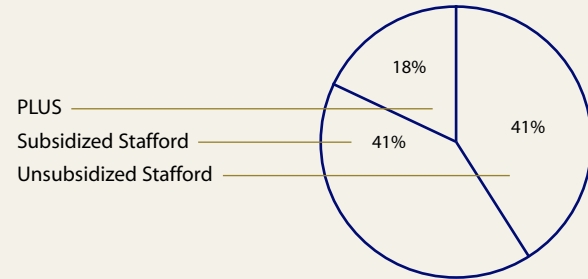


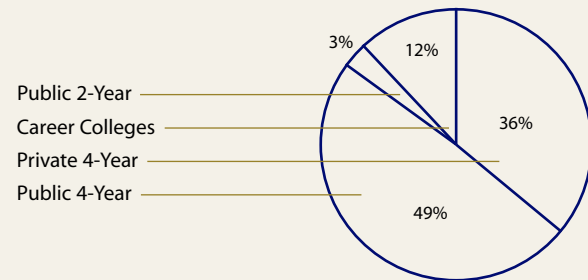
USA Funds' Hawaii Loan Volume

By Loan Type



USA Funds' Hawaii 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.



www.usafunds.org



USA Funds® has served Hawaii as its designated guarantor of federal student loans since 1979. In its efforts to enhance higher-education preparedness, access and success, USA Funds partners with schools, lenders, students, parents and community organizations.

During the fiscal year ending Sept. 30, 2007, USA Funds guaranteed nearly \$115 million in new education loans to more than 12,000 Hawaii borrowers — including Federal Stafford loans to more than 10,000 students and Federal PLUS loans to more than 1,500 parents and students. USA Funds served 23 postsecondary institutions in Hawaii.

USA Funds works with Hawaii schools and lenders to help reduce student-loan-default rates. The most-recent default measure, the 2005 cohort-default rate, was 3.1 percent for Hawaii borrowers with USA Funds-guaranteed loans, compared with the default rate of 4.1 percent recorded among all Hawaii 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 2007 provided a broad spectrum of services in Hawaii, including the following:

- ◇ USA Funds' debt-management consultants assisted 23 Hawaii 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. A dozen schools in Hawaii have implemented USA Funds Life Skills, with seven schools in the state ordering the program's materials in 2007.

◇ Fourteen schools in Hawaii use USA Funds Debt Manager®, a Web-based tool that helps schools stay in contact with student-loan borrowers during school and after graduation. USA Funds Debt Manager assists with e-mail, call or letter campaigns to borrowers experiencing repayment difficulties.

◇ USA Funds Loan Counselor® is a suite of custom counseling products that helps schools fulfill all federal requirements for loan counseling and simplifies Stafford-loan entrance and exit counseling with one online program. Two schools in Hawaii are taking advantage of the tool's entrance-counseling component, USA Funds Stafford Loan Guide™. Additionally, a Hawaii school is among those offering USA Funds Student Loan Transition Guide™, which provides exit counseling. In 2007 nearly 250 counseling sessions were completed on USA Funds Loan Counselor in Hawaii.

◇ 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 three debt-management workshops in Hawaii to help schools learn more about USA Funds Life Skills, and about student retention and its role in default prevention. A total of 29 higher-education professionals took part in workshops in Hilo and Honolulu.

USA Funds also supports a variety of other programs for Hawaii schools, lenders, students and families, and their communities. The following are some highlights from 2007:

Hawaii advisory council

To ensure that its services meet the needs of postsecondary education in Hawaii, USA Funds receives guidance from a Hawaii financial-aid advisory council. The council includes Hawaii financial-aid administrators and postsecondary-school officials, as well as representatives from 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 Hawaii. During fiscal 2007 USA Funds conducted four financial-aid workshops, in Hilo and Honolulu, for a total of 69 participants. Financial-aid administrators from four Hawaii postsecondary-school campuses took advantage of USA Funds University online courses during 2007, with 162 learner sessions recorded.

Scholarship funding

The USA Funds Access to Education Scholarships® program awarded 329 new and renewal scholarships totaling \$489,750 to deserving college-bound students in Hawaii for the 2007-2008 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 \$13,500 in scholarships to nine graduating seniors from nine Hawaii 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

Five Hawaii schools and organizations took advantage of USA Funds Unlock the Future®, which introduces middle-school students and their families to the benefits of and options for education after high school. Hawaii schools and community- and faith-based organizations may order these early awareness-program materials at no cost.

College Goal Sunday

USA Funds supported the sixth-annual College Goal Sunday in Hawaii. College Goal Sunday provides high-school seniors and their parents free help in completing the application necessary to qualify for federal aid for college. A total of 1,449 students and parents in Hawaii received assistance at five College Goal Sunday sites during 2007. USA Funds also sponsored the fifth-annual "USA Funds Countdown to College™." The *Garden Island*, *Hawaii Tribune-Herald*, *Honolulu Advertiser*, *Maui News* and *West Hawaii Today* newspapers distributed more than 240,000 copies of the publication. "USA Funds Countdown to College" promotes Hawaii's College Goal Sunday and provides higher-education-admissions and financial-aid information.

College-planning Web sites

Online college-planning resources supported by USA Funds — including those on USA Funds' Web site, www.usafunds.org — received approximately 50,000 visits in 2007. Through these resources USA Funds offers college-planning information specific to Hawaii.

Financial-Aid Night

The Hawaii Financial Aid Night workshops continued their expansion, with assistance from USA Funds. Coordinated by the Pacific Financial Aid Association, in 2007 the event gave the 730 students and family members who attended the opportunity to learn from financial-aid administrators about the student-aid process for postsecondary education.

National college fair

With assistance from USA Funds, the Hawaii Association for College Admissions Counseling presented the Honolulu National College Fair, hosting representatives from approximately 200 colleges and universities. Among the more than 3,000 students who attended to learn about schools' academic programs were 48 students from neighbor islands whose travel USA Funds funded in partnership with the HawaiiUSA Federal Credit Union. The support of USA Funds and the credit union also funded nine counselors' travel to the college fair.

SMS Hawaii

A USA Funds affiliate, SMS Hawaii®, is the designated student-loan secondary market for Hawaii. SMS Hawaii helps to ensure a continuous supply of private capital for funding student loans in Hawaii. During the fiscal year ending Sept. 30, 2007, SMS Hawaii purchased \$21.6 million in education loans, providing lenders with fresh capital to support new student loans. Hawaii borrowers can take advantage of one of the lowest-cost student loans available in the nation, with no upfront fees for SMS Hawaii-acquired loans guaranteed by USA Funds and originated by American Savings Bank.

Hawaii Schools

Served by USA Funds

University of Hawaii at Manoa

Hawaii Pacific University

University of Hawaii at Hilo

Chaminade University of Honolulu

Argosy University/Honolulu

Remington College-Honolulu Campus

Kapiolani Community College

Windward Community College

Hawaii Community College

University of Hawaii-West Oahu

Maui Community College

Kauai Community College

Institute of Clinical Acupuncture and Oriental Medicine

Traditional Chinese Medical College of Hawaii

Hawaii Business College

Leeward Community College

San Diego Golf Academy of Hawaii

Hawaii Institute of Hair Design

Honolulu Community College

Brigham Young University Hawaii Campus

Heald College

New York Technical Institute of Hawaii

Hawaii Theological Seminary

10 Largest Lenders

By Loan Volume

Served by USA Funds in Hawaii

First Hawaiian Bank

American Savings Bank

J.P. Morgan Chase

Wells Fargo Bank

Sallie Mae Education Trust

Bank of America

Student Loan Xpress

Wachovia Education Finance

Citibank Student Loans

AMS Education Loan Trust