

April 2006

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
and Federal PLUS 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.

Access Group Will Pay Guarantor Fee for Borrowers in 2006 – 2007

Good news for borrowers! Access Group will pay the guarantor fee for all borrowers of Federal Stafford and Federal Graduate PLUS Loans for the 2006–2007 academic year. This benefit is available for loans guaranteed on or after July 1, 2006.

“Access Group works with a variety of guarantors, some of which have indicated they will soon begin charging a 1% guarantor fee,” says Dan Lau, president and CEO of Access Group. “To simplify processing for our school customers and to ensure that all borrowers receive the same benefits during this transition year, Access Group will pay this guarantor fee for the coming academic year for those borrowers whose guarantors charge the fee. This will give our school customers additional time to consider the various guarantor options, without unduly burdening our student borrowers with an additional fee.”

Access Group Now Accepting Federal PLUS Loan Applications

Access Group is now able to accept online applications for our new Federal Graduate PLUS Loan. Graduate and professional students, as well as parents borrowing for undergraduates at selected institutions, can apply online, get an instant credit decision, and e-sign the PLUS MPNs — all in one session.

Later this spring, our systems will be ready to accept CommonLine and eAccess PLUS loan applications and certifications. We will also be able to offer PLUS loan monitoring and reporting enhancements in eAccess and Account Access, and we will be able to accept and process PLUS applications by phone and on paper.

In addition to our online PLUS loan application, our recent system update also includes:

- Implementation of the new loan limits and longer application period for our Bar Examination Loan, Dental Residency/Dental Board Examination Loan, and Medical Residency Loan;
- Implementation of our new enhanced Stafford loan product featuring immediate 0.80% interest rate reduction for on-time payments for loans disbursed on or after July 1, 2006.

Watch your e-mail and *Access Update* for more news to come.

Also in this issue:

- New! Web and Phone Pay Options
- Conference 2006 Registration Fees
- Consolidation Corner
- Borrower Education

New Web and Phone Pay Options

Access Group is pleased to announce that our borrowers will soon have the options of making loan payments online and by phone. These added options, expected by the end of April, will make repayment more convenient by expanding the number of payment methods for borrowers. Currently, borrowers can make payments only by check or through Electronic Funds Transfer (EFT) from a checking or savings account.

Pay online

To make payments online, borrowers will log in to their account at AccessGroup.Org. Under their profile, they then choose the option to make a payment, which opens a secure payment information page. Borrowers enter their bank information and may enter multiple accounts (checking, savings, etc). They can save this information or can re-enter it each time they return to make a payment. In most cases, borrowers will get credit for making a payment the same day they make it online.

The **special features** of our online payment option allow borrowers to:

- Schedule payments up to 30 days in advance
- Cancel pre-scheduled payments up to one day before (if needed)
- Enter special instructions for payments (e.g., if they want to pay extra on the principal balance of a specified loan)
- Receive confirmation e-mails that a payment was received or is scheduled
- View their online payment history

Pay by phone

Borrowers also will have the option of making loan payments by phone. They will be able to call our Customer Contact Center, and a specialist will enter their financial information in the system and schedule their payments.

In addition, borrowers will soon have an expanded pay-by-phone option. In a few months, Access Group will introduce another enhancement that will allow borrowers to make payments using the Voice Response phone system, based on information they have previously provided in their account on our Web site.

Note: These new payment features are designed to expand repayment options for borrowers. However, participating in Web or phone pay once does not mean that future payments will become automatic. These are month-to-month, not recurring, payment options. Borrowers who wish to set up recurring monthly payments should use EFT, which may also qualify them for repayment incentives.

Registration Fees Set for 2006 Conference

Access Group is pleased to announce registration fees for the 2006 Graduate and Professional Financial Aid Conference scheduled for November 16 – 19 at the Ritz-Carlton Amelia Island, Florida.

Fees for Early Bird registrations received online by September 15:

\$495 for single-occupancy

\$375 for double-occupancy*

Standard fees for registrations received after September 15:

\$595 for single-room occupancy

\$450 for double-room occupancy*

The conference registration fee is based on your choice of single- or double-room occupancy at the hotel and includes:

- three nights' lodging (and applicable taxes)
- all conference sessions and events
- all conference meals
- all conference materials

Registrants sharing a double-room with a guest must pay the single-room occupancy registration fee (\$595), in addition to any other guest charges.

Registration will begin in August. In the meantime, for conference news and updates, go to www.accessgroup.org/conf2006.

* sharing room with another conference registrant, not a personal guest

There's still time for your conference session proposal!

Have a great idea for a speaker or a topic for Access Group's 2006 Graduate and Professional Financial Aid Conference? Because the Planning Committee is dedicated to developing a strong educational program to serve your needs, **we've extended the deadline for receiving session proposals to May 1, 2006.**

You'll find the Conference Session Proposal Form at www.accessgroup.org/conf2006. Just complete the form and fax it to us at 800-449-8204. Or, e-mail your suggestions to Melissa Fuga at mfuga@accessgroup.org.

Consolidation Corner

Help your students be “in the know” about federal loan consolidation

Access Group is pleased to offer borrowers guidance about consolidating their eligible federal student loans this spring.

For in-school federal loan consolidation

In-school consolidation is a more complex process than it was in 2005. This year, if in-school borrowers want to consolidate their eligible federal student loans, the current loan holders/servicers must receive a written request, such as Access Group’s Early Loan Repayment Request Form (ELRRF), or a verbal request from the borrower **prior to July 1, 2006**. Borrowers also must make sure that their Federal Consolidation Loan applications are received by the consolidating lender before July 1, 2006.

In-school borrowers can use our ELRRF to request that the current holders/servicers of their federal student loans place the loans to be consolidated into early repayment. It must be sent to the current holder/servicer of **each** federal student loan the borrower wants to consolidate.

Please distribute this form, posted as a PDF on *FederalConsolidation.Org*, in consolidation sessions you conduct this spring for students who are considering an in-school consolidation. In-school consolidation will no longer be permitted after June 30, 2006.

We strongly encourage students to take responsibility for contacting their current loan holders/servicers rather than relying on their consolidating lender to make the request.

Borrowers can get more details about the process of in-school consolidation at *FederalConsolidation.Org*.

For students graduating in Spring 2006

With interest rates expected to rise on July 1, 2006, graduating students should apply now to lock in today’s low rates. Direct these students to *FederalConsolidation.Org* for an online application, as well as FAQs, online calculators, and other information to help them understand the benefits of federal loan consolidation.

New from Access Group!

You will soon receive a poster and table-top flyers for display in a prominent place to help educate your students about federal loan consolidation.

In addition, our Federal Consolidation Loan brochure has been revised for 2006 and is ready for your order at www.accessgroup.org/materials.

Borrower Education

Tools for Borrowers

In our continuing effort to educate borrowers about personal finance, borrowing, and managing student loan debt, Access Group offers:

- Education for all borrowers, such as our WiseBorrower® Curriculum, consisting of a series of online tutorials developed on the topics of credit, budgets, and federal loan consolidation. Go to www.accessgroup.org/wiseborrower.
- Timely information intended for specific groups of borrowers. This month we offer some helpful information for **Spring 2006 graduates** at *FederalConsolidation.Org*, such as a chart summarizing the current Federal Stafford interest rates, their effect on federal loan consolidation, and a timeline for new Stafford loan interest rates.

Speaking of interest rates ...

Watch your mail for Access Group’s Federal Stafford Loan Interest Rate posters for your office. Need a few more posters? Call your Account Executive.

Just in time for entrance counseling!

We’ve revised our entrance counseling booklet for 2006. “As You Enter Graduate School ... A Guide to Managing Student Loans” has been updated to reflect recent legislative changes and includes information on Federal Graduate PLUS Loans. Order a supply of these free booklets at www.accessgroup.org/materials.

Thanks for Coming

We want to thank each of you who attended one of our Access Group spring workshops — especially because it isn't easy to take time away from your busy office. We hope the information presented and shared will help smooth the new processing year for you and your staff.

Remember that our School Services team is always ready with a friendly voice and helping hand for any of those challenges that may arise from day to day. Just give your Account Executive a call.

April Meetings Across the Country

You'll find Access Group staff attending these events around the country this month:

April 23 – April 26	National Association of Graduate Admissions Professionals Annual Conference	Las Vegas, NV
April 26 – April 29	National Association of Law Placement Annual Conference	San Diego, CA
April 26 – April 28	SUNY Financial Aid Professionals Annual Conference	Glenns Falls, NY
April 27 – April 28	Student Loan Servicing Association Members Meeting	Washington, DC

3-Month LIBOR for Second Quarter 2006

The current index effective for April, May, and June 2006 is 4.823%.

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 www.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%