

October 2005

for school administrators on issues affecting the financial aid community

access update

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.

Access Group, Inc.
5500 Brandywine Parkway
P.O. Box 7430
Wilmington, DE
19803-0430

Toll-free lines:

School Services
800-227-2151

School Services fax
800-449-8204

Customer Contact Center
800-282-1550

General fax
302-477-4080

accessgroup.org
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.

Conference 2005 Is Almost Here

November and Access Group's 2005 Graduate and Professional Financial Aid Conference are right around the corner. If you haven't registered for the conference or made your hotel reservations, go to accessgroup.org/conf2005. There you'll find all the information you need and much more.

Your conference check list:

- Register online (deadline: October 17*)
- Make hotel reservations (deadline: 5:00 PM ET on Monday, October 17*)
- Make your travel arrangements
- Order your guest meal tickets
- Make plans for your free evening in Las Vegas, Friday, November 18
- Buy your gift for the Olive Crest charity

* At this time capacity has been reached. Further registrants will be placed on a waiting list, pending any cancellations.

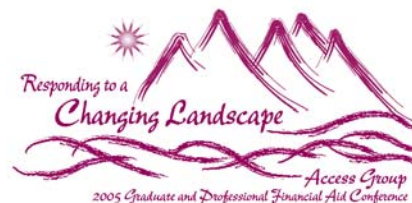
Reserve Your Place on the Free Shuttle!

Access Group is providing complimentary shuttle service from McCarran International Airport on Wednesday and Thursday, November 16 and 17, from 9:00 AM to 9:00 PM, with shuttles departing every 20 minutes to the Hyatt Regency Lake Las Vegas Resort.

Free shuttle service will also be available for your return to the airport on Sunday, November 20. Shuttles will depart every 20 minutes from 4:00 AM to 2:00 PM.

To use this complimentary service, you MUST reserve your place. Please use the Ambassador Limousine Request Form available on the conference Web site at accessgroup.org/conf2005/transportation.htm. (The form can be faxed to 702-889-4048 or 702-889-0080, or you may fill in your information and e-mail it to Bernie@ambassadorlasvegas.com. Reservations are due by Wednesday, November 9.

We look forward to seeing you in Nevada!



Also in this issue:

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- Consolidation Corner
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- School Services Spotlight

Our Support Continues for Katrina Victims

In the devastating wake of Hurricane Katrina, the higher education community has taken an active role in helping with the recovery and relief efforts.

“Access Group is honored to help those who were affected by Hurricane Katrina,” says Dan Lau, president and CEO. “Our employees feel great concern for our affected schools and borrowers, and we want to do everything possible to help the residents of the Gulf Coast.”

As a result, Access Group has been working with schools to provide information and to help expedite loan funding for affected students who are temporarily visiting other institutions. In addition, we have put in place the following measures:

- A toll-free number (866-472-3434) for affected students so they have a direct line to our Customer Contact Center
- Special handling of processing and credit issues that may have developed for these borrowers
- A Special Administrative Forbearance Policy for borrowers directly affected by the hurricane and its aftermath, including military involved with the recovery
- Support for the American Red Cross Hurricane Katrina Disaster Relief Fund. Access Group has pledged to donate \$2 for every dollar employees contribute to the Disaster Relief Fund

Highlights of Access Group's Special Administrative Forbearance Policy

(Go to accessgroup.org for details.)

- * A three-month Administrative Forbearance for FFELP borrowers in the hurricane-affected region, including those who are military personnel mobilized for emergency service in the region
- * A three-month Administrative Forbearance for private loan borrowers as well, while maintaining eligibility for the maximum 12 months of hardship forbearance
- * A commitment that borrowers will not lose eligibility for benefits and will not be assessed fees for late payments, insufficient funds, or missed auto-debit payments because of banking problems in the affected region



Jo Ann Trusiani

School Services Spotlight

Picture this — Florence, Italy ... a beautiful sunset ... an artist with a blank canvas and a palette of brilliant colors — that's Jo Ann Trusiani's retirement dream. She's the artist — the world, her canvas.

Jo Ann, born in Italy but now residing in San Diego, joined Access Group as an External Account Executive in 2005.

She has 20 years of experience in financial aid under her belt, most recently as the Associate Director of Admissions and Financial Aid at the University of San Diego School of Law. She now serves schools in the WASFAA region, keeping in touch with her customers in Southern California, Arizona, Nevada, and Hawaii, giving them the benefit of her years of experience.

She firmly believes in the mission of Access Group, especially in student service. “The organization's values and what Access Group stands for are what attracted me to the position,” says Jo Ann. “I really believe in the mission statement of the organization.” In addition to her work, Jo Ann keeps busy with her son David, a college freshman, and daughter Lauren, a high school junior about to begin her own college search.

“When I first met Jo Ann, her passion for her profession was obvious,” says colleague Colleen (McCabe) Hodd. “She is as thorough as she is kind; she has a huge heart and she has brightened up our team with her sunny disposition. Her professionalism and care has helped foster relationships with our West Coast clientele with that same passion she possessed as one of their colleagues.”

In her spare time, Jo Ann has developed a love for pottery and oil painting. So keep any doodles from meetings you have with her — they may be valuable some day! In the meantime, her Access Group friends have been the beneficiaries of her talents. Jo Ann's goal is to one day own a pottery wheel and kiln, which she'll be taking to her retirement home in Italy. She stays in touch with her heritage by teaching Italian, reading Italian, and listening to Italian music. Where you won't see Jo Ann is in an Italian restaurant — nothing can replace home cookin'. Mangia!

Consolidation Corner

Need guidance for your students? This month, we're offering consolidation loan information for borrowers who are graduating before July 1, 2006, and who already have a Federal Consolidation Loan.

Question: How can these borrowers consolidate newly disbursed student loan funds that have not yet been consolidated?

Answer: Borrowers have three options:

- **Option A:** Borrowers can add the fully disbursed loan funds that are not yet consolidated to an existing Federal Consolidation Loan (FCL) provided they do so within 180 days of the date the existing FCL was funded. (Note that if they do so before graduation, these new loans must be placed into repayment to be consolidated.) The federal form for adding loans to an existing Federal Consolidation Loan is available at www.federalconsolidation.org.
- **Option B:** Borrowers can take out an additional Federal Consolidation Loan to consolidate ONLY the newly disbursed loan funds, and will then have multiple Federal Consolidation Loans to repay.
- **Option C:** Borrowers can take out a new Federal Consolidation Loan to consolidate BOTH the newly disbursed loan funds and any existing Federal Consolidation Loan(s) they may have borrowed. They will then have a new, single Federal Consolidation Loan to repay.

Question: Which of these three options is best for borrowers who are graduating before July 1, 2006?

Answer: It depends on what is most important to the borrower. To make the decision, the following points should be considered:

- Option A or C might be the right choice when convenience is most important. This may not be an issue, however, if the borrower takes out the second FCL with the lender that holds the original FCL, since most lenders offer single statement billing when the borrower has multiple loans.

- Both options B and C allow the borrower to delay funding of the new/additional FCL until near the end of the grace period of the newly disbursed loans (as long as the borrower provides the Grace Period End Date on the new consolidation loan application).

Whichever option is chosen, it is important to remember that the original consolidation loan will enter repayment as soon as the borrower separates and the in-school deferment ends. There is no grace period on a Federal Consolidation Loan. The borrower will have to apply for a forbearance or other form of deferment, if eligible, to further postpone repayment on that original FCL.

In all other ways, there is little or no difference to borrowers if they add new loans to an existing consolidation loan or borrow a new consolidation loan. This is particularly true regarding interest cost to the borrower.

Due to the mathematics of weighted averages, the interest rates may be different in each of these scenarios once the newly disbursed loans are consolidated, but there will be little difference in the amount paid each month or in the total amount repaid.

Learn more details about these options at Access Group's Graduate and Financial Aid Conference in the session, **The Changing Landscape of Federal Loan Consolidation: Responding to What's New and What's Not.**

More Hurricane Woes?

If your office or students have been affected by Hurricane Rita, please let us know. Don't hesitate to contact your Internal Account Executive to let us know how we can help you and your students.

Borrower Education

Budget Calculators from Access Group

Developing in-school and out-of-school budgets are two important steps in managing debt and repaying loans. Although worksheets or spreadsheets can be helpful in developing a personal budget, Access Group's interactive online budgeting calculators are another resource that can make it even easier for students to create budgets.

The simple In-School Budget Calculator helps students decide how much to borrow by allowing them to tabulate figures for education expenses, living expenses, and financial resources (other than education loans).

The calculator then provides a budget summary of the student's total expenses and total resources to help determine how much the student would have to borrow. It can also create a summary of the student's living expenses by category for each month and for the entire academic year.

The simple Out-of-School Budget Calculator helps students understand the implications of repaying their debt in the future so they can determine how much they can afford to borrow now. After students enter their household income and fixed and living expenses, the calculator summarizes their total budget and projects their income-to-debt ratio.

Direct your students to www.accessgroup.org/calculators/ to use these in-school and out-of-school budget calculators. No login is required to use the Simple Calculators. (The Advanced Calculators and Ledger on the page require an Access Group login so data can be saved for future reference by the student.)

October Crackles with Conferences

For many regional and state associations, annual meetings "fall" in October. You'll find Access Group staff at these events:

October 5-7	Texas Association of Student Financial Aid Administrators Annual Conference	El Paso, TX
October 9-12	Rocky Mountain Association of Student Financial Aid Administrators Annual Conference	Jackson Hole, WY
October 16-19	Midwest Association of Student Financial Aid Administrators Annual Conference	Charleston, WV
October 16-19	Pennsylvania Association of Student Financial Aid Administrators Annual Conference	Lancaster, PA
October 18-21	New York State Financial Aid Administrators Association Annual Conference	Long Island, NY
October 19-21	Washington Financial Aid Association Annual Conference	Spokane, WA
October 25-27	Florida Association of Student Financial Aid Administrators Fall Conference	Orlando, FL

3-Month LIBOR for Fourth Quarter 2005

The current index effective for October, November, and December 2005 is **3.870%**.

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.

Reminder: The effective 3-month LIBOR rate is always available in the "Loan Terms" section of accessgroup.org. Also on our Web site is information about LIBOR, which includes a 10-year comparative history of LIBOR, Prime, and T-bill rates. And our Interest Rate Comparison Calculator also helps students determine the lowest interest rate when comparing rates based on different indexes. Try it for yourself at accessgroup.org/calculators/rate.htm.

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, 2005 to June 30, 2006:

- In school, grace, deferment:
91-day T-bill (3.00%)
+ 1.7% = 4.70%
- In repayment, forbearance:
91-day T-bill (3.00%)
+ 2.3% = 5.30%
- Maximum rate = 8.25%