

Chart 1  
USA Funds' Arizona Loan Volume  
by Loan Type

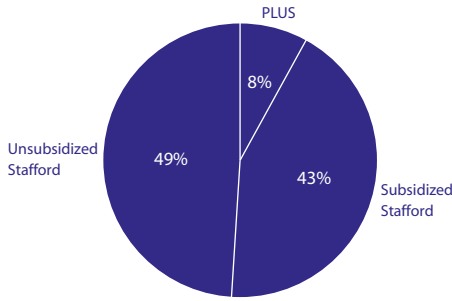
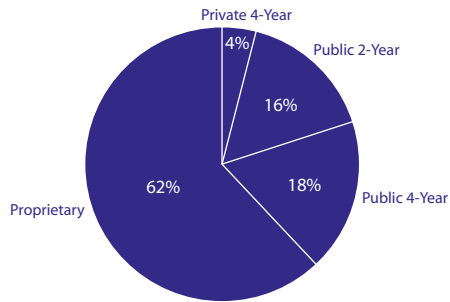


Chart 2  
USA Funds' Arizona Loan Volume  
by Institution Type



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](http://www.usafunds.org)



*USA Funds® has served Arizona as its designated guarantor of federal education loans since 1981. As Arizona's designated guarantor, USA Funds links colleges, universities, proprietary schools, 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, 2004, USA Funds guaranteed more than \$710 million in new education loans to nearly 85,000 Arizona borrowers — including 79,890 students and 4,986 parents — and served 62 postsecondary institutions in Arizona.

USA Funds works with Arizona schools and lenders to help reduce student-loan-default rates. During the last 10 years, Arizona's default rate has dropped nearly 67 percent. The most-recent default measure, the 2002 cohort-default rate, fell to 6.5 percent — a decline of 3 percent from the previous year in the default rate among all Arizona 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 2004 provided a broad spectrum of services in Arizona, including the following:

- ◇ USA Funds’ debt-management consultants assisted 24 Arizona 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 at no cost to Arizona schools the USA Funds Life Skills® financial-literacy course. The number of schools in various stages of implementing USA Funds Life Skills in Arizona stood at 32.
- ◇ Fifteen schools in Arizona used Default Management System™ software, which provides assistance with call or letter campaigns to borrowers experiencing repayment difficulties. USA Funds provides DMS at no cost to Arizona schools.

USA Funds also provided and supported a variety of other programs for Arizona schools and lenders, and the students and families they serve, to support preparation for, access to and success in higher education in 2004.

### **Arizona advisory council**

To ensure that its services meet the needs of postsecondary education in Arizona, USA Funds hosts regular meetings of its Arizona financial-aid advisory council, which includes financial-aid administrators for Arizona colleges and universities, representatives of lending institutions, as well as officials of the state’s commission for postsecondary education, board of private postsecondary education, and private-school association. An Arizona 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 free workshops conducted in Arizona. During fiscal 2004, USA Funds conducted four student-loan workshops, in Phoenix and Tucson, for a total of 141 participants.

### **Scholarship funding**

The USA Funds Access to Education Scholarships® program awarded 362 new and renewal scholarships totaling \$523,125 to deserving college-bound students in Arizona for the 2004-2005 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.

USA Funds also awarded \$10,500 in scholarships to graduating seniors from six Arizona high schools under the USA Funds Scholars program, which assists outstanding students in communities in which USA Funds has offices.

### **Early awareness program**

USA Funds offers at no cost to Arizona schools and community- and faith-based organizations its USA Funds Unlock the Future® early awareness program. Five 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-planning Web site**

USA Funds partnered with College Answer®, the foremost online resource for “going-to-college” information, to present Arizona College Answer. The Web site, located at [www.arizona.collegeanswer.com](http://www.arizona.collegeanswer.com), offers students and families information to assist in planning and paying for higher education, including free access to a database of billions of dollars in scholarships. USA Funds presents Arizona College Answer in cooperation with the Arizona Commission for Postsecondary Education.

### **College Goal Sunday**

In partnership with ACPE and other organizations, USA Funds supports College Goal Sunday in Arizona. The event provides high-school seniors and their parents free help in completing the application necessary to qualify for federal aid for college. More than 2,800 students and parents in Arizona received assistance at 21 College Goal Sunday sites during 2004. USA Funds also sponsored for the fourth consecutive year the “USA Funds Countdown to College” supplement to the *Arizona Republic*. The publication promotes Arizona’s College Goal Sunday and provides higher-education admissions and financial-aid information.

### **Jobs for Arizona’s Graduates**

USA Funds collaborated with Jobs for Arizona’s Graduates, a school-to-work transition program, in an effort to help at-risk students in Arizona stay in school and to graduate with the skills necessary to gain employment or further their education.

### **Dropout-prevention assistance**

To train community members to become leaders in encouraging youth to stay in school, USA Funds sponsored Leadership for Learning Academies as part of ACPE’s STAY in School dropout-prevention initiative.

### **State education conference**

For the sixth consecutive year, USA Funds sponsored the Pathways to Education Conference. The program, conducted by ACPE, shares with the state’s educators in grades kindergarten through 16 details about successful education programs. Additionally, the event recognizes and rewards exemplary early awareness outreach programs.

### **ScholarShop**

USA Funds provided a grant for the development of a ScholarShop site in Tucson, bringing to four the number of sites USA Funds has supported in Arizona. A program of Scholarship America, ScholarShop is a curriculum and resource center designed to motivate and prepare students for postsecondary education.

### **Pappas School grant**

A USA Funds grant to the Thomas J. Pappas School funded the purchase of materials for the school’s medical clinic and other medical and nutritional supplies. The school serves Phoenix-area homeless children in grades kindergarten through 10.

*Table 1*  
**25 Largest Arizona Schools by USA Funds Loan Volume**

University of Phoenix	Phoenix College
University of Arizona	Grand Canyon University
Mesa Community College	Midwestern University
Apollo College	Conservatory of Recording Arts and Sciences
Ottawa University	Western International University
DeVry University	Estrella Mountain Community College
The Art Institute of Phoenix	American Institute of Technology
Scottsdale Community College	Cochise College
Pima Community College	Central Arizona College
Glendale Community College	The Golf Academy of Arizona
Collins College	Scottsdale Culinary Institute
GateWay Community College	
ITT Technical Institute	
Rio Salado College	

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

Bank One
Southwest Student Services Corp.
Bank of America
Wells Fargo Bank
J.P.Morgan Chase
Sallie Mae
ASAP Union Bank & Trust Co.
COLLEDGE Loans
Citibank Student Loans
College Loan Corp.