

February 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.

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Federal Stafford Loan
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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 to Offer Federal PLUS Loans for Graduate Education

As part of our continuing commitment to the graduate financial aid community, Access Group is excited about offering another federal loan option for graduate and professional students. Due to recent legislation effective July 1, 2006, these students will now be allowed to borrow Federal PLUS Loans on their own.

This new loan, the "Grad PLUS," will have a fixed interest rate of 8.5%, no annual or aggregate loan limits (other than COA less other financial aid), and a credit review requirement.

Just as with Stafford loans, PLUS borrowers are eligible for in-school deferments if they are enrolled at least half-time. So, graduate and professional students will be able to defer repayment on their PLUS loans while in school. The PLUS has the same payment options, same deferments and forbearances, and same cancellation provisions as unsubsidized Federal Stafford Loans.

Watch for late-breaking details about rates and terms for Access Group's new Grad PLUS Loan. More information will also be available at our upcoming financial aid workshops. You can register for a workshop in your area at www.accessgroup.org/workshops.

Get Ready for the New Season at a Spring Workshop Near You

With the graduate financial aid community buzzing about new federal legislation, Access Group can help you sort it all out at our 2006 Financial Aid Workshops, which begin on March 1.

These free workshops are held from 10 a.m. – 3 p.m. and include continental breakfast and lunch. To register, go to www.accessgroup.org/workshops. Please register at least two weeks before the date of the workshop you select. We'll send you an e-mail confirmation with a link to directions to your workshop site and parking information.

If your workshop must be rescheduled due to weather conditions, we'll notify you as soon as possible. You can also check scheduling the day before your workshop by calling 800-227-2151, extension 4015.

See Access Group's workshop schedule on page 2.

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Also in this issue:

- Big News about our Postgraduate Loans!
- Consolidation Corner
- Borrower Education



Spring Workshops, continued

You won't want to miss these feature presentations:

❑ Deficit Reduction Act of 2005 (S. 1932)

Unscrambling What This Bill Means to You and to Your Students

PLUS loans for graduate and professional students, increased loan limits, fixed interest rates, reduced loan origination fees, and elimination of in-school consolidation are just a few of the changes resulting from this bill. Find out how this new legislation will affect you and your students, and learn how Access Group is responding to these changes.

❑ Access Group Products and Services

Solutions for Students and Schools

Financial aid can be an ever-changing puzzle, but Access Group is at the ready with the solutions you and your students are seeking. Join us and learn about the loan programs and services we're offering for 2006-2007.

❑ Federal Loan Consolidation

Responding to What's New and What's Not

Federal loan consolidation continues to be a "hot topic" with interest rates continuing to trend upward and Congress recently enacting changes to the program. There likely will be another rush by borrowers to consolidate their eligible federal loans before July 1, 2006. This interactive session will focus on the consolidation landscape, what may be ahead, and how you can respond to these changes.

2006 Access Group Spring Workshop Schedule

EASFAA2	Access Group, Inc.	Wednesday, March 1, 2006	Wilmington, DE
MASFAA2	Myers University	Tuesday, March 7, 2006	Cleveland, OH
SASFAA3	Barry University (Miami)	Tuesday, March 7, 2006	Miami, FL
MASFAA2	Walsh College of Accountancy and Business Administration	Wednesday, March 8, 2006	Troy, MI
SASFAA3	Barry University (Orlando)	Wednesday, March 8, 2006	Orlando, FL
MASFAA2	University of Dayton	Thursday, March 9, 2006	Dayton, OH
SASFAA2	Georgia State University	Thursday, March 9, 2006	Atlanta, GA
SASFAA1	Regent University	Tuesday, March 14, 2006	Virginia Beach, VA
EASFAA3	University of Connecticut	Tuesday, March 14, 2006	Hartford, CT
SASFAA1	University of Richmond	Wednesday, March 15, 2006	Richmond, VA
EASFAA4	Syracuse University	Wednesday, March 15, 2006	Syracuse, NY
WASFAA1	University of San Diego	Tuesday, March 21, 2006	San Diego, CA
WASFAA1	University of California - Los Angeles	Wednesday, March 22, 2006	Los Angeles, CA
MASFAA1	University of Illinois - Chicago	Thursday, March 23, 2006	Chicago, IL
WASFAA2	Golden Gate University	Thursday, March 23, 2006	San Francisco, CA
EASFAA3	Boston University	Tuesday, March 28, 2006	Boston, MA
EASFAA2	Touro College Jacob D. Fuchsberg Law Center	Tuesday, March 28, 2006	Huntington, NY
SASFAA1	Vanderbilt University	Wednesday, March 29, 2006	Nashville, TN
EASFAA1	New York University Law School	Wednesday, March 29, 2006	New York, NY
EASFAA2	The Catholic University of America	Thursday, March 30, 2006	Washington, DC
SWASFAA2	Texas Wesleyan University	Thursday, March 30, 2006	Fort Worth, TX

Announcing: Enhancements to our Postgraduate Loans

Access Group is pleased to announce two enhancements to our postgraduate loans for the 2006-2007 processing season.

In response to your suggestions and to the special financial needs of students pursuing postgraduate residencies and board or bar exams, we are raising the maximum limits on these loans as follows:

- **Bar Examination Loan**
increases from \$11,000 to \$15,000
- **Dental Residency/Dental Board Examination Loan**
increases from \$13,000 to \$15,000
- **Medical Residency Loan**
increases from \$13,000 to \$15,000

In addition, we are expanding the application window. Students will be able to apply up to 12 months before and up to 9 months (instead of 6) after their graduation date.

More details about these enhancements will be coming later this spring.

Bar Examination Loan: Take a Closer Look

For graduating law students, Access Group's Bar Examination Loan (BEL) covers the cost of a bar review course and other expenses related to preparing for the bar examination. This loan has a specific purpose and a finite time frame for application, disbursement, and repayment.

- Students may apply 12 months before their anticipated graduation date and, beginning with the 2006-2007 processing season, they may apply as long as 9 months after their graduation. Because the BEL requires certification by your office, applications must be certified within this time frame.
- BEL loans should be fully disbursed within nine months after the borrower's certified graduation date. That means students shouldn't wait until the last minute to begin the application process, since we need enough time to process the application before disbursement.
- Repayment begins nine months after the graduation date you certified on the student's application, regardless of when the loan is made or when the student actually graduates. Access Group can change the graduation date on a BEL application only if the date entered is a typing error. In all other cases, the date certified is the date used to determine when the repayment period begins.

The BEL does allow eligible borrowers to receive an in-school forbearance if they return or are still in school after the loan entered repayment. Check with your Internal Account Executive for details.

Consolidation Corner

Federal loan consolidation is heating up again this spring. Those with eligible federal student loans should consider consolidating those loans by applying for a Federal Consolidation Loan before July 1, 2006. Here's why:

- The current upward trend in the 91-day Treasury bill indicates rates will be higher on variable rate Federal Stafford Loans when the rate is reset on July 1.

The 91-day Treasury bill has increased nearly 1.5% over the rate that was used to set Federal Stafford Loan interest rates for the period July 1, 2005 to June 30, 2006.

- Students who are not graduating prior to July 1, 2006, will no longer be eligible for in-school consolidation, beginning July 1, 2006.

Due to a provision in the recently enacted Deficit Reduction Act of 2005, effective July 1, 2006, in-school borrowers will no longer be able to request early loan repayment on any of their federal education loans in order to make them eligible for consolidation in the FFELP Federal Consolidation Loan program.

Get the word out to your students!

- Direct your students and alumni to FederalConsolidation.Org for clear, up-to-date information, and guidance on federal loan consolidation. Visit this Web site periodically for updates and new features.
- Your students and alumni can link to our online Federal Consolidation Loan application and apply directly on the Web. When they finish applying, they can print the completed application/promissory note and any other required documents (including the Early Loan Repayment Request Form for in-school borrowers) for review and signature.
- To put a link from your school's Web site to FederalConsolidation.Org, go to www.accessgroup.org/education_pr/fcl_link.htm.

Borrower Education

As you plan for exit counseling, don't forget to take advantage of Access Group's convenient exit counseling materials for your spring graduates. We offer an array of online services, downloadable materials, and printed publications.

Exit Counseling Resources from Access Group

- **Borrower Profiles**

Graduating students can log on to our Web site and click "Borrower Profile" to view and print their individual borrower profiles. Each borrower profile contains a history of loan types, loan amounts, and estimates of the borrower's monthly payments during repayment. Borrower profiles are also available to school administrators through eAccess.

- **Online exit counseling**

We offer a variety of options to create customized online exit counseling sessions for your graduating students as they prepare to manage and repay their education loans.

Reminder: Before your students can use this service, you must set up your preferences by logging in to eAccess and selecting "Online Counseling Administration" from the main menu.

- **Exit counseling bookmarks**

Order a supply of these colorful bookmarks to direct students to our online exit counseling service.

- **Helpful booklet**

Check out "After You Graduate: A Guide to Repaying Student Loans." This Access Group publication can be an informative resource for your graduating students.

- **Online calculators**

Help your students prepare budgets and estimate education loan payments using our calculators.

- **Federal loan consolidation resources**

Your students can find information, calculators, and an online loan application at *FederalConsolidation.Org*. We also have bookmarks to direct students to this Web site, which complements the informational brochure about our Federal Consolidation Loan Program.

- **Debt management information**

We offer more than a dozen handouts for your use during exit counseling. Download these from the "School Administrators" section of our Web site. Select "Debt Management" for titles and descriptions.

To order printed materials, go to www.accessgroup.org/materials or call your Account Executive.

3-Month LIBOR for First Quarter 2006

The current index effective for January, February, and March 2006 is 4.420%.

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%