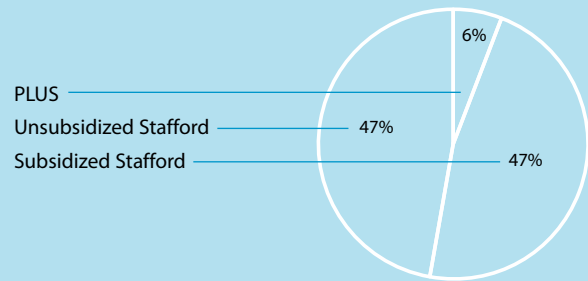


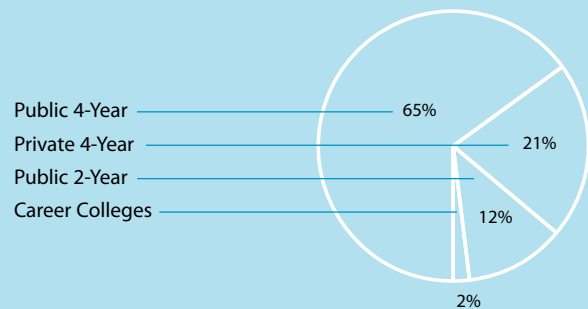
USA FUNDS' MISSISSIPPI LOAN VOLUME

By Loan Type

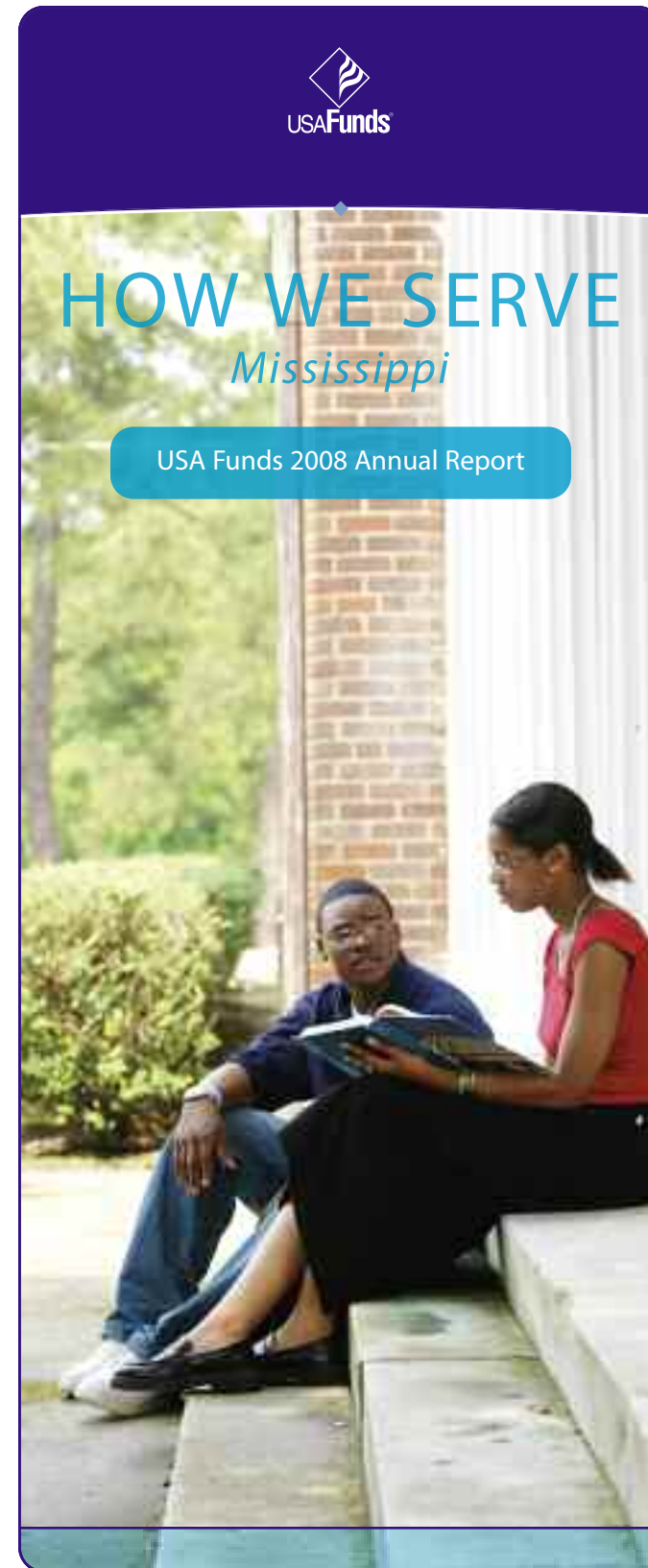


USA FUNDS' MISSISSIPPI LOAN VOLUME

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.



USA Funds® has served Mississippi as its designated guarantor of federal student loans since 1994. 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 \$289 million in new education loans to more than 34,000 Mississippi borrowers — including Federal Stafford loans for nearly 32,500 students and Federal PLUS loans for nearly 1,900 parents and students. USA Funds served 32 postsecondary institutions in Mississippi.

USA Funds works with Mississippi schools and lenders to help reduce student loan default rates. The most recent default measure, the 2006 cohort default rate, was 6.1 percent for Mississippi borrowers with USA Funds-guaranteed loans, compared with the default rate of 6.7 percent recorded among all Mississippi 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 Mississippi, including the following:

- ◇ USA Funds' debt management consultants assisted seven 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 the USA Funds Life Skills® financial literacy course. Approximately 21 schools in Mississippi have implemented USA Funds Life Skills, with eight schools in the state ordering the program's materials in 2008.
 - ◇ The year saw 4,192 borrower counseling sessions conducted through USA Funds Loan Counselor® in Mississippi. The suite of online products helps schools fulfill federal requirements for student loan counseling and simplify entrance and exit counseling. Three Mississippi schools offer entrance counseling for their graduate and professional students 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 eight Mississippi schools. USA Funds Student Loan Transition GuideSM offers undergraduate exit counseling at nine schools. USA Funds also recently introduced the exit counseling version of USA Funds Grad Guide.
- ◇ Ten schools in Mississippi use USA Funds Debt Manager®, a Web-based tool that helps them stay in contact with student loan borrowers during school and after graduation.
 - ◇ USA Funds conducted a debt management workshop in Mississippi to educate schools about student retention and its role in default prevention. Fifty higher education professionals took part in the workshop in Louisville.

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

MISSISSIPPI ADVISORY COUNCIL

To ensure that its services meet the needs of postsecondary education in Mississippi, USA Funds receives guidance from a Mississippi financial aid advisory council. The council 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 a wide array of online and in-person training opportunities, including free workshops in Mississippi. During fiscal 2008 USA Funds conducted five financial aid workshops — in Hattiesburg, Jackson and Tupelo — for 159 participants. Financial aid administrators and lenders from Mississippi recorded 71 learner sessions through USA Funds University online courses during 2008.

A USA Funds Education Lender Forum in Jackson helped 11 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 331 new and renewal scholarships totaling \$490,500 to deserving college-bound students in Mississippi 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.

USA Funds provided a grant to the Mississippi Board of Trustees of State Institutions of Higher Learning to fund scholarships for high school seniors in the 32 school districts GEAR UP Mississippi serves. Recipients may apply their GEAR UP Milestone Awards at Mississippi colleges and universities.

EARLY AWARENESS PROGRAMS

USA Funds distributed USA Funds Unlock the Future® materials to six schools and organizations in Mississippi in 2008, reaching an estimated 480 students and family members. The USA Funds Unlock the Future and USA Funds Consejos programs promote early awareness of the benefits of higher education, with USA Funds Consejos targeting a Latino audience.

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

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 Mississippi.

COUNSELOR TRAINING

A USA Funds grant to the Mississippi IHL is supporting regional workshops for middle school and career counselors. The sessions, planned for 2009, will provide the more than 500

counselors who are expected to attend the opportunity to discuss issues such as Mississippi's college preparatory curriculum, standardized tests and financial resources for college.

The Mississippi Association of Student Financial Aid Administrators conducted financial aid training for high school counselors, with the support of USA Funds. More than 100 guidance counselors took part in the training throughout the state.

RETENTION CONFERENCE

More than 200 Mississippi higher education professionals and policy-makers attended the first statewide Mississippi Higher Education Retention Conference, sponsored by USA Funds. Conducted in Jackson, the event aimed to help the state's postsecondary educators increase student persistence and degree completion, with a special focus on entering college students.

LEARNING COMMUNITIES

USA Funds continued its work with a coalition of organizations that are focusing services on the Okolona School District in Okolona 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' 2008 grants to the Okolona Learning Community supported a variety of programs, including five scholarships to local graduating seniors.

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. A Mississippi campus is among those offering USA Funds Loan Comparison.

COLLEGE PREPARATION PUBLICATION

USA Funds for the sixth consecutive year was a sponsor of *Mississippi Next* magazine. Distributed to high school juniors and seniors, the publication outlines postsecondary education and career opportunities. As part of its sponsorship of *Mississippi Next* magazine, USA Funds committed to fund a \$1,500 scholarship to a graduating Mississippi high school senior for use at any Mississippi postsecondary education institution.

MORE SUPPORT FOR MISSISSIPPI EDUCATION

From sponsoring after-school educational activities, to funding summer academic enrichment, to supporting college preparatory programming for students and families, USA Funds provided assistance for additional initiatives supporting Mississippi higher education preparedness, access and success.

25 LARGEST MISSISSIPPI SCHOOLS

By Loan Volume
Served by USA Funds

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

10 LARGEST LENDERS

By Loan Volume
Served by USA Funds in Mississippi

Sallie Mae Education Trust
Regions Bank
Education Services Foundation
Trustmark Bank
Wachovia Education Finance
J.P. Morgan Chase
Citibank Student Loans
Bancorp South
Nellie Mae
Bank of America