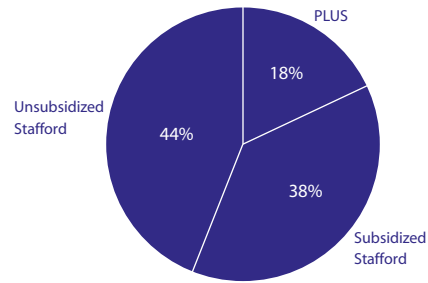
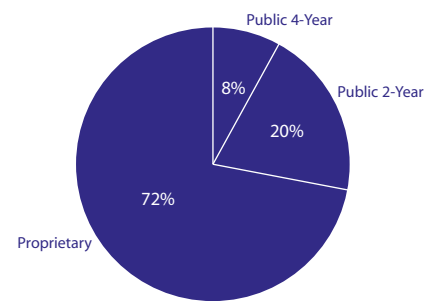


Chart 1
USA Funds' Nevada Loan Volume
by Loan Type



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.

Chart 2
USA Funds' Nevada Loan Volume
by Institution Type



www.usafunds.org



USA Funds® has served Nevada as its designated guarantor of federal education loans since 1988. As Nevada'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 \$26 million in new education loans to more than 3,600 Nevada borrowers — including 3,229 students and 374 parents —and served 13 postsecondary institutions in Nevada.

USA Funds works with its Nevada school-customers and lender partners to help reduce student-loan-default rates. During the last 10 years, Nevada’s default rate has dropped nearly 77 percent among all Nevada student-loan borrowers. The most-recent default measure, the 2002 cohort-default rate, was 8.5 percent. 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 Nevada, including the following:

- ◇ USA Funds’ debt-management consultants assisted three Nevada 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 Nevada schools the USA Funds Life Skills® financial-literacy course. The number of schools in various stages of implementing USA Funds Life Skills in Nevada stood at seven.
- ◇ Four schools in Nevada 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 Nevada schools.

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

Nevada advisory council

To ensure that its services meet the needs of postsecondary education in Nevada, USA Funds hosts regular meetings of its Nevada financial-aid advisory council, which includes financial-aid administrators for Nevada colleges and universities, as well as representatives from lending institutions and the Nevada Department of Education. A Nevada 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 Nevada. During fiscal 2004, USA Funds conducted two student-loan workshops in Reno.

Scholarship funding

The USA Funds Access to Education Scholarships® program awarded 132 new and renewal scholarships totaling \$192,000 to deserving college-bound students in Nevada 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.

College-planning Web site

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

Dean’s Future Scholars

The University of Nevada, Reno, received continued support from USA Funds for the school’s Dean’s Future Scholars Program. This endeavor promotes early awareness of the benefits of higher education to potential first-generation college students and recruits students into teacher education.

Nevada Public Education Foundation

Partnering with the Nevada Public Education Foundation, USA Funds sponsored functions — including career fairs, college visitations and a financial-aid presentation — across the state. Featuring key representatives of businesses, colleges and financial institutions, the events encouraged students to include higher-education options and technical training in their plans.

College Goal Sunday

USA Funds provided a planning grant for Nevada’s first College Goal Sunday, set for 2005. College Goal Sunday provides high-school seniors and their parents free help in completing the application necessary to qualify for federal grants and loans for college.

Table 1

Nevada Schools Served by USA Funds

The Art Institute of Las Vegas
ITT Technical Institute
Truckee Meadows Community College
Great Basin College
International Academy of Design & Technology-Las Vegas
University of Nevada, Reno
Academy of Hair Design
Le Cordon Bleu College of Culinary Arts-Las Vegas
Heritage College
Carson City Beauty Academy
Community College of Southern Nevada
Career Education Institute
Pima Medical Institute

Table 2

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

Bank One
Sallie Mae
ASAP Union Bank & Trust Co.
Stillwater National Bank & Trust Co.
U.S. Bank
Bank of America
Brazos
Wells Fargo Bank
SunTrust Bank
J.P.Morgan Chase