

Chart 1
USA Funds' Mississippi Loan Volume
by Loan Type

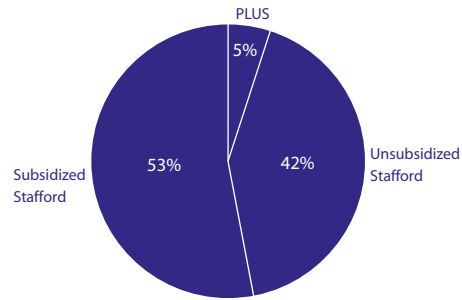
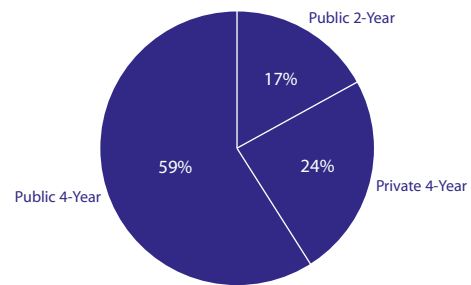


Chart 2
USA Funds' Mississippi Loan Volume
by Institution Type



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 Mississippi as its designated guarantor of federal education loans since 1994. As Mississippi'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 \$268 million in new education loans to more than 41,000 Mississippi borrowers — including 39,512 students and 1,884 parents — and served 30 postsecondary institutions in Mississippi.

USA Funds works with Mississippi schools and lenders to help reduce student-loan-default rates. During the last 10 years, Mississippi's default rate has dropped 66 percent. The most-recent default measure, the 2002 cohort-default rate, fell to 6.4 percent — a decline of nearly 9 percent from the previous year in the default rate among Mississippi 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 Mississippi, including the following:

- ◇ USA Funds' debt-management consultants assisted 12 Mississippi 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 Mississippi schools the USA Funds Life Skills® financial-literacy course. The number of schools in various stages of implementing USA Funds Life Skills in Mississippi stood at 21.
- ◇ Eight schools in Mississippi 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 Mississippi schools.

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

Mississippi advisory council

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

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 Mississippi. During fiscal 2004, USA Funds conducted six student-loan workshops — in Hattiesburg, Jackson and Tupelo — for 145 participants.

Scholarship funding

The USA Funds Access to Education Scholarships® program awarded 366 new and renewal scholarships totaling \$546,000 to deserving college-bound students in Mississippi for the 2004-2005 academic year. Awards to Mississippi students through the program total more than \$1.2 million in the last three years alone. 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.

With a \$500,000 grant, USA Funds established a scholarship fund through Scholarship America for students affected by hurricanes in 2004. The Disaster Relief Fund for Postsecondary Education Students assists low-income students attending schools in disaster areas in five states, including Mississippi.

College-planning Web site

USA Funds partnered with College Answer®, the foremost online resource for “going-to-college” information, to present Mississippi College Answer. The Web site, located at www.mississippi.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.

Mississippi IHL projects

To inform students and parents of the value, accessibility and affordability of a college education, USA Funds partnered with Mississippi Institutions of Higher Learning on several programs, including the following:

- ◇ USA Funds supported participation in the Southern Regional Education Board Alliance, which works with those in its 16 member states who are seeking to improve education at all levels.
- ◇ USA Funds-sponsored storybooks for elementary- and middle-school students will make children aware of college as an option, help them understand how their present work can assist them to achieve a college education, and give details of Mississippi's postsecondary institutions and their programs and facilities.

◇ To help students learn more about college preparation, financial aid and higher-education programs, USA Funds provided funding and staff support for the sixth-annual IHL College Fair.

◇ With support from USA Funds, Mississippi IHL redesigned its Web site, www.ihl.state.ms.us, to be more accessible and user-friendly.

ScholarShop

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

College-preparation publications and events

USA Funds was a sponsor of *Mississippi Next* magazine, a guide that outlines postsecondary-education and career opportunities for high-school juniors and seniors. As part of its sponsorship of *Mississippi Next* magazine, USA Funds committed to fund a \$1,500 scholarship to a 2005 graduating Mississippi high-school senior for use at any Mississippi postsecondary-education institution. USA Funds also supported Mississippi IHL's involvement in *Mississippi Next* and the magazine's Web site, www.msnext.com.

Additionally, USA Funds provided support to *Parents & Kids* magazine for a college planner to assist high-school juniors and seniors and their families. The magazine distributed the planner to high schools, libraries, and at the *Parents & Kids* regional college fairs supported by USA Funds and USA Funds Services staff.

Table 1

25 Largest Mississippi Schools by USA Funds Loan Volume

Jackson State University	Jones County Junior College
Mississippi State University	Tougaloo College
Mississippi Valley State University	Mississippi Gulf Coast Community College
University of Southern Mississippi	Pearl River Community College
Mississippi College	Meridian Community College
Belhaven College	Northwest Mississippi Community College
William Carey College	Rust College
University of Mississippi	Northeast Mississippi Community College
Mississippi University for Women	East Central Community College
East Mississippi Community College	Copiah-Lincoln Community College
Holmes Community College	Blue Mountain College
Hinds Community College	
Delta State University	
Mississippi College School of Law	

Table 2

10 Largest Lenders by Loan Volume Served by USA Funds in Mississippi

AmSouth Bank
Trustmark Bank
Bancorp South
J.P.Morgan Chase
Student Loan Xpress
Bank One
Education Services Foundation
Citibank Student Loans
National Bank of Commerce of Mississippi
Union Planters Bank