

Chart 1
USA Funds' Florida Loan Volume
by Loan Type

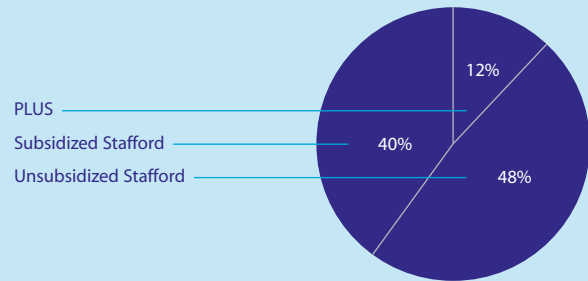
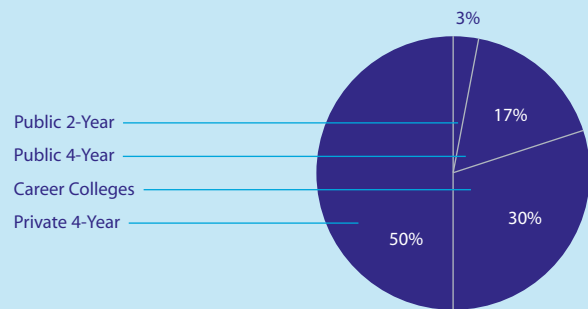


Chart 2
USA Funds' Florida Loan Volume
by Institution Type



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.



As the nation's leading guarantor of federal education loans, USA Funds® links colleges, universities, career colleges, 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.

In Florida, during the fiscal year ending Sept. 30, 2006, USA Funds guaranteed more than \$1.6 billion in new education loans to 157,000 borrowers — including Federal Stafford loans for 144,011 students and Federal PLUS loans for 13,343 parents and students. USA Funds served 127 postsecondary institutions in Florida.

USA Funds works with Florida schools and lenders to help reduce student-loan-default rates. The most-recent default measure, the 2004 cohort-default rate, was 4.5 percent for Florida borrowers with USA Funds-guaranteed loans, compared with the default rate of 6.1 percent recorded among all Florida student-loan 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 2006 provided a broad spectrum of services in Florida, including the following:

- ◇ USA Funds' debt-management consultants assisted 32 Florida 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 the USA Funds Life Skills® financial-literacy course. The number of schools in various stages of implementing USA Funds Life Skills in Florida stands at 38.
- ◇ Twenty-seven schools in Florida use USA Funds-provided tools that help students and graduates stay on the path to successful repayment. The Web-based USA Funds Debt Manager® assists with e-mail, call or letter campaigns to borrowers experiencing repayment difficulties.



◇ USA Funds offers a new online tool, USA Funds Stafford Loan GuideSM, that schools can customize to automate the entrance-counseling process and provide Stafford-loan borrowers with memorable guidance.

◇ To give schools greater flexibility as they help students track their education loans, USA Funds supports the Borrower Debt Management Information Service. Schools often use the service during student-loan exit counseling with borrowers.

◇ USA Funds conducted six debt-management workshops in Florida to help schools learn more about USA Funds Life Skills, and about student retention and its role in default prevention. A total of 83 higher-education professionals took part in workshops in Fort Lauderdale, Kissimmee, Miami, Sarasota and Tallahassee.

USA Funds also supports a variety of other programs for Florida schools, lenders, students and families — and their communities — to enhance preparation for, access to and success in higher education. The following are some highlights from 2006:

Florida advisory council

To ensure that its services meet the needs of postsecondary education in Florida, USA Funds hosts regular meetings of its Florida financial-aid advisory council, which includes financial-aid administrators for Florida colleges and universities and representatives of lending institutions. A Florida 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 a wide array of training opportunities, including free workshops in Florida. During fiscal 2006 USA Funds conducted 10 financial-aid workshops — in Fort Lauderdale, Jacksonville, Orlando, Tallahassee and Tampa — for a total of 310 participants. Financial-aid administrators from 31 Florida postsecondary-school campuses took advantage of USA Funds University online-learning courses during 2006.

Six education-lending professionals attended a USA Funds Education-Lender Forum in Orlando to stay up to date on developments in the education-finance marketplace.

Scholarship support

The USA Funds Access to Education Scholarships[®] program awarded 646 new and renewal scholarships totaling \$957,000 to deserving college-bound students in Florida. 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.

Established by USA Funds through Scholarship America in 2004, the Disaster Relief Fund for Postsecondary Education Students is helping low-income students whose studies were disrupted by major hurricanes during 2005. To assist their students, 18 Florida postsecondary schools received \$278,500 from USA Funds through this program in fiscal 2006.

Under the USA Funds Scholars program, USA Funds awarded \$55,500 in scholarships to graduating seniors from 17 Florida high schools. USA Funds Scholars are outstanding students in USA Funds' designated states and in communities in which USA Funds has offices.

Early awareness program

USA Funds offers at no cost to Florida schools and community- and faith-based organizations its USA Funds Unlock the Future[®] early awareness program. Ten 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 partners with College Answer[®], the foremost online resource for “going-to-college” information, to provide college-planning information for Florida residents at www.florida.collegeanswer.com.

Learning Communities

USA Funds continued its work with a coalition of organizations that are focusing services on six pilot communities — including Washington Shores in Orlando — in a bid to improve access to postsecondary education for low-income students. The Learning Communities Coalition is partnering with local leaders across the nation to significantly increase the number of youths in the selected communities who complete high school and successfully pursue postsecondary education. Among the Learning Communities projects that USA Funds supported in 2006 was training through ScholarShop, a curriculum and resource center designed to motivate and prepare students for higher education.

As part of USA Funds' involvement in the Learning Communities Coalition, USA Funds for the second-consecutive year supported a college tour by students with strong academic potential at Jones High School in Orlando. Additionally, USA Funds awarded Learning Communities partner Frontline Outreach of Orlando a grant to support the Read and Succeed program, which provides tutoring services to students in preschool and in elementary, middle and high school.

USA Funds Unlock the Future was among the topics featured in training for representatives of the pilot communities in the Learning Communities initiative, conducted in Orlando.

Children's hospital mobile classroom

To help young patients stay on track with their schoolwork during their hospital stays, USA Funds donated an educational cart to All Children's Hospital in St. Petersburg. The EduCat[™] mobile classroom provides teachers and students with educational capabilities previously unavailable at the hospital.

College Goal Sunday

USA Funds supported the first College Goal Sunday in Florida. The event provides high-school seniors and their parents free help in completing the application necessary to qualify for federal aid for college. Approximately 1,000 students and parents in Florida received assistance at 23 College Goal Sunday sites during 2006. USA Funds also sponsored for the third-consecutive year “USA Funds Countdown to College[™].” The publication, a supplement to the *Miami Herald*, promotes Florida's College Goal Sunday and provides higher-education admissions and financial-aid information.

One-on-one learning help

Hidden Potentials Inc. serves children in Brevard County who have learning disabilities, dyslexia, auditory-processing disorder, Attention Deficit Hyperactivity Disorder and other diagnoses. A USA Funds grant supports the organization's work to provide one-on-one learning assistance to the children in their homes.

Collegiate Sunday

A USA Funds grant to Anderson Chapel African Methodist Episcopal Church supported Collegiate Sunday, a Tallahassee event featuring panel discussions, workshops and motivational speakers aimed at motivating youth to learn and to pursue postsecondary education. Anderson Chapel AME Church coordinated the event.

Community Service and Education Fair

A grant to Theta Nu Xi Multicultural Sorority Inc. supported a Community Service and Education Fair. A joint effort of Florida State University, Florida A&M University and the Leon County Library Family Learning Center, the event featured representatives of postsecondary schools and their organizations. The fair also provided information about financial aid.

Table 1 25 Largest Florida Schools By USA Funds Loan Volume

Nova Southeastern University
Florida State University
Barry University
Full Sail Real World Education
Saint Leo University
Keiser College
International Academy of Design & Technology
St. Petersburg College
Universal Technical Institute
Motorcycle Mechanics Institute
ITT Technical Institute
Florida Atlantic University
The Art Institute of Fort Lauderdale
St. Thomas University
Florida Career College
Florida A&M University
Miami International University of Art & Design
American InterContinental University
Florida Institute of Technology
Argosy University
Florida Gulf Coast University
Southeastern University
Hillsborough Community College
Lynn University
International College
University of South Florida College of Medicine

Table 2 10 Largest Lenders By Loan Volume Served by USA Funds in Florida

Sallie Mae Education Trust
Nova Southeastern University
J.P. Morgan Chase
Nellie Mae
Bank of America
SunTrust
Wachovia Education Finance
AMS Education Loan Trust
Access Group
Citibank Student Loans