

September 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.

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[accessgroup.org](http://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](mailto:accessupdate@accessgroup.org).

## For Victims of Hurricane Katrina . . .

Access Group would like to extend our concern for the victims of Hurricane Katrina. Be assured that we are committed to honoring any and all administrative forbearances on federal loans, as may be stipulated by the Department of Education, for our affected borrowers. We will also extend a special administrative forbearance to these borrowers on their Access Group private loans.

For those of you at institutions that are accommodating affected students on a transfer or visiting student basis, please know that we are eager to assist you in responding to these special circumstances.

We currently are awaiting guidance from the Department of Education and will be regularly updating our Web site [accessgroup.org](http://accessgroup.org). Please know that we are

here to help in any way we can. If there's anything we can do to assist you or your institution, please contact us.

### To Contact Us

Please e-mail your Internal Account Executive or call 800-227-2151, 9 a.m. to 8 p.m. ET (Monday – Friday).

Please encourage affected Access Group borrowers to keep us updated concerning all changes of addresses, to be sure that they continue to receive important information about their loans. Your students can e-mail our Customer Contact Center at [general@accessgroup.org](mailto:general@accessgroup.org) or call 800-282-1550, 9 a.m. to 8 p.m. ET (Monday – Friday). Borrowers in repayment who have questions about their loans should contact their loan servicers.

## Conference 2005: Have You Registered?

Registration is now in progress for Access Group's 2005 Graduate and Professional Financial Aid Conference, *Responding to a Changing Landscape*, November 17 – 20, 2005. Conference fees include lodging at the Hyatt Regency Lake Las Vegas Resort, conference meals, all conference sessions and events, materials, and free airport shuttle service. For full information, please go to [accessgroup.org/conf2005](http://accessgroup.org/conf2005).

### Early Bird Deadline Is Fast Approaching

To receive Early Bird reduced pricing, you must **register by September 15**. **For your convenience, we have extended the Early Bird payment deadline to September 30**. If we do not receive your Early Bird payment by check by September 30, we will charge the credit card you provided upon registration.

Take advantage of the special Early Bird pricing of \$375 double-room occupancy\* and \$475 single-room occupancy. **Don't wait to register — rates go up September 16!**

\*Note: The double-room occupancy rate applies only if you share your room with another conference registrant. Registrants who share a double room with a personal guest must pay the single-room fee, in addition to any applicable guest charges.

(continued on page 2)

### Also in this issue:

- Conference Deadlines
- Conference Charity Event
- Consolidation Corner
- School Services Spotlight



**Conference 2005  
Important Deadlines**  
(See [accessgroup.org/conf2005](http://accessgroup.org/conf2005))

Early Bird Registration Deadline .....	9/15
Early Bird Payment Deadline.....	9/30
Standard Fee Registration Deadline.....	10/17
Hotel Reservation Deadline.....	10/17

**Conference 2005 Checklist**  
*Have you . . .*

- Registered for the conference?
- Made your hotel reservations?
- Booked your travel?
- Faxed/e-mailed your airport shuttle form?

## Oh, What a Night!

### Friday Evening in Las Vegas

This year, Friday night is yours to enjoy as you please during the Access Group Conference. We're offering transportation from the Hyatt to the Las Vegas Strip from 5:00 p.m. to 7:00 p.m. with return shuttles from 9:00 p.m. to 11:30 p.m., so it's easy to catch a ride to the restaurant or show of your choice. **But don't wait to book your show tickets or dinner reservations!** Visit [www.vegas.com](http://www.vegas.com) for the most complete and up-to-date list of Las Vegas entertainment, restaurants, events, activities, and more.

The Hyatt concierge staff will be happy to assist you in making show ticket purchases with no booking fee added. The staff can also make suggestions and reservations for the dinner arrangements of your choice.

Concierge hours are from 7:00 a.m. to 10:00 p.m. Pacific Time, daily. Call 702-567-1234, ext. 51.

## 2005 Conference Charity Event Benefits Olive Crest

**One Life at a Time. . . A Special Project to Benefit Olive Crest**  
**2:00 p.m. – 4:00 p.m., Thursday, November 17**

Get into the holiday spirit and join us in wrapping gifts for the children and families benefited by Olive Crest, a nonprofit organization dedicated to preventing and treating child abuse and preserving the family.

Olive Crest was founded in 1973 as a refuge to four teenage girls. More than 30 years later, the organization serves children, young adults and at-risk families by providing homes, education and vocational training; counseling; relationship-building skills; child abuse prevention education; and health, nutritional, and recreational activities in 17 residential homes in various parts of California, Nevada, and Washington. The organization also offers foster family and adoption agency services, and runs a residential treatment center for at-risk youth.

We invite you to contribute a gift for a child or young adult served by the organization; just check the conference Web site for more information and "wish lists." Monetary contributions are also gratefully accepted.

Drop in at our festive get-together or stay for the entire time. We'll enjoy refreshments, gift wrapping, and visiting with new and old friends involved in this year's charity effort. You'll enjoy the warmth of the holidays — and the joy of truly helping others who benefit from Olive Crest's services.

In the meantime, you can learn more about this organization at [www.olivecrest.org](http://www.olivecrest.org).



**Register Now!**

**2005 Graduate and Financial Aid Conference**

November 17–20

Hyatt Regency

Lake Las Vegas Resort

[accessgroup.org/conf2005](http://accessgroup.org/conf2005)

## Consolidation Corner

### *In-School Consolidation FAQs*

With record numbers of in-school borrowers contacting Access Group about Federal Consolidation Loans, we asked our Customer Contact Center specialists for some of the questions most often asked by those who applied for a Federal Consolidation Loan through Access Group. We hope the answers to these questions will be helpful to you and your students.

#### **When the grace period is waived by borrowers so that they can consolidate loans that are still in-school or in-grace, when does actual repayment begin on their consolidation loan?**

The repayment period begins on a Federal Consolidation Loan (FCL) as soon as that loan is funded. However, if the borrower is still enrolled in-school at least half-time once the FCL is funded, that loan should be placed in an "In-School Deferment" until the borrower graduates or drops below half-time enrollment status. The first payment will be due within 30-60 days following termination of the in-school deferment.

#### **What is the 180 day rule?**

Eligible federal loans that are fully disbursed can be added to a Federal Consolidation Loan (FCL) up to 180 days after the date the FCL is funded.

#### **Does the loan have to be fully disbursed to add it to the current consolidation?**

Yes, loans must be fully disbursed to be consolidated or to be added to an existing FCL.

#### **Will adding another eligible federal loan change the fixed interest rate on an existing Federal Consolidation Loan?**

Adding eligible federal student loans to an existing Federal Consolidation Loan (FCL) could change the fixed rate on that loan. The weighted average of a FCL must be re-calculated whenever new loans are added to the existing loan. This may cause the fixed interest rate, when rounded up to the nearest one-eighth of one percent, to change.

#### **Why are the federal student loans that are waiting to be consolidated accruing interest at current rates until the consolidation is complete?**

Federal guidelines require that interest on these loans be assessed at the current rate. We do not have the authority to charge the lower, pre-July 1 rates on these loans while they are waiting to be consolidated.

#### **Will this additional interest be credited back to the borrower when the consolidation is complete?**

No, all of the interest that accrues will be capitalized and added to the outstanding principal loan balance being consolidated just prior to funding of the Federal Consolidation Loan (FCL). Be aware, however, that the amount of interest accruing during this period is not as high as borrowers may think. For example, three months of accrued interest on \$30,000 is \$347.67, assuming an annual interest rate of 4.70 percent. This is compared to \$204.90 of accrued interest if the interest rate were 2.77 percent. The difference is \$142.77.

#### **Should a borrower who is NOT graduating prior to July 1, 2006, consolidate any new federal student loans borrowed during the 2005-2006 academic year as soon as they are fully disbursed?**

Probably not — it may be better to wait until at least June 1, 2006, when the new interest rate that will take effect on July 1, 2006 is known. If the rate is scheduled to increase (as it did on July 1, 2005), then the borrower may want to consolidate the new loans into a second Federal Consolidation Loan (FCL) to take advantage of the current rate. On the other hand, if the rate is scheduled to decrease, it likely would be better to wait until either rates change again or the borrower graduates, whichever comes first.

Borrowers who are not graduating prior to July 1, 2006 also should be mindful that reauthorization of the Higher Education Act of 1965 (HEA) may bring about changes in the Federal Consolidation Loan (FCL) program during the next 12 to 24 months.

***In next month's Consolidation Corner:*** More information for borrowers who are graduating before July 1, 2006.



Jennifer Trauman

## School Services Spotlight

This little piggy went to college; this little piggy left home. This little piggy had a great job, but then said “wee wee wee” all the way home.

And that’s practically how it happened for Jennifer Trauman, an avid pig knick-knack collector, dog lover, and External Account Executive for Access Group.

Jenn started her career with Access Group in January 2004, after serving as the Associate Director of Financial Aid at Georgetown University’s Law School. “I really wanted to move closer to my family. When I realized Access Group was looking for a new External Account Executive in the New York region, I applied for the job,” says Jenn. “I

had big shoes to fill; the former account executive was phenomenal. But I told my husband it was an opportunity for us to move home.”

Leaving Georgetown wasn’t an easy decision, but in her role there, she had worked closely with Access Group, getting to know the company, the services and the people. Her transition was eased by the warm welcome she received, and “the supportive, friendly, and comfortable environment I experienced from day one.”

Jenn’s colleagues at Access Group respect her professionalism and her friendship. Jocelyn Allen says, “When I think of Jenn a quote from Oprah Winfrey comes to mind. ‘Real integrity is doing the right thing, knowing that nobody’s going to know whether you did it or not.’ Jenn always tries to do the right thing when it comes to her customers, her coworkers, the company, and her friends — even when it may not be convenient for her — and that really shines through in her work.”

She loves that her job lets her work with great people throughout her region. Commuting to appointments for Access Group, Jenn enjoys “rockin’ out” in her car to all types of music — from country to hip hop and anything in between. When she’s not on the road for work, she’s a supportive wife to husband Brian, who is, not necessarily in this order, an attorney and a PEZ fanatic. She admits she’s been to the Stanford, Connecticut PEZ Convention two years in a row as a vendor and she and her husband have visited the PEZ Museum in California.

Between pigs and PEZ, Jenn equally enjoys a quiet night at home cooking or visiting with family that includes Brian’s little sister and brother, who are five and seven.

## On the Road to Fall Meetings

You’ll find Access Group staff attending these events as summer wanes and autumn begins:

<b>September 22 – 24</b>	Midwest Association of Pre-Law Advisors Annual Conference	Chicago, IL
<b>September 24 – 25</b>	Pre-Law Advisors National Council Fall Meeting	Chicago, IL
<b>October 5 – 7</b>	Texas Association of Student Financial Aid Administrators Annual Conference	El Paso, TX

## 3-Month LIBOR for Third Quarter 2005

The current index effective for July, August, and September 2005 is **3.338%**.

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](http://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](http://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%