



## About Us

The New Mexico Educational Assistance Foundation (NMEAF) and the New Mexico Student Loan Guarantee Corporation (NMSLGC), doing business as New Mexico Student Loans (NMSL), is a private, nonprofit corporation created by the New Mexico State Legislature in 1981. New Mexico Student Loans is an association of full-service lending, loan servicing and loan guarantee organizations providing quality financial services.

Through all its work, NMSL is committed to providing students, New Mexico families, postsecondary education institutions and financial institutions with the highest quality service through innovation, creative planning and information technology.

## Facts and Figures

- NMSL uses borrower incentives to:
  - lower the cost of borrowing
  - Encourage borrowers to repay timely and stay out of default.
- In 2007, NMSL assisted more than 70,000 borrowers who qualified for borrower benefits. This amounted to more than \$8 million.
- NMSL representatives visited, in the school year of 2007-2008 alone, 150 high schools and 39 postsecondary institutions in every area of New Mexico to provide financial aid information to students and parents, loan counseling, and one-on-one assistance to 27,000 people.
- NMSL maintains partnerships with college financial aid and recruitment personnel at all New Mexico postsecondary institutions that offer Federal student aid.
- NMSL's targeted programs and support services have allowed the lender arm of NMSL to achieve its cohort default rate of 3.3 percent-- well below the national average of 6.7 percent in a state with one of the lowest average household incomes in the country.

### ***As a lender and a secondary market...***

New Mexico Student Loans originates loans to students at New Mexico colleges and universities and New Mexico residents attending college out-of-state. NMSL supports the statewide participation of other lenders in the Federal Family Education Loan Program (FFELP) by providing a secondary market for the sale of student loans. This allows students to borrow from a local lender and have those loans sold to NMSL when the borrower goes into repayment, releasing funds for additional loans to other students.

### ***As a loan guarantor...***

In addition, NMSL also acts as a guaranty agency by helping the federal government to insure student loans against default. Guarantee agencies oversee the student loan process, enforce federal and state rules regarding student loans, and provide critical outreach to students and families, and debt management and default aversion services to borrowers.

### ***Promoting Early Awareness:***

Nationally, New Mexico ranks among the lowest-performing states in terms of postsecondary certificate and degree completion. New Mexico Student Loans is working to change that by

traveling the state to promote the importance of college and postsecondary training opportunities and to raise students and parents' awareness of college financial aid options.

Staff coordinates with college recruiters and high school counselors to provide and customize financial aid workshops, college fairs, parent information sessions, and one-on-one assistance in completing the Free Application for Federal Student Aid (FAFSA). Area colleges are invited to attend and have the opportunity to speak with students on their application and admissions processes and answer questions on financial aid.

### ***Providing Financial Aid Information & Outreach to Parents and Students***

The student financial aid system is complex, especially for those lacking strong support systems and financial means. To help address this reality, NMSL representatives visited, in the school year of 2007-2008 alone, 150 high schools and 39 postsecondary institutions in every corner of New Mexico to provide financial aid information, loan counseling and one-on-one assistance in completing the Free Application for Federal Student Aid (FAFSA) application. They reached nearly 25,000 students and parents, traveled over 25,000 miles for outreach, attended more than 50 college/career fairs, gave more than 70 presentations, hosted 23 roundtables for high school and college staff, and provided entrance and exit counseling and personalized indebtedness counseling for hundreds of borrowers.

### **Outreach to Nontraditional Students:**

New Mexico's population is relatively diverse, with Caucasians in the minority, Hispanics constituting 49 percent of the total population and Native Americans, 5 percent. The state's per capita income is low, with only Arkansas, Kentucky, Mississippi and West Virginia reporting lower levels in 2005. Nontraditional students constitute a large portion of the enrollment at the state's public postsecondary institutions, where the mean age is 29. In recent years, NMSL has expanded its outreach efforts to encompass an even greater number of low-income, non-traditional students who may be interested in continuing or entering postsecondary education.

### **Fostering Collaboration:**

In an effort to better serve students, NMSL maintains vital partnerships with college financial aid and recruitment personnel at all New Mexico postsecondary institutions that offer Federal student aid.

NMSL is a founding member of the College Success Network – a statewide college access consortium that includes businesses, non-profits and governmental agencies – to help increase college preparedness and graduation rates and organize college awareness events.

### **Lowering the Cost of College: NMSL Scholarship & Incentive Programs**

NMSL uses borrower incentives to achieve two major goals—lower the cost of borrowing as much as possible so first-generation college attendees do not see financing as prohibition to attendance and to encourage borrowers to repay timely AND help those who borrow to stay out of default.

- ◆ **Scholarships:** NMSL provides annual support to the scholarship funds of New Mexico colleges and universities. NMSL has endowed scholarships at each of the colleges, universities and community colleges throughout the state. The total contributions last fiscal year totaled \$51,000.

## **NMSL: Protecting Students, Safeguarding State & Federal Fiscal Interests:**

- ◆ **Low-Cohort Default Rates:** NMSL's targeted programs and support services have allowed the lender arm of NMSL to achieve a cohort default rate of 3.3 percent-- well below the national average of 6.7 percent in a state with one of the lowest average household incomes in the country.
- ◆ **Protecting Borrowers' Credit & Privacy Information: Avoiding Default**  
Residents of New Mexico tend to be more cash driven than other states with some residents being unwilling to open bank accounts. As a result, New Mexico Student Loans has a payment window staffed during normal business hours that allows us to accept cash payments. To ensure our borrowers' privacy and make this process convenient for customers, NMSL gives to our borrowers a laminated account card and payment coupons. Students appreciate the opportunity to have local access to make cash payments and the added opportunity to discuss various payment options if they are struggling to make their normal payments. NMSL also works with colleges and university financial aid officers and their on-site banking centers to ensure that students who do not have checking accounts can still cash their loan checks without having to pay fees. This face-to-face communication with our customers allows NMSL to better understand borrower repayment needs and provides opportunity to enhance default prevention initiatives.

## **WHAT NMSL'S CUSTOMERS SAY ABOUT US:**

For the fourth consecutive year, New Mexico Student Loans received high marks from its customers in an independent survey. Ninety-seven percent gave high marks for courteous service, 94 percent expressed satisfaction with the responsiveness received to questions, and 88 percent gave an overall positive rating. In addition, 89 percent of customers currently repaying student loans gave NMSL high marks for satisfaction, and 83 percent of customers not yet in repayment gave high marks for the loan application process.

## **JOB CREATION & EMPLOYEE SATISFACTION: NMSL GIVEN HIGH MARKS FROM EMPLOYEES**

For the second consecutive year, New Mexico Student Loans was one of 30 businesses chosen in New Mexico as one of the "Best Places to Work." Determinations were based on a survey completed by employees to *New Mexico Business Weekly*, which covered attributes known to drive employee engagement, such as team effectiveness, feeling valued, and alignment with goals. In 2008, NMSL was chosen as one of ten large-size businesses to receive this recognition.



# New Mexico... *At a Glance*

## Postsecondary Preparation, Participation & Completion

- ◆ New Mexico is among the poorest-performing states in the country in terms of high school completion. 80% of Hispanics have a high school credential, compared to 92% of Whites.
- ◆ A small proportion of students complete certificates and degrees relative to the number enrolled, which also places New Mexico among the lowest-performing states in terms of postsecondary certificate and degree completion.
  - Only a fair percentage (50%) of first-year students enrolled in New Mexico community colleges return for their second year.
  - Only 42% of first-time, full-time college students complete a bachelor's degree within six years of entering college. 38% percent of Hispanics graduate within six years, compared to 47% of Whites.

## College Affordability

- ◆ About 25% of children under age 18 live in poverty, compared with a national rate of 18%. Those who are striving to reach or stay in the middle class—the 40% of the population with the lowest incomes—earn on average \$15,186.
- ◆ Poor and working families devote approximately 28% of their income, even after financial aid, to pay for costs at two-year colleges and about 30% of their income to pay costs at public, four-year institutions.
- ◆ Financial aid to low-income students is low. For every dollar of Pell Grant aid to students, the state spends only 20 cents.

*All information and statistics cited above are taken from the National Center for Public Policy and Higher Education Policy's 2008 report Measuring Up, a biennial report card of higher education progress for the nation and the states, accessible at, [www.highereducation.org](http://www.highereducation.org).*