

January 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
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.

Important News about the Deficit Reduction Act of 2005

Access Group staff members are currently in the process of evaluating the student loan provisions in the Deficit Reduction Act of 2005 (S. 1932) and the impact those provisions will have on our product offerings and loan programs. We will provide information to you if and when the pending legislation becomes law. Be advised that we are aware of the proposed Federal PLUS loan program changes, and should the changes become effective, we will offer a PLUS product for graduate and professional students in the near future.

The "Grad PLUS" loan that is proposed would allow graduate and professional students to borrow the PLUS — not their parents. It would be an additional federal loan, supplementing the subsidized and unsubsidized Federal Stafford Loans that are currently available to these students. Students would still be encouraged to first borrow their maximum eligibility in Stafford before borrowing PLUS.

PLUS borrowers are eligible for an in-school deferment if they are enrolled at least half-time, just as with Stafford loans. So, graduate and professional student borrowers would be able to defer their PLUS loans while in school.

As currently proposed, the "Grad PLUS" differs from the unsubsidized Federal Stafford Loan in only four significant ways for the graduate/professional student borrower: (1) it has a fixed interest rate of 8.5% rather than 6.8%; (2) it has no grace period; (3) it has no annual or aggregate loan limits other than COA less other financial aid; and (4) the PLUS loan has a credit review requirement. In all other aspects, the PLUS is just like the unsubsidized Federal Stafford Loan — same payment options, same deferments and forbearances, same cancellation provisions.

We will have more information for you on the Deficit Reduction Act of 2005 (S. 1932) once it becomes law. Keep checking *Access Update* in the coming months for more updates.

Access Group Workshops Are Coming

Are you getting ready for the new loan processing season? Then it's time to get ready for spring training — at our Financial Aid Training Workshops, beginning on March 1 in Wilmington, DE. This year, our workshops will feature a three-part presentation on:

- Legislative update, including the Deficit Reduction Act
- Federal Loan Consolidation
- Access Group Products and Services

Look for more information in the February *Access Update* and on accessgroup.org.

Also in this issue:

- Need Access 2006 – 2007
- Consolidation Corner
- And more!

Need Access® 2006 – 2007

Need Access season is here, and Access Group has prepared the materials you and your students will need.

Need Access for your staff

Need Access User Training takes place later this month at Access Group's corporate office in Wilmington, Delaware:

Basic Training: January 25, 10 a.m. – 4 p.m.

For the financial aid professional new to Need Access, this session covers topics ranging from need analysis to getting started with Need Access Counselor.

Advanced Training: January 26, 10 a.m. – 4 p.m.

For the financial aid professional who wants to learn the advanced office management features of Need Access Counselor, such as tracking documents, customizing letters and reports, and importing/exporting data.

We are also updating the **Need Access Counselor User Manual** for 2006 – 2007. When completed, printed copies will be sent to participating schools.

Need Access for your students

- Our **Need Access Application Instruction Booklet** will soon be available for your students.
- **New!** We also have bookmarks that you can order to direct students to *NeedAccess.Org*.

You can order the booklets and the bookmarks at accessgroup.org/materials.

Welcome! Access Group is pleased to announce four new Need Access school participants for 2006 – 2007. We welcome: Hofstra University School of Law; Thomas M. Cooley Law School; University of California Davis School of Law; and Wharton School at the University of Pennsylvania.

If you don't currently use Need Access but are interested in learning more, please contact your Account Executive.

2006 Conference Returns to Island Setting

Access Group returns to paradise to host the 2006 Graduate and Professional Financial Aid Conference at the AAA Five-Diamond Ritz-Carlton, Amelia Island, Florida.

Nestled between a championship 18-hole PGA golf course and the Atlantic Ocean, this beautiful beachfront resort is renowned for its breath-taking views and unsurpassed elegance. The Ritz-Carlton offers guests nothing short of perfection ... a gorgeous coastline, genuine Southern hospitality, award-winning cuisine, and impeccable Five-Diamond service.

Be sure to visit accessgroup.org/conf2006 in the coming months for more news and updates about our 2006 conference.

Join us in paradise November 16 – 19, 2006!



First Call for Session Proposals

Planning for the 2006 Access Group Graduate and Professional Financial Aid Conference will soon be underway, and we welcome your suggestions for topics and speakers. You can find the Conference Session Proposal Form at accessgroup.org/conf2006. Submit your suggestions by faxing the form back to us at 800-449-8204, or e-mail Melissa Fuga at mfuga@accessgroup.org.

Please submit your suggestions by March 31, 2006.

Consolidation Corner

Consolidation will be a “hot topic” once again this spring. Need resources? Access Group can help! To address both likely legislative changes and the probability that Stafford loan interest rates will increase again on July 1, we can help you educate students about federal loan consolidation.

Web Resources

Direct your students and alumni to **FederalConsolidation.Org** for clear, up-to-date information and guidance on federal loan consolidation. What will they find at *FederalConsolidation.Org*?

Online application: Your graduating students and alumni can link to our online Federal Consolidation Loan application and apply directly on the Web. When students finish their application, they can print the completed application/promissory note for review and signature. Your in-school borrowers can pre-apply on the Web, and we'll mail them the completed Federal Consolidation Loan application for their review and signature.

Paper application and forms: All borrowers can download and print complete paper applications with instructions and auxiliary loan listing sheets.

Loan Repayment Comparison Chart: Direct students to this chart so they can view the total cost of consolidation as influenced by the length of repayment.

Federal loan consolidation calculators

The Weighted Interest Rate calculator can:

- Calculate the total amount being consolidated
- Calculate the weighted average interest rate, rounded up to the nearest 1/8th percent

The Repayment and Payment Incentive calculator can:

- Calculate the estimated monthly payment and total pay-off for a Federal Consolidation Loan from Access Group using the standard payment option

- Show the financial benefits of each Access Group payment incentive on the total amount being consolidated
- Show the combined financial benefits of payment incentives on the total amount being consolidated

The Federal Student Loan Repayment calculator helps students estimate what their Stafford loan payments would be without consolidation and compare these results with the consolidation calculator figures.

Check out this Web site and remember to visit it periodically for updated information and new features. To put a link from your school's Web site to this one, go to www.accessgroup.org/education_pr/fcl_link.htm for step-by-step instructions.

Additional Access Group Resources

Student brochure: Order a supply of these informational brochures about Access Group Federal Consolidation Loans.

Campus presentations: Access Group staff members are available for presentations to your students about federal loan consolidation. Contact your Account Executive for more information.

Access Update's "Consolidation Corner": Get information and updates about federal loan consolidation in general and Access Group's Federal Consolidation Loan program in particular. Coming soon: A legislative update on federal loan consolidation.

Financial Aid Training Workshops: Access Group's 2006 spring workshops will feature a segment on federal loan consolidation that includes the latest legislative news and information.

2006 Public Interest Law Forums Set

If you know students who are interested in public interest law, be sure to tell them about "Mission Possible: A Career in Public Interest Law." Co-sponsored by Access Group and Equal Justice Works, these half-day forums are scheduled in Washington, DC, on January 28 and in San Francisco on February 11.

Pre-law and law students living in these metropolitan areas are invited to learn what it takes to get a job in public interest law, review strategies for affording a career in that area, and hear from recent graduates who are surviving and thriving as attorneys in the public sector.

These public interest law forums will be held:

January 28, 2006

12:30 p.m. – 4:45 p.m.
Washington Marriott
1221 22nd Street, N.W.
Washington, DC

February 11, 2006

University of San Francisco School of Law
(Held in conjunction with the 22nd Annual
Northern California Public Interest/Public
Sector Legal Careers Day)

For more information, contact Jeffrey E. Hanson, Access Group's Director of Borrower Education Services, at 800-282-1550, ext. 4196.

January Meetings

Access Group staff are kicking off the new year's meeting schedule by attending these events:

January 18 – 19	Student Loan Servicing Alliance Members Meeting	San Antonio, TX
January 29 – February 1	Michigan Student Financial Aid Administrators Winter Conference	Kalamazoo, MI

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 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%