



UPDATE

Campus Partners
Winston-Salem, NC

June 30, 2004

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Holiday Schedule
Independence Day
Monday, July 5

(On-line Systems
will be available
during normally
scheduled hours.)

Inside Campus Partners
Mike Carey
President, Campus Partners

E-mail your School Relations Coordinator if you would like to
receive an e-mail reminder each month when the newest *Update* is available.

Campus Partners--A New Beginning

Our company officially changed its name to Campus Partners on June 1, 2004. We invited several local customers to help us celebrate our name change, and **Yvonne Mitchell** from **NC State A&T University** and **Fern Johnson** from **Winston-Salem State University** even helped us with our Ribbon Cutting Celebration in the Call Center. Owners **Paul Carey**, Chairman of the Board of Campus Partners, and **Michael Carey**, President of Campus Partners, also were on hand to celebrate the name change with customers and staff. (To learn more about Mike and his vision for the company, please see this month's "Inside Campus Partners.")

The day was also exciting because we launched two new products-**E-Bill** and **Cohort Right Track** that day as well. They joined a third new product, **eXpressReports**, which was introduced the week before.

We recently sent another President's letter outlining our most recent transition activities and product development plans to decision-makers at each campus. Please see the following attachment for the complete text of the letter.

Attachment: *President's Letter*

TRANSITION NEWS

LEGISLATIVE UPDATE

COHEAO Announces Teleconference on Reauthorization

Campus Partners will participate in COHEAO's teleconference on reauthorization of the Higher Education Act, which will be held on July 1, 2004 from 2:00 to 3:30 p.m. ET. James Bergeron, Legislative Assistant for Education Issues for Rep. Buck McKeon, the Chairman of the Subcommittee on Postsecondary Education of the House Committee on Education and the Workforce will be participating. This Subcommittee has jurisdiction over the student financial assistance sections of the Higher Education Act, including all of Title IV. Also participating will be Harrison Wadsworth, COHEAO Executive Director, who has been co-leading the COHEAO reauthorization initiatives. The session will offer participants an opportunity to hear directly about the status of the controversial Higher Education Act proposals, including information on the major reauthorization legislation, H.R. 4283. The cost to participate is \$75.00 for members (per site) and \$100 for non-members (per site). You may register for the teleconference on line at www.coheao.org.

MPN UPDATE

Master Promissory Note Question and Answer Guide

As previously published, colleges and universities must begin using the Master Promissory Note (MPN) for all Federal Perkins loans on November 1, 2004. We recently developed a *Question and Answer Guide* to help you make the transition to the MPN if you have not already done so. The Question and Answer Guide is provided as an attachment below and is also available on our Web site at http://www.campuspartners.com/documents/FAQonMPN_000.pdf.

Attachment: *Question and Answer Guide*

We will also be introducing *iPROMise*, our Web based entrance interview and Master Prom Note product, in July. *iPROMise* will allow your Federal Perkins loan borrowers to complete their entrance interview on-line and e-sign their MPN. Future enhancements will include the availability of the Truth-in-Lending Disclosures online,

E-mail Directory for Campus Partners Management, School Relations, and Customer Service Staff

[Note: Effective 6/1/04, our e-mail addresses changed to @campuspartners.com]

Customer Service

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Borrower Services, Continued

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Corporate Web Site: <http://www.campuspartners.com>

automatic update of new loans and advances, and MPNs for HHS loans. (See related article below.)

In this month's *Update*, we have included a "How to" on signing up for and using *iPROMise*.

Master Promissory Notes for HPSL, PCL, LDS, and NSL Borrowers

The Bureau of Health Professions published Campus-Based Policy Memorandum 2004-2 with guidelines for issuing and administering Master Promissory Notes for the Health Professions Student Loan/Primary Care Loan, Loans for Disadvantaged Students, and Nursing Student Loan programs. It may be used for awards beginning July 1, 2004. This guidance does not replace the policy direction provided under current policy guidance for Electronic Promissory Notes with Electronic Signature. To view this memorandum, go to <http://bhpr.hrsa.gov/dsa/weblinks>. Click on "Program Information," then "Office for Campus Based Programs (OCBP) Policy Memorandum."

DHCDD Contact Person Update

Institutions can now update their Division of Health Careers Diversity and Development (DHCDD) contact person information on-line. The person designated by the institution as the DHCDD contact receives all mail (electronic and paper) from DHCDD and is responsible for forwarding program mailings to the appropriate office and individuals within the institution and will be responsible for ensuring the return of materials.

To view your contact person, go to <https://bolivia.hrsa.gov/dhcdd/contact>.

To make changes, go to <https://bolivia.hrsa.gov/dhcdd/indicadmin/contactupdate>.

DHCDD CONTACT

Draft FAFSA Form/Instructions for 2005-2006

This Department of Education (ED) announcement notes key changes in the current draft FAFSA for 2005-06 (published June 17) from the previous posting. Go to <http://www.ifap.ed.gov/eannouncements/0618Draft0506FAFSA.html>.

EDUCATION DEPARTMENT UPDATE

Need Help with the FISAP?

ED has created a helpful Web-based tutorial called "Conquering the Fear of the FISAP." This interactive training tool walks you through the various parts of the Fiscal Operations Report and Application to Participate and can be done at your own pace whenever you have the time. The tutorial can be found at <http://cbfisap.sfa.ed.gov/CBSWebApp/tutorial/index.htm>. More training resources can be found at the Training for Financial Aid Professionals (TFAP) home page at <http://www.ed.gov/offices/OSFAP/training/index.html>. Thanks so much to **Janie Burton at Furman University** for bringing this to our attention.

FISAP Report Update

Campus Partners has completed the required changes to the Fiscal Operations Report for 2003-2004. The changes described below will be reflected in the June 30, 2004 report.

FISAP UPDATE

FISAP UPDATE (Continued)

Part III, Fund Activity during the 2003-2004 Year

Line 8 has been added that states, “Total Principal repaid by borrowers from all sources during the 2003-2004 Award Year for loans in default for more than 2 years up to 5 years.’ Field 8(a) will be the number of borrowers for Line 8 and Field 8(b) will be the year to date principal paid for 8(a).”

Line 9 has been added that states, “Total Principal repaid by borrowers from all sources during the 2003-2004 Award Year for loans in default for more than 5 years.’ Field 9(a) will be the number of borrowers for Line 9 and Field 9(b) will be the year to date principal paid for 9(a).”

Part III, Section C, Cumulative Repayment Information as of June 30, 2004

A line has been added to that states: “(Note: Field 2 equals the sum of field 2.1 plus 2.2).”

STUDENT TRUST

The Other ReFi Boom

Just when you thought interest rates couldn’t go lower, on July 1, federal student loan rates will drop to 2.77% for Stafford loan borrowers who have just graduated this spring. This pretty much guarantees that the market for Federal Consolidation Loans will continue to thrive as borrowers scramble to lock in these extraordinarily low rates.

The formula for determining a Federal Consolidation Loan interest rate is to take the weighted average interest rate of the loans the borrower wishes to consolidate and rounding up to the nearest 1/8%. So, for example, if a borrower has only Stafford loans disbursed since July 1, 1998 in a grace status, on July 1 the rate will reset to 2.77% and the fixed rate on a new consolidation loan would be 2.875%. That’s 2.875% for the life of the loan - which can be up to 30 years depending on the borrower’s level of indebtedness.

Federal Student Loan Interest Rates

| Type of Borrower | During: | 91-Day Treasury Bill Rate Plus | Maximum Rate | Rate Until 6/30/2005 | Fixed Consolidation Rate* |
|------------------|--------------------------------|--------------------------------|--------------|----------------------|---------------------------|
| Stafford | In school, grace and deferment | 1.70% | 8.25% | 2.77% | 2.88% |
| Stafford | All other periods | 2.30% | 8.25% | 3.37% | 3.38% |
| PLUS | N/A | 3.10% | 9% | 4.17% | 4.25% |

*Assumes the consolidation loan is made up of only Stafford or only of PLUS loans

Although the terms of a Federal Consolidation Loan are federally regulated, a number of lenders offer “borrower benefits” to encourage borrowers to consolidate with them. And, these incentives can save borrower hundreds, even thousands of dollars in interest expense. Most common is a .25% interest rate discount when borrowers

The mission of **Campus Partners** is to become the leading lender-independent transaction processor in the education financial services industry. By providing high quality technology and premier service to our customers, we will deliver exceptional, outsourced services to institutions of higher education at costs below internal options.

agree to repay their new consolidation loans electronically (direct debit). Some lenders offer a more significant discount when borrowers make timely monthly payments on their new consolidation loans. For example, Student Trust offers a 1% interest rate reduction after the borrower has made the first 36 consolidation loan payments on time. That means that a borrower with a consolidation loan interest rate of 2.875% could reduce the rate to as low as 1.625% fixed after three years of repayment.

And there are other advantages to federal student loan consolidation. With extended repayment and graduated repayment options, borrowers' monthly payments can be reduced by 50% or more – especially helpful to recent graduates trying to make ends meet. And, if a borrower has multiple lenders and multiple monthly payments, consolidation lets the borrower make a single and (generally) a lower payment to a single lender – simplifying bill payment and improving cash flow. Finally, federal student loan consolidation is free – there are no fees to consolidate.

Most consolidations are completed in 45-60 days, as the underlying loans are paid off to create the new consolidation loan. This timeframe increases a bit during “peak”, June through October, as the year's new graduates race to consolidate their loans during their grace periods to take advantage of the Stafford .6% rate reduction available during grace and deferment periods.

Borrowers interested in loan consolidation have different goals for consolidating and different concerns. The highly trained staff at AES/PHEAA works closely with each borrower to answer all their questions and ensure a smooth transition. For example, a Perkins loan borrower who expresses interest in maintaining the loan's cancellation benefits will be counseled to leave that loan out of the consolidation.

Federal student loan consolidation may be the most attractive financial product recent graduates are ever offered. Lower initial payments can help them manage their money as they are building their careers, and locking in today's interest rates can help lower the total cost of their education.

Student Trust partners with alumni associations and other groups to create custom student loan consolidation programs that offer this valuable benefit to members. To learn how Student Trust can create a custom program for your school, call Mark Jacobs, National Sales Director for Student Trust, at 301.545.0715 x37.

Third-Party Compliance Audit in Process

Our third-party compliance audit, conducted by PricewaterhouseCoopers, LLP, for the fiscal year ending June 30, 2004 is currently underway. We expect their audit report to be published and available to you in early August. Please stay tuned to the *Update* for more information. Audit request forms for 2004 are currently available from our Web site at http://www.campuspartners.com/documents/Audit_Request_Form.pdf.

Credit Counseling Referrals

Campus Partners has entered into a partnership with Money Management International (MMI) to provide credit counseling and other valuable solutions for debt-weary borrowers. In November 2003, Campus Partners began referring borrowers to MMI if they told us that collectors constantly call them or if they told us they recently had a life-changing

AUDIT UPDATE

MMI PARTNERSHIP

MMI PARTNERSHIP (Continued)

event (e.g. unemployment, divorce, etc.) or if we see a pattern in the account history of repeated delinquency.

Since November, we have referred over one hundred borrowers to MMI. Every borrower referred to MMI receives free counseling over the phone, as well as a link to the MMI website (www.moneymangement.org). They also may choose to enroll in a debt management program (DMP). In May, MMI set up the first borrower for a DMP from a Campus Partners referral. Once the borrower is referred to MMI, it takes approximately 45 days to complete the application and set the borrower up on the debt management program.

With a little more than six months experience, we have found that some of our borrowers qualify for or could benefit from MMI's array of services. Our goal is to provide as many avenues as possible to help borrowers who may need assistance with their finances. We believe our partnership with MMI is a win-win situation for many of our borrowers. It's exciting to provide borrowers with options that ease the burden of their financial responsibilities.

TRAINING UPDATE

Teleconference Interval Training: Student Loans from A-Z

Thinking about participating in one of our teleconferences, but don't know how to sign up? Just e-mail Debra Pitts at dpitts@campuspartners.com at least three days before the scheduled teleconference to register. She will notify you of the telephone number that you need to call in a return e-mail. It's free and is well worth your time to learn more about different aspects of servicing student loans.

| | |
|---|------------|
| July 12, 2004 <i>FISOP</i> | 2:00 PM ET |
| August 9, 2004 <i>Where Do I Start: A Month to Month Checklist</i> | 2:00 PM ET |
| September 13, 2004 <i>Open Topic</i> | 2:00 PM ET |
| October 4, 2004 <i>10 Things to Know about Student Loans</i> | 2:00 PM ET |
| November 8, 2004 <i>Open Topic</i> | 2:00 PM ET |
| December 13, 2004 <i>What are Perkins Loans and How Campus Partners Can Help</i> | 2:00 PM ET |

The *Campus Partners Update*, a newsletter for our customers, is published monthly by Campus Partners in Winston-Salem, NC. Editor: Carolyn Williams. Legislative and Regulatory Editor: Sharon Cameron. Contributors this issue: Beth Bealle, Lando Little, Sharon Swaim, Will Shaw, LaShonda Hairston, and Elizabeth Belli. NOTE: This publication contains material related to the interpretation of federal rules and regulations of the Title IV Program of the Higher Education Act. While Campus Partners believes the information contained herein is accurate and factual, this publication has not been reviewed or approved by the US Department of Education. Please consult the Department of Education or your legal counsel with questions or concerns. Please send any correspondence to Documentation Department, Campus Partners, PO Box 3176, Winston-Salem, NC 27102-3176 or directly to Carolyn Williams, Editor, at cwilliams@campuspartners.com.

TRAINING UPDATE (Continued)

Student Loans 101 Scheduled for July 8-9

Students Loans 101, our workshop for less experienced student loan administrators or those new to Campus Partners, will be offered for the final time this year on **July 8-9, 2004** in Winston-Salem. We had a full class in March so be sure to register now if you want to attend.

If you are interested in registering for the workshop, please contact Debra Pitts at 1-800-458-4492, ext. 2272 or via e-mail at dpitts@campuspartners.com. Forms for the workshop are available online at http://www.campuspartners.com/events_workshops.html.

Regional Meetings

Join us at one of our Regional Meetings this year held at campuses across the country. You'll have a chance to find out the latest information from your School Relations Coordinator and share insights with other student loan administrators in your area. If you are interested in hosting a meeting on your campus, please contact your School Relations Coordinator.

| | | |
|---------------------|-----------|--------------------------------|
| Tennessee Regional | July 12 | Meharry Medical College |
| Washington State | July 23 | Seattle University |
| New York | August 13 | Vassar College |
| Nebraska | October | University of Nebraska-Lincoln |
| Arizona | October | |
| Northern California | TBA | |
| Southern California | TBA | |

REGIONAL MEETINGS

Conference Schedule

Representatives from Campus Partners will attend the following conferences.

Second Alliance Collections is presenting the **Cruisin' to Collections Conference** on July 9-12. More information is available at <http://www.secondalliance.com/index.htm>

The **University of Washington** is hosting the **PAC-10 Conference**, July 18-21 at the Shilo Inn, in Ocean Shores, WA. The number for the hotel is 360-289-4600.

The **COHEAO Mid-Year Meeting** will be held August 1-3 at the Loews Philadelphia Hotel in Philadelphia, PA. The phone number for the hotel is 215-627-1200. More information is available at www.coheao.org.

CONFERENCES

Cutoff Dates

Cutoff dates for July and August 2004 are listed on the following page.

CUTOFF DATES

**CUTOFF DATES
(Continued)**

| Transaction | July 2004 | August 2004 |
|---|-----------|-------------|
| Last day to receive collection payments | 07/27/04 | 08/24/04 |
| Last day to receive regular payments | 07/28/04 | 08/25/04 |
| Last day for online payments | 07/30/04 | 08/27/04 |
| Date final post begins | 07/30/04 | 08/27/04 |
| Report date used for final post | 07/31/04 | 08/31/04 |
| Last day deposits created for deposit to bank account | 07/30/04 | 08/27/04 |

June 23, 2004

Dear Customer:

During the brief period since Campus Partners was acquired from Sallie Mae, the transformation of the company has been remarkable. We have a new name, mission statement, and an aggressive product development plan. Here are some milestones that I would like to share with you.

➤ **On June 1, 2004, we officially changed our name to Campus Partners.**

Our new name reflects our commitment to work in partnership with our school customers. As your partner in the campus based loan programs, we are responsible for servicing your borrowers' student loans. We also are always ready to listen to your needs so we can develop products that work for you.

➤ **We adopted a new Mission Statement.**

Our new mission statement reflects our commitment to customer service, technological innovation, and competitive pricing. It reads:

The mission of Campus Partners is to become the leading lender-independent transaction processor in the education financial services industry. By providing high quality technology and premier service to our customers, we will deliver exceptional, outsourced services to institutions at costs below internal options.

All of our actions and planning are driven by our mission statement, which reflects our desire to be the best loan servicer in the industry by meeting your needs.

➤ **An aggressive technology development plan is underway.**

During June, we have released three new products, ***eXpressReports***, ***E-Bill***, and ***Cohort Right Track***. The market place has asked for these products, which are all designed to help you manage your loans and keep your borrowers current on their payments, and we have delivered them on schedule. In July, we will release ***iPROMise***, our Web-based entrance interview product. This will allow your borrowers to complete their entrance interview on-line and e-sign their Master Prom Note. Immediately following the release of ***iPROMise*** in July, we will be delivering a Web-based exit interview product for your borrowers.

A tool for on-demand reports is currently in development with a proposed release date in the fall, following the launch of our Web exit product. With on-demand reports, you will be able to select search criteria to generate the reports that you need and create customized reports on the spot. A simple to use interface will make report generation easier than ever. June 23, 2004

We have made rapid strides, but we are just getting started. Our goal is to transform a very solid and respected company into an innovative leader in the student loan industry. We are currently dedicating many company resources to developing products, but we will never let customer service take a backseat to technology. When this company was originally founded in 1964 and began servicing student loans a few months later in 1965, it offered cutting-edge technology for its time and premier customer service. Customer service excellence has continued to be the company's hallmark, and we will always treat it as our company's foremost asset.

Page 2

Thank you for your loyalty to Campus Partners during this transition period. I will continue to send you periodic updates on our progress.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Carey', written in a cursive style.

Michael Carey
President



ATTACHMENT

Question and Answer Guide for the Federal Perkins Master Promissory Note (MPN)

1. **Q: What is the effective date of the new MPN?**
 A: Schools can begin using the MPN for award years beginning on or after July 1, 2003. However, effective November 1, 2004, schools are required to use the new MPN.
2. **Q: There is not a place for “loan amount” on the new MPN. What backup documents should I use to disclose the amount(s) borrowed?**
 A: Award letters will provide the student with the first notification of the amount available to them. A Truth-in-Lending disclosure will be included as part of the online MPN. For multi-year MPNs, a Total Loan Indebtedness disclosure will be presented to borrowers after the first year in which they received their first Perkins award.
3. **Q: After the new MPN is effective (November 1, 2004), do I have to provide it to borrowers in an electronic format?**
 A: No. The new MPN is *available* in electronic format, but schools may choose to use a paper MPN.
4. **Q: Can I use the MPN as a single-award year note or can it only be used as a multi-award year note?**
 A: Yes, the annual note use of the MPN is the same as the previous single-award year note. The borrower signs a Perkins MPN each award year.

The multi-year feature of the MPN is new. The borrower signs just once when the loan is first made under the MPN. The signed Perkins MPN covers all loans that the school makes to the borrower until it expires (10 years), or the borrower requests in writing that he/she does not want any further loans made under the MPN.
5. **Q: A borrower signs the MPN and a disbursement is made within 12 months of the signature date. Then 12 or more additional months go by without another disbursement. Is the note still valid or does the borrower need to sign a new MPN?**
 A: No. The borrower does not need to sign another MPN because the MPN is valid for 10 years after the signature date. The only exception would be if the school receives written notification from the borrower requesting that no further loans be made under the MPN.
6. **Q: I understand the MPN is good for 10 years. However, what happens if a borrower gets a \$2,000 loan, goes into repayment, pays the debt off, and comes back to school all within a 10 year period? Can he still borrow additional funds under the original MPN as long as the 10 years is not up?**
 A: Yes. See Q & A #5. Above.

ATTACHMENT

Page 2 – Federal Perkins MPN (continued)

7. **Q:** With regard to the previous question, if the borrower has paid his loan in full, wouldn't the paid in full MPN already have been returned to the borrower?
- A:** Not necessarily. If your institution chooses to use the MPN as a 10-year note, you have the option to retain the original MPN in case the borrower does return to your institution for additional funds. Section CFR 674.19(e)(4)(iii) was amended to read, "After the loan obligation is satisfied, the institution shall return the original or a true and exact copy of the note marked "paid in full" to the borrower, or otherwise notify the borrower in writing that the loan is paid in full, and retain a copy for the prescribed period."
8. **Q:** After implementing the new MPN, can I add disbursements from the previous note to the MPN rather than close the previous note?
- A:** No. From OE: "When transitioning to the MPN, or for an Perkins or NDSL made on or after November 1, 2004, schools should close previous notes and make subsequent loan on the MPN."
9. **Q:** Regarding the above question, does this mean that I should set up the subsequent loan (disbursements) as a separate loan?
- A:** Since the terms and conditions of the loan have not changed, there is really no need to set up a separate loan. However, it may be easier for schools to keep track of the 10-year expiration date by setting up subsequent disbursements made under the MPN as a separate loan.
10. **Q:** Is the information included in 674.16(a) only required to be disclosed for the very first disbursement to a student or is it required before making the first disbursement for each award year?
- A:** Clarification from the Department of Education indicates the following: "Each Perkins Loan received under an MPN is a separate and distinct loan. The disclosure information must be provided to the borrower annually, before the first disbursement of each new Perkins Loan awarded under the MPN."
11. **Q:** My school is part of a multi-campus State university system. In order to comply with [674.16(a)(1)(vii)], will we be responsible for sending the borrower a statement of cumulative balance owed to any and all schools he or she may have attended within the university system prior to making the first disbursement of a Perkins Loan from our university?
- A:** No. Generally, in a State university system the branch campuses are separate, free-standing institutions that are a part of a larger system. Each branch campus is only responsible for providing the borrower with the cumulative balance owed to that institution.
12. **Q:** Now that the use of electronic signatures has been approved for Federal Perkins loan MPNs, can I require that all of my borrowers use electronic signature?
- A:** No. The 'Electronic Signatures in Global and National Commerce Act (E-SIGN), Public Law No. 106-229, requires that the consumer affirmatively consent to receive documents in an electronic form. If the consumer declines to participate in electronic records, the consumer has the right to receive paper records at no cost.

ATTACHMENT

Page 3 – Federal Perkins MPN (continued)

13. **Q: How long must an electronically signed MPN be retained?**
 A: The electronically signed multi-year MPN remains valid for a period of 10 years from the date the borrower signed it or the date the school received the signed MPN. The MPN must be accessible for a period of three years after all of the loans disbursed under the MPN have been paid in full or otherwise closed. The single-year MPN must also be accessible for a period of three years after the loan disbursed under it becomes paid in full or otherwise closed.
14. **Q: How does a borrower ‘electronically’ sign the MPN?**
 A: There are several processes that may be used as electronic signature on an MPN or other covered transaction. These include:
- a shared secret, such as a PIN;
 - a unique credential or token such as a cryptographic smartcard or a one-time password device;
 - a computer file or number that corresponds to a biometric measurement uniquely associated with the borrower, such as a fingerprint or retinal pattern;
 - a scanned image of the borrower’s signature;
 - or a typed name combined with any of the above.
15. **Q: How does Campus Partners plan to accommodate electronic signatures?**
 A: Campus Partners, in partnership with NCS Pearson, will allow the borrower to electronically sign their MPN using their FSA pin. This new product is called ***iPROMise***. The borrower will be asked to provide specific personal identification information in order to view their MPN and accompanying Truth-in-Lending/Total Loan Indebtedness Disclosure statement. The borrowers that choose to electronically sign their MPN will then be required to provide their FSA pin, which will allow their identity to be authenticated by NCS Pearson. This service is expected to be available in July 2004.
16. **Q: The new MPN does not provide an area to record additional disbursements for multiple award years when the multi-year MPN is used. How will those additional awards be documented and signed for?**
 A: We plan to prepare a Total Loan Indebtedness Disclosure that will be presented to borrowers receiving additional awards on an existing multi-year MPN. Federal Perkins regulations do not require that the borrower sign the disclosure. However, the Total Loan Indebtedness Disclosure service provided by Campus Partners will require that the borrower acknowledge and accept the award for the new award year as shown on the Total Loan Indebtedness Disclosure. This service is expected to be available by the third quarter of 2005. See also Q&A #10.

ATTACHMENT

Page 4 – Federal Perkins MPN (continued)

17. **Q:** **What changes must I make to my new loans and advances creation as the result of the implementation of the Federal Perkins MPN?**
- A:** There are really no changes necessary at this time. A new loan must be submitted for a first time Federal Perkins borrower. You can continue to submit advances for all returning students who receive additional Federal Perkins awards unless you are concerned with the tracking of the 10-year expiration date. (See also Q&A #9). This is also true for future award years regardless of whether you are issuing single or multi-award year MPNs. The only time it is necessary to set up a new loan for a returning student is when the student's enrollment has dropped below half time and the grace period has elapsed or anytime the terms and conditions of the note have changed.

Reference Materials:

Dear Colleague Letter CB-03-11 - Master Promissory Note
<http://www.ifap.ed.gov/dpcletters/CB0311.html>

Dear Colleague Letter CB-03-13 - Electronic Version of Master Promissory Note
<http://www.ifap.ed.gov/dpcletters/CB0313.html>

Dear Colleague Letter CB-03-14 - Implementation Guidance on Master Promissory Note
<http://www.ifap.ed.gov/dpcletters/CB0314.html>

Dear Colleague Letter GEN-01-06 – Use of Electronic Signatures in the Federal Student Loan Programs
<http://www.ifap.ed.gov/dpcletters/gen0106.html>

How To

Use *iPROMise*

Just in time for the mandatory use of the Federal Perkins Master Promissory Note, Campus Partners is introducing *iPROMise*, our new Web-based Promissory Note management tool. With *iPROMise*, your borrowers can complete their entrance interview and e-sign their Master Prom Note on-line, relieving you of some of the time-consuming tasks involved with awarding Federal Perkins loans.

How *iPROMise* Works

iPROMise provides your awarded student with Entrance Counseling, the Loan Interview, and the Federal Perkins Master Promissory Note (MPN) via a Web site. Here are the steps that help your students complete the entrance interview process quickly and conveniently:

1. First, your students will complete an entrance counseling session on-line.
2. Then, if they desire to continue to the MPN, they will be required to register to use the site.
3. The registration will match your students with their award as reported by your school.
4. Next, your students must complete the loan interview.
5. After completing it, they will be presented with the MPN and accompanying Truth-in-Lending disclosure.
6. Students desiring to electronically sign their MPN can do so using their FSA PIN number.
7. The MPN can also be printed by the student and 'wet signed' and returned to their school.
8. The student can return to the Web site at a later date and view their MPN and disclosure and their current Loan Interview.

Notifications to the awarded students of the availability of their MPN via the Web is an additional optional service. This notification will include instructions for accessing the Web site. The notification can be sent to the awarded student via e-mail or letter. The cost of the notification depends on the method of notification.

Participating schools are notified of all activity by their awarded students on a daily basis. The MPN, with or without the electronic signature, accompanying disclosure statement, and completed Loan Interview are also available to the school for printing from the Web site. Portfolio level reporting is also available.

How to Get Started

To use *iPROMise*, the school must contract with Campus Partners for this optional service. Customers using *iPROMise* must provide Federal Perkins award files to Campus Partners via FTP. These file(s), which will contain information regarding the students and their awards, will be loaded into the *iPROMise* system where they will be available for student access.

Additionally, you need access to the Internet and an ID and password. If you don't have an ID and password assigned by Campus Partners just visit www.campuspartners.com and download a System 3i Access Authorization Form. Complete and return the form to our office, and we'll assign your ID and password within 2-3 business days.

Mike Carey

President, Campus Partners

If our employees had placed a want ad for new owners when the company was for sale last year, we would have asked for owners with a strong background in student loans; extensive experience in marketing, finance, and e-commerce; and an entrepreneurial spirit. Although we did not place this ad, we found a perfect match with the principals of JPT Partners, which purchased the company in January 2004.

Mike Carey, one of the principals, also assumed the position of president when the company was purchased. Like the other owners, Mike brings over 20 years of senior management position in the student loan industry to our company. During 17 years at Sallie Mae, Mike gained a strong understanding of the operations of the student loan industry, specifically the complex methods of asset finance. In 2001, Mike left Sallie Mae to co-found Student Trust, a student loan consolidation company. Although he was still involved in the student loan industry, Mike had to develop different skills in running the company. He had to manage all aspects of the company—sales, marketing, finance, accounting, and Human Resources. “I went from a 4,000 employee company to owning a company with four employees,” Mike said. “The work we did building Student Trust will translate into success for Campus Partners. Like Student Trust, Campus Partners will succeed by focusing on technology and business development.”

As President, Mike has been active in developing an aggressive technology plan and in supporting business development efforts. To keep our customers updated on our transition plans and product development efforts, Mike has been sending a periodic letter to decision-makers apprising them of our efforts. Just as he wants to keep customers informed about our plans and successes, he wants to find out what customers need to make their jobs easier.

Mike has not found the need to alter the daily management operations of the company because he and the other owners found a strong management team in place. “I am very impressed with the management team and the company’s dedication to delivering the best customer service possible to our school customers and their borrowers. The number and quality of our customer base are also impressive,” Mike said.

Although Mike considers our servicing system strong and flexible, he knows that our customer “facing” technology has lagged behind in the past. Improving the technology that customers see is a priority for Mike and the other owners. Although **eXpressReports**, **E-Bill**, and **Cohort Right Track** were released in early June, Mike wants customers to know

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that “We are not going to stop here.” Web based entrance and exit interviews will be released in July, with on demand reports to follow.

He and the other owners are ready to invest the resources that are needed to improve our technology. “The staff here knew what needed to be done, but the former owners did not invest in technology because Perkins loan servicing was not their core business. It is the core business for Campus Partners,” Mike continued.

Mike is very impressed with the commitment to customer service that exists within the company and the enthusiasm with which the employees have greeted the new owners. “It is much easier to fix technology than to fix corporate culture. The employees here are positive, which is reflected in their willingness to exceed customer expectations and to accept the change in ownership,” Mike related.

With positive momentum building within the company, Mike expects that Campus Partners will become the unquestioned leader in campus-based loan servicing. “We will compete on technology and price and win on customer service,” Mike stated with conviction. “We are here to stay.”

Mike lives in Silver Spring, Maryland with his wife, Chris, and their young children, who are three, six, and nine years old. He is very involved with his children’s activities and enjoys coaching them in basketball and softball. He also enjoys playing golf when he has time. Mike is a graduate of Catholic University in Washington, DC, and has a BA degree in Quantitative Management.