Office of Student Financial Aid
Financial Aid Facts 2009–10

This is the tenth issue of Financial Aid Facts. The Office of Student Financial Aid (OSFA) hopes that you find this information enlightening and useful.

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Fund for Wisconsin Scholars — A Successful First Year

It was just over a year ago that John P. and Tashia F. Morgridge changed the face of need-based financial aid in Wisconsin. At that time, they announced a founding gift of $175 million to create a permanent endowment to provide need-based grants for talented students. The Morgridges formed the Fund for Wisconsin Scholars (FFWS), a private foundation to administer the endowment.

Initially, FFWS was busy setting up its framework and criteria for selecting recipients for its grants. The FFWS Mission Statement explains FFWS’s grant-giving philosophy:

We provide need-based grants to graduates of Wisconsin public high schools attending Wisconsin public colleges to support their access to and completion of college. The Fund for Wisconsin Scholars will help reduce the financial barriers to college and lighten the debt that many Wisconsin students incur during their college years by providing need-based grants.

Eligibility is determined through the Free Application for Federal Student Aid (FAFSA) process and by criteria established by FFWS. There is no application. Grants range from $1,800 to $3,500 per year, depending on the student’s need and the cost of the institution. The FFWS has identified eleven distinct economic regions in the state and distributes the scholarship awards based on these regions.

In the first year, FFWS awarded 2,910 students $4,457,999. All eleven economic regions received awards. The Milwaukee region had both the greatest number of recipients (622) and received the largest financial distribution ($779,012). Here on the UW–Madison campus, 124 students received a total of $287,165.

It was a very successful first year for the FFWS, and its exciting to know that the Morgridges’ wonderful gift will have a positive affect on thousands of Wisconsin students for years to come.

A New Repayment Program for Student Loan Borrowers

On July 1, 2009, a new federal loan repayment option titled the Income-Based Repayment (IBR) option becomes available to federal-student-loan borrowers with a high debt to incomes ratio. It will help keep monthly payments affordable through payment caps based on a borrower’s income and family size. IBR will also forgive any debt that remains after 25 years of qualifying payments.

IBR is available to borrowers of both the Direct and Guaranteed (FFEL) loans. It covers many types of federal loans made to students, but does NOT cover loans made to parents.

IBR uses a sliding scale to determine how much a borrower can afford to pay on his/her federal loans. If a borrower earns less than 150 percent of the poverty level for his/her family size, the required loan payment will be $0. Loan payments are capped at 15 percent of the difference between the borrower’s income and 150 percent of the poverty level. For most eligible borrowers, loan payments will be less than 10 percent of their income—even lower for borrowers with low earnings. If the reduced payment does not cover the interest on the loan, the federal government will pay the interest on Subsidized Stafford Loans for the first three years. After three years, the interest is added to the total amount owed. For more information on the IBR go to www.ibrinfo.org.

See “Borrowers” on reverse side
Not many students or parents get to meet Cheryll Steinke face-to-face, but she is one of the reasons that OSFA is able to run so smoothly. Cheryll wears a lot of hats in our office. She is administrative assistant to OSFA Director Susan Fischer, the scholarship coordinator, takes care of the payroll, and handles human resources.

Cheryll was born in Beaver Dam and was raised with two sisters and a brother in Horicon, where she attended high school. Her first real job, besides babysitting, was as a carhop, cook, and waitress at the local A&W in Horicon.

Cheryll started at the UW working in the Department of Agricultural Journalism. Always looking for new challenges, she transferred to the Department of Continuing and Vocational Education and then the Registrar’s Office. Cheryll found her way to Financial Aid almost 13 years ago. In November, Cheryll will have 30 years in with the state.

Cheryll is married to “the most amazing man,” Bill. Cheryll has four children (James, Sarah, Scott and Jeffrey) and Bill has three sons (Ryan, Matt and Evan). In her limited spare time Cheryll has a couple of very interesting hobbies. She loves to rubber stamp and makes her own greeting cards from scratch. She gives workshops for both of her hobbies and loves sharing her expertise with other people.

What Cheryll likes most about her job is working with the “great people” in our office and how our office is able to help students receive their degrees by making an education financially affordable.

If You Have Questions

For more information, please contact Jim Buske, 263–1364 or james.buske@finaid.wisc.edu.

Financial Aid Facts is a newsletter produced by the Office of Student Financial Aid, 333 East Campus Mall, #9701.

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