

Chart 1  
USA Funds' Hawaii Loan Volume  
by Loan Type

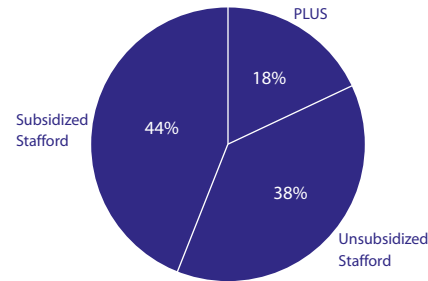
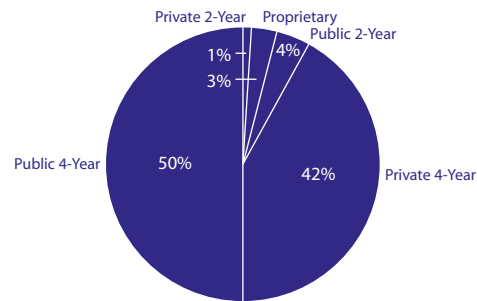


Chart 2  
USA Funds' Hawaii Loan Volume  
by Institution Type



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



*USA Funds® has served Hawaii as its designated guarantor of federal education loans since 1979. As Hawaii'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 nearly \$90 million in new education loans to more than 11,500 Hawaii borrowers — including 10,069 students and 1,523 parents — and served 20 postsecondary institutions in Hawaii.

USA Funds works with Hawaii schools and lenders to help reduce student-loan-default rates. During the last 10 years, Hawaii's default rate has dropped nearly 70 percent. The most-recent default measure, the 2002 cohort-default rate, was 5.2 percent — a decline of nearly 6 percent from the previous year in the default rate among Hawaii 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 Hawaii, including the following:

- ◇ USA Funds’ debt-management consultants assisted 32 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 at no cost to Hawaii schools the USA Funds Life Skills® financial-literacy course. The number of schools in various stages of implementing USA Funds Life Skills in Hawaii stood at 17.
- ◇ Ten schools in Hawaii 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 Hawaii schools.

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

### **Hawaii advisory council**

To ensure that its services meet the needs of postsecondary education in Hawaii, USA Funds hosts regular meetings of its Hawaii financial-aid advisory council, which 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 free workshops conducted in Hawaii. During fiscal 2004, USA Funds conducted four student-loan workshops, in Hilo and Honolulu, for a total of 61 participants.

### **Scholarship funding**

USA Funds awarded 208 new scholarships totaling \$308,250 to Hawaii residents as part of its Hawaii Silver Anniversary Scholarships™ program, which marked USA Funds’ 25 years of service as the state’s designated guarantor. In addition, USA Funds provided Hawaii residents 199 renewal scholarships totaling \$172,500 through USA Funds’ national scholarship program, USA Funds Access to Education Scholarships®. 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 \$13,500 in scholarships to graduating seniors from nine Hawaii 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 Hawaii schools and community- and faith-based organizations its USA Funds Unlock the Future® early awareness program. Four Hawaii 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 Hawaii College Answer. The Web site, located at [www.hawaii.collegeanswer.com](http://www.hawaii.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.

### **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, 2004, SMS Hawaii purchased \$16.5 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 a zero guarantee fee for SMS Hawaii-acquired loans guaranteed by USA Funds and originated by American Savings Bank. The HELP Benefits Program also lowers loan costs for qualified borrowers.

### **College Goal Sunday**

USA Funds supported the third-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 534 students and parents in Hawaii received assistance at three College Goal Sunday sites during 2004. USA Funds also sponsored the second-annual “USA Funds Countdown to College” supplement to the *Honolulu Advertiser*. The publication promotes Hawaii’s College Goal Sunday and provides higher-education admissions and financial-aid information.

### **Financial-Aid Night**

USA Funds also provided funding for Hawaii Financial-Aid Night workshops. Coordinated by the Pacific Financial Aid Association, the program gives families the opportunity to learn from financial-aid administrators about the student-aid process for postsecondary education.

Table 1

### **Hawaii Schools Served by USA Funds**

University of Hawaii at Manoa	Heald Business College
Hawaii Pacific University	Kauai Community College
University of Hawaii at Hilo	University of Hawaii-West Oahu
Chaminade University of Honolulu	American Schools of Professional Psychology
Hawaii Business College	Institute of Clinical Acupuncture and Oriental Medicine
Hawaii Community College	Honolulu Community College
Windward Community College	Hawaii Institute of Hair Design
Brigham Young University Hawaii Campus	Hollywood Beauty College
Leeward Community College	New York Technical Institute of Hawaii
Kapiolani Community College	
Maui Community College	

Table 2

### **10 Largest Lenders by Loan Volume Served by USA Funds in Hawaii**

First Hawaii Bank
American Savings Bank
Wells Fargo Bank
Bank One
Bank of America
J.P. Morgan Chase
Educaid/Wachovia
Citibank Student Loans
Nelnet
AMS Education Loan Trust