

Chart 1
USA Funds' Maryland Loan Volume
by Loan Type

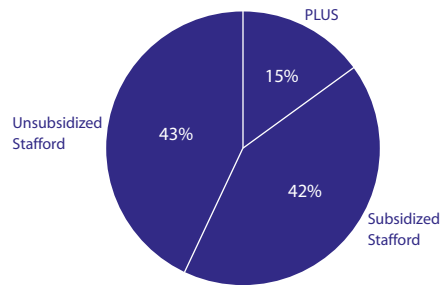
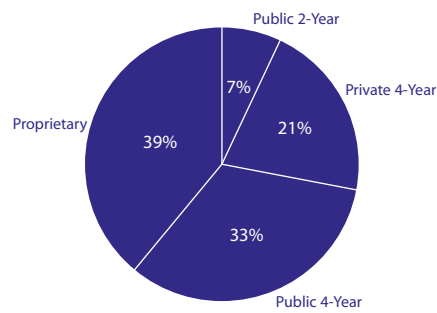


Chart 2
USA Funds' Maryland Loan Volume
by Institution Type



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 Maryland as its designated guarantor of federal education loans since 1995. As Maryland'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 \$361 million in new education loans to nearly 42,000 Maryland borrowers — including 37,167 students and 4,492 parents — and served 53 postsecondary institutions in Maryland.

USA Funds works with Maryland schools and lenders to help reduce student-loan-default rates. During the last 10 years, Maryland's default rate has dropped more than 73 percent. The most-recent default measure, the 2002 cohort-default rate, was 4.5 percent of the borrowers who entered repayment during fiscal 2002. 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 Maryland, including the following:

- ◇ USA Funds’ debt-management consultants assisted 18 Maryland 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 Maryland schools the USA Funds Life Skills® financial-literacy course. The number of schools in various stages of implementing USA Funds Life Skills in Maryland stood at 17.
- ◇ Seven schools in Maryland 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 Maryland schools.

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

Maryland advisory council

To ensure that its services meet the needs of postsecondary education in Maryland, USA Funds hosts regular meetings of its Maryland financial-aid advisory council, which includes financial-aid administrators for Maryland colleges and universities, representatives of lending institutions and officials of the Maryland Office of Student Financial Assistance.

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 Maryland. During fiscal 2004, USA Funds conducted four student-loan workshops, in Baltimore and College Park, for a total of 55 participants.

Scholarship funding

The USA Funds Access to Education Scholarships® program awarded 313 new and renewal scholarships totaling \$453,375 to deserving college-bound students in Maryland 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.

Early awareness program

USA Funds offers at no cost to Maryland schools and community- and faith-based organizations its USA Funds Unlock the Future® early awareness program. Six Maryland 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 Maryland College Answer. The Web site, located at www.maryland.collegeanswer.com, offers students and families information to assist in planning and paying for higher education, plus free access to a database of billions of dollars in scholarships.

College Goal Sunday

USA Funds supported the third-annual 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. During 2004, more than 1,110 students and parents in Maryland, Delaware and Washington, D.C., received assistance at 14 College Goal Sunday sites. For the third consecutive year, USA Funds also sponsored the “USA Funds Countdown to College” supplement to the *Baltimore Sun*. The publication promotes College Goal Sunday and provides higher-education admissions and financial-aid information.

College 411

To assist the Maryland Higher Education Commission in its efforts to provide college-planning information to the Hispanic community, USA Funds provided funding for the publication and distribution of a Spanish-language version of the MHEC’s *College 411* guide to higher education and financial aid in Maryland. The publication provides information about Maryland’s public and private colleges and universities, as well as military programs, and gives an overview of scholarships and other forms of financial aid.

College-aid calculator

USA Funds provided funding for maintenance of a Web-based calculator that permits visitors to the MHEC site — www.mhec.state.md.us — to determine their Expected Family Contribution and eligibility for need-based financial aid.

Table 1

25 Largest Maryland Schools by Loan Volume Served by USA Funds in 2004

Walden University	Columbia Union College
University of Maryland College Park	Washington College
University of Maryland Baltimore County	Maryland Institute College of Art
TESST College	The Community College of Baltimore County
University of Maryland Baltimore	Villa Julie College
University of Baltimore	Anne Arundel Community College
Mount St. Mary’s University	Allegany College of Maryland
Goucher College	Sanford-Brown Institute- Landover
Sojourner-Douglass College	Capitol College
Morgan State University	Prince George’s Community College
College of Notre Dame of Maryland	Howard Community College
Baltimore International College	Frostburg State University
Montgomery College	

Table 2

10 Largest Lenders by Loan Volume Served by USA Funds in Maryland in 2004

National Education/IDAPP
AMS Education Loan Trust
Bank of America
Citizens Bank
Citibank Student Loans
Educaid/Wachovia
J.P.Morgan Chase
SunTrust Bank
Independence Federal Savings Bank
Sallie Mae