



UPDATE

AMS Servicing Group

Winston-Salem, NC

August 31, 2003

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Holiday Schedule
Columbus Day
Monday, Oct. 13
 (System III will be available during normally scheduled hours.)

Inside AMS Servicing
Debra Hairston
Production Control Supervisor

Visit our Web site at www.amsservicing.com
 for up-to-the minute publications, forms, and information.

Guidance on Implementing Federal Perkins Loan Master Prom Note

The Department of Education (ED) has issued *Dear Partner/Colleague Letter CB-03-14* to provide guidance on the implementation of the Federal Perkins Loan Master Promissory Note (MPN). It explains how schools may use the Perkins MPN as a single-award year or as a multi-award year promissory note. The notice also contains information on expiration conditions for the multi-year Perkins MPN. You can view this letter at <http://www.ifap.ed.gov/dpcletters/CB0314.html>.

EDUCATION DEPARTMENT UPDATE

Electronic Federal Perkins Loan Master Promissory Note

ED recently published *Dear Colleague Letter, CB-03-13* which provides institutions with an electronic version of the Federal Perkins Loan Master Promissory Note (Perkins eMPN). This information should help schools and their borrowers share in the benefits of the Electronic Signatures in Global and National Commerce Act of 2000 (E-Sign Act). The Perkins eMPN is an adaptation of the Federal Perkins Loan Master Promissory Note that was recently provided to schools through *Dear Colleague Letter CB-03-11*.

EDUCATION DEPARTMENT UPDATE (Continued)

ED had previously issued standards for the use of electronic signatures in the Title IV loan programs. The “Standards for Electronic Signatures in Electronic Student Loan Transactions” (Standards) was provided to schools through *Dear Partner Letter GEN-01-06* in May 2001, and is available at <http://ifap.ed.gov/dpccletters/gen0106.html>. Schools should review the Standards before implementing the Perkins eMPN.

Revised Perkins Assignment Form and Procedures

Dear Partner Letter, CB-03-12, provides the revised form and procedures for assigning defaulted Perkins Loans, National Direct Student Loans, and National Defense Student Loans to ED for collection. In addition, institutions that close or otherwise wish to end their participation in the Perkins Loan Program must liquidate their Perkins loan portfolios by assigning their outstanding defaulted and non-defaulted Perkins Loans to ED in accordance with these procedures and the liquidation procedures provided in *Dear Partner Letter CB-00-05*.

The new form and instructions can be found at <http://www.ifap.ed.gov/dpccletters/cb0312.html>.

Institutions may assign defaulted loans to ED at any time during the program year. All loans that an institution assigns to ED are assigned without recompense. ED will not reimburse the institution’s Federal Perkins Loan Fund for the loans, and all rights, authorities, and privileges associated with the loan are transferred to the United States. The institution is relieved of incurring additional expenses in attempting to collect on the loan. Any funds collected by ED on these loans are the property of the United States. Please note that the assignment of defaulted loans will not affect the calculation of your Perkins Loan cohort default rate.

Last year, ED reduced the required supporting documentation needed to assign a defaulted Perkins loan. Supporting documentation, such as the signed repayment schedule, the recall notice, and the acceleration notice are no longer required (*see Dear*

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 World Wide Web Site: <http://www.ams servicing.com>

Colleague Letter CB-02-05). A photocopy or a computer facsimile of the form is acceptable.

Currently, ED can accept the Perkins Assignment Form in PDF or Word format. However, due to requirements of the Privacy Act, they cannot accept assignment packages via e-mail. The Borrower and Loan Information page of the Perkins Assignment Form can be submitted to ED using a CD-ROM or a 3.5-inch diskette. Schools submitting assignments using these disk formats should mail the CD-ROM or diskette to the Perkins Loan Assignment Processing Center. Schools should include the original paper promissory notes for loans being assigned and the Institutional Certification page, signed by the appropriate institutional official, with the diskette or CD-ROM. The school is still responsible for all information submitted using these media.

The effective date for the new assignment form is September 1, 2003. We have already made the required changes to the current form to accommodate customers that request this service. (Please see “How To Assign a Loan” in the July 2003 *AMS Servicing Group Update*.) Just remember that the procedures previously published in CB-02-05 have been replaced with CB-03-12.

Institutions must have successfully reported the loan to the National Student Loan Data System (NSLDS) before the loan may be assigned. Before submitting a loan to ED for assignment, the institution **or their servicer** must also update the NSLDS record, using a Loan Transfer Code of “AE,” to reflect the assignment.

FERPA General Guidelines Proposed for Accepting “Signed and Dated Written Consent” in Electronic Format (NPRM)

ED has proposed to amend 34 CFR part 99 to provide general guidelines for accepting “signed and dated written consent” under FERPA in electronic format. Comments are invited until September 26, 2003. This NPRM notes that ED has received numerous inquiries on whether some form of electronic consent and signature, including e-mail, satisfies FERPA’s written consent requirement. ED concludes that educational agencies and institutions may use electronic records and signatures for written consents governed by FERPA to the extent that the procedures used for creating and storing the electronic records and signatures comply with these proposed regulations.

The proposed amendment does not specify desired methods, but instead contains general guidelines, adapted from concepts contained in E-Sign, GPEA, and UETA, to help ensure that FERPA’s privacy protections are not compromised.

The NPRM appeared in the July 28, 2003 *Federal Register*, which can be found at <http://www.ifap.ed.gov/fregisters/FR0728200304.html>.

AMS Servicing Group Update, a newsletter for our customers, is published monthly by AMS Servicing Group in Winston-Salem, NC. Editor: Carolyn Williams. Legislative and Regulatory Editor: Sharon Cameron. Contributors this issue: Beth Bealle, Lisa Koniuto, Jim Williams, Branko Pivko, Billi Wolfe, and Lisa King. 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 AMS Servicing Group 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, AMS Servicing Group, PO Box 3176, Winston-Salem, NC 27102-3176 or directly to Carolyn Williams, Editor, at cwilliams@amsweb.com.

**EDUCATION
DEPARTMENT
UPDATE
(Continued)**

Title IV Overpayment Rules Changed on July

This is a reminder that the regulations concerning overpayments of Title IV funds changed on July 1, 2003.

Changes were made in three significant areas:

- Students are not liable for Pell, FSEOG, or Perkins Loan overpayments that result from institutional error or failure to follow regulations. Since they are not considered to owe a Title IV repayment under these circumstances, the students do not lose Title IV eligibility.
- Students are not required to repay overpayments, for which they are liable, if at the time it occurs, the overpayment is less than \$25. This rule does **not** apply to overpayments that are remaining balances or that result from application of the overaward tolerance under the campus-based regulations.
- Institutional actions that are required when a student owes an overpayment have been standardized across the Federal Pell Grant, FSEOG, and Federal Perkins Loan programs.

Prior to the regulatory revisions, students were always held accountable for any overpayment, regardless of the cause. Institutions were also liable for errors on their part, and had to restore the overpayment to the appropriate Title IV fund if the overpayment could not be otherwise corrected or collected from the student. An overpayment of a Pell Grant, for example, could be corrected by reducing subsequent payments in the same award year.

Under the new rules, students are no longer held liable for Pell, FSEOG, or Perkins Loan overpayments caused by institutional error. An institution must immediately restore an overpayment for which it is liable to the appropriate program account. Thus, a Pell Grant, FSEOG, or Perkins Loan overpayment may not be corrected by reducing subsequent disbursements if the overpayment is an institutional liability. Subsequent disbursements may be adjusted only to prevent an additional overpayment.

For example, a school has calculated a Pell Grant award of \$2,000 per term. After making the first disbursement, the school discovers that it erred in its calculation and should have awarded only \$1,500 per term. The school must immediately return \$500 to the Pell Grant Program and must reduce the second term award to the correct amount of \$1,500. Because the school is liable due to its own error, it may **not** reduce the second term award to \$1,000 to make up the \$500 overpayment from the first term. The same principle would apply if the source of the overpayment were FSEOG or Perkins.

If the institution is liable for the overpayment, it is not considered a Title IV debt for the student in question. It is, instead, a debt to the institution, which the institution may pursue with the student. Since the student is not considered to owe a Title IV overpayment, his or her eligibility for future Title IV aid is unaffected.

Further, the amount that the student received in error from the institution (i.e., the amount the institution repaid on behalf of the student) is not considered a resource or financial aid, because the student owes this amount as a debt to the institution.

These changes are effective for any overpayment the institution discovers on or after July 1, 2003.

New Annual “Low-Income Levels” Announced for Various Health Professions and Nursing Programs

In the August 5, 2003 *Federal Register*, the Health Resources and Services Administration (HRSA) announced new annual “low-income” levels for various Health Professions and Nursing Programs included in titles VII and VIII of the Public Health Service Act. These programs use the U.S.. Census Bureau “low-income” levels to determine eligibility for program participation. ED periodically publishes in the Federal Register low-income levels used to determine eligibility for grants and cooperative agreements to institutions providing training for (1) disadvantaged individuals, (2) individuals from a disadvantaged background, or (3) individuals from “low-income” families.

Low-Income Levels

The poverty guidelines, published in the *Federal Register* on Friday, February 7, 2003 (68 FR 6456), are based on poverty thresholds published by the U.S. Census Bureau, adjusted annually for changes in the Consumer Price Index. HRSA defines a “low-income family” as one with an annual income that is below 200 percent of the poverty guidelines. The Secretary annually adjusts the low-income levels and makes them available to persons responsible for administering the applicable programs. The following income figures will be used for health professions and nursing grant programs funded in FY 2004.

Size of Parent's Family¹	Income Level²
1	\$17,960.00
2	\$24,240.00
3	\$30,520.00
4	\$36,800.00
5	\$43,080.00
6	\$49,360.00
7	\$55,640.00
8	\$61,920.00

¹ Includes only dependents on Federal Income tax forms.

² Adjusted gross income for calendar year 2002.

Latest 2003-2004 SAR/ISIR Comment Codes and Text Posted

ED has posted the 2003-2004 *SAR/ISIR Comment Codes and Text* to its Web site at <http://www.sfadownload.ed.gov/SAR-ISIRCommentCodes0304.htm>. The document serves as a stand-alone guide and a companion to the 2003-2004 *EDE Technical Reference* found at <http://www.sfadownload.ed.gov/DataExchTechRef0304.htm>).

Refer to this document for information on comment codes and text, including SAR Comment Text, SAR Acknowledgment Comment Text, and ISIR Comment Text.

EDUCATION DEPARTMENT UPDATE (Continued)

Have You Completed Your Homework?

ED has imposed fines of \$10,000 and up against 80 higher education institutions that failed to submit data for ED's 2002-2003 Integrated Postsecondary Education Data System (IPEDS) survey. In a letter sent in July, ED warned that those schools could lose eligibility for federal financial aid if they do not complete the mandatory survey. ED has not published the list of the 80 institutions, but the agency did release a preliminary list of about 500 institutions that did not complete at least one part of the lengthy IPEDS survey. While most of those 500 institutions were reported to be beauty and other technical schools, several larger-name institutions were warned of potential sanctions.

LEGISLATIVE UPDATE

President Signs Loan Relief for Military Personnel, Others Into Law

On August 18, President Bush signed H.R. 1412, the Higher Education Relief Opportunities for Students (HEROES) Act of 2003 into law. H.R. 1412 gives the ED Secretary broad authority to waive or modify requirements or regulations pertaining to the Title IV student aid programs of the Higher Education Act.

Through the passage of this bill, the Secretary will be able to more quickly move to address concerns associated with events such as Desert Storm and the terrorist attacks of September 11, 2001. Individuals affected by this bill include active duty military personnel; those performing National Guard duty during a war, operation, or national emergency; people residing in a declared disaster area; and people who have suffered economic hardship as a direct result of a war, military operation, or emergency.

Specifically, H.R. 1412 authorizes the Secretary to grant waivers to ensure that:

- Affected aid recipients are not penalized financially because they have been called to duty;
- Administrative requirements placed on affected recipients are minimized to avoid violations or defaults;
- Income calculations may be modified in light of the special circumstances; and
- Institutions of higher education, lenders, guaranty agencies, and others located in declared disaster areas may be granted temporary relief from reporting and due diligence, among other requirements.

BORROWER SUPPLEMENTAL INFORMATION SCREEN

Borrower Supplemental Information Screen

We recently created the Borrower Supplemental Information Screen (BSUP) to provide additional fields to help you keep track of your borrowers. This screen includes the three new borrower demographic fields described below:

1. **Work Phone Number/Ext.** - A 14-digit field that stores the borrower's work phone number and extension number. The same codes used to note good/bad status, foreign/domestic, and source for the primary phone number are used for this number as well.

The mission of AMS Servicing Group 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.

BORROWER SUPPLEMENTAL INFORMATION SCREEN (Continued)

2. Mobile Phone Number – A ten-digit field that stores the borrower's mobile or cell phone number. The same codes used to note good/bad status, foreign/domestic, and source for the primary phone number are used for this number as well.

3. E-mail Address – A forty character field that stores the borrower's e-mail address. This field contains no edits except that it cannot be cleared to blank after being populated. The codes used for good/bad addresses and source are used for this field as well.

Notes about the BSUP screen:

- To access this new screen, key **BSUP** in the option field.
- The primary address and phone number can be updated from this screen.
- If the e-mail address is more than 33 characters, it will wrap when it is stored in history. Otherwise, all other fields store in history just as addresses and phone numbers do today.
- If a borrower is grouped, the most current information from all consolidations will be stored on BSUP.
- The AMS remark and the Lender Remark appear on this screen just as on BADR.
- The first time a work phone, e-mail or mobile phone number is entered for a borrower, the source code will default to a 'B' (BORR) for these fields. These fields cannot be blanked out, but must be either coded bad or changed altogether.

Pay-By-Phone Service Fee Change

Effective in October, the fee charged to borrowers for our Pay-by-Phone service will increase to \$5.00 per occurrence. This service is provided to borrowers who want to pay their student loan bill by telephone. This fee will be automatically input to the Payment Request Screen (PREQ) for any DataLink users who use the Pay-by-Phone service for borrowers who call them directly.

Our Borrower Services Representatives have implemented counseling procedures to encourage borrowers who request Pay-by-Phone to sign up for our AutoDraft service, which provides automatic draft of their student loan payment from their bank account. There is no fee for this service. In some cases, we may waive the Pay-by-Phone fee for borrowers who sign up for AutoDraft immediately.

Also, borrowers now have the opportunity to make payments via the Web using the E-pay service provided in our new borrower Web site, myamsloan.com. There is no fee for this service. Our Representatives will advise borrowers of this free option prior to processing their Pay-by-Phone request.

System III Availability Hours Extended

System III is now available to DataLink users until midnight ET daily. We extended our system's hours to accommodate availability of the database to borrowers who are accessing their accounts via our new borrower Web site, myamsloan.com. The extended availability also benefits our DataLink customers in the Pacific Coast time zone, as well as users in the East who are working overtime!

PAY-BY-PHONE UPDATE

SYSTEM III AVAILABILITY

EARLY INTERVENTION PROGRAM

Too Many Delinquencies?

How would you like a program that counsels borrowers and assists them in developing good payment habits? If you would, then AMS Servicing Group can help. **EIP**, our **Early Intervention Program**, is designed to reduce borrower delinquencies before they get out of control.

With EIP, specially trained loan counselors are available to work with your borrowers in a caring and professional manner. In addition to the standard due diligence services provided by our company, the EIP provides a series of specialized letters and phone contacts to borrowers who are 15 to 120 days past due on their loan payments.

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 assessed to the borrower as a collection cost, which the school will recover as the borrower makes payments.

So, what are you waiting for? Call your School Relations Coordinator and sign up today!

AUDIT RESULTS

Another Perfect Audit

For the **fourth** consecutive year, AMS Servicing Group has received perfect marks from our third-party audit firm, PricewaterhouseCoopers LLP (PwC). We are pleased to announce that **no findings** were reported for the fiscal year ending June 30, 2003, and PwC issued its “*unqualified*” opinion, which means that it is issued “without reservation or unconditionally!” So our audits are again an unqualified success!

For nearly two decades, we have employed major third-party audit firms to test the procedures and controls of our operations and our loan servicing system, System III. We participated in these third-party audits long before they were mandated by federal regulations (see table next page with much success).

Our proven record of unqualified opinions resulting from third-party audits substantiate the effectiveness of the internal accounting controls and administrative procedures we employ, supported by System III. To insure that our processing methods meet all standard accounting controls and federal requirements, we maintain an internal Audit and Compliance department, led by Lisa Koniuto, Manager of School Relations, Audit and Compliance.

If you have not received your copy of the June 30, 2003 audit report, please complete and return the *Audit Report Request Form*, found on our Web site at the following address: www.amsservicing.com/forms. The report is offered in CD-ROM and paper formats. CD-ROM copies are \$75, and paper copies are \$100.

AUDIT RESULTS (Continued)

Audit History

Fiscal Year		Type of Audit	Independent Auditor	Opinion
June 30, 2003	SAS 70	Report on the Processing of Transactions by Service Organizations	PricewaterhouseCoopers, LLP	Unqualified
June 30, 2002	SAS 70	Report on the Processing of Transactions by Service Organizations	PricewaterhouseCoopers, LLP	Unqualified
June 30, 2001	SAS 70	Report on the Processing of Transactions by Service Organizations	PricewaterhouseCoopers, LLP	Unqualified
June 30, 2000	SAS 70	Report on the Processing of Transactions by Service Organizations	PricewaterhouseCoopers, LLP	Unqualified
June 30, 1999	SAS 70	Report on the Processing of Transactions by Service Organizations	PricewaterhouseCoopers, LLP	Unqualified
June 30, 1998	SAS 70	Report on the Processing of Transactions by Service Organizations	PricewaterhouseCoopers, LLP	Unqualified
June 30, 1997	SAS 70	Report on the Processing of Transactions by Service Organizations	Coopers & Lybrand, LLP	Unqualified
June 30, 1996	SAS 70	Report on the Processing of Transactions by Service Organizations	Coopers & Lybrand, LLP	Unqualified
June 30, 1995	SAS 70	Report on the Processing of Transactions by Service Organizations	KPMG Peat Marwick, LLP	Unqualified
June 30, 1994	SAS 70	Report on the Processing of Transactions by Service Organizations	KPMG Peat Marwick, LLP	Unqualified
June 30, 1993	SAS 70	Report on the Processing of Transactions by Service Organizations	KPMG Peat Marwick, LLP	Unqualified
June 30, 1993	Special	Compliance with Federal Regulations	KPMG Peat Marwick, LLP	No Material Findings
June 30, 1992	SAS 44	Special Purpose Reports on Internal Accounting Control at Service Organizations	Ernst & Young	Unqualified
June 30, 1991	SAS 44	Special Purpose Reports on Internal Accounting Control at Service Organizations	Ernst & Young	Unqualified
June 30, 1990	SAS 44	Special Purpose Reports on Internal Accounting Control at Service Organizations	Ernst & Young	Unqualified
June 30, 1989	SAS 44	Special Purpose Reports on Internal Accounting Control at Service Organizations	Ernst & Whinney	Unqualified
June 30, 1988	SAS 44	Special Purpose Reports on Internal Accounting Control at Service Organizations	Ernst & Whinney	Unqualified
June 30, 1987	SAS 44	Special Purpose Reports on Internal Accounting Control at Service Organizations	Ernst & Whinney	Unqualified

TRAINING UPDATE**Teleconference Schedule**

The remaining teleconferences for 2003 are listed below. To register, please e-mail Debra Pitts, School Relations Assistant at dpitts@amsweb.com at least 3 days before the conference call.

September 16, 2003 2:00 p.m. ET
Assignment (Advanced Class)

October 7, 2003 2:00 p.m. ET
Where Do I Start? A Month-to-Month Checklist (Beginner Class)

October 21, 2003 2:00 p.m. ET
Topic to be announced

November 4, 2003 2:00 p.m. ET
10 Things to Know about Student Loans (Beginner Class)

November 18, 2003 2:00 p.m. ET
Topic to be announced

December 2, 2003 2:00 p.m. ET
What are Perkins Loans and How AMS Helps (Beginner Class)

December 16, 2003 2:00 p.m. ET
Topic to be announced

Student Loans 202 Re-Scheduled for October 23-24

Student Loans 202 will be held on **October 23-24** at our office in Winston-Salem, NC. **This represents a change in the previously published date.** A registration form is attached, or you can obtain registration information about the workshop by visiting our Web site at www.amsservicing.com. Please contact Debra Pitts at (800) 458-4492 ext. 2272 or at dpitts@amsweb.com for more information.

Attachment: *Student Loans 202 Flyer and Registration Form*

REGIONAL MEETINGS**Regional Meetings**

Our next Regional Meeting will be held on September 19, 2003 at **Elmira College** in New York. These meetings will feature news about our Web site, myamsloan.com, which allows your borrowers to access their accounts on-line. You will also learn how you will be able to access your borrowers' account information via *System 3i* in the future. For more information, please contact your School Relations Coordinator or Debra Pitts at (800) 458-4492 ext. 2272 or e-mail her at dpitts@amsweb.com.

New York Regional at Elmira College	Sept. 19, 2003
Massachusetts Regional Meeting at Regis College	Oct. 3, 2003
Nebraska Regional Meeting at Univ. of Neb.-Lincoln	Oct. 6, 2003
Georgia Regional Meeting	Nov. 2003
Washington Regional Meeting at Univ. of Washington	Nov. 20, 2003

CONFERENCES**Conference Schedule**

Representatives from AMS Servicing Group will attend the conferences listed below.

The **PDG East Coast Conference** will be held October 12-15 at the Hyatt Regency in Miami, FL. Visit www.prodev.com for more information.

The **Minnesota Collection Network Mega Conference XI** will be held October 20-22, 2003 at the Radisson South and Plaza Tower in Minneapolis. More information is available at www.mncollectionnetwork.com.

The **PDG West Coast Conference** will be held at the Westin Seattle in Seattle, WA on November 16 -19. More information is available at www.prodev.com.

Cutoff Dates

Cutoff dates for September and October 2003 are presented below.

CUTOFF DATES

Transaction	September 2003	October 2003
Last day to receive collection payments	09/23/03	10/28/03
Last day to receive regular payments	09/24/03	10/29/03
Last day for online payments	09/26/03	10/31/03
Date final post begins	09/26/03	10/31/03
Report date used for final post	09/30/03	10/31/03
Last day deposits created for deposit to bank account	09/26/03	10/31/03

Available Now!



Visit our new Web site for borrowers!



Student Loans 202

Training for Experienced Student Loan Administrators*

*Administrators with more than 2 years experience

- When: October 23-24, 2003
- Where: AMS Servicing Group
Reynolda Business Center
2400 Reynolda Road
Winston-Salem, NC 27106
- Fees: \$100 per person for the two-day workshop
- Provided: Lunch and Training Materials
- Lodging: Ramada Plaza Hotel
(336) 723-2911
Call for rates
- Courtyard by Marriott
(336) 727-1277
Call for rates
- Deadline: October 9, 2003

All registration fees are per person. AMS Servicing Group cannot guarantee a refund of registration fees for any cancellations made after 10/9/03. Late registrations received after 10/9/03 will be charged a late registration fee of \$10 per person. Registrations received in the final week before the workshop will be accepted based on available space.

What's happening in Winston-Salem?
Visit the Winston-Salem Convention and Visitors' Bureau at
<http://www.wscvb.com>



Registration Form

Student Loans 202

October 23-24, 2003
Winston-Salem, NC

Institution Name _____
Street Address _____
City _____ State _____ Zip _____

NAME _____
TITLE _____ TELEPHONE _____
E-MAIL ADDRESS _____

☐ \$100 - *Student Loans 202 - 10/23-24*

NAME _____
TITLE _____ TELEPHONE _____
E-MAIL ADDRESS _____

☐ \$100 - *Student Loans 202 - 10/23-24*

NAME _____
TITLE _____ TELEPHONE _____
E-MAIL ADDRESS _____

☐ \$100 - *Student Loans 202 - 10/23-24*

Registration Deadline: October 9, 2003

After receiving your registration form, we will send you a confirmation, hotel and workshop locations, directions, and program information. We cannot guarantee a refund of fees for registrations made less than 14 days before the workshop or cancellations made less than five business days from the workshop.

_____ Registration fee enclosed _____ Registration fee mailed separately to address below

Signature x _____

**School Relations Assistant
AMS Servicing Group
P.O. Box 3176
Winston-Salem, NC 27102-3176**

**Questions?
(800) 458-4492 Ext. 2272
fax (336) 607-2025**



UPDATE

Web Products

We've changed the title of this feature article to "Web Products Update." This routine feature will provide you with the latest news and information about various Web-based products and services currently offered by AMS Servicing Group, as well as those that are in the planning and development stages. AMS Servicing Group is committed to providing products and services that meet the needs of our customers. Towards that end, we're excited about the progress we have made this year with Web products, and even more excited about what's ahead in the future.

Borrowers Love myamsloan.com!

Our new Web site for borrowers, myamsloan.com, was launched in June, then enhanced with additional features and functions during July. This Web site provides borrowers with real-time access to their account information, along with the ability to make payments, update addresses, and sign up for Auto-Draft. After three months in production, we have nearly 20,000 borrowers registered and using the site! myamsloan.com is proving to be a popular site for borrowers, with the most used transactions being E-Pay and address changes. Borrowers have even contacted our Borrower Services Department to comment on how much they love the site, and how easy it is to use. We are including stuffers with billing statements to inform borrowers of myamsloan.com. If you haven't been telling your borrowers about the site, please start!

Next on tap for myamsloan.com is E-Billing, which is currently in the planning stages. Stay tuned to the *Update* for more information!

New Look for amsservicing.com

Get ready for a new look to our customer Web site, amsservicing.com! Scheduled for release in September, this site will provide our customers with the same valuable, timely information you are accustomed to receiving from AMS Servicing Group, in formats that are easier to review and navigate. With amsservicing.com you'll find information about our products and services, industry news, the on-line *Update*, and a wide variety of forms and documentation. This Web site is a "must have" for the student loan office. If you haven't yet bookmarked amsservicing.com...do it today!

Coming Soon - System 3i

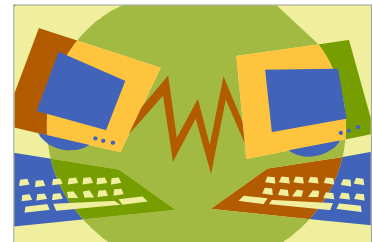
We've got a very busy Fall planned, with the launch of our new Web-enabled loan servicing system, System 3i. System 3i will provide our customers with real-time access to your student loan portfolio information via the Web, with easy navigation and user-friendly screens. All you need to get started is access to the Internet, and an ID and password. With System 3i, you can view and update borrower account information in an easy-to-use, easy-to-update environment. You'll connect to System 3i from our customer Web site, amsservicing.com, where you will input your ID and password, then away you go!

AMS Servicing Group DataLink customers can access accounts via System 3i using their current ID and password. If you don't have an AMS Servicing Group ID and password, contact our Help Desk at 1-800-458-4492 ext. 2111.

How To

HOW TO BENEFIT BY USING *DATADIRECT* *FTP*

AMS Servicing Group provides its customers with an FTP (File Transfer Protocol) service, *DataDirect*, for direct electronic transfer of data files. *DataDirect* makes it possible to move files between computers with security and data integrity controls appropriate for the Internet. By utilizing *DataDirect*, data files are transferred between AMS Servicing Group and you, while eliminating the technical support necessary when using tapes and cartridges. Additionally, *DataDirect* expedites the process since there is no physical media to mail.



Customers have the option of using several types of media input and can transmit the following data via electronic transmission:

- **new loans**
- **advances**
- **separation date changes**
- **address changes**
- **non-cash payments**
- **collection agency placement**
- **NSLDS transactions**

By providing this information in a format other than paper, customers save time and money and eliminate the possibility of error in data entry.

In addition to providing options for electronic input, AMS Servicing Group can supply you with several options for receiving data electronically to update system records quickly and accurately. These include:

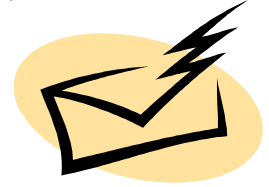
- ◆ ***Masterfile Data*** – The masterfile contains data you can transfer to internal applications in order to update borrower information. The masterfile data can then be extracted to create reports, merge letters, spreadsheets, or input into a database file, and you are able to customize this data to meet your needs. One record for each loan the borrower has is included in the file. All loans may be included or you may specify which loans should be selected based on the following criteria: loan status, days past due, collection agency assigned flag, collection agency number, last payment due date.

- ◆ ***Accounting File*** – The Accounting file includes a record for each line item in Section 2 – Accounting Entries, and summary totals included in Section 3 – File Reconciliation of your *Accounting Report*.
- ◆ ***New Loans and Advances File*** – This file includes a record for each new loan, advance, advance reversal, and deleted loan processed during the month. The file includes the same information as our *New Loans and Advances Report*.

How to get started:

Contact your School Relations Coordinator by e-mail. The e-mail should contain:

- ◆ School Name
- ◆ Name, telephone number, and e-mail address of the person who will be uploading the New Loans and Advances file to the FTP server.
- ◆ Name, telephone number, and e-mail address of a secondary contact person.



AMS Servicing Group will provide you with the file specifications and will work with you to create a test submission. Once we have received and processed your test file successfully, you may begin to submit data to AMS Servicing Group using ***DataDirect*** without the need for additional technical support.

If you have any questions, please contact your School Relations Coordinator.

DataDirect FTP

The most efficient way to submit
New Loans and Advances.

Get started today!



Debra Hairston

Production Control Supervisor

Debra Hairston, Production Control Supervisor, joined our company in June of 2002, but she is no rookie when it comes to doing her job. Debra has worked with computers and in production control for over 20 years, first in the Navy and later as a manager for a Fortune 500 company. In fact, Debra got her initial training in computers during her time in the Navy, and used these skills on assignments in Washington, D.C. and London, where she worked as part of a Naval Security Group.

Here at AMS Servicing Group, Debra does not work in areas of national security in world capitals, but she takes her job just as seriously. Debra and her team are responsible for setting up new jobs for production processing, monitoring production and schedules, maintaining a healthy production environment and system availability, and is one of the first responders when any problem occurs with our servers or the System III database. Her area also sends files to customers using the *DataDirect* FTP (File Transfer Protocol) process and uploads incoming files to our server when customers sign up for this electronic file exchange process.

FTP is a convenient way for customers to send large amounts of student loan data to us and is an equally easy way for them to obtain masterfiles from us. Once Debra's team sets up our server to communicate with a customer's server, sending files back and forth is as easy as saving or opening a file folder. Using FTP means no tapes, no paper, and no human error, and is a process that Debra highly recommends.

Although Debra does not usually interface directly with our school customers, she takes customer service very seriously. After all, if there is an issue in data processing, our customers and their borrowers may be affected even though she will not have to handle their phone calls. She is further motivated to give good customer service because of her experiences with bad service as a consumer. "Being the recipient of poor customer service encourages me to do a better job. A 'thank you' is sometimes hard to come by even when you are paying for a service. I want to treat people the way that I want to be treated," she explains.

Debra gets a lot of support from her co-workers and staff in handling her job. She and staff member, Terry Everhart, share on-call duties so someone is always available in case of problems. She knows that she can rely on Terry because they worked together at another company for 18 years. She

Debra Hairston:

"Being the recipient of poor customer service encourages me to do a better job. A 'thank you' is sometimes hard to come by even when you are paying for a service. I want to treat people the way that I want to be treated."



credits her manager, John Elliott, with providing support and creating a sense of teamwork within the IT department that helps her do her job. Things run so smoothly in her area that her biggest challenge is finding ways to improve an already excellent system.

In her personal life, Debra is very close to her brother and sister and their children. She enjoys playing with her nieces and nephews, but don't ask her to baby-sit. She also has been married to her husband, Richard, for four years, and is a stepmother to two grown children, who live in Germany. Becoming a wife and parent after years of being single was a big and wonderful change in her life. In the style of storybook romances, her relationship with her husband started over 20 years ago when he was a family friend. She dated him at the time, but they went their separate ways. Then they began dating again four years ago and decided to get married.

A person of many interests, Debra likes to sew and makes curtains as well as outfits for herself. Not an outdoors person, Debra saw a hummingbird in her yard for the first time several months ago. When she found out it wasn't a big bug, she became fascinated with the little creatures and began reading about them and even set up a hummingbird feeder in her backyard. She also enjoys jazz and gospel music. Her overriding priorities are God and her family, and feels her strong sense of what is right has helped her succeed in life.