

access update

for school administrators on issues affecting the financial aid community



March 2005

Update on Our 2005-2006 No-Fee Student Loans

As you know, Access Group's 2005-2006 federal and private loans will be free of fees! For borrowers of Federal Stafford Loans, we will continue to pay the 3% origination fee. In addition, all our current guarantors are waiving the 1% guarantee fee, effective April 1, 2005. And now Access Group private loans will have no fees, either — not just for those with the best credit, but for all qualified private loan borrowers.

We are busy updating our systems for processing no-fee private student loans. In the meantime, we offer this update for you and your students.

When can students apply for no-fee private loans?

Students who wish to apply for our new no-fee private loans can sign up on our Web site to be notified by e-mail when those terms go into effect.

Here is the announcement that appears in the student section of accessgroup.org:

Coming Soon – No-Fee Private Loans!

Private Loan Borrowers: We are currently accepting applications for the private loans described in the Loan Terms section of our Web site, which may have fees. However, coming later this spring, all of our private loan programs will feature no fees! If you'd rather wait to apply for these loans, you can sign up to be notified when our online application for no-fee private loans becomes available.

Federal Loan Borrowers: You can apply today to receive our no origination fee Federal Stafford Loan.

What about school-initiated loans?

You can initiate Federal Stafford Loans at any time, either by CommonLine or through eAccess, and your students will still receive our loans with no origination fees. However, if you initiate private loans and would like your students to receive our new no-fee loans, you should wait to send in your files until our systems are ready to process the new rates and terms. If you receive the *Access Update* electronically, we will send you an e-mail when our system is ready to process the no-fee loans.

What about printed application materials?

In the transition from one processing year to another, we are revising our federal and private loan application materials. We continue to accept the current versions of these materials, but students who want no-fee private loans and want to use a paper application should wait to apply until the new paper versions are available in a few weeks. You may place your order now for these new application materials at accessgroup.org/materials, and we'll ship them to you as soon as they're available.

New brochures ready to order! New loan program brochures for your students are now available:

- “No-Fee Student Loans” (an overview of our federal and private loan programs)
- “No-Fee Private Loans”

Go to accessgroup.org/materials to order a supply of these standard-sized brochures for your office.

Access Group Workshops Springing Up

It's not too late to register for one of our 22 spring workshops! Go to accessgroup.org/workshops.



Colleen McCabe

School Services Spotlight

For the Chinese, this is “The Year of the Rooster.” For 12-year Access Group veteran Colleen McCabe, it’s “The Year of Colleen.” In 2005, she will celebrate her 40th birthday and will walk down the aisle in a big, white dress, and she wants the world to know it!

Colleen joined Access Group in 1993, in a role then known as “regional manager,” which encompassed duties now assigned to both “internal” and “external” account executives. At various times since then, she’s supported schools throughout the country, and when remote sales positions were created in 1998, Colleen moved to California to serve the WASFAA region. The native Pennsylvanian returned east to be closer to family in 2001, and now supports schools in the middle Atlantic states and Long Island.

“I’ve been truly blessed in my career,” says Colleen. “In the graduate and professional financial aid community we serve, there is such an ethical, conscientious, and professional group of people. No matter where I’ve gone, it’s been an absolute joy to work with my customers.”

Regarding her co-workers, she says, “It’s cliché to say that the reason you stay with one company for so many years is the people, but it’s true. They show such generosity in the various charitable activities I’m engaged in, particularly the annual Toys for Tots campaign.”

With the vantage of a long-term employee, Colleen has observed a lot of growth, not only in the company (which during her tenure has grown from about 35 full-time employees to its current strength of over 200), but also for individual employees. “I’ve seen people get married, graduate from college, start families,” she says. “They’re like my extended family.” And her co-workers will readily attest that she has earned her reputation as the “family clown,” as she annually roasts senior leadership at the company’s holiday toy drive in performances half improvised and wholly hilarious.

Speaking of families, upon her marriage to fiancé John this October, she acquires three step-sons: Jonathan, 11; Eric, 7; and Matthew, 3. With a large, sparkly object on her left hand and honeymoon reservations for Aruba already made, “The Year of Colleen” is off to a great start.

Access Group Introduces 2005 Conference Planning Committee

Access Group is pleased to announce the members of the Planning Committee for our 2005 Graduate and Professional Financial Aid Conference scheduled for November 17–20 at the Hyatt Regency Lake Las Vegas Resort in Henderson, Nevada:

Glenda Palmer (CHAIR)

Associate Dean for Student Services
Mount Sinai School of Medicine
New York, New York

Marco Castellanos

Director of Financial Aid
University of the Pacific
Arthur A. Dugoni School of Dentistry
San Francisco, California

Ada Chin

Director of Financial Aid
Illinois Institute of Technology, Downtown Campus
Chicago Kent College of Law
Chicago, Illinois

Iain Davis

Assistant Dean of Financial Management
and International Graduate Admissions
University of Denver College of Law
Denver, Colorado

debi fidler

Director of Financial Aid
University of California — Berkeley
Walter A. Haas School of Business
Berkeley, California

Trudi Horner

Financial Aid Administrator
Purdue University
West Lafayette, Indiana

Laura McClay

Assistant Director of Financial Aid
Dartmouth College
Hanover, New Hampshire

Gina Soliz

Director of Financial Aid
Syracuse University College of Law
Syracuse, New York

Clyde Walker

Associate Director, Student Financial Aid
Vanderbilt University
Nashville, Tennessee

Have a suggestion for
a conference session?
see page 4!

Consolidation Corner

Graduation is right around the corner for many of your students — and with it, student loan payments. To help you provide information to students about federal loan consolidation, Access Group has developed several new initiatives.

New! Pre-Application for Federal Loan Consolidation

With Treasury bill rates trending higher, Stafford loan interest rates could increase by more than 1.5% on July 1, 2005. According to the U.S. Treasury Department, the rate on 91-day T-bills has risen from 1.07% when rates were set for Stafford loans on July 1, 2004, to a rate of 2.77% at the weekly auction that was recently held on February 28, 2005. This represents an increase of 1.7%, and we still have several months to go before the new rate will be established. That's why Access Group is urging students who will graduate/separate prior to July 1, 2005, to pre-apply to consolidate their Federal Stafford Loans. By beginning the pre-application process now, these students can lock in today's low interest rates and still take advantage of the grace period on their Stafford loans — but they must apply before **July 1, 2005**.

Here's how the process works: In-school borrowers who are about to graduate can complete Access Group's new online consolidation pre-application, available at federalconsolidation.org/preapp. Access Group will collect enough information to complete most of the consolidation application for the borrower. We will then hold the application until right before graduation, when we will send the application to the graduating student for review, completion, and signature.

To assist in the process, Access Group has developed a postage-paid postcard for students graduating/separating before July 1, 2005, that can be distributed to them during their exit counseling sessions. The postcard reminds them to apply for a Federal Consolidation Loan while they are in their grace period and before interest rates rise on July 1. To start the pre-application process, they can:

- Return the postcard by mail to Access Group, **or**
- Go to federalconsolidation.org/preapp, **or**
- Call 866-241-5769

You can order these postcards at accessgroup.org/materials.

Text for e-mail reminders to graduating students and alumni

Access Group has prepared text about federal loan consolidation that you are welcome to e-mail to your graduating students and alumni. Just go to accessgroup.org/education_pr/fcl_emails.htm, copy and paste the text into your e-mail, insert your school name where requested, add your signature, and your reminder is ready to go.

“Rate Lock Promise”

Access Group offers the “Rate Lock Promise” to anyone who applies for a Federal Consolidation Loan. With this program, borrowers can “lock in” the interest rate used to calculate the weighted average fixed interest rate on their consolidation loan when they submit their Federal Consolidation Loan application. Access Group uses the interest rates of the loans being consolidated that are in effect on the date we **first** receive the application (either electronically or by paper).

If students graduating/separating prior to July 1, 2005, submit their consolidation application to Access Group before July 1, 2005, they'll also lock in the current historically low T-bill rate on the Federal Stafford Loans they are consolidating. The 91-day T-bill rate has been trending upward since the rate was set for July 1, 2004. Rates likely will jump higher when they are reset on July 1, 2005.

And if the applicant enters his/her grace period end date for Question #26 of the Federal Consolidation Loan application, the lender cannot complete the processing of that application until at least the end of the grace period. This allows the borrower to lock in the lower grace period interest rate while still delaying loan repayment until the end of the grace period.

Access Group's payment incentives also can benefit borrowers. They can reduce their interest rate by 0.25% for electronic payments and by an additional 1.0% after making their first 36 consecutive monthly payments on time.

New Addition to the WiseBorrowerSM Curriculum — Federal Loan Consolidation. This new tutorial, now online at accessgroup.org/wiseborrower, is a valuable educational tool for your students. It covers all the basics — the facts, figures, costs, savings, and application process. Help your students make informed decisions about loan consolidation — direct them to this new online tutorial.

Customer Contact Center Expands Hours of Operation

In order to better serve our customers, Access Group is pleased to announce that our Customer Contact Center has extended its hours of operation for credit inquiries. This means that our staff in the Center are taking all calls, including credit inquiries, Monday through Friday from 9 a.m. to 8 p.m. ET.

Our Customer Contact Center specialists are trained to help every customer in every way, whether it's helping the caller apply for a loan, answering questions about credit, or providing information about loan servicing. Whatever the question or the need, our Customer Contact Center specialists are now on hand to take calls until 8 p.m. ET every business day.

3-Month LIBOR for First Quarter 2005

The current index effective for January, February, and March 2005 is **2.410%**.

The interest rate charged on a borrower's private loan from Access Group will equal this index rate plus the percentage spread applicable to the loan as indicated on the borrower's disclosure statement.

Reminder: The effective 3-month LIBOR rate is always available in the "Loan Terms" section of accessgroup.org. Also on our site is information about LIBOR for students and school administrators, including a 10-year comparative history of LIBOR, Prime, and T-bill rates.

New! Our Interest Rate Comparison Calculator helps students determine the lowest interest rate when comparing rates from different indexes. Try it for yourself at accessgroup.org/calculators.

Federal Stafford Loan Interest Rates

Federal Stafford Loans borrowed on or after July 1, 1998, will have the following rates in effect from July 1, 2004 to June 30, 2005:

- In school, grace, deferment: 91-day T-bill (1.07%) + 1.7% = **2.77%**
- In repayment, forbearance: 91-day T-bill (1.07%) + 2.3% = **3.37%**
- Maximum rate = 8.25%

Conference 2005: Have a Suggestion?

If you have a proposal for a session topic or a speaker for our 2005 Graduate and Professional Financial Aid Conference, please let us know. Your suggestions help the Planning Committee develop a strong conference program that serves the needs of graduate financial aid professionals at schools around the country. Please e-mail your suggestions to vgould@accessgroup.org by March 31.

Our Mission ...

to provide education financing to the broadest range of eligible students, positively influence education financing practices, and provide services valued by students and schools.

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Federal Stafford Loan
Lender Code: 808851

If you have questions regarding this or any other publication provided by Access Group, call 800-227-2151, Monday through Friday, 9 a.m. to 8 p.m. ET.

To subscribe to an electronic version of this newsletter, send your name and your school's name to accessupdate@accessgroup.org.

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