

Chart 1
USA Funds' Nevada Loan Volume
by Loan Type

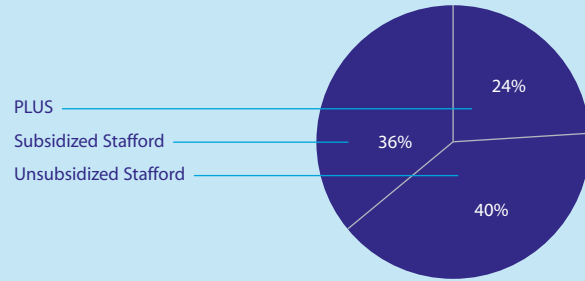
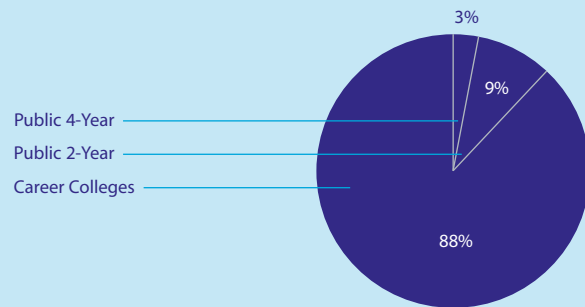


Chart 2
USA Funds' Nevada Loan Volume
by Institution Type



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 Nevada as its designated guarantor of federal education loans since 1988. As Nevada's 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 \$50 million in new education loans to more than 6,200 Nevada borrowers — including Federal Stafford loans for 5,461 students and Federal PLUS loans for 769 parents and students. USA Funds served 14 postsecondary institutions in Nevada.

USA Funds works with Nevada schools and lenders to help reduce student-loan-default rates. The most-recent default measure, the 2004 cohort-default rate, was 7.8 percent for Nevada borrowers with USA Funds-guaranteed loans, compared with the default rate of 8.3 percent recorded among all Nevada 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 Nevada, including the following:

- ◇ USA Funds’ debt-management consultants assisted four Nevada 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 Nevada stands at six.
- ◇ Three schools in Nevada 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 GuideSM, 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 seven debt-management workshops in Nevada to help schools learn more about USA Funds Life Skills, and about student retention and its role in default prevention. A total of 113 higher-education professionals took part in workshops in Elko, Las Vegas, Reno and Summerlin.

USA Funds also supports a variety of other programs for Nevada 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:

Nevada advisory council

To ensure that its services meet the needs of postsecondary education in Nevada, USA Funds hosts regular meetings of its Nevada financial-aid advisory council, which includes financial-aid administrators for Nevada colleges and universities, as well as representatives from lending institutions and the Nevada Department of Education. A Nevada financial-aid professional also serves on USA Funds’ national advisory council.

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 Nevada. During fiscal 2006 USA Funds conducted two financial-aid workshops, in Las Vegas, for 22 participants. Financial-aid administrators from three Nevada postsecondary-school campuses took advantage of USA Funds University online-learning courses during 2006.

Scholarship funding

The USA Funds Access to Education Scholarships® program awarded 164 new and renewal scholarships totaling \$244,500 to deserving college-bound students in Nevada 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 \$9,000 in scholarships to graduating seniors from six Nevada 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 provides at no cost to Nevada schools and community- and faith-based organizations its USA Funds Unlock the Future® early awareness program. Two 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 assists with Nevada’s College Goal Sunday. The event provides high-school seniors and their parents free help in completing the application necessary to qualify for federal grants and loans for college. A total of 883 students and parents in Nevada received assistance at 10 College Goal Sunday sites during 2006. USA Funds also sponsored the “USA Funds Countdown to College™” supplement to the *Las Vegas Review-Journal* and *Sun* and *Reno Gazette-Journal*. The publication promotes Nevada’s 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 Nevada residents at www.nevada.collegeanswer.com.

Dean’s Future Scholars

The University of Nevada, Reno, received continued support from USA Funds for the school’s Dean’s Future Scholars Program. This endeavor promotes early awareness of the benefits of higher education to potential first-generation college students and recruits students into teacher education.

Career- and college exploration

A USA Funds grant to Nevada ACCESS: Academics + Careers + College and/or Training Equal Student Success supported events focusing on careers and college. Conducted throughout the state, the activities aimed to encourage students to include postsecondary-education options and technical training in their plans.

Table 1
Nevada Schools Served by USA Funds

The Art Institute of Las Vegas
Le Cordon Bleu College of Culinary Arts-Las Vegas
ITT Technical Institute
The Bryman School-High Tech Institute
Truckee Meadows Community College
International Academy of Design & Technology-Las Vegas
Great Basin College
Career Education Institute
University of Nevada, Reno
Expertise Cosmetology Institute
Academy of Hair Design
Neumont University
Community College of Southern Nevada
Heritage College

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

Sallie Mae Education Trust
Stillwater National Bank & Trust Co.
J.P. Morgan Chase
AMS Education Loan Trust
Bank of America
Wells Fargo Bank
Southwest Student Services Corp.
U.S. Bank
Nelnet
SunTrust