

UPDATE

EFG Technologies
Winston-Salem, NC

October 31, 2001

INSIDE THIS ISSUE:

- ◆ Disaster Forbearance Processing
- ◆ Disaster Relief Guidelines
- ◆ Education Department Update
- ◆ Welcome University of Maryland
- ◆ Early Intervention Program
- ◆ New Processing Screen
- ◆ Report Enhancement
- ◆ Separation Date Management Service
- ◆ Loan Consolidation
- ◆ Customer Anniversaries
- ◆ Customer Service Week
- ◆ Index Available
- ◆ Fall Workshop Results
- ◆ Regional Meeting
- ◆ Conference
- ◆ Cutoff Dates
- ◆ Fun Fact
- ◆ New Product Update, *Early Intervention Program*
- ◆ *How to Use Automated Collection Agency Interface*

HOLIDAY SCHEDULE:

November 12,
Veterans Day
November 22 & 23
Thanksgiving
(System IIISM will be
available during
normally scheduled
hours.)

INSIDE EFG Technologies:

Shirley Brown, Borrower Services Representative

For on-line issues of the *Update*, visit our web site at www.efg.net/efgtechnologies.

Update on Disaster Forbearance Processing

EFG Technologies is processing forbearance on all Perkins and Health Professions loans for borrowers who reside in the five boroughs of New York. Based on conversations with the Department of Education (ED), Department of Health and Human Services (HHS), and others in the industry, we believe that processing these forbearances is a requirement and not an option. Though many borrowers may not “need” this provision, they can deny the forbearance after it is processed. We sent a list of borrowers who we have identified as residing in the affected areas to all our customers and are using this list to process the forbearances.

DISASTER FORBEARANCE PROCESSING

We are following the procedures listed below:

Monthly Repayment Borrowers

- Monthly Perkins borrowers will receive a *forbearance* with a form start date of September 11, 2001 and form end date of January 31, 2002.
- The period start and end date will be based on the due date of the borrower.
- For Perkins borrowers, we are processing an **M3** forbearance, meaning the borrower will be billed for interest at the end of the period, based on guidance from ED.

DISASTER FORBEARANCE PROCESSING (Continued)

- Monthly Health Professions borrowers will receive a *hardship deferment* with a form start date of September 11, 2001 and form end date of January 31, 2002.
- The period start and end date will be based on the due date of the borrower.
- For Health Professions borrowers, we are processing an **H3** hardship, meaning the borrower will be billed for interest at the end of the period, based on guidance from HHS.

We are sending all borrowers a *QuikLetter* describing the forbearance or hardship and providing them with the option to decline the provision.

Quarterly Repayment Borrowers

- Quarterly Perkins borrowers will receive a *forbearance* with a form start date of September 11, 2001 and form end date of January 31, 2002
- The period start and end date will be based on the due date of the borrower as well as the quarterly cycle in which they are billed (e.g. January, April, July, October will have a period start date of July, 2001 and a period end date of April, 2002).
- For Perkins borrowers, we are processing an **M3** forbearance, meaning the borrower will be billed for interest at the end of the period, based on guidance from ED.
- Quarterly Health Professions borrowers will receive a *hardship deferment* with a form start date of September 11, 2001 and form end date of January 31, 2002.
- The period start and end date will be based on the due date of the borrower as well as the quarterly cycle in which they are billed (e.g. January, April, July, October will have a period start date of July, 2001 and a period end date of April, 2002).
- For Health Professions borrowers, we are processing an **H3** hardship, meaning the borrower will be billed for interest at the end of the period, based on guidance from HHS.

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 World Wide Web Site: <http://www.efg.net/efgtechnologies>

**DISASTER
FORBEARANCE
PROCESSING
(Continued)**

We are sending all borrowers a *QuikLetter* describing the forbearance or hardship and providing them with the option to decline the transaction.

Note: We are not processing forbearance or hardship deferments for borrowers with:

- Loans that are accelerated and in collections;
- Loans that are billed out;
- Loans in bankruptcy/litigation status;
- Loans that are already deferred through at least January 31, 2002.

If you have any questions, please contact your Customer Service Representative.

Dear Colleague Letter For Military Personnel Issued

To assist members of the military who have been reassigned or activated as a result of the recent terrorist attacks, ED has issued *Dear Colleague Letter GEN-01-13* directing lenders, colleges, and universities to provide affected borrowers with relief from their student loan obligations under the FFEL, Direct Loan, and Perkins Loan programs. Lenders are required to automatically postpone the student loan payments of these borrowers during the period of the borrowers' active duty service.

ED also strongly encourages colleges and universities to provide either a full refund of tuition and other institutional charges or comparable credit to students forced to withdraw from school to fulfill their military obligations. They also have relaxed requirements requiring schools to return federal financial aid to the government when a student aid recipient withdraws from school. For military personnel called to active duty, whose loans are not yet in repayment because they are currently students or have only recently left school and are therefore in a grace period, ED has directed lenders to hold their loans in their current deferment status. Read DCL GEN-01-13 for complete details.

This letter is the third in a series of *Dear Colleague Letters* that provide guidance regarding the administration of the Title IV programs as a result of the terrorist attacks on the United States. DCL GEN-01-11 addressed the immediate needs of borrowers who are in repayment on federal student loans, and DCL GEN-01-12 discussed institutional deadlines that could affect certain schools. Links to all three *Dear Colleague Letters* can be found on our Web site at www.efg.net/efgtechnologies.

A fourth *Dear Colleague Letter*, to be published shortly, will address other issues related to regulatory and administrative relief, including the treatment of students who withdraw from school.

HHS Issues Disaster Relief Guidelines for Title VII, VIII Programs

The HHS Bureau of Health Professions has published HEAL School Policy Memorandum S-2001-3, HEAL Lender Policy Memorandum L-2001-9, and Campus-Based Policy Memorandum 2001-3, which provide guidance along with information on special policies and procedures resulting from the terrorist attack.

**DISASTER RELIEF
GUIDELINES**

DISASTER RELIEF GUIDELINES (Continued)

These Policy Memorandums address the granting of forbearance for borrowers who reside or work in the designated disaster area of New York City's five boroughs, as well as forbearance for other borrowers; defaulted borrowers; and eligibility for death cancellation.

Text relating to forbearances for those living or working in the disaster area and for other affected borrowers is reprinted below.

Forbearance for Borrowers who Reside or Work in Disaster Area

The Secretary is authorizing schools, lenders, and holders to grant forbearance to HEAL, PCL, HPSL, LDS, and NSL borrowers who reside or, if known, work in New York City. Due to the unusual circumstances, the granting of forbearance to these borrowers will not require either a request or documentation from the borrower. This period of forbearance is effective from September 11, 2001 through January 31, 2002. Affected borrowers must be notified by the school, lender, or holder that forbearance has been granted to them. These borrowers may request a resumption of normal billing and repayment before January 31, 2002. After January 31, 2002, forbearance may be granted only in accord with normal procedures and documentation requirements.

Forbearance for Other Borrowers

Based upon the request of the affected borrower, the borrower's family, or another reliable source, HEAL, PCL, HPSL, LDS, and NSL borrowers who have been impacted by the terrorist attacks, other than those who reside or work in New York City, should be granted forbearance for a period that ends no later than January 31, 2002 without supporting documentation and without a written forbearance agreement. The request for forbearance need not be in writing, but the reasons for granting forbearance should be documented in the borrower's loan records. After January 31, 2002, forbearance may be granted only in accord with normal procedures and documentation requirements.

This announcement covers the Public Health Service Act's Health Education Assistance Loan, Primary Care Loan, Health Professions Student Loan, Loans for Disadvantaged Students, and Nursing Student Loan programs. You can access the complete policy memorandum at: <http://www.nasfaa.org/publications/2001/EAHHS092101.htm>.

Bill Introduced to Help Those Affected by Terrorist Attacks

H.R. 3086, the Higher Education Relief Opportunities for Students (HEROES) Act, was introduced October 11 by Howard "Buck" McKeon, House 21st Century Competitiveness Subcommittee Chairman. The bipartisan bill, with 71 cosponsors, would grant the ED Secretary broad authority to waive Title IV student aid statutory and regulatory requirements for individuals, schools, lenders, and other participants in the student assistance process affected by the September 11 terrorist attacks or subsequent incidents. Similar authority was granted the Secretary during the Desert Storm war.

New SFA Web Site Gives Guidance in Aftermath of Terrorist Attacks

The Office of Student Financial Assistance has created a new Web page for Title IV

DISASTER RELIEF GUIDELINES (Continued)

recipients, schools, and their partners that provides information and guidance related to the terrorist attacks of September 11, 2001. This new page can be accessed directly at <http://www.ifap.ed.gov/IFAPWebApp/SFAGuidancetoTerroristAttacks.jsp> and from links on the IFAP and School Portal Web sites.

FAFSA Applications Available by Late October

The 2002-2003 paper FAFSAs should be available by late October, according to ED. ED is asking schools to limit their orders to the number of paper FAFSAs that they reasonably expect to use. Although more students and schools are taking advantage of FAFSA on the Web (available January 1, 2002 for 2002-2003), the number of paper FAFSAs ordered has not diminished. Schools should carefully review the number of paper FAFSAs they used last year before ordering their 2002-2003 supply. Once available, schools can order paper FAFSAs from <http://www.ed.gov/offices/OSFAP/ifap/publications/index.html>.

EDUCATION DEPARTMENT UPDATE

ED Reports on Continuing Decline of College Loan Default Rates

The national cohort default rate has fallen to the lowest rate ever, 5.6% for FY99, and the ED Secretary credited “the colleges and universities that have worked diligently to reduce default rates at their institutions.” The Secretary illustrated the positive impact of “increased accountability” by noting that, “for the first time, all 101 Historically Black Colleges and Universities (HBCUs) have lowered their default rates sufficiently enough to keep them off ED’s ‘watch list.’” Paige continued, “The low national default rate reflects a concerted effort by schools and colleges to increase borrower awareness of their repayment obligations, track borrower delinquencies, and counsel borrowers who get behind in their payments.”

Welcome New Customer

We are pleased to welcome the University of Maryland, located in College Park, to our list of customers. The University has an enrollment of approximately 33,200 students including graduate and undergraduate students and offers over 200 majors and programs. For more information regarding the University of Maryland, access their web-site at www.umd.edu.

WELCOME UNIVERSITY OF MARYLAND

New Product Available Now!

EFG Technologies is pleased to announce a new service, the **Early Intervention Program** (EIP). EIP provides borrowers with the tools necessary to bring their loans current. This is accomplished through a series of written and telephone contacts. Please refer to our new product announcement immediately at the end of this publication, for more information. Shirley Brown, who works with borrowers in EIP, is profiled in this month’s *Inside EFG Technologies* feature.

EARLY INTERVENTION PROGRAM

EFG Technologies UPDATE, a newsletter for our customers, is published monthly by EFG Technologies in Winston-Salem, NC. Editor: Carolyn Williams and Legislative and Regulatory Editor: Jim Williams. Contributors this issue: Daisy Bass, Beth Bealle, Betsy Burton, Sharon Cameron, LaShonda Fields, Tammy Gupton, Lisa King, Pattie Mastin, Charles Parker, and Kim Wilson. 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 EFG Technologies 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, EFG Technologies, PO Box 3176, Winston-Salem, NC 27102-3176 or directly to Carolyn Williams, Editor, at cwilliams@efg.net.

NEW PROCESSING SCREEN

Default Processing Screen Allows Assigned/Accepted Processing

We are happy to introduce the new *Default Processing Screen* (Option “DFLT”) to our DatalinkSM Customers. We designed the screen to assist customers with processing “Assigned” and “Accepted” transactions, and it reflects the information that is necessary to place a loan in assigned or accepted status.

After accessing the screen by entering “DFLT” in the option field, a loan can be assigned by tabbing down to the “ASSIGNED ED DT” (the date the loan was assigned to ED) and keying in a date. You then have the option to enter the amount of defaulted interest sent to the Department by either tabbing over to “DEFAULT INT” and entering in an amount, or by leaving the amount blank and letting System III automatically calculate an amount based on the date entered. After entering this information, press the “Enter” key. Next, a message will appear at the bottom of the screen asking you to key “YES” to confirm the changes. When you have keyed “YES” and pressed the “Enter” button, a message appears at the bottom of the screen indicating that the update was successful.

After a loan has been assigned to the Department of Education and you have received verification from ED that the loan has been accepted, you can update the loan by using the Default Processing Screen. First, access the loan on the “DFLT” screen. Then tab to the “ACCEPTED DATE” field (the date ED accepted the loan) and key in the date. After the date has been keyed, press “Enter.” Next, a message appears at the bottom of the screen asking you to key “YES” to confirm the changes. After confirming the changes, a message appears at the bottom of the screen indicating that the update was successful.

If ED rejects a loan or an assigned/accepted transaction needs to be reversed, you also can code this information on the “DFLT” screen. Tab down to the “RETURN REASON” field under the “RETURN INFORMATION” portion of the screen. Then key a “RETURN REASON CODE” of either an “I” (Institution requested return) or “V” (Rejected by ED). Press “Enter.” A message then appears at the bottom of the screen asking you to key “YES” to confirm the changes. After confirming the changes, a message appears at the bottom of the screen indicating that the update was successful. The “RETURN DATE” automatically is entered as the current system date.

If it is necessary to update late charges, collection fees, or other costs due, tab down to the fields to be updated on the “DFLT” screen and key **only** the amount you wish to add. If the effective date displayed at the top of the screen is not the date that the fee is effective, then change this date to the effective date of the fee being added. Next press “Enter,” and “VRFY” appears in the option field. Key “YES” in the option field and press “Enter” again. A message then appears at the bottom of the screen that indicates the update was successful. Because Institutional, Health Profession, and Nursing loans cannot be assigned or accepted by ED, these fields will not apply to these types of loans.

It is very important that information regarding assigned and accepted loans be input on to System III as soon as possible to ensure that NSLDS records are updated correctly.

Failure to place the loan in an assigned status on System III in a timely fashion results in the duplication of the loan at NSLDS.

NEW PROCESSING SCREEN (Continued)

Changes to the Management Operations Analysis

During October, we made changes to improve the accuracy of the calculation we use to produce the billing forecast. This new calculation now uses the date that the schedule matures to more effectively calculate the number of bills that will be generated during the projected twelve-month period. We also enhanced our calculation of the amount billed by determining the amount of the loan that has not yet been billed to the borrower. Because of these changes, you may notice a reduction in the billing forecast figures.

REPORT ENHANCEMENTS

EFG Provides Sep Date Management via the Clearinghouse

EFG Technologies is pleased to offer an additional service in collaboration with the National Student Clearinghouse (NSC). This service provides the school with management of their borrowers' separation dates using enrollment data from the NSC database. We will coordinate with the NSC to track your borrowers in enrolled status on System III. As the NSC database is updated for students who drop to less than half-time enrollment, we will adjust your borrowers' records on System III to reflect the accurate separation date. You will no longer need to provide us with updated separation date information, as we will obtain this information directly from the NSC.

SEPARATION DATE MANAGEMENT

If you would like to find out more about the *NSC Separation Date Management Service*, or if you would like to sign up to start the service, please contact your School Relations Coordinator.

Information Available on Loan Consolidation

As discussed in the September issue of *Update*, we have provided a link from our Web site to the Web site of our affiliate company, Academic Management Services, for your borrowers to obtain information about loan consolidation. For some borrowers, consolidating their student loan obligations into a single loan is an excellent way to manage their debt.

LOAN CONSOLIDATION

We also have information about loan consolidation available for you to provide to borrowers during exit counseling. During the Exit Interview, you must provide the borrower with information about repayment options, including loan consolidation. For those schools who receive Exit Interview packages from us for students exiting this December, we will include brochures about loan consolidation for your use during the Exit Interview.

If you would like to find out more about how EFG Technologies can assist your borrowers with loan consolidation, please contact Betsy Burton, Marketing Director, at 1-800-458-4492, ext. 2009, or by e-mail to bburton@efg.net.

CUSTOMER ANNIVERSARIES

Long-term Customer Anniversaries Recognized

We would like to express our appreciation to customers reaching long-term anniversaries with us during October, November, and December. Special recognition goes to **Alice Lloyd College, Bridgeport Hospital, Cleveland Institute of Music, David N. Myers College, Maryland Institute College of Art, Onondaga Community College, St. Joseph's College (New York), and Virginia Commonwealth University**, who have been customers for 30 years, and to **Morris College**, who has been a customer for 35 years! Names of all customers attaining milestone anniversaries with us are attached. Customers celebrating anniversaries with us during the first quarter of 2002 will be listed in the January *Update*.

➤ **Attachment:** *Customer Anniversaries*

CUSTOMER SERVICE WEEK

Customer Service Week Celebrated

We celebrated Customer Service Week in our Call Center during the week of October 1 and used the event to recognize our dedicated Customer Service Representatives (CSRs), who provide excellent customer service during this week and every week. In the Call Center, we do not manufacture gizmos or widgets; rather our product is quality service. Our CSRs are sensitive to their customers' needs and are personally accountable for achieving exceptional results. We know building close collaborative relationships with our new and long-term customers drives customer loyalty and satisfaction. Whether we are working with our newest customer, the **University of Maryland** or a 35-year customer such as **Morris College**, we are always striving to exceed your expectations.

Thank you for your business, and Happy Customer Service Week!

INDEX AVAILABLE

Quarterly *Update* Index Available

The index for January through September 2001 is included as an attachment to this month's *Update*. You can also locate past articles through our online *Index* at www.efg.net/efgtechnologies.

➤ **Attachment:** *Quarterly Update Index*

FALL WORKSHOP RESULTS

Fall Workshops Are Successful

Our Fall *Service Overview* and *On-Line Processing Workshops* were great successes according to School Relations Coordinator Sharon Cameron, who led these customer training events. Sixteen participants from 12 different schools and six participants from five collection agencies attended the *Service Overview Workshop*. Eleven participants from 10 schools learned how easy it was to enter changes on System IIISM and maneuver their way through our on-line processing screens in the *On-Line Processing Workshop*. Thanks go to all who participated.

The mission of EFG Technologies is to provide high quality, accurate, and effective processing services in response to the needs of our customers. We strive to consistently provide superior service and innovative solutions at a competitive price.

**REGIONAL
MEETING****Final Regional Meeting for 2001**

We have one more Regional Meeting scheduled in 2001. If you work in New York, don't miss this opportunity to meet with LaShonda Fields, School Relations Coordinator for the Northeast, as well as with other student loan professionals. Many participants cite these meetings as very helpful for generating new ideas for handling default rates and other re-occurring situations.

<u>Location</u>	<u>Date</u>	<u>Host</u>
New York, NY	November 16	Teachers College

Conference Scheduled

Representatives from EFG Technologies will attend the following conference. As we learn of more conferences, we will publish the information in future issues of the *Update* and on our Web site at www.efg.net/efgtechnologies.

The Professional Development Group will be hosting its West Coast **Student Loan Receivables/Collections Conference 2001** at the Wyndham Palm Springs in Palm Springs, California on November 11-14. Please visit www.prodev.com for more information.

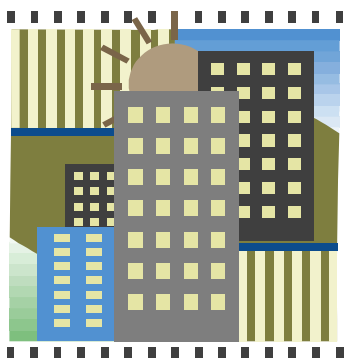
CONFERENCE**Cutoff Dates**

The cutoff dates for November and December are listed in the table below.

Month	November 2001	December 2001
Last day to receive collection payments	11/27/01	12/24/01
Last day to receive regular payments	11/28/01	12/26/01
Last day for online payments	11/30/01	12/28/01
Date final post begins	11/30/01	12/28/01
Report date used for final post	11/30/01	12/31/01
Last day deposits created for deposit to bank account	11/30/01	12/28/01

CUTOFF DATES

FUN FACT

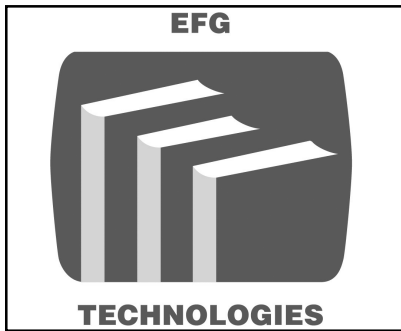


FUN FACT

Did you know that EFG Technologies works with over 700 collection agencies? That's why we created the *Collection Agency Update*. They need to stay informed, too!

Special Note to DataLink Customers:

System III will not be available the weekend of Saturday, November 24, and Sunday, November 25. We will be performing routine system maintenance at that time. We apologize for any inconvenience.



New Product Update

Early Intervention Program

A publication of EFG Technologies

October 31, 2001

EFG Technologies is pleased to offer the **Early Intervention Program (EIP)**, a service designed to help you reduce borrower delinquencies before they get out of control. Because we believe most borrowers want to pay their student loan bills, but don't because of a wide range of reasons, we offer these borrowers the opportunity to get the assistance they need in a non-threatening, counseling environment.

EIP is designed to prevent your borrowers from entering into default. In addition to the standard due diligence services provided by EFG Technologies, the Early Intervention Program provides a series of specialized letters and phone contacts to borrowers who are 15 to 120 days past due on their loan payments.

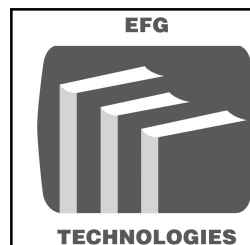
With EIP, specially trained loan counselors are available to work with your borrowers in a caring and professional manner to:

- Remind the borrower of their student loan obligation;
- Help the borrower understand any benefits available on their loan, such as deferments, cancellation, or forbearance;
- Counsel the borrower on the negative consequences of default including poor credit and higher costs;
- Assist the borrower in developing good payment habits with the convenience of automatic direct debit or pay-by-phone; and
- Offer guidance and assistance with any concerns or questions about their student loan.

The Early Intervention program, which began on a limited basis in the last year, has proven results. A survey of schools currently contracting for the program indicates over 85% of the borrowers contacted through EIP become current on their loans.

The cost of EIP includes a \$150 set-up fee, which is used to create reports that identify the initial and on-going population of borrowers to be contacted through the program. Each school contracting for EIP is invoiced \$10 for every borrower entering the program. This charge can be accessed to the borrower as a collection cost, which the school will recover as the borrower makes payments.

To sign up for the program, simply contact your School Relations Coordinator, who will provide you with an authorization form and begin the set-up process. If you have additional questions, please contact us.



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A decorative border with a repeating pattern of stylized flowers and leaves in a light pink color, set against a darker pink background.

Third Quarter Customer Anniversaries for 2001

Thirty-five Years
Morris College

Thirty Years
Alice Lloyd College
Bridgeport Hospital
Cleveland Institute of Music
David N. Myers College
Maryland Institute College of Art
Onondaga Community College
St. Joseph's College (New York)
Virginia Commonwealth University

Twenty-five Years
Career College of Chicago
Southern Virginia College

Twenty Years
College of St. Joseph in Vermont
Hendrix College
Lancaster General Hospital
Mercy College
University of Tampa

Five Years
Miles College

EFG Technologies Update

Index for January to September 2001 Issues

Audit

- Annual Third-Party Compliance Audit is Underway (May, p.6)
- Audit Report Available (Sept., p.8)
- Audit Begins in April (Apr., p.4)
- Audit Report Available in August (June, p.6; July, p.5) *Attachment:* Audit Report Request Form
- Third-Party Audit Completed to Perfection! (Aug., p.4) *Attachment:* Audit Report Request Form

Collection Agency Update

Attachments:

- Collection Agencies, Loan Rehabilitation, and the Credit Bureaus; Report Enhancements; Enhancement to *DocumentDirect*; *DocumentDirect* Reminder; DataLink – Quick Access (May)
- Lost Without Your Weekly Reports?; Why Did My Password Expire? (August)
- Where Are My Reports? (Feb.)

Customer Anniversaries

- Long-term Customers Recognized (Jan., p.5; Apr., p.6; July, p.6)
Attachment: Long-term Customer Anniversaries

Cutoff Dates

- Cutoff Dates for 2002 (Sept., p.10)
- Feb/March (Jan., p.8)
- March/April (Feb., p.10)
- April/May (March, p.6)
- May/June (Apr., p.10)
- June/July (May, p.10)
- July/August (June, p.8)
- August/September (July, p.8)
- September/October (Aug., p.7)
- October/November (Sept., p.9)

Department of Education

- 2001-2002 SFA Handbook Errata Published (Aug., p.3)
- Annual COHEAO/HHS Conference to be Held March 19-20) (Feb., p.4)

- Availability of Quality Analysis Tool for Windows 2000-2001, v.1.0 (Jan., p.3)
- Campus-Based FISAP Moving to Web Soon (Aug., p.3)
- Complete your Program Participation Agreement Now (May, p.5)
- Conference Update on the Federal Perkins Loan Promissory Note (Aug., p.3)
- Corrected Page 31 for 2001-02 EFC Worksheets Issued (March, p.2)
- Department Policy Decisions on Hold (Feb., p.4)
- Digest of Education Statistics 2000 Released (Feb., p.5)
- ED Announces PIN Application Process (May, p.2)
- ED Finds Delinquent Borrowers Among New Hires (Apr., p.3)
- ED Issues “Best Practices Handbook” on Student Loan Repayment (Feb., p.4)
- ED Issues Correction to Federal Student Aid Application File (Apr., p.2)
- ED Issues Pre-Release Draft of 2002-03 FISAP Technical Reference (March, p.3)
- ED Software Not Tested in Windows XP Environment (Aug., p.2)
- EDExpress 7.0 Issues (Feb., p.3)
- EDExpress Packaging Aid Type “R” Not Calculating Correctly (Aug., p.2)
- EDExpress Software Printing Incorrect ISIR Report Value (March, p.2)
- Education Department Developing New Transfer Monitoring Process (May, p.1) *Attachment:* Transfer Monitoring Process
- ERIC Releases New System-Wide Web Site Address (June, p.4)
- Four More Volumes of “2000-2001 ED Handbook” Available in Print (March, p.3)
- Improvements and Changes to NSLDS Announced (Aug., p.3)
- National Default Prevention Day, August 2, 2001 (June, p.3)
- New Look for IFAP Homepage (March, p.1)
- Roderick Paige Sworn in as Seventh Secretary of Education (Feb., p.4)
- SFA Issues Notice on Interest Rates for Consolidation Loans (July, p.3)
- SFA’s New Web Site (March, p.1)

- SFA Recovers \$1 Billion Year-to-Date (July, p.2)
- Schools Invited to Join the Postsecondary Electronic Standards Council (PESC) (July, p.3)
- Second Administrative Cost Allowance Payment (Aug., p.4)
- Third Update to Draft RFMS 2001-02 Record Layouts Posted (March, p.2)
- Upcoming Changes to Higher Education Tax Benefits (Aug., p.3) *Attachment:* Changes in Higher Education Tax Benefits
- Updating the Federal School Code File (July, p.2)

HHS

- Poverty Guidelines Issued-2001 (Apr., p.3)

How To

Attachments

- Order Exit Interview Packages (Feb.)
- Manage Your Cohort Default Rate (March)
- Process a Loan Rehabilitation (Jan.)
- Process Credit Balance Refunds (Apr.)
- Process New Loans and Advances and Unpostable New Loans and Advances (Sept.)
- Reconcile Accounting and Cash Activity Reports with Bank Statements (July)
- Use *DataStreamsm* (June)
- Use *DocumentDirect* (May)
- Use our Web Site (August)

inside EFG - Profiles

Attachments

- Adams, Debra (Jan.)
- Balsamo, Bob (June)
- Fields, LaShonda (Aug.)
- O’Mara, April (Feb.)
- Roberts, Kathy Jo (Apr.)
- Smejkal, Jeff (July)
- Smith, Judy (March)
- Spencer, Betsy (Sept.)
- Thompson, Andrea (May)

Legislative Updates

- Are You Fed Up? (June, p.1)
- House Education Panel Chairman Selected (Jan., p.1)
- Modifications to Student Loan Interest Deduction (June, p.1)
- President Offers Detailed Budget (Apr., p.1)

Miscellaneous

- Annual Statements to be Sent in February (Jan., p.4)
- Cohort Default Rate Added to *Enhanced Status* Report (Feb., p.7)
- Collection Agency Update (Feb., p.8) (New Publication)
Attachment: Collection Agency Update
- Consolidated Billing Reduces Confusion (May, p.5)
- EFG Technologies Implements Disaster Relief (What is EFG Doing to Help?) (Sept., p.1)
Attachments: Dear Colleague Letter (Gen-01-11); Relief for Borrowers; Dear Colleague Letter (Gen-01-12); Institutional Reporting Deadlines
- Fiscal Year-End a Success! (July, p.5)
- GASB Publishes Guide for Analysts Related to GASB Statement 34 (Feb., p.5)
- Go Teams! (Jan., p.6)
- How to Contact Customer Service (CSR Extensions) (May, p.7)
- If a Disaster Strikes, Are You Ready? (Feb., p.8)
- Increase in Late Charges Amount (Apr., p.5)
- Loans to Review for Cohort Default Rate (Feb., p.7)
- Long-term Employees Honored (March, p.4)
- Not Another Fire Drill?! (July, p.4)
- Pat Hill named "Service Excellence Award" Recipient (Feb., p.1)
Attachment: *Inside EFG* feature article on Pat Hill
- Processing Procedures Clarified (Hardship/Forbearance Processing) (Sept., p.6) *Attachment:* Forms and QuikLetters
- Quarterly *Update* Index Available (Apr., p.8; July, p.6) *Attachment:* Index for January-June 2001
- Students Unaware of Total Costs of Loans, Says PIRG (Apr., p.3)

- Updated E-mail Addresses Needed (Sept., p.4)
- Updated On-Line Processing Manual Available (Jan., p.6)
- Use Index to Locate Articles (Jan., p.6) *Attachment:* *Update* Index 2000
- Welcome New Market Development Staff (May, p.8)
- We're Committed to Customer Service Excellence (July, p.6)
- We've Got Mail! (Jan., p.5)
- William D. Ford Consolidation Loan Clarification (Jan., p.5)

NSLDS

- Assigned/Accepted Loan Reporting to NSLDS (Jan., p.4)
- Great News About NSLDS Reporting (March, p.3)
- NSLDS Loan Error Report Available in On-Line (Sept., p.7)
- NSLDS Separation Date Modifications (June, p.5)
- NSLDS Update Provides Good News (May, p.5) *Attachment:* NSLDS Update
- New Edits Added for New Loans and Advances (Feb., p.6)
- Remarkable Progress (Aug., p.6)

New Customer – Welcome!

- New Customers on Board (Aug., p.1)
- St. Catharine's College joins EFG Technologies (Sept., p.4)

Regulatory Updates

- A Guide to 2001-2002 ISIR (Feb., p.2)
- Accessing the FISAP on the Web (Sept., p.5)
- Campus-based Policy Memorandum 2000-01 (May, p.2)
- Campus-based Program Funding for 2001-2002 (Apr., p.2)
- Change in 2001-2002 FAFSA "Drug Conviction" Question (Apr., p.1)
- Changes Made to 2001-2002 Electronic Financial Aid Applications (Feb., p.2)
- Changes to the 2002-03 Renewal FAFSA Process (Sept., p.5)
- Clarification on the Use of IRS Letter 1722 for Financial Aid Purposes (Sept., p.5)

- Deadline and Submission Dates Published for 2001-02 Award Year (Sept., p.4)
- Dear Colleague Letter GEN-01-01 (ACTION LETTER #5) (Jan., p.3)
- Dear Colleague Letter, GEN-00-24 (Jan., p.1)
- Federal Perkins Loan Program IRS Skiptracing Service (Sept., p.6)
- Federal Register Notice, December 22, 2000 (Jan., p.3)
- Ignore Prisoner Matches Per ED (Sept., p.4)
- Information Pertaining to Abandoned Loans (Loan Status Code AL) (Feb., p.3)
- Interest Rate on Federal Loans to Decline (June, p.3)
- Message to Default Reduction Assistance Program (DRAP) Users (Jan., p.2)
- NSLDS Changes Under Consideration (Feb., p.3)
- New Death and Disability Discharge Regulations Reminder (June, p.2)
- Notice Inviting Proposals for Participation in Experimental Sites (June, p.3)
- Perkins Service Cancellation Reimbursement and Payment Letter (May, p.3)
- Sample Default Management Plan Updated (July, p.1)
- Tentative 2001-2002 Funding Levels for Campus-Based Programs (Feb., p.2)
- Use of Electronic Signatures in the Federal Student Loan Programs (May, p.2)

Reminders

- Deferment Processing Service Reminder (June, p.4)
- Fiscal Year End is Approaching (Apr., p.7; May, p.6)
- Just a Reminder-Use the IVR (July, p.4)
- Late Charge Increase Reminder (May, p.5; June, p.4)
- Reminder: Mailing Address for Customer Support (Feb., p.8)

Services/Enhancements

- Accounting Report Enhancements (May, p.6)
- Authorization Needed for NSC Deferment Processing Service (May, p.4) *Attachment:* NSC Authorization Form
- Changes to Improve Online Payments (Aug., p.6)

- Changes to the NDSL Fiscal Operations Analysis (Sept., p.7)
- *DataDirect* FTP Service Increases Efficiency (June, p.5)
- *DocumentDirect* Enhancements (Apr., p.6; May, p.6)
- Fiscal Operations Report Enhancements Implemented (June, p.5)
- Loan Consolidation Information on Our Web Site (Sept., p.8)
- NSC Deferment Processing Service Begins July 1 (June, p.4)
Attachment: NSC Authorization Form
- National Student Clearinghouse Services (July, p.4) *Attachment:* Clearinghouse Procedures
- New Default Processing Screen (Sept., p.7)
- New Sort Option Available for Exit Interview Packages (March, p.4)
- On Target for New Deferment and Forbearance Processing Service (May, p.3)
- Processing Forbearances and Hardship Deferrals (Apr., p.6)
- Sign Up Now for NSC Deferment Processing Service (Aug., p.4)

System IIIsm Connection

Attachments

- Are You Using the Payment Request Screen?; HOSB Screen Keeps Track of Outstanding Bills; Updated On-Line Processing Manual Available; System III Availability (March)
- Who Wants to Collect More Money?; Benefits from Using *DocumentDirect* for Year-End Processing; Remind Your Collection Agency about the Benefits of DataLink; Applying an Advance is a Snap on System III; System III Availability (June)
- Strengthening the Weakest Link; Why Did My Password Expire?; System III Availability (Sept.)

TRA

- Form 1098-Es Mailed (Jan., p.4)
Attachment: TRA Documents (3)

Web Site

- Enhancements to the EFG Technologies' Web Site (Apr., p.7)
- How to Link to Our Site (May, p.7)

- Loan Consolidation Information on Our Web Site (Sept., p.8)
- Watch for Enhancements to the EFG Technologies' Web Site (March, p.4)

Workshops/Regional Meetings

- Additional On-Line Workshop Available (March, p.5)
Attachment: Registration Form and Workshop Flyer
- July Workshop Scheduled
Attachment: On-Line Processing Workshop Flyer and Registration Form (May, p.8; June, p.6)
- July Workshop (July, p.7)
- More Workshops Scheduled (Apr., p.8) *Attachment:* On-Line Workshop Flyer and Registration Form
- Register Now Before It's Too Late! (Aug., p.6) *Attachment:* Workshop Registration Form
- Regional Meetings (Jan., p.7; Feb., p.9; March, p.5; July, p.7)
- Regional Meetings a Success! (Apr., p.8; May, p.8; June, p.6)
- Regional Meetings Scheduled for Fall (Aug., p.7; Sept., p.8)
- Spring 2001 Workshop (Apr., p.8)
- Start the New Year off with a Bang! (July, p.7) *Attachment:* Workshop Registration Form
- Upcoming Conferences (Jan., p.7; Feb., p.9; March, p.5; Apr., p.9; May, p.9; June, p.7; July, p.7; Aug, p.7; Sept., p.9)
- Workshop Offered in March (Winston-Salem) (Feb., p.8)
Attachment: Registration Form and Workshop Flyer
- Workshops Update (Jan., p.7)
Attachment: Registration Form and Workshop Flyer

How To

Use Automated Collection Agency Interface

EFG Technologies' **Collection Agency Interface** is an automated reporting service for interactions between a school and the collection agency or agencies that they choose to work with. When you select this service, there are two options available: **Automatic Placement** and **Manual Placement**.

Automatic Placement

As loans become 120 days past due*, they automatically are coded and **placed** for collection with the agency (ies) that you have selected to collect your delinquent loans. These loans appear on the weekly *New Placements Report* for each agency (with a copy going to you). If you place loans with more than one agency, each agency will receive an equal number of loans.

Past Due

You can withhold loans from being placed automatically in collection with an agency. To do this, notify the agency and EFG Technologies of your decision. We will code those specified loans as withheld from collection until further notice from you or until the loans become current.

Manual Placement

If you choose this option, your loans are automatically coded as **eligible** for collection when they become 120 days past due*. They are reported with a "49E" status in the appropriate section of the *Past Due Loans Report*. If you decide to place these loans with a collection agency, send us a list of these loans on the *Collection Processing Transaction Transmittal Form*. These loans are then coded for placement to the agency(ies) on the *New Placements Report*, which is generated weekly.

49E

**Whether you are using Automatic or Manual Placement, the number of days past due a loan must be before it goes into collection is an institution's option. Normally, Perkins Loans are placed in collection at 120 days, but you may request placement at a different number of days. For institutional loan programs, the institution can determine placement at any number of days.*

The system automatically calculates the amount placed in collection based on the option you selected. These options are:

1. Accelerate the loan balance.
2. Place the amount past due only.
3. Place the amount past due and the amount currently due.
4. Place the amount past due, the amount currently due, and delinquent charges which may be due.

If the loan has been accelerated when it is placed with a collection agency, the *amount placed* is the payoff amount. This may be a better option for you to use. If your institution places just the past due balance, this sometimes confuses the borrower who thinks that paying the “full” amount due satisfies the entire loan.

If you use **Automatic Placement**, System III will use the option you selected from the list on the previous page to calculate the amount placed in collection. This will be the amount reported to the collection agency on the *New Placements Report*.

If you use **Manual Placement**, you may specify the collection amount when you place the loan into collection, or you may let System IIISM use the institutional option and calculate the amount placed in collection.

Collection Agency Numbers

System III accommodates a maximum of 45 first placement and 45 second placement collection agencies per institution. Each collection agency that we interface with is assigned a five-digit identification number. This number appears on each loan placed with a given agency and on the following reports:

- *Student Loan Journal*
- *Past Due Loans Report*
- *New Delinquents Report*
- *New Placements Report*
- *Collection Agency Inventory*
- *Exception & Special Billing Report*
- *Loan Monitoring Report*

Institutions that perform their own collection activities or assign their loans to in-house collectors before placing them with a collection agency are assigned numbers in the 90000 range. Therefore, you can benefit from the same reporting as collection agencies.

Changing Agencies

You may discontinue automatic placement of past due loans with a given collection agency but leave loans already placed with that agency for further reporting.

The collection agency is then coded to prevent further automatic placement of loans, but you can *manually* place loans with that agency by sending us the loans on the transmittal form.

What to Do if You Discontinue Association with a Particular Agency

If you totally discontinue working with a particular collection agency and want to transfer the loans to another agency, send us written notification that you are using a new agency (using a new *Authorization Form*), a transmittal listing the loans to be transferred, and the name of the new collection agency. If you have not submitted an *Authorization Form* for the new agency, you must do so when you send your transmittal.

For more information, contact your Customer Service Representative.

Visit us at www.efg.net/efgtechnologies.

Shirley Brown

Helping Borrowers Help Themselves

Caring, compassionate, knowledgeable. These are some of the traits that make Shirley Brown, a Borrower Services Representative for EFG Technologies, a great success in counseling borrowers who enter our Early Intervention Program (EIP). Shirley, who will celebrate her twentieth anniversary with the company in November, jumped at the chance to begin working with EIP last year. She knew that her experience in Forms Processing, Default Prevention, Loan Origination, School Relations, and Customer Service would provide her with the tools she needed to help schools reduce delinquencies by working with borrowers before they became seriously delinquent in making their loan payments.

EIP (See the *New Product Update* in this month's newsletter for more details) began on a small scale in the Spring of 2000 when another staff member and a customer began talking about a way to lower the school's default rate. The customer contracted with us to make calls and send targeted letters to borrowers when they were as few as 15 days late in paying their bill. As a result, these borrowers began paying their bills on time, and EFG Technologies decided to make the program available to more customers. Currently, six customers contract with us to provide early intervention for their borrowers.

As the primary staff member responsible for making these contacts, Shirley takes a unique approach to loan collection. She finds out why the borrower is behind on his or her debt, and what avenues may be available to help the borrower bring his account current. In addition to her long-term experience in working with student loans, she credits her experience as a mother of grown children with giving her insight into understanding the right approach to take with borrowers. She finds that borrowers at different stages of their lives have different motivations for staying out of default on their loans. "A 29 year old is often more concerned about the consequences of bad credit than a 19 year old," explains Shirley.

Shirley also listens for the emotions the borrower may be feeling when she talks to them. "Although they don't come out and say it, I hear them saying, 'Will you help me?' when I talk to them on the phone." She assists

Shirley Brown:

"Although they (borrowers) don't come out and say it, I hear them saying, 'Will you help me?' when I talk to them on the phone."



them by explaining what kinds of forbearances and deferments they may be eligible for and also helps borrowers keep on track by suggesting automatic direct draft and pay-by-phone payment options to them.

Her supervisor, Charles Cornelius, is most enthusiastic about her work. "Borrowers really can benefit from her extensive knowledge of loans." Of course, when the borrower benefits, the school also benefits. Charles has compiled statistics on some of the schools currently contracting for the program which indicates the program has a success rate of more than 85% in keeping borrowers out of delinquency.

When Shirley is not working, she is pursuing a degree in theology and spending time with her family who include a daughter, son, grandson, and her husband of 25 years, Larry.

Although retirement is a long time off for Shirley, she hopes to volunteer with a child abuse prevention program at that time. She also plans to resume volunteering with seniors in nursing homes in the near future. So no matter what Shirley does, whether at home or at work, it always seems that her top priority is helping other people.