

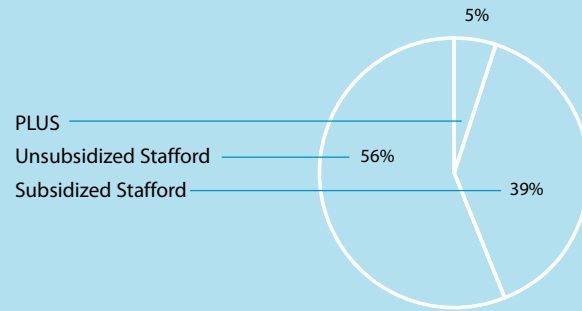
25 LARGEST ARIZONA SCHOOLS

By Loan Volume
Served by USA Funds

University of Phoenix
Midwestern University
University of Arizona
Universal Technical Institute Motorcycle
Mechanics Institute
Pima Community College
Mesa Community College
Apollo College
Universal Technical Institute-Arizona
Collins College
Rio Salado College
High-Tech Institute-Phoenix
The Art Institute of Phoenix
Argosy University
Ottawa University
ITT Technical Institute
Southwest College of Naturopathic Medicine
GateWay Community College
Phoenix College
Scottsdale Community College
Glendale Community College
DeVry University
Anthem College
Western International University
The Bryman School
Estrella Mountain Community College

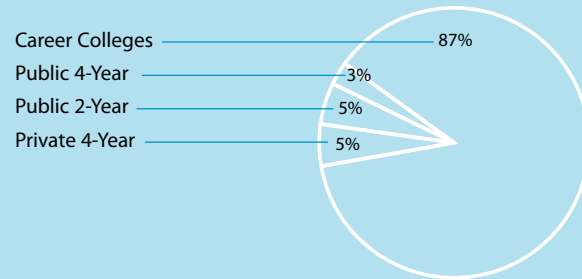
USA FUNDS' ARIZONA LOAN VOLUME

By Loan Type



USA FUNDS' ARIZONA LOAN VOLUME

By Institution Type



10 LARGEST LENDERS

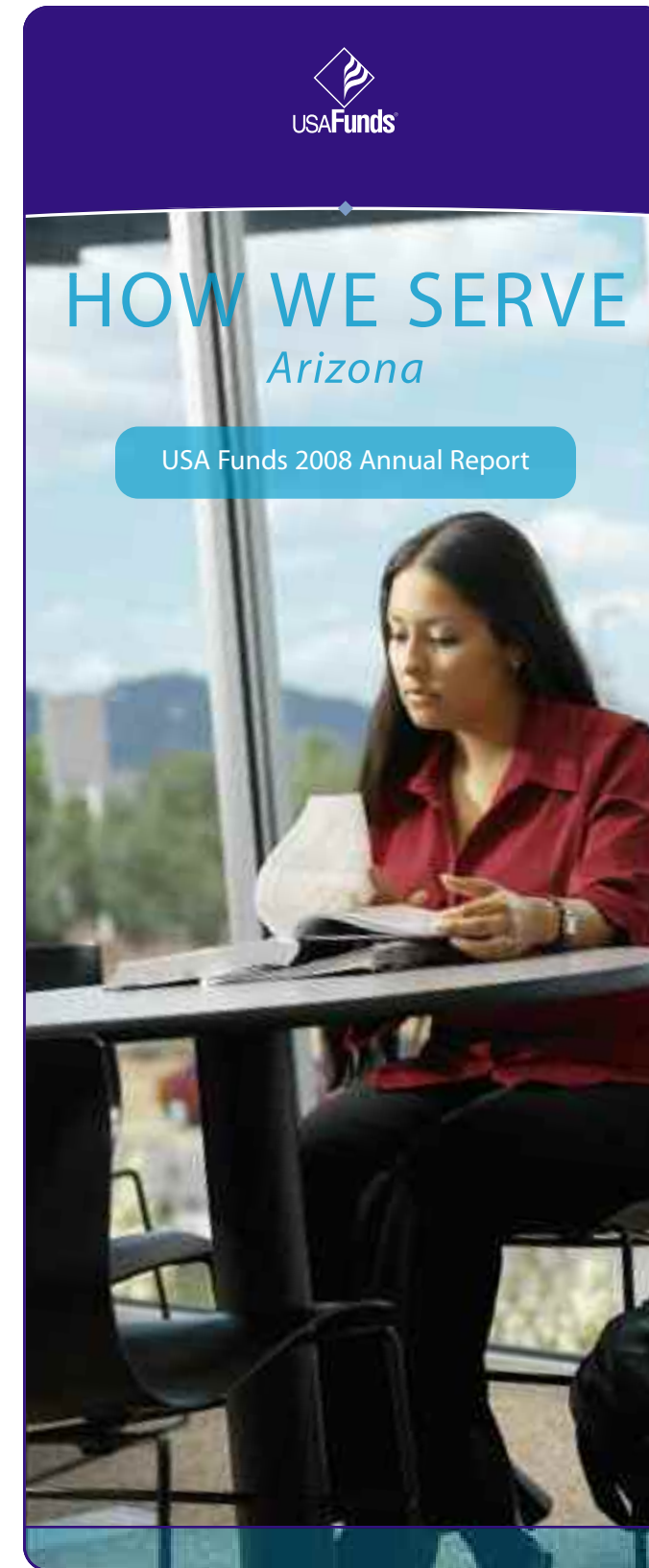
By Loan Volume
Served by USA Funds in Arizona

Sallie Mae Education Trust
University of Phoenix
Southwest Student Services Corp.
J.P. Morgan Chase
Midwestern University
AMS Education Loan Trust
Wells Fargo Bank
Bank of America
Nellie Mae
Wachovia Education Finance

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 Arizona as its designated guarantor of federal student loans since 1981. In its efforts to enhance higher education preparedness, access and success, USA Funds partners with schools, lenders, students, parents and community organizations.

During the fiscal year ending Sept. 30, 2008, USA Funds guaranteed nearly \$2.2 billion in new education loans to nearly 197,000 Arizona borrowers — including Federal Stafford loans for more than 189,000 students and Federal PLUS loans for more than 7,500 parents and students. USA Funds served 66 postsecondary institutions in Arizona.

USA Funds works with Arizona schools and lenders to help reduce student loan default rates. The most recent default measure, the 2006 cohort default rate, was 6.99 percent for Arizona borrowers with USA Funds-guaranteed loans, compared with the default rate of 9.2 percent recorded among all Arizona 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 2008 provided a broad spectrum of services in Arizona, including the following:

- ◇ USA Funds' debt management consultants assisted 35 Arizona 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. Approximately 25 schools in Arizona have implemented USA Funds Life Skills, with 18 schools in the state ordering the program's materials in 2008.
- ◇ The year saw 17,959 borrower counseling sessions conducted through USA Funds Loan Counselor® in Arizona. The suite of online products helps schools fulfill federal requirements for student loan counseling and simplify entrance and exit counseling. Two Arizona schools offer entrance counseling through USA Funds Grad GuideSM, which USA Funds introduced in 2008.

USA Funds Stafford Loan GuideSM, which provides entrance counseling for undergraduate students, is in place at 11 Arizona schools. USA Funds Student Loan Transition GuideSM offers undergraduate exit counseling at 22 schools. USA Funds also recently introduced the exit counseling version of USA Funds Grad Guide.

- ◇ Forty-eight schools in Arizona use USA Funds Debt Manager®, a Web-based tool that helps schools stay in contact with student loan borrowers during school and after graduation.
- ◇ USA Funds conducted two debt management workshops in Arizona to teach about USA Funds Life Skills, and about student retention and its role in default prevention. The Phoenix and Tsaille events reached 156 school participants.

USA Funds also supports a variety of other programs for Arizona schools, lenders, students and families, and their communities. The following are some highlights from 2008:

ARIZONA ADVISORY COUNCIL

To ensure that its services meet the needs of postsecondary education in Arizona, USA Funds receives guidance from an Arizona financial aid advisory council. The council includes financial aid administrators for Arizona colleges and universities, representatives of lending institutions, as well as officials of the state's commission for postsecondary education and private school association. An Arizona 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 online and in-person training opportunities, including free workshops in Arizona. During fiscal 2008 USA Funds conducted four financial aid workshops, in Phoenix and Tucson, for a total of 162 participants. Financial aid administrators and lenders from Arizona recorded 763 learner sessions through USA Funds University online courses during 2008.

A USA Funds Education Lender Forum in Mesa helped eight education lending professionals stay up to date on developments in the education finance marketplace.

SCHOLARSHIP FUNDING

The USA Funds Access to Education Scholarships® program awarded 425 new and renewal scholarships totaling \$630,000 to deserving college-bound students in Arizona for the 2008–2009 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.

EARLY AWARENESS PROGRAMS

USA Funds distributed 17 sets of USA Funds Unlock the Future® and USA Funds Consejos materials to Arizona schools and organizations in 2008. The programs promote early awareness of the benefits of higher education. USA Funds Unlock the Future reached an estimated 320 Arizona students and family members. USA Funds Consejos, geared toward Latino audiences, reached 1,040 Arizona students and family members.

Arizona schools and community- and faith-based organizations may order these early awareness program materials at no cost.

LEARNING COMMUNITIES

USA Funds continued its work with a coalition of organizations that are focusing services on Sunnyside Unified School District in Tucson and in other communities, 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. USA Funds' support to the Sunnyside Learning Community in 2008 included scholarship funding for Sunnyside's Dollars for Scholars chapter. That grant included funds to match donations for need-based scholarships that the organization receives over the next year.

NAVIGATION 101

USA Funds has partnered with Envictus Corp. to bring Navigation 101 into the curricula of three high schools serving nearly 1,000 students in Arizona. Navigation 101 is a Web-based program that helps guidance staff provide customized college planning information. Arizona students have demonstrated significant improvement in their mastery of college and career readiness following their use of Navigation 101.

USA FUNDS LOAN COMPARISON

USA Funds partnered with SimpleTuition, an independent loan comparison tool, to introduce USA Funds Loan Comparison. The online program simplifies the process of selecting an education loan for students and parents. An Arizona campus is among those offering USA Funds Loan Comparison, with 418 visits to its site.

POSTSECONDARY EDUCATION CONFERENCE

A USA Funds-sponsored conference conducted by the Arizona Commission for Postsecondary Education in 2008 featured discussion of policy, access to education, student financial assistance and outreach, and preparation for postsecondary education as they relate to developing Arizona's human capital. Two hundred educators, government officials and business professionals attended the event, "Developing Arizona's Human Capital: Addressing Today's Postsecondary Education Challenges," in Scottsdale.

COLLEGE PLANNING WEB SITES

Online college planning resources supported by USA Funds — including those on USA Funds' Web site, www.usafunds.org — received approximately 33,000 visits in 2008. Through these resources USA Funds offers college planning information specific to Arizona.

COLLEGE GOAL SUNDAY

In partnership with ACPE and other organizations, USA Funds supports College Goal Sunday in Arizona. The event provides high school seniors and their parents free help in completing the application necessary to qualify for federal aid for college.

More than 3,400 students and parents in Arizona received assistance at 29 College Goal Sunday sites during 2008.

USA Funds also sponsored for the eighth consecutive year "USA Funds Countdown to College™." The *Arizona Republic* in Phoenix and *Arizona Daily Star* in Tucson distributed nearly 722,000 copies of the publication, which promotes Arizona's College Goal Sunday and provides higher education admissions and financial aid information.

THE COLLEGE DEPOT

USA Funds' continued support for the Arizona Community Foundation is helping the City of Phoenix develop The College Depot. Scheduled to open in 2009, The College Depot will be a center in downtown Phoenix that has information about college admissions and financial aid for students and families.

JOBS FOR ARIZONA'S GRADUATES

For the seventh consecutive year, USA Funds collaborated with Jobs for Arizona's Graduates, a school-to-work transition program, in an effort to help at-risk students in Arizona stay in school and graduate with the skills necessary to gain employment or further their education. USA Funds also sponsored an event that helped the organization raise funds to support its endeavors.

FINANCIAL AID GUIDE

For the past two years, USA Funds has provided financial support for the ACPE publication "Rapid Guide to Financial Aid." Produced in English and Spanish, the publication is a pocket-size guide to federal, state and private sources of student aid for higher education.

ADDITIONAL SUPPORT FOR ARIZONA EDUCATION

From sponsoring a tribal college tour for grantmakers, to supporting higher education preparation for disadvantaged children, to funding a program to help elementary school children expand their math and science skills, USA Funds gave its support to a variety of additional initiatives supporting Arizona higher education preparedness, access and success.