30, 2018)

3,333 loan applicants completed the tool



14.1%

reduced their requested student loan amount after experiencing the tool.



\$2,099

was the average reduction in requested loan amount after completing the tool.



90.1%

indicated the tool had increased their knowledge of how borrowing would impact their future.



Grad Degree Gauge

This tool allows students and adults in the workplace to make informed decisions about their ability to take on and successfully repay new student loan debt for a graduate degree. Results are based on the user’s capacity for new debt, potential change in salary with the chosen graduate degree, job outlook, and the percentage of workers in the desired field who have an advanced degree. More than 150 users tried out the tool in fiscal year 2018.



Parent Handbook

Designed as a guide for parents to help their students prepare for success after high school, the Parent Handbook offers tips for families of students in sixth through 12th grades. Users explore the topics they are most interested in or those that are most applicable to their students’ current stage. The tool also allows parents to request additional information. Nearly 250 users visited the Parent Handbook outside of award programs in fiscal year 2018.

Scholarships and Award Programs

Scholarships and award programs motivate students, families and educators to explore the college planning and financial literacy tools offered on our website. Through the tools required to participate and related tips and materials, families learn strategies for paying for college and reducing the amount of debt they need to take on. Each program also provides monetary awards to directly offset cost of attendance.



Iowa Financial Know-How Challenge: Senior Scholarship

Thirty Iowa high school seniors each received \$2,000 for college through the 2017–2018 Iowa Financial Know-How Challenge: Senior Scholarship, joining 100 previous recipients. Each recipient’s high school also received a \$500 award for scholarship and financial literacy programs.



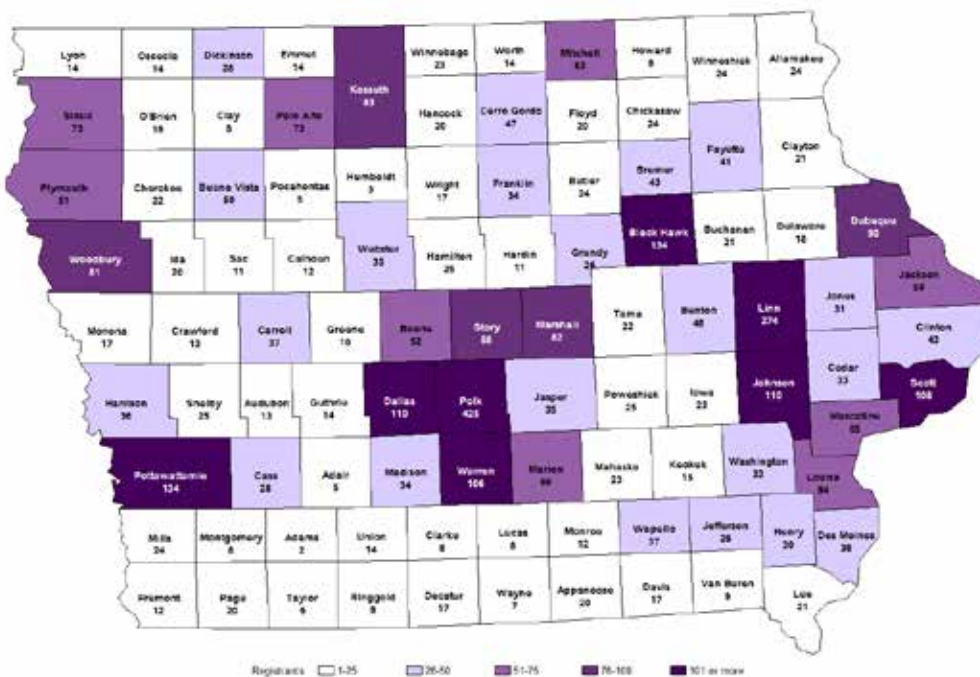
Scholarship recipients were recognized by special guests Iowa Gov. Kim Reynolds and Lt. Gov. Adam Gregg during an award ceremony hosted by Iowa Student Loan.

“Iowa Student Loan’s resources provided me with a number of useful tips and ideas on ways to reduce my need to take out student loans. Not only will I use these tools as I finance my postsecondary education, but the lessons learned from creating my financial plan will stay with me as I work to remain financially successful after receiving my degree.”

—Megan Grimm, Swisher, Iowa

In fiscal year 2018, more than 4,000 students registered for the program, which encourages college-bound seniors to understand ways to reduce borrowing for college through the use of the Student Loan Game Plan and ROCI Reality Check tools.

2017-2018 Scholarship Registrants



Program Overview 2014–2018

12,700+ students registered

130 scholarships awarded

\$240,000 in scholarships awarded

\$45,000 awarded to Iowa high schools



Save Now, Save Later: College Savings Plan Parent Giveaway

The Save Now, Save Later: College Savings Plan Parent Giveaway was expanded in fiscal year 2018 from its original scope of parents and guardians of Iowa high school students to include those of students in sixth through eighth grades. This change corresponded with the use of a new required element: The Parent Handbook, which allows users to explore tips and information about preparing for college academically and financially and to request additional information on the topics they are most interested in. More than 3,900 parents and guardians of Iowa students in sixth through 12th grades entered the expanded 2017 Save Now, Save Later: College Savings Plan Parent Giveaway, more than the number of participants in all previous years of the program combined.

Fifty recipients each received a \$1,000 deposit into a College Savings Iowa account.



College Funding Forecaster Giveaway

More than 900 Iowa high school students, parents or guardians entered the 2018 College Funding Forecaster Giveaway after using the College Funding Forecaster tool to estimate total college cost over four years. Registrations nearly doubled in this second year of the giveaway.

The program ran for 10 weeks, awarding two \$250 awards each week to students after their entries were randomly drawn. In addition, two high school seniors each received a \$1,500 award sent to their colleges after their entries were selected in a grand prize drawing.



Come 2 Iowa Senior Scholarship

Four high school seniors from states surrounding Iowa each received a \$1,000 scholarship for attendance at an Iowa college or university through the Come 2 Iowa Senior Scholarship. More than 1,000 students from Illinois, Minnesota, Missouri, Nebraska, South Dakota and Wisconsin entered for a chance to win through a random drawing.



Visit www.IowaStudentLoan.org/Programs to learn more.

Community Outreach

To help families with the college planning and financing process, we provide information and services free of charge to address the needs of all Iowans. This outreach takes shape through collaborations, presentations and sponsorships.

ICAN

ICAN (formerly known as Iowa College Access Network) has a large impact on Iowa's college-bound students and their families and, as a result, receives the largest portion of our available financial support. ICAN's college planning and financing services are offered at in-person sessions in 99% of Iowa's high schools, during appointments at ICAN locations throughout the state, and through initiatives like the Golden Circle College Fair and FAFSA Ready Iowa. A large part of these efforts include a focus on completing the Free Application for Federal Student Aid, or FAFSA.

During the 2017–2018 academic year, ICAN helped more than **825,000 Iowans** through:



I Have a Dream Foundation (Des Moines)

Each year, we bring college planning and financial literacy information to students attending the Dreamer Academy at Findley Elementary and attending Harding Middle School. The program helps disadvantaged families begin to imagine the possibilities of college — a dream that otherwise can seem out of reach. Parents who attend our free seminars related to planning and paying for college also receive a college savings plan deposit for each of their Dreamer students, funded by Iowa Student Loan.

In November 2017, the families of 90 I Have a Dream students attended presentations on budgeting, types of postsecondary education, and planning and paying for college.

After 28 years as part of the national I Have a Dream network, the Des Moines program became an entirely local organization. As of Dec. 5, 2018, it is now known as the By Degrees Foundation.

333 students
attend the
Dreamer
Academy.

More than 275
families have
received a 529
deposit.

More than 1,100
elementary and
middle school
students are active in
the program.

“Iowa Student Loan is an education partner in our community that understands the importance of early awareness for postsecondary options for students AND families. With their support, we host an annual Beginner’s Guide to Paying for College, that educates families about how to support children NOW and prepare for postsecondary options. The earlier children understand that education will provide them greater opportunities in life, the more we can do to prepare them for success along the way.”

—Billy Kirby, Findley Elementary Program Manager for I Have a Dream Foundation (Des Moines)

University of Iowa REACH Program

The University of Iowa REACH (Realizing Educational and Career Hopes) Program is a two-year transitional certificate program for students with multiple intellectual, cognitive and learning disabilities. Students are empowered to learn the social and life skills, including money management and financial planning, necessary to become independent active members of the community.

Iowa Student Loan again provided a \$10,000 contribution, made to the University of Iowa UI REACH program campaign, to fund scholarships for two Iowa students who would benefit from the UI REACH program but would otherwise not be able to attend due to unmet financial need. The most recent recipients are from Norwalk and Goldfield, Iowa.



Cally Murray, director of development for the UI Center for Advancement, and Brian Campbell, UI REACH senior program specialist and alumni liaison, accept a \$10,000 contribution from Iowa Student Loan board members Marcia Rogers, Christine Hensley and Tammy Bramley.

Kirkwood Focused Skill Training

Iowa Student Loan provided funding to the Kirkwood Community College Focused Skill Training (FST) program to support students with autism spectrum disorder who are pursuing two-year degrees and certificates. FST staff work with students to create an individualized plan that incorporates Kirkwood resources, community partnerships and research-based interventions.

Iowa Student Loan has helped fund software and other program cost-enhancing services for FST students.



Resources for Educators and Students

We actively participate in multiple conferences and sponsor events each year to share insight, information and resources to benefit Iowa families.

- ▶ [Golden Circle College Fair](#)
Provided college-bound students and parents information on upcoming scholarship and college funding programs
- ▶ [Iowa School Counselor Association Conference](#)
Spoke with Iowa school counselors and provided information on scholarship programs and financial literacy tools
- ▶ [Iowa Association of Student Financial Aid Administrators Spring Conference](#)
Provided college personnel with information on private loan programs and financial literacy tools
- ▶ [Iowa Jump\\$tart Conference for Personal Financial Literacy](#)
Presented college financing information to high school educators and counselors
- ▶ [Make Me A World Education Day](#)
Provided our tools and information to middle school and high school families
- ▶ [ISU 4U Promise College Family Night](#)
Provided families with information on how to plan and pay for college

Supplemental Private Education Loans

As a nonprofit, Iowa Student Loan has the ability to issue federally tax-exempt Private Activity Bonds, in the form of Qualified Student Loan Bonds (QSLBs). We use these bonds to fund competitively priced loans, which are a key way we help Iowa students and families obtain the resources necessary to succeed in postsecondary education.

Through our use of QSLBs, we are able to offer students and families access to loans with interest rates that are less than the Federal Direct PLUS Loan rate for the 2018–2019 academic year. Used by parents of undergraduate students as well as taken out by graduate and professional degree students, the PLUS Loan also has loan fees of more than 4%. For students with creditworthy cosigners, or parent borrowers, our student and family loans currently offer borrowers a way to pay less in interest and fees than they would by taking out a PLUS Loan or many private loans offered by national lenders.

Options for Students, Parents and Refinancing

We offer two different supplemental funding sources to help families pay for college expenses today as well as a program for borrowers in repayment looking to refinance their education loans.

Partnership Loan

The average fixed rates for the Partnership Loan are **2.50% lower** than the average rates offered by major national lenders.

A 2.50% lower rate could mean **at least \$5,000 less in interest** charges over the life of the loan if repayment is deferred during college.

College Family Loan

This loan's average fixed rates are **3.00% lower** than the average rates offered by national lenders.

By selecting the College Family Loan instead of a parent loan from another lender, parents can pay **at least \$1,800 less** in interest over the life of the loan.

Partnership Loan and College Family Loan

The **Partnership Advance Education Loan® (Partnership Loan)** is a private loan for undergraduate and graduate student borrowers and their cosigners. It features fixed and variable interest rates and three in-school payment options so that students and their families can determine what is most important to them based on their financial situation.



The **College Family Loan®** is a private loan for parents, family members or others who wish to borrow on behalf of an undergraduate or graduate student to help with college costs. It is similar to the Federal Direct PLUS Loan for parent borrowers in that the student is not responsible for repaying the debt. When someone like a parent or family member takes out a loan in their own name instead of the student's name, they are helping the student's financial future by reducing the amount of money that the student will have to repay in loans after college. The College Family Loan features fixed interest rates but is otherwise identical to the Partnership Loan program.



Information about both loans is provided in full detail — from underwriting criteria to examples detailing the annual percentage rate, estimated finance charges and approximate monthly payment amount for each interest rate and in-school payment option — on our website. This includes guidance that strongly encourages students and families to explore and exhaust all sources of financial aid available to the student before applying for either of the loans as they are both supplemental private loans.



Reset Refinance Loan

For lowans and others across the country trying to manage education loan repayment, the Reset Refinance LoanSM (Reset Loan) is an option that is helping many find lower rates or more manageable monthly payments. Borrowers can refinance one or more loans, private or federal or both, into one new loan with a new interest rate based on the creditworthiness of the borrower and/or cosigners.

The Reset Loan provides borrowers the opportunity to lower:

- ▶ The interest rate they are paying on their student loan debt.
- ▶ The amount they will pay over time through shorter repayment terms or lower rates or a combination of both.
- ▶ Their monthly payment amount through a longer repayment term.

Through QSLB financing, we were able to lower the interest rates offered and expand the available terms during fiscal year 2018 for the Reset Loan.

In addition, we've made improvements to allow those interested in refinancing their student loans the opportunity to learn the rates and view estimated monthly payment amounts they qualify for before completing the entire application. This pre-qualification process uses a soft credit inquiry to determine rates and prevents any impact to users' credit scores. They can then compare their specific Reset Loan rate options to the rates of their current loans to determine if they would benefit from refinancing their debt and/or changing their repayment term.

Fixed rates
from 3.50%
APR to 7.50%
APR

Multiple
options to fit
your financial
situation

No
origination,
prepayment
or late fees



Customer Assistance

Loan Repayment Assistance

Providing the necessary resources, information and assistance is critical to ensuring our borrowers can successfully repay their student loans. That is why Aspire’s loan counselors work diligently every day to provide customer service functions to more than 141,000 borrowers with private and federal student loans from our office in West Des Moines, Iowa, under the name Aspire Servicing CenterSM.

Federal and Private Loans Owned by Iowa Student Loan and Serviced by Aspire Servicing Center
as of June 30, 2018
141,071 Borrowers and 385,906 Loans



Meeting High Customer Service Standards

We fully embrace the Education Finance Council (EFC)’s guiding principles for nonprofit, state-based and state-chartered organizations that make loans to cover educational expenses. These general principles, which promote borrower success, help borrowers make the best decisions for their individual situations.

See Iowa Student Loan’s Support for the EFC’s Guiding Principles at www.IowaStudentLoan.org/AboutUs.

What Borrowers Say

Borrowers consistently rate our Aspire Servicing Center customer service high in monthly surveys.

Customer Service Ratings July 1, 2017–June 30, 2018

On a scale of 1 to 5, where 1 indicates “very dissatisfied” and 5 indicates “very satisfied”



Percentages indicate borrowers who rated the service they received with either four or five stars.

“I had exceptional customer service and give kudos ... You made what I thought was going to be a very painful process easy.”

—Michael W. , Anchorage, AK

“It’s a super stressful situation to have large loans and the representative is so good at what he does. I was very pleased and he was able to answer all my questions. I appreciate it very much.”

—Becca W. , Des Moines, IA

Interest Reduction for Armed Forces

To meet the needs of borrowers and cosigners who are serving our country, we continue to offer reduced interest rates of **0.00% for up to 24 months on private loans for service members while serving on active duty.**

Who: 655 service members on active duty
Duration: Through June 30, 2019
Total reduction: \$1.2 million in interest reductions for participating service members since 2001

Workforce Support

Iowa Student Loan is more than a great place to work. We offer our employees a work environment that fosters career development, employee empowerment, rewards and a favorable atmosphere.

Going beyond traditional employee benefits, we took an innovative step in fiscal year 2018 to help our employees achieve their educational goals, while furthering our nonprofit mission. Iowa Student Loan now offers each of our more than 200 employees a \$25 monthly contribution to be directed toward either student loan repayment or a 529 college savings plan as part of an Employer Contribution Program.

The Employer Contribution Program is one service in a newly launched College Finance Benefits product being offered by Aspire, Iowa Student Loan's wholly owned subsidiary, to national employers.



Iowa State Treasurer Michael L. Fitzgerald and Greater Des Moines Partnership executive vice president Mary Bontrager joined Iowa Student Loan leaders as they made the landmark announcement during a press conference.

Recognizing Our Outstanding Staff Members

We are very proud of our experienced and dedicated staff members who spend their days answering questions from and providing important information to borrowers, students and families using a counseling approach. And our leadership team works hard to recognize staff members who go above and beyond in the daily interactions.

Call center staff are recognized with an Aspiring to Greatness award each time a customer contacts a coordinator, supervisor, manager or director and compliments the service the employee provided. In addition, smaller teams that make up the call center staff recognize individual counselors for their outstanding work each month.

Each quarter, the loan counseling and default prevention teams recognize individual staff members with the:

- ▶ Sally Sunshine Award for coming to work with a great attitude and making the office a happy place to be.
- ▶ T.E.A.M. award for a coworker who best embodies team spirit by helping others, having a positive attitude and acting as a leader.
- ▶ Master of Efficiency Award.

Staff members who receive these awards from their departments, as well as outside recognition, are highlighted in our monthly employee newsletter.



Nicholas Gustafson

I like being able to help customers understand all aspects of their loans. Repaying student loans can be a frustrating / confusing time. I like being able to help customers find ways to repay their loans, whether that be to find a repayment plan that may better suit their current situation or find ways to pay off their loans faster. Being able to help them understand important information about their student loans and providing assistance is a great feeling.

What Iowa Students Are Saying About Our Programs



"The financial knowledge that I learned from this program regarding borrowing and budgeting for college is invaluable. The most helpful rule that I learned from this program is that the total amount borrowed for college should not exceed my anticipated first year salary. I will work hard to make certain that I apply this principle to myself. . . . This scholarship will help me to minimize my college debt and to be financially responsible. I am sincerely grateful to the Iowa Student Loan Program for making this information and scholarship available."

**—Ryan Bonthius, Regina High School
2018 Iowa Financial Know-How Challenge: Senior Scholarship recipient**



"Your program has provided me with valuable information that I will continue to use throughout my college career. . . . I hope one day I will be able to help others achieve their goals just as you have helped me."

**—Maci Gambell, Pekin High School
2018 Iowa Financial Know-How Challenge: Senior Scholarship recipient**



"The Iowa Student Loan resources had great tips that were easy to understand, which helped me navigate options to plan for, and finance, my education. My family and I were looking for ways to reduce the need for student loans. Early planning was helpful to reduce that stress. I was able to focus on being a new student — and of course, some fun!"

**—Drake Beller, Sioux City North High School
2018 College Funding Forecaster Giveaway winner**

