

Chart 1  
USA Funds' Kansas Loan Volume  
by Loan Type

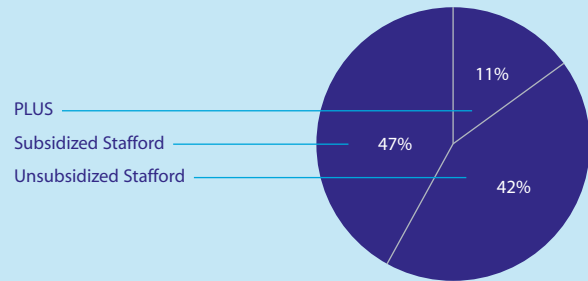
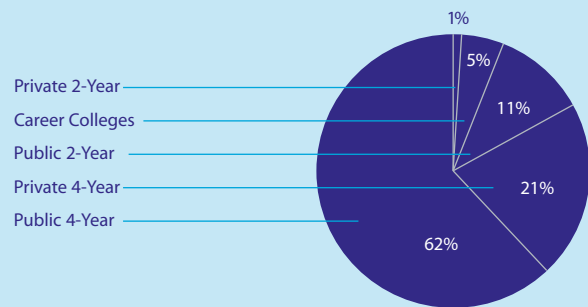


Chart 2  
USA Funds' Kansas Loan Volume  
by Institution Type



USA Funds® is the nation's leading education-loan guarantor. A nonprofit corporation, USA Funds works to enhance postsecondary-education preparedness, access and success by providing and supporting financial and other valued services.



**USA Funds® has served Kansas as its designated guarantor of federal education loans since 1991. As Kansas' designated guarantor, USA Funds links colleges, universities, career colleges, private lenders, students and parents to promote financial access to college. USA Funds supports critical education-loan services, including loan-application processing, customer assistance and default prevention and recovery, as well as policy guidance and training of school and lender staff.**

During the fiscal year ending Sept. 30, 2006, USA Funds guaranteed more than \$435 million in new education loans to more than 65,200 Kansas borrowers — including Federal Stafford loans for 59,424 students and Federal PLUS loans for 5,802 parents and students. USA Funds served 58 postsecondary institutions in Kansas.

USA Funds works with Kansas schools and lenders to help reduce student-loan-default rates. The most-recent default measure, the 2004 cohort-default rate, was 4.2 percent for Kansas borrowers with USA Funds-guaranteed loans, compared with the default rate of 4.5 percent recorded among all Kansas student-loan borrowers. The cohort-default rate measures the percentage of students who entered repayment on their education loans during a given federal fiscal year and defaulted on their loans prior to the end of the following fiscal year.



### **Debt-management initiatives**

To partner with postsecondary institutions in their debt-management efforts, USA Funds in 2006 provided a broad spectrum of services in Kansas, including the following:

- ◇ USA Funds’ debt-management consultants assisted 11 Kansas schools in their work to curb student-loan defaults.
- ◇ To equip postsecondary institutions to teach their students to manage their time and money wisely while they are on campus and after graduation, USA Funds offers the USA Funds Life Skills® financial-literacy course. The number of schools in various stages of implementing USA Funds Life Skills in Kansas stands at 36.
- ◇ Seven schools in Kansas use USA Funds-provided tools that help students and graduates stay on the path to successful repayment. The Web-based USA Funds Debt Manager® assists with e-mail, call or letter campaigns to borrowers experiencing repayment difficulties.
- ◇ USA Funds offers a new online tool, USA Funds Stafford Loan Guide<sup>SM</sup>, that schools can customize to automate the entrance-counseling process and provide Stafford-loan borrowers with memorable guidance.
- ◇ To give schools greater flexibility as they help students track their education loans, USA Funds supports the Borrower Debt Management Information Service. Schools often use the service during student-loan exit counseling with borrowers.
- ◇ USA Funds conducted two debt-management workshops in Kansas to help schools learn more about USA Funds Life Skills, and about student retention and its role in default prevention. A total of 23 higher-education professionals took part in workshops in Manhattan and Wichita.

USA Funds also supports a variety of other programs for Kansas schools, lenders, students and families — and their communities — to enhance preparation for, access to and success in higher education. The following are some highlights from 2006:

### **Kansas advisory council**

To ensure that its services meet the needs of postsecondary education in Kansas, USA Funds hosts regular meetings of its Kansas financial-aid advisory council, which includes financial-aid administrators for Kansas colleges and universities, as well as representatives of lending institutions.

### **Staff-training opportunities**

USA Funds helps colleges and lenders comply with program regulations and keeps them informed of policy developments and improved services through a wide array of training opportunities, including free workshops in Kansas. During fiscal 2006 USA Funds conducted four financial-aid workshops, in Overland Park and Wichita, for a total of 151 participants. Financial-aid administrators from 13 Kansas postsecondary-school campuses took advantage of USA Funds University online-learning courses during 2006.

Five education-lending professionals attended a USA Funds Education-Lender Forum in Kansas City, Kan., to stay up to date on developments in the education-finance marketplace.

### **Scholarship funding**

The USA Funds Access to Education Scholarships® program awarded 361 new and renewal scholarships totaling \$536,250 to deserving college-bound students in Kansas for the 2006-2007 academic year. These scholarships assist students in financial need — particularly those who are either members of ethnic-minority groups or are physically disabled — as they finance their higher education.

Under the USA Funds Scholars program, USA Funds awarded \$43,500 in scholarships to graduating seniors from 28 Kansas high schools. USA Funds Scholars are outstanding students in USA Funds’ designated states and in communities in which USA Funds has offices.

### **Early awareness program**

USA Funds offers at no cost to Kansas schools and community- and faith-based organizations its USA Funds Unlock the Future® early awareness program. Four schools and organizations took advantage of the program, which introduces students and their families to the benefits of and options for education after high school.

### **College Goal Sunday**

USA Funds supports College Goal Sunday. The event provides high-school seniors and their parents free help in completing the application necessary to qualify for federal aid for college. A total of 1,880 students and parents in Kansas received assistance at 20 College Goal Sunday sites during 2006. For the fourth-consecutive year, USA Funds also sponsored a “USA Funds Countdown to College™” supplement to the *Topeka Capital-Journal* and *Wichita Eagle* newspapers. The publication promotes College Goal Sunday and provides higher-education admissions and financial-aid information.

### **College-planning Web site**

USA Funds partners with College Answer®, the foremost online resource for “going-to-college” information, to provide college-planning information for Kansas residents at [www.kansas.collegeanswer.com](http://www.kansas.collegeanswer.com).

### **College-and-career hotline**

The toll-free USA Funds Career and Education Hotline for Kansas provided students and parents information about hundreds of careers, postsecondary institutions in Kansas and nationwide, college majors, training programs and financial aid.

### **Young-entrepreneurs training**

USA Funds supported Youth Entrepreneurs of Kansas, a classroom program that provides students with business and entrepreneurial education and experiences to help them become contributing members of society.

### **Academic decathlon**

To encourage academic competition and the early introduction of students to higher education, USA Funds for the second-consecutive year was the primary sponsor of the Kansas Academic Decathlon.

*Table 1*  
**25 Largest Kansas Schools  
By Loan Volume  
Served by USA Funds**

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Kansas State University  
Wichita State University  
Washburn University  
Fort Hays State University  
Baker University  
Emporia State University  
Friends University  
Pittsburg State University  
Johnson County Community College  
Butler Community College  
Brown Mackie College  
Benedictine College  
MidAmerica Nazarene University  
Ottawa University  
Wichita Technical Institute  
University of Saint Mary  
Kansas City Kansas Community College  
Southwestern College  
Newman University  
Wright Business School  
Vatterott College  
Bethel College  
McPherson College  
Tabor College  
Hesston College

*Table 2*  
**10 Largest Lenders  
By Loan Volume  
Served by USA Funds in Kansas**

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Bank of America  
Kansas State Bank  
U.S. Bank  
Commerce Bank of St. Louis  
Commerce Bank & Trust  
College Board Education Loan Program/College Credit  
Kansas State University  
J.P. Morgan Chase  
Emprise Bank  
Sallie Mae Education Trust