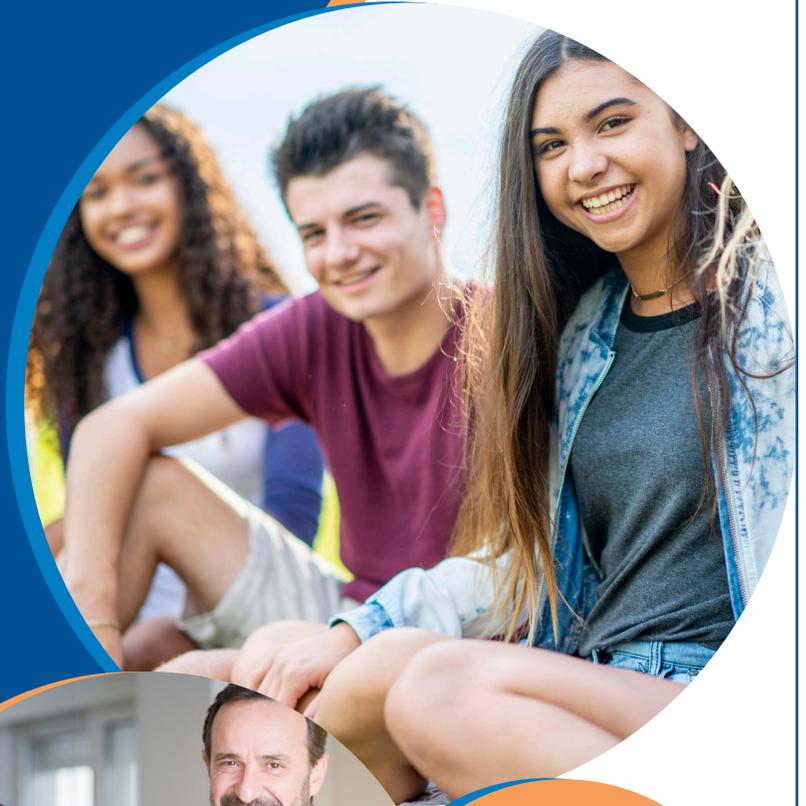




Annual Report 2019



entering our
40th
year
of service to Iowa
students and families



This annual report fulfills the requirement outlined in Iowa Code 7C.13(2) by highlighting how our operations and activities served students and parents in fiscal year 2019.



Christine L. Hensley, Board Chair

2019 Annual Report

- 2 From the Board Chair**
- 4 Supplemental Private Education Loans**
- 6 Assisting Student Loan Borrowers**
- 8 College and Career Planning Tools**
- 10 Scholarships and Award Programs**
- 12 Reaching Out to Iowans**
- 14 What Iowans Are Saying About Our Programs**

Find current information about topics covered in this report at www.IowaStudentLoan.org/Programs.

From the Board Chair

Iowa Student Loan® is a nonprofit organization with a mission of helping Iowa students and families obtain the resources necessary to succeed in postsecondary education, from private student loans and scholarships to free college and career planning tools and other resources. As we enter our 40th year, we provide in this report a look at how we strive to meet our nonprofit purpose and serve Iowans.

Over our 39 years, one of the key ways we have helped Iowa students and families is by funding competitively-priced supplemental private loans through our ability to issue federally tax-exempt private loans. Providing these loans with favorable terms is an important way we help Iowans succeed in postsecondary education while minimizing the amount of interest they pay compared to private student loans obtained from other lenders.

Iowa Student Loan is also committed to providing fully transparent details upfront on specific rates and the associated credit requirements for our private loans for college students and their families, which is not necessarily the case for other lenders. We were happy to provide information to Iowa Attorney General Tom Miller as his office surveyed different student loan lenders in order to prepare an advisory to consumers with pointers on how to compare private loans, with the goal of finding the best loan for their situation. Additional information on the attorney general's survey can be found on page five.

In fiscal year 2019 (July 1, 2018, through June 30, 2019), we continued to offer an array of free college and career planning tools. These industry-leading tools are easily accessible online and are designed to help students and families learn the importance of career planning, appropriate borrowing levels and how to achieve educational goals. Our scholarship and award programs also encourage students and families to explore the free financial literacy tools we offer. We continue to improve upon and expand our suite of tools and programs for Iowa families.

Over the years we have also learned the importance of supporting other organizations focused on helping Iowa students. By partnering with organizations that have established trust and connections among the underserved families in our community, we leverage our student loan and college financing expertise to help those who need it most.

Looking ahead to our 40th year, we're focused on how Iowans can benefit more from our unique programs, tools and resources. On behalf of Iowa Student Loan's board of directors, management and staff, I am pleased to provide you with our 2019 Annual Report.

Christine L. Hensley, Chair, Iowa Student Loan Board of Directors

Our Nonprofit Purpose

Iowa Student Loan is a private, nonprofit corporation with a mission to help Iowa students and families obtain the resources necessary to succeed in postsecondary education. Revenue beyond operating expenses and reserves is returned to the community through programs that benefit Iowans.

Our Purpose and Activities

Based in West Des Moines, Iowa Student Loan is Iowa's designated student loan provider. We supply education loans to college students and their families for those needing funds beyond what is available through other financial aid and federal student loan options. These loans are provided with transparent and beneficial terms relative to other private loan options offered by for-profit organizations.

Additionally, Iowa Student Loan provides a wide array of financial literacy tools and other resources to help Iowa students and families be smart consumers of postsecondary education, as well as providing numerous community reinvestments such as scholarships and college savings awards.

Iowa Student Loan is self-funded and self-capitalized. It is not a state agency and does not receive any state appropriations. As a nonprofit corporation, it has no shareholders and does not pay dividends.

Iowa Student Loan and its wholly owned subsidiary employ approximately 200 associates, most working in the West Des Moines office. In our 39 years of service, Iowa Student Loan has worked to support the local economy through growth and maintenance of jobs that provide competitive salaries and benefits, including college financing or college savings benefits.

Board Leadership

Iowa Student Loan Board of Directors					
Christine Hensley (Chair) Des Moines	Tammy Bramley (Vice Chair) Ute	Dan Clute Urbandale	Rob Denson Ankeny	Nancy Dunkel Dyersville	Lorraine Groves Arnolds Park
Laurie Hempen New London	Marcia Rogers Cedar Rapids	Jim Schipper Ankeny	Scott Schneidermann Rock Rapids	Adam Voigts Indianola	

Aspire Resources Inc.[®], Iowa Student Loan's wholly owned for-profit subsidiary, was created to perform functions not specifically included in Iowa Student Loan's original tax-exempt designation. All revenues beyond operating expenses and reserves are used to fulfill Iowa Student Loan's nonprofit mission. The Aspire board is appointed annually by the Iowa Student Loan board.

Aspire Resources Inc. Board of Directors				
Dr. Norm Nielsen (Chair) Cedar Rapids	Dr. John Hartung (Vice Chair) Indianola	Catherine "Kay" E. Beyerink Sioux City	John Hintze Des Moines	Tony Kaska Chariton

Our Public Policy Priorities: Fiscal Year 2019

Iowa Student Loan occasionally brings issues of critical importance to the Iowans we serve to the attention of state and federal lawmakers. In years past, these have included support for issues such as tax fairness for those whose education loans have been forgiven in cases of death or permanent disability.

At the federal level, 2019 efforts included advocating for simplified federal aid forms and programs, improved consumer information, continued access to low-cost supplemental loans, and support of loan repayment assistance efforts while protecting borrowers from attempted scams.

At the state level, 2019 efforts included support for regulations to safeguard borrowers from loan repayment scams, accelerating state support for employer-paid loan repayment plans, and further data collection and transparency regarding loan rates available to Iowa students and families.

Supplemental Private Education Loans

Under state statute, Iowa Student Loan has the ability to issue federally tax-exempt Private Activity Bonds, in the form of Qualified Student Loan Bonds (QSLBs), which are used to fund competitively priced education loans. Our loans are a key way we help Iowa students and families obtain the resources necessary to succeed in postsecondary education without having to pay back more in interest like they would with higher-rate loans.

Options for Students and Parents

We offer two different supplemental funding sources with upfront, transparent details to help families pay for college expenses.



For Students

The Partnership Advance Education Loan® (Partnership Loan) is a private loan for undergraduate and graduate student borrowers and their cosigners. It features fixed and variable interest rates and three in-school payment options so that students and their families can determine which works best for them based on their financial situation.

Find current information at www.IowaStudentLoan.org/Partnership.



For Parents and Families

The College Family Loan® is a private loan for parents, family members or others who wish to borrow on behalf of an undergraduate or graduate student to help with college costs. It is similar to the federal parent PLUS loan in that the student is not responsible for repaying the debt. When a parent or family member takes out a loan in their own name instead of the student's name, they are helping the student's financial future by reducing the amount of money that the student will have to repay in loans after college. The College Family Loan features fixed interest rates but is otherwise identical to the Partnership Loan.

Find current information at www.IowaStudentLoan.org/Family.

Why Our Upfront Disclosure of Loan Rates Matters

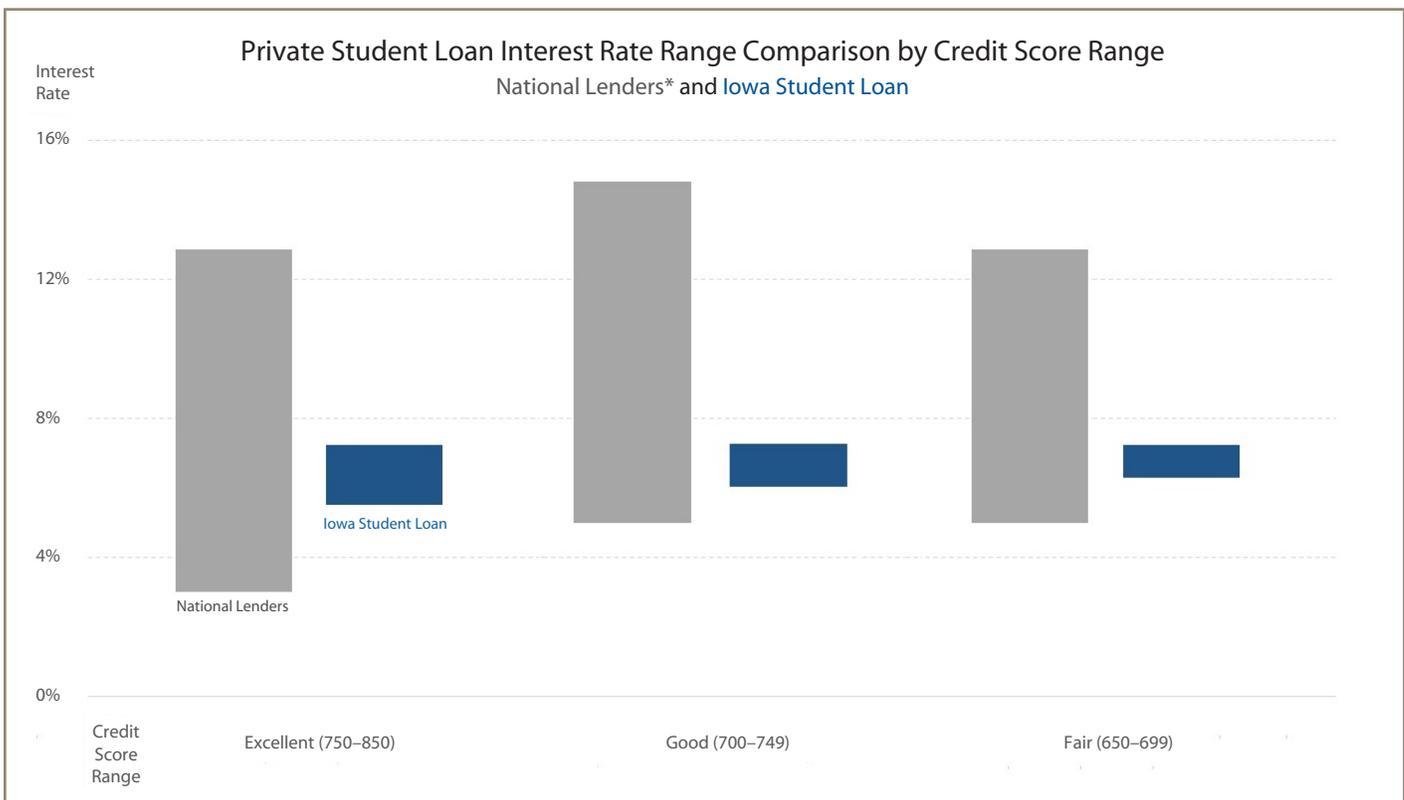
While we provide full details on specific rates and the associated credit requirements for our Partnership Loan and College Family Loan on our website, this is not necessarily the case for other lenders. This lack of detail can be confusing and, in some cases, can cause students and families seeking supplemental funding for college costs to pay significantly more in interest over the life of a loan.

That's why we were happy to provide information to Iowa Attorney General Tom Miller as his office surveyed different student loan lenders and prepared a detailed consumer newsletter article about researching private loans to save money.



Data that the attorney general's office collected from 20 lenders shows "that students and cosigners with similar credit scores received widely different interest rates." And because most lenders do not provide more than a range of rates on their websites, students don't know the interest rate they will receive before applying. To provide students and their families with as much information as possible, **we provide upfront details on each rate we offer** and the **FICO credit score requirements** that students or their cosigners must have to receive a specific rate.

Information provided by those 20 lenders indicated that students or cosigners with credit scores between 650 and 850 received fixed interest rates between 3.00% and 14.82%. Information we provided to the attorney general's office for the same survey showed that our borrowers, with credit scores between 670 and 850 (using TransUnion FICO Score 4), received fixed interest rates between 5.50% and 7.22%.



* Source: Iowa Attorney General
<https://www.iowaattorneygeneral.gov/for-consumers/consumer-focus/consumer-focus/private-student-loans-college-compare/survey-private-student-loans-vary-widely-in-rates-costs>

Assisting Student Loan Borrowers

We provide customer service for borrowers in repayment on our loans through our wholly owned subsidiary, Aspire. We also offer to help those with student loan debt understand their refinancing options

Loan Repayment Customer Service

Providing the necessary resources, information and assistance is critical to ensuring our borrowers can successfully repay their student loans. That is why Aspire’s loan counselors work diligently every day to provide customer service functions to more than 127,000 borrowers with private and federal student loans from our office in West Des Moines, Iowa, under the name Aspire Servicing CenterSM.

Federal and Private Loans Owned by Iowa Student Loan and Serviced by Aspire Servicing Center
as of June 30, 2019
127,067 Borrowers and 336,833 Loans



Reset Refinance Loan

For Iowans and others across the country trying to manage education loan repayment, the Reset Refinance Loan[®] (Reset Loan) is an option that is helping many find lower rates or more manageable monthly payments. Borrowers can refinance one or more loans, private or federal or both, into one new loan with a new interest rate based on the creditworthiness of the borrower and/or cosigners.

The Reset Loan provides borrowers the opportunity to lower:

- ▶ The interest rate they are paying on their student loan debt.
- ▶ The amount they will pay over time through shorter repayment terms or lower rates or a combination of both.
- ▶ Their monthly payment amount through a longer repayment term.

Interested student loan refinance borrowers and their potential cosigners can view the rates and estimated monthly payment amounts they qualify for before completing the entire application. This pre-qualification process uses a soft credit inquiry to determine rates and does not impact users’ credit scores. They can then compare their specific Reset Loan rate options to the rates of their current loans to determine if they would benefit from refinancing their debt and/or changing their repayment term. Full credit underwriting requirements are provided online and rate ranges for each repayment term are provided for those who do not wish to complete the pre-qualification tool.

} Find current information at www.iowaStudentLoan.org/Reset.



Meeting High Customer Service Standards

We fully embrace the guiding principles of the Education Finance Council (EFC) for nonprofit, state-based and state-chartered organizations that make loans to cover educational expenses. These general principles, which promote borrower success, help borrowers make the best decisions for their individual situations.

Education Finance Council's Guiding Principles

Assist borrowers and their families with managing the repayment of any loans taken out through the nonprofit, state-based, or state-chartered organization; this assistance should be provided within the context of all education debt held by the borrower and their family.

Wherever possible, work with individual borrowers who have defaulted on their loans or who are experiencing long-term financial hardship to modify their repayment plan so the borrower stays on track with their repayment.

Forgive the loan(s) of a deceased or totally and permanently disabled student borrower who is the beneficiary of the loan proceeds, and proactively inform borrowers and/or family members who are eligible for forgiveness. If the loan of a deceased or permanently disabled student borrower has a cosigner, the cosigner should be released from the obligation and the loan forgiven.

Iowa Student Loan's Support of That Principle

Iowa Student Loan has a customer-focused call center with staff who utilizes a counseling approach when assisting borrowers to provide repayment options and information in a clear manner most applicable to the individual's situation. Detailed information about repayment options is also available on our website.

As part of Iowa Student Loan's counseling approach, struggling borrowers are offered alternative payment arrangements.

If a borrower, or the student for whom the loan funds were borrowed, dies or suffers a qualifying total and permanent disability, Iowa Student Loan will forgive the loan and not require cosigners or the borrower's estate to satisfy the loan obligation. In the event of a cosigner's total and permanent disability, cosigners will be released from their obligation.

See more of Iowa Student Loan's Support for the EFC's Guiding Principles at www.IowaStudentLoan.org/What-We-Do.

Interest Reduction for Armed Forces

To meet the needs of borrowers and cosigners who are serving our country, we continue to offer reduced interest rates of 0.00% for up to 24 months on private loans for service members while serving on active duty. The program has been authorized to continue through June 30, 2021.

Who: 658 service members on active duty
Duration: Through June 30, 2019
Total reduction: More than \$575,000 in interest reductions for participating service members since 2001

Visit www.iowaStudentLoan.org/SmartBorrowing to learn more about our college planning tools.

College and Career Planning Tools

We provide free online college planning tools to help students, families, educators and organizations plan and pay for education after high school. These tools are updated periodically based on real-world applications and feedback to ensure relevancy in the changing postsecondary world.

Student Loan Game Plan

The first of our portfolio of tools made available to the public, Student Loan Game Plan®, continues to be an integral offering to families in line with our nonprofit mission. Through fiscal year 2019, Student Loan Game Plan was presented in distinct versions for high school students, college students, private student loan applicants, and parents or student loan cosigners.

More than 4,500 high school students and more than 4,000 applicants completed the tool.

Real borrower stories, a maximum recommended borrowing level based on college major, and interactive planning and budgeting features show students and families how debt may affect their financial future. Users see tips on how to reduce their need to borrow to pay for college.

Student Loan Game Plan Impact

Based on Applications in Fiscal Year 2019 (July 1, 2018–June 30, 2019)

4,210 loan applicants completed the tool



After 39 years, we understand the importance of evolving and improving our free tools. Beginning in October 2019, a completely redesigned version of Student Loan Game Plan became available to high school and college students visiting our public website. This new version was created in a responsive web format, which allows users to access and easily view the tool on a variety of devices, and is shorter and more interactive. It also focuses on how estimated salary and college debt affect future lifestyle, a feature based on student interaction and feedback. The same version is being implemented in private student loan applications for Iowa Student Loan products.

Experience it now at www.iowaStudentLoan.org/GamePlan.



Return on College Investment

Using data on average salaries, career tracks and future job prospects, this tool helps students and families make the connection between specific college majors and future employment and earnings so they can determine a reasonable amount of debt for an education associated with their major. Tips help students create a plan to obtain their desired career once they've decided on a path.

More than 3,500 visits to the tool

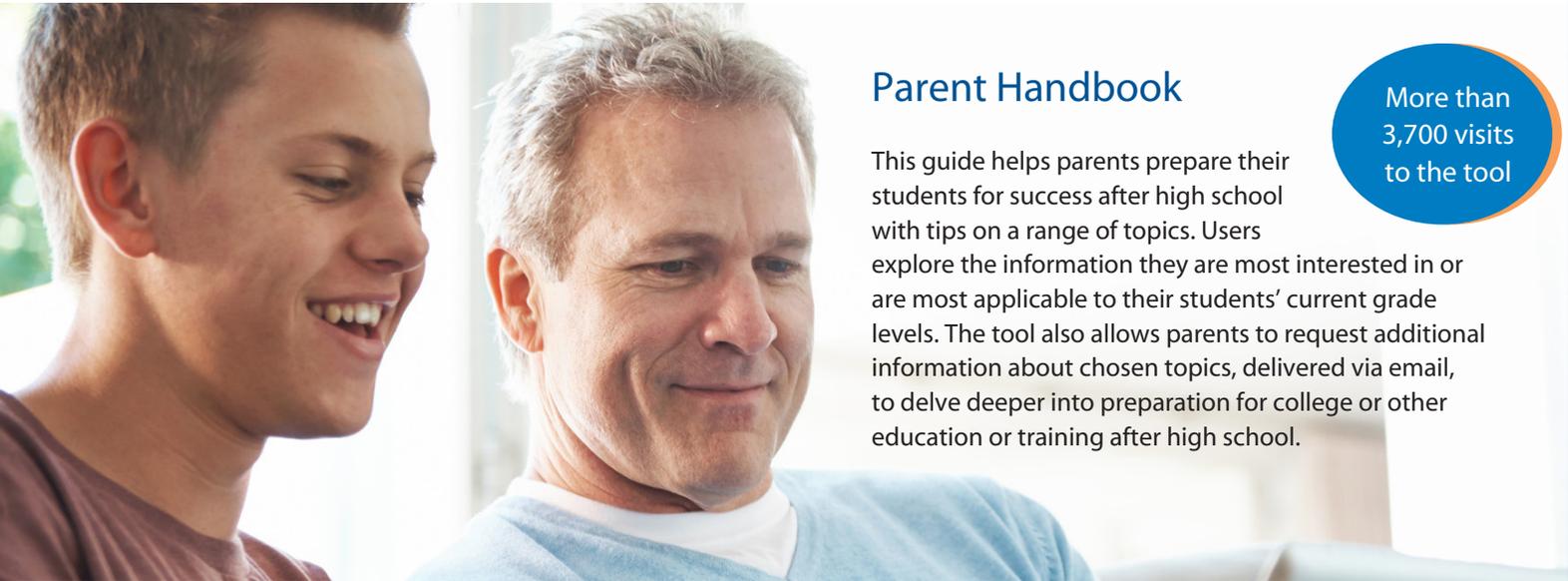
College Funding Forecaster

The financial aid notification provided to incoming college freshmen gives one year's college costs and aid but may not be indicative of future years. The College Funding Forecaster tool allows students and parents to use that information, or information provided on a college's website, to estimate total college costs over four years. This more complete and realistic picture allows families to understand how costs increase and how the exhaustion of one-year awards can impact a student's debt load.

More than 3,000 visits to the tool

SP³ – Student Planning Pointers for Parents

Over the years of serving Iowa students and families, we have observed the important role parents play in preparing their student for life after high school. In January 2020, a new service for parents will provide expert tips for parents of students in eighth through 12th grades. Grade-level-based and vetted by a review council of experts, users receive bimonthly tips and links to additional resources via email. Topics for these tips and resources range from education and training after high school to academic planning.



Parent Handbook

This guide helps parents prepare their students for success after high school with tips on a range of topics. Users explore the information they are most interested in or are most applicable to their students' current grade levels. The tool also allows parents to request additional information about chosen topics, delivered via email, to delve deeper into preparation for college or other education or training after high school.

More than 3,700 visits to the tool

Grad Degree Gauge

This tool helps borrowers who are thinking about taking out student loans for advanced education. Users compare expected earnings for their current degrees to those for the anticipated advanced degree and weigh their financial burden against projected future earnings. Career options associated with the desired degree are presented to users for useful comparisons.

Scholarships and Award Programs

Our scholarship and award programs bring attention to and encourage students and families to explore the free college planning and financial literacy tools we offer. Programs require registered participants to experience one or more of our tools and provide related resources and tips. As they qualify for awards, participants learn strategies to reduce debt and successfully pay for college. The monetary awards also directly offset cost of attendance for recipients.

Iowa Student Loan Total Awards from All Scholarship and Award Programs (Jan. 1, 2012–June 30, 2019)



Iowa Financial Know-How Challenge: Senior Scholarship

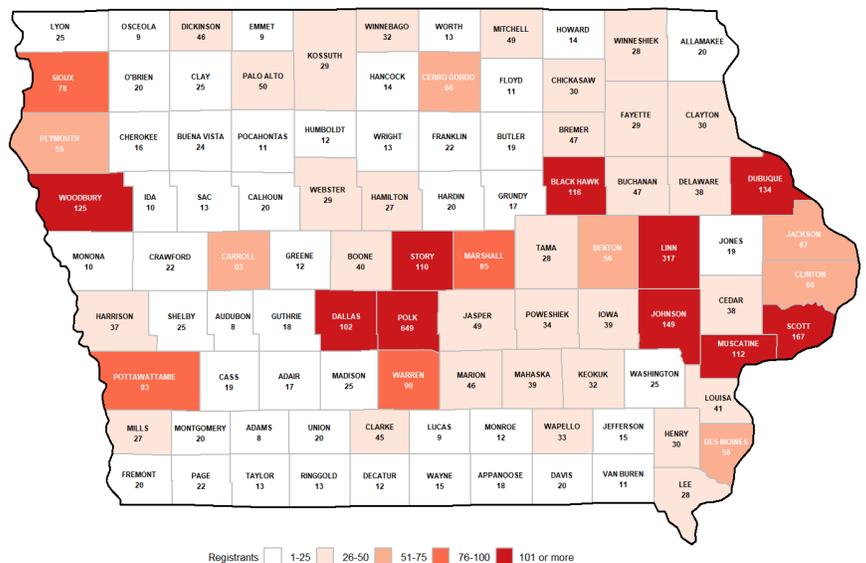
More than 4,500 Iowa high school seniors participated in the 2018–2019 Iowa Financial Know-How Challenge: Senior Scholarship, resulting in more than 21,000 students registered since the first program in 2014. Thirty students received \$2,000 each for 2019–2020 college expenses, and each of their high schools received a \$250 award for scholarship and financial literacy programs.



To qualify for scholarship consideration, participants experience the Student Loan Game Plan and ROCI Reality Check tools and complete a related assessment. Top-scoring students who tied on the assessment were asked to complete a separate component to determine the 30 recipients.



2018-2019 Scholarship Registrants



Save Now, Save Later: College Savings Plan Parent Giveaway

The Save Now, Save Later: College Savings Plan Parent Giveaway provides a chance to win one of 50 \$1,000 deposits into a College Savings Iowa account for parents and guardians of sixth- to 12th-grade Iowa students. To register, parents must first visit the Parent Handbook, an online resource providing parent-oriented tips for college planning and financing.

The 2018 program saw continued high registrations, bringing the total number of participants to 11,791 since the program began in 2014.



2018–2019 Academic Year Results by Student Grade Level

Sixth–Eighth Grades

Registrations: 1,051
Winners: 11

Ninth–12th Grades

Registrations: 2,666
Winners: 37

* Some registrations were received without a grade level for the student registrant. Three additional winners were selected, but the associated student grade levels are unknown.

College Funding Forecaster Giveaway

More than 750 Iowa high school seniors qualified for a drawing to determine 10 recipients of \$1,000 awards through the 2019 College Funding Forecaster Giveaway. To qualify, a high school senior, or a parent or guardian of a high school senior, needed to complete the College Funding Forecaster tool, which helps families estimate a total cost for four years of college based on a freshman-year financial aid notification, and opt to enter the drawing. Registrations represented more than 250 Iowa high schools and 94 of Iowa's 99 counties.

Four of the recipients represented high schools that had not previously received a student or school award from Iowa Student Loan.

Come 2 Iowa Senior Scholarship

Two Illinois high school seniors, one from Nebraska and another from Missouri, were each the recipients of \$1,000 toward expenses at an Iowa college or university through the 2019 Come 2 Iowa Senior Scholarship. This program provides college planning tips and resources to students from Illinois, Minnesota, Missouri, Nebraska and South Dakota who register for the random drawing. Nearly 1,000 students from those states registered for the 2019 program.

Visit www.iowaStudentLoan.org/Scholarships to learn more about our scholarship and award programs.

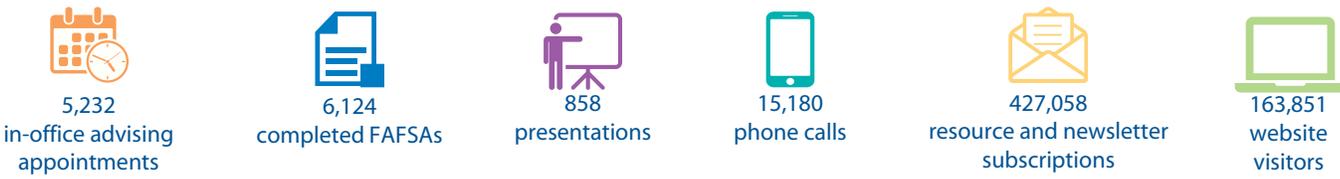
Visit www.lowaStudentLoan.org/Community to learn more about our outreach to lowans.

Reaching Out To lowans

As part of our nonprofit mission, we provide information and services free of charge to address the needs of all lowans. We provide support for the following organizations and programs through collaborations, presentations and sponsorships as part of our community reinvestment.

Iowa College Access Network (ICAN)

This nonprofit organization provides multiple college and career services for the education community and the students of Iowa. Because ICAN has a large influence through statewide and comprehensive outreach, it receives the largest portion of our available financial support. ICAN's college and financial planning services are offered through in-person sessions in 99% of Iowa's high schools, during appointments at the 10 ICAN locations through out the state, and through initiatives like the Golden Circle College Fair and FAFSA Ready Iowa.



University of Iowa REACH Program

The University of Iowa Realizing Educational and Career Hopes Program (UI REACH) is a two-year transitional certificate program for students with multiple intellectual, cognitive and learning disabilities. The program aims to provide students with social and life skills, including money management and financial planning, so they can become independent active members of the community.

Our annual \$10,000 scholarship donation to the UI REACH Program helps one or more Iowa students, who would otherwise not have the financial resources to attend this program. Current scholarship recipients are from Norwalk and Goldfield.

ISU 4U Promise Community Alliance

As an alliance member, we provide support to the ISU 4U Promise program, which provides reduced and free Iowa State University tuition to students who attended King and Moulton Elementary schools in Des Moines and graduated from Des Moines Public Schools. In the summer of 2018, we surprised students who would be entering Iowa State University in a few weeks with a send-off packet and well wishes from alliance members.



Junior Achievement of Central Iowa

Over the years, we have learned the importance of supporting organizations focused on helping Iowa students. We have made a commitment in 2020 to volunteer in two separate capacities for Junior Achievement. Our staff will present lessons on two topics, "Careers and Pay" and "Education and Careers" on an on-demand basis for Central Iowa teachers who incorporate the JA Financial Literacy curriculum in their classrooms. Additionally, we will participate in the "Education" stop in JA Finance Park simulations for Iowa students.

By Degrees Foundation

The By Degrees Foundation of Des Moines ensures that Des Moines students are immersed in a complete culture of postsecondary education and careers throughout their K–12 experience. Through our collaboration with this organization, we bring college planning and financial literacy information to students and families at Findley Elementary and Harding Middle School.

Findley Elementary



We sponsor and conduct an annual event at this 100% free and reduced lunch school in Des Moines. Each year, we present information and resources to families of Findley Elementary students, who each receive a \$30 deposit into their 529 college savings accounts for attendance.

In September 2018, the families of 64 Findley students attended English and Spanish presentations on academic success and skilled trades, along with a student panel consisting of current college students who grew up in the neighborhoods surrounding Findley.

Harding Middle School



As By Degrees has followed advancing Findley students to middle school to continue to provide the incremental services needed to encourage postsecondary awareness and planning, so our collaboration has extended. In January and February of 2019, staff conducted four weekly sessions with all Harding Middle School eighth grade students on reasons for attending college, effect of postsecondary education on earnings and lifestyle, choosing a major or career, planning to pay for college, and borrowing responsibly.

Resources for Educators and Students

Staff participate in several conferences and we sponsor events each year to share insight, information and resources to benefit Iowa families.

▶ College Fairs

We provide college-bound students and families with information on upcoming scholarship and award programs to help them fund college. Interactions at the Golden Circle College Fair and ICAN Eastern Iowa College and Career Fair also allows us to understand the types of information families most need and want to further improve our products and resources.

▶ Iowa School Counselor Association Conference

We speak with Iowa school counselors and provide information for their students and families on scholarship programs and financial literacy tools.

▶ Iowa Association of Student Financial Aid Administrators Conference

College personnel receive information on our private student loan programs and financial literacy tools.

▶ Iowa ACT State Conference

Our suite of online smart borrowing tools was presented to attendees at this conference for teachers, counselors, administrations, enrollment advisors and business professionals in spring 2019.

Iowa Student Loan has partnered with various organizations over our 39 years. Through these collaborations, we build upon the way we serve students and families. In October 2019, the Findley Elementary program sponsored by Iowa Student Loan was set up as a family fun night with games that helped students and their families understand concepts about planning and paying for college or other postsecondary programs through hands-on activities. More than 80 families, with 142 students from Findley and Harding, attended.

What Iowans Are Saying About Our Programs

"[My student] learned and retained so much and was able to communicate the information to me. I was especially impressed with her comparing her old beliefs/myths versus the factual information you provided. It is truly fantastic to have this type of conversation with my 18-year-old. Just when I think I have all the bases covered ... a resource like yours helps us parents out even more."

—Mary C. (parent)



"The overall process of planning out and knowing what you have to do in order to get through college and not have a ton of debt [was valuable]. ... This was a really good experience."

—Jamie T. (Senior Scholarship recipient)

"I got the information about this organisation in the mail. Thought of calling and asking details about student loan and various products they provide. ... I had a very great experience of talking to an associate from financial industry who was more focused on providing accurate information than selling products."

—Sandeep R. (caller web review)

"I finished the Iowa Financial Know-How Challenge Scholarship assessment. I just wanted to say thanks because it was very helpful. Definitely a reality check I needed and I know that what I learned will help me in the future."

—Sarah H. (Senior Scholarship participant)



"The Iowa Student Loan scholarship application was really different from other scholarships. ... Walking through the program, [our students] both came to us and really talked about how much college costs—because they truly understood that—and the loans they were about to take out. ... I highly encourage other students and families to apply for this scholarship and go through this program. In fact, I think it should be mandatory [considering] the financial situation a lot of students get themselves into going to college."

—Keith D. (parent)

"I had no idea how much money I could save by refinancing my Parent PLUS Loans with Iowa Student Loan! The process was seamless, and I feel better knowing my loan is with an Iowa-based company that specializes in paying for college, while reinvesting in our communities."

— Mary T. (borrower)

"It was really informational. I feel like I learned a lot ... It was really cool to go through. Even if I didn't receive [an award], I would still gain from the experience."

—Chelsea D. (Senior Scholarship recipient)

