

for school administrators on issues affecting the financial aid community

accessupdate



Getting Ready for 2007 – 2008

As we prepare for the next processing year, Access Group is pleased to unveil new capabilities and processing enhancements to benefit our schools and students, as well as improve our internal efficiencies.

- Among new options coming in February are blanket guarantee with five loan guarantors and electronic change transactions. (See our new “Technology Track” feature on page 2.)

- Later this spring, we’ll roll out additional new functions related to disbursement services, PLUS credit processes, and ELM real-time loan changes.
- We’re also making improvements to our Web site that focus on new functions for our school customers.

We’ll keep you posted on these initiatives. Watch for updates in the weeks to come!

What's the BUZZ?



In the next few weeks Access Group will be busy updating our systems for 2007 – 2008. Watch your e-mails for information about planned system shutdowns as we prepare to launch.

Loan Program Update

As we begin a new year, Access Group will continue to offer a full range of competitive loan products that reflect our organization's mission and commitment to access, price, and service. We'll continue to serve you and your students with:

- **Private loans** – still with no fees!
- **Federal loans:**
 - ✓ Continue to pay Stafford origination and federal default fee
 - ✓ Continue to cover the PLUS default fee
 - ✓ Continue to offer upfront discounts on Stafford and PLUS loans beginning with the first on-time payment

We also continue to expand our popular Borrower Education Services, a valuable resource for borrowers to learn about their options, calculate the best possible choices for financing their education, and manage successful repayment of their student loans. (See an overview of these services on page 3.)

How Do You Like Our New Look?

We'd love to know how you like the new look of our 2007 *Access Update*. After you've had a chance to look through the January issue, please send an e-mail to Betty Williams at bwilliams@accessgroup.org. And thanks for your feedback!



Access Group's “Spring Workshops” are coming! Our annual series of financial aid workshops kick off in late February and run through the month of March. Look for information about registration and locations to follow in the next few weeks.

Also In This Issue:

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Reminder Memos

PLUS Loans

- As you know, PLUS loans enter repayment as soon as they are fully disbursed, and PLUS borrowers automatically receive a required repayment disclosure notice. This notice may initially confuse borrowers, however, because it shows that a payment is due approximately 45 to 60 days after the date the loan enters “repayment.”



Please reassure borrowers that their Grad PLUS loans will immediately be placed into an in-school deferment, and no payment will actually be due until after graduation or separation. Borrowers will receive a letter confirming their deferment status.

After they've graduated, Grad PLUS borrowers with Stafford loans also can request a forbearance on their PLUS loans so their Stafford and PLUS loans enter repayment at the same time. Parent PLUS borrowers, who are not themselves enrolled in school, are not eligible for this deferment, and their loans will enter repayment unless they request the optional forbearance offered by Access Group.

Peak Mailing Schedule

- Access Group's peak mailing schedule began on December 11, 2006 and will conclude on January 26, 2007. During this time, checks are mailed Monday, Wednesday, and Friday via FedEx priority overnight delivery to each school. As usual, BEL, DEL, and REL checks are mailed daily via first class mail.

2007 Conference

- Just a quick reminder that we are waiting to receive your suggestions for topics or speakers for Access Group's 2007 Graduate and Professional Financial Aid Conference. Just go to the "Conference Session Proposal Form" at www.accessgroup.org/conf2006 to submit your suggestion.



Students Should Think Twice Before They Consolidate

Federal loan consolidation may help borrowers manage repayment of their federal student loans, particularly if they still have Federal Stafford/Direct Loans with variable interest rates. But, consolidation may not be the right option for all borrowers, especially for those who now have only federal student loans with fixed interest rates.

According to Jeff Hanson, director of borrower education services at Access Group, "Borrowers may be able to save money both in terms of their monthly loan payment and in the total amount they pay if they do not consolidate their fixed rate Federal Stafford/Direct and Federal PLUS loans."

Borrowers should weigh the benefits and costs before rushing into consolidation for these reasons:

1. Many lenders now offer on-time payment incentives on Federal Stafford and Federal PLUS Loans that are more

beneficial financially than those offered on consolidation loans.

2. Many graduate/professional student borrowers may now qualify for the Extended Repayment option on their Federal Stafford/Direct and Federal PLUS loans. That option provides a 25-year repayment period, thereby allowing borrowers to reduce their monthly loan payment without consolidation.
3. Federal Stafford/Direct Loans first disbursed on or after July 1, 2006, have fixed interest rates. Thus, the fixed interest rate structure of the Federal Consolidation Loan provides no advantage to borrowers who have these new fixed rate loans.

To learn more about how borrowers can save money by not consolidating or about the pros and cons of the Federal Consolidation Loan program, go to FederalConsolidation.Org.

Technology Blanket Guarantee Scheduled for Launch



We are pleased to announce that a blanket guarantee feature is being incorporated into Access Group's application processing and disbursement system for the 2007 – 2008 loan processing season.

The blanket guarantee feature allows Federal Stafford and PLUS loan funds to be disbursed *before* Access Group receives the guarantee. And that's great news for students, who will get their loan funds sooner!

Schools eligible for this feature are those who use ASA, EdFund, NSLP, Texas Guaranteed, or USA Funds as their guarantor. An eligible school then has to request that Access Group modify their school profile to allow blanket guarantee. Of course, we do advise the school to have a process in place for returning loan funds to us in the rare instance when a loan is not guaranteed.

To learn more or to request a blanket guarantee feature for your school, please contact your internal account executive.

Access Group Helps Students Become Wiser Borrowers

Access Group has been helping school administrators in their efforts to educate students about personal finance, debt management, and loan repayment for more than 20 years.

Today, Access Group continues to focus on borrower education, offering an expanded program of services available online, in print, and in person.

Borrower education online at AccessGroup.Org

- Entrance and exit counseling — These federally compliant sessions, which provide debt management information to incoming and graduating students, can be customized for your students' specific needs.
- WiseBorrower® Curriculum — These self-guiding tutorials have been developed to help students understand the basics of personal finance and debt management. Topics include credit, budgets, and federal loan consolidation.
- WiseBorrower Series Handouts — Choose from topics such as budget planning, loan repayment, credit, financing an education, and personal finance. These handouts are formatted for easy downloading, and school administrators are welcome to photocopy these Access Group copyrighted materials for their students.
- *FederalConsolidation.Org* is the Web site Access Group developed to help students make informed decisions about consolidating federal loans.

- More to come! Access Group plans to expand online WiseBorrower offerings with podcasts and other “social media” options in the coming months.

Borrower education in print

- Entrance counseling booklet — *As You Enter Graduate School . . . A Guide to Managing Student Loans* helps students understand their education loans and the effect the repayment of these loans may have on their financial future.
- Exit counseling booklet — *After You Graduate . . . A Guide to Repaying Student Loans* prepares students for successful loan repayment with details about repayment and out-of-school budget planning.
- Brochure — *Credit Tips for Student Borrowers* gives students the facts about the importance of maintaining a healthy credit history. It includes information on identity theft, credit scoring, and credit resources – and it fits in a standard business envelope for ease of mailing to current and prospective students.
- *Credit Card ABCs*
This wallet-sized plastic card has important reminders about wise use of credit cards and information on where to get help if credit card debt is unmanageable. It also has a handy “Tip Chart” on the reverse side that can be used to calculate a gratuity.
- *How Much Does That Latte Really Cost?*
illustrates how inexpensive purchases like a daily latte or buying lunch at school every day using borrowed student loan

funds can have an impact when it's time to repay those same loans.

- WiseBorrower calendars and posters for the financial aid office are also available at no charge from Access Group.

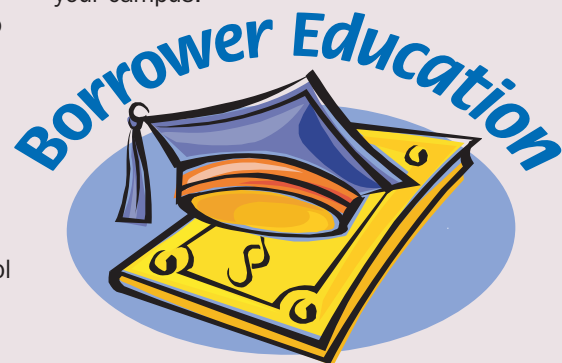
Order any of these printed materials at AccessGroup.Org.

Borrower education in person

Access Group has developed a series of informative presentations that our staff will be pleased to deliver on your campus. These presentations, some of which also will be available to students as podcasts later in 2007, provide in-depth information on these topics:

- Entrance counseling
- Exit counseling
- Federal loan consolidation
- Debt management
- Budget planning
- Credit
- Identity theft
- Public interest law career

Contact your internal or external account executive to arrange a presentation on your campus.



Why use Access Group?

Low, competitive interest rates, instant credit decisions, interest rate reductions for on-time payments, and outstanding customer service!

3-Month LIBOR for First Quarter 2007

The current index effective for January, February, and March 2007 is 5.370%.

The interest rate charged on a borrower's private loan from Access Group will equal this index rate plus the per annum percentage margin applicable to the loan.

Reminder: The effective 3-month LIBOR rate is always available by clicking on "Interest Rates" from the home page 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 using the "Calculators" link from our home page.

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800-282-1550

AccessGroup.Org
FederalConsolidation.Org
NeedAccess.Org

**Federal Stafford Loan
and Federal PLUS Loan**
Lender Code: 808851

To subscribe to an electronic version of this newsletter, send your name and your school's name to accessupdate@accessgroup.org.



New for You

Now ready for your order –
"Borrower Benefits ... Are They Really a Benefit?"

In keeping with Access Group's mission to positively influence education financing practices, we have developed a poster and a rack card featuring 12 questions you and your students can use to better evaluate a lender's borrower benefits program.

These new publications are available for your order at AccessGroup.Org.



Borrower Benefits ... Are They Really a Benefit?



Although borrower benefits can appear very attractive when it is one of the most confusing areas to understand and accurately evaluate, Access Group's mission to positively influence education financing practices, we offer the following questions to assist financial aid administrators and students in their efforts to determine which borrower benefits programs truly offer the best deal.

Before choosing a lender, students should make sure they fully understand the benefits features and eligibility requirements. Most importantly, borrowers should realistically assess how easy or difficult it will be to qualify for, and to keep, the benefits offered.

1. Are the lender's borrower benefits clear and understandable?
2. How does the student qualify for the benefit?
3. When does the benefit go into effect?
• Requirement?
• After a specified number of months of on-time payments?
• If there is a "grace" time in a course?
4. Can the benefit be lost?
5. After loss, can the borrower re-qualify for the benefit?
6. How many times, if any, can the borrower lose and re-qualify for the benefit?

Borrower Benefits ... Are They Really a Benefit?



Although borrower benefits can appear very attractive when deciding which lender to use, they also are one of the most confusing areas to understand and accurately evaluate.

As part of Access Group's mission to positively influence education financing practices, we offer the following questions to assist financial aid administrators and students in their efforts to determine which borrower benefits programs truly offer the best deal.

Before choosing a lender, students should make sure they fully understand the benefits features and eligibility requirements. Most importantly, borrowers should realistically assess how easy or difficult it will be to qualify for, and to keep, the benefits offered.

Please see other side for specific questions you should consider before borrowing.



Monthly Planner



Look for Access Group staff at these winter events:

January 28 – 31

Michigan FAA Association Winter Conference

Dearborn, MI

January 28 – 30

Oregon FAA Association Annual Conference

Gleneden, OR

February 7 – 13

American Bar Association Midyear Meeting

Miami, FL

February 9 – 10

Pacific Coast Pre-Law Advisors Annual Conference

Los Angeles, CA

February 10 – 13

American Council on Education

Washington, DC

February 11 – 14

Southern Association Student Financial Aid Administrators Annual Conference

Nashville, TN