

March 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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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 Offers More Student Loan Choices for 2006 – 2007

Soon students who borrow through Access Group will have more choices than ever before for financing their graduate and professional education.

Our new Graduate PLUS Loans make it possible for graduate and professional students to borrow up to the full cost of their education, less other financial aid. "We're excited and pleased to be offering the new graduate PLUS loan to our student borrowers," says Dan Lau, Access Group's President and CEO. "This new financing option enables Access Group to continue and increase its commitment to the graduate and professional community."

The Graduate PLUS Loan features fixed interest rates as low as 7.25%, when borrowers take advantage of these payment incentives:

- A 1.00% interest rate reduction at repayment, which continues as long as payments are made on time. And, even if borrowers are late with a payment, they can regain the incentive by making the next 12 consecutive monthly payments on time.
- An additional 0.25% interest rate reduction with auto-debit payments.

Graduate PLUS Loans also offer:

- An automatic in-school deferment.
- A six-month forbearance, available to match the Stafford Loan grace period.

We are readying our systems to begin collecting Graduate PLUS loan applications this spring for loans certified on or after July 1, 2006.

• Borrower-Initiated Applications

In late April, we plan to have our online loan application available to accept borrower-initiated PLUS loans. We are integrating this capability into our current online application so that borrowers will still be able to complete an all-in-one online application for Stafford, PLUS, private, and postgraduate loans.

Our updated online application will include instant credit notification and e-sign functions for PLUS loans. Just as with Stafford and private loans, schools will be able to disallow Web applications for PLUS loans.

• CommonLine- and eAccess-Initiated Applications

Later this spring, Access Group will begin accepting CommonLine and eAccess-initiated applications and certifications. In addition, all eAccess and Account Access functions will be updated to process and report on PLUS loans.

(continued on Page 2)

Also in this issue:

- Consolidation Corner
- Wanted: Conference Session Proposals
- Access Group Names 2006 Conference Planning Committee
- School Services Spotlight

Access Group Offers Students More Choices for 2006 – 2007 (continued)

Our new federal loan package also includes **Stafford Loans with no origination fees and fixed interest rates** as low as 5.75% when borrowers take advantage of these payment incentives:

- A 0.8% interest rate reduction when they begin repayment; the incentive continues as long as payments are made on time. And, borrowers will have the same one-time “repair” feature as our Graduate PLUS Loan
- An additional 0.25% interest rate reduction for making auto-debit payments

Our Federal Stafford and Federal PLUS Loans also offer these repayment features:

- Federal loans are capitalized only once, when repayment begins
- A single monthly statement combining federal and private loans
- 25-year extended repayment term available for eligible borrowers with \$30,000 or more in combined federal loans

Access Group’s private loan program — still with no fees!

Borrowers still have the option of additional financing through our private loans. These loans can meet the needs of full-time, half-time, part-time, continuing education, and international students, all with the same low interest rates and payment incentives for the 2006 – 2007 academic year as they have now.

New! For 2006 – 2007, we’ve raised the limits on our postgraduate loans:

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

In addition, students will be able to apply up to 12 months before and up to nine months (instead of six) after their graduation date.

The new limits on Access Group postgraduate loans for 2006 – 2007 is good news for dental, law, and medical students who have already borrowed up to the current limit. If they need an additional loan while preparing for the bar exam or completing a residency, they will be able to borrow another loan up to the new limit for the postgraduate loan.

For example, a law student who has already borrowed \$11,000 will be able to apply for a new loan of up to \$4,000, and may do so up to nine months after graduation. Of course, students should understand that this is a new loan and will require a new credit decision.

For more details about our new student loan offerings for 2006-2007, visit our Web site at www.accessgroup.org/education_pr/PLUSnews.htm.

Consolidation Corner

Getting ready for a busy consolidation season

With the experience of last year’s unprecedented increase in Federal Consolidation Loan applications, Access Group has improved the efficiency of our application and fulfillment process.

New online applications at **FederalConsolidation.Org** are available for:

- Borrowers who have graduated or are in repayment
- Graduating students who want to apply early and have their applications held until their separation date
- In-school borrowers who are not graduating

What can you do to help this year’s process?

With interest rates likely rising again and in-school consolidation unavailable after July 1, 2006, you can help smooth the process by having your students consolidate early. Whether they are still in school or a spring graduate, there’s no reason to wait;

potential delays can occur if they do. Just have them collect their information, go to **FederalConsolidation.Org**, select the right application for them, and we’ll take care of the rest.

New FAQs for Spring 2006

To help you inform and educate your students and alumni about their consolidation options this spring, Access Group has prepared a new set of questions and answers for those who are considering consolidating their eligible federal loans this spring and may have already consolidated at least once before.

Whether students are graduating, remaining in school, or have already graduated, “Questions You Should Answer About Federal Consolidation Loans Before July 1, 2006,” is a good source of information for everyone. This document was distributed at Access Group’s spring workshops and is now posted as a PDF on our consolidation Web site **FederalConsolidation.Org**.



Ann Roberts

School Services Spotlight

Ann Roberts, School Services Internal Account Executive, had two choices when she was looking for a job after graduation: interact with people and help solve problems, or work alone with dirt. Sure, working with soil was tempting for a former Environmental Science turned Geography major, but it just couldn't compare to the warmth she encountered as part of the company culture at Access Group.

So, in April 2002, Ann began as a Customer Contact Center representative. She quickly worked her way through the Career Pathing Program, and when the position she currently holds as an Internal Account Executive became available in 2005, her colleagues encouraged her to apply, instinctively knowing she'd be perfect for the job.

"The people I work with in my department, throughout the company, and the FAAs I speak with every day are the best part of my job," Ann says. "I really enjoy the interaction, problem solving, and working on something new every day. Those are the reasons I took the job in 2002 — helping people, and the unique corporate culture here."

Ann confesses that she's better with people than with plants. "I have house plants that live in fear," Ann says with a chuckle. (Thank goodness Brad, her boyfriend of eight years, is not leafy and green!) "I try to take care of the plants, but they thrive more when I just leave them alone. One I thought sure was dead revived only after I left it on the back porch and ignored it for a month."

Her "black thumb" isn't the only thing about Ann you may not have known. She is also a huge fan of the Muppets — since she was a little girl and watched the weekly show in her red footy pajamas. Could it be only a coincidence that her college advisor sounded like Jim Henson? Her favorite Muppet is Gonzo, which was also her nickname as a Girl Scout Camp Counselor in her teenage years. Being a Scout leader is something she'd like to get back to some day.

Ann's also training to be a literacy volunteer. Her own acquisition of reading was rather non-standard: she went straight from not reading a word to reading entire story books to her mother, completely bypassing the learning of phonics. And because she knows the joy of reading, she wants to help address the sad fact that one in five adults in Delaware is functionally illiterate.

Obviously, "service" is part of Ann's make up, which her customers can sense over the phone in their daily interactions. When you speak with her, you can practically hear her smile, sense her appreciation for what life has brought her, and benefit from her love for helping others. While she claims she feels lucky to be with Access Group, her colleagues feel that it was their lucky day when Ann chose Access Group over the dirt.

Access Group Names 2006 Conference Planning Committee

We are pleased to present the Planning Committee for our 2006 Graduate and Professional Financial Aid Conference scheduled for November 16-19 at The Ritz-Carlton, Amelia Island, Florida.

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Marsha Weiss

Director of Financial Aid
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Wanted: Conference Session Proposals

The Planning Committee for Access Group's 2006 Graduate and Professional Financial Aid Conference wants to hear from you! Your suggestions for speakers and sessions help the committee develop a strong educational program that serves the needs of graduate financial aid professionals around the country.

Please respond by March 31, 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 mfuga@accessgroup.org.

The March of Spring Meetings

Besides conducting financial aid workshops this month (see the schedule at www.accessgroup.org/workshops), Access Group staff will be attending these meetings:

March 23-24	EASFAA Graduate/Professional Symposium	Washington, DC
March 30-31	ELM Annual Meeting	Orlando, FL
April 2-4	WASFAA Annual Conference	Reno, NV
April 2-4	Illinois FAA Conference	Springfield, IL

It's Not Too Late!

You can still register for one of our spring workshops taking place this month across the country. Go to www.accessgroup.org/workshops.

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%