UPDATE

AMS Servicing Group

Winston-Salem, NC   **September 30, 2003**

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

Reminder: We will archive eligible loans during the weekend of October 17.

Inside AMS Servicing
Valerie McMillian
Team Leader, Payment Processing

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

Coalition Issues Recommendations for Better Federal Student Loans

NASFAA announced that "The Coalition for Better Student Loans," which includes financial aid administrators, parents, loan providers, and organizations has proposed a five-part plan to increase access to higher education by bolstering the federal student loan program. The proposal was sent to Congress to consider during the upcoming debate on the reauthorization of the Higher Education Act. The recommendations include increasing Stafford loan limits, providing relief from origination fees, offering more flexible repayment options, maintaining a viable loan consolidation program, and extending loan forgiveness to borrowers in certain occupations. You can read more about this release by visiting: http://www.NASFAA.org/publications/2003/gbettercoalition090303.html.

Second Administrative Cost Allowance Payment for 2002-2003

The Common Origination and Disbursement (COD) System began processing the second Administrative Cost Allowance (ACA) payments for 2002-2003 on August 28. ACA amount notifications will not be sent to individual schools via SAIG mailboxes. Instead, these amounts will be displayed on the reporting school's Electronic Statement of Account (ESOA) and on the School Funding Information screen on the COD Web site. For more information, see the following link: http://www.ifap.ed.gov/eannouncements/09022ndACApayment0203.html.

EDUCATION DEPARTMENT UPDATE

EDUCATION DEPARTMENT UPDATE (Continued)

Supplemental Campus-Based Awards

The Department of Education (ED) has published *Dear Partner/Colleague Letter CB-03-15* which presents important information about 2003-2004 supplemental awards made to schools that participate in the campus-based award programs. For additional information, go to http://ifap.ed.gov/dpcletters/CB0315.html.

HSRA Announces the Availability of Funds

The Health Resources and Services Administration (HRSA) recently announced the availability of funds in the HRSA *Preview for Summer 2003*. This edition is a comprehensive review of HRSA's Fiscal Year 2004 competitive grant programs. Go to: http://www.hrsa.gov/grants, and click on the first bulleted link, *FY 2004 HRSA Preview.*

List of Updates for 2003-2004 FSA Handbook

ED recently provided a list of "notable changes" to chapters of *the 2003-2004 Federal Student Aid Handbook*. You may view these changes by going to http://www.ifap.ed.gov/sfahandbooks/0304FSAHBUpdatesChanges.html.

PAY-BY-PHONE UPDATE

Service Fee Changed for Pay-by-Phone

Effective at the beginning of October, the fee charged to borrowers for our Pay-by-Phone service has increased to $5.00 per occurrence. This service is provided to borrowers who want to pay their bill by telephone.

Borrowers who contact our Call Center to make payments by phone are encouraged to sign up for AutoDraft, our automatic direct draft service, or to visit our new Web site for borrowers, myamsloan.com, to make payments via the Web. Both of these payment methods are free to the borrower.

AUDIT WRAP-UP

Audit Report Requests Fulfilled

We have filled all orders for our third-party audit for fiscal year ended June 30, 2003. If you or your auditors need a copy, please complete and return the Audit Report Request Form, which is on the forms page of our Web site, www.amsservicing.com. The report is offered in CD-ROM and paper formats.

E-mail Directory for AMS Servicing Group
Management and Customer Service Staff

Debra Adams, Call Center Manager.: **dadams@amsweb.com**	Barbara Joyce, Accounts Rec. Supervisor: **bjoyce@amsweb.com**
Steve Anderson, Conversion Supervisor: **sanderson@amsweb.com**	Lisa Koniuto, Sch. Rel./Contracts/Audit Mgr.: **lkoniuto@amsweb.com**
Daisy Bass, Customer Service Director: **dbass@amsweb.com**	Lando Little, Borrower Services Dir: **llittle@amsweb.com**
Beth Bealle, Product Development Director: **bbealle@amsweb.com**	Yvonne Marlowe, Cust. Svc. Rep.: **ymarlowe@amsweb.com**
Kim Blackburn, Customer Service Rep.: **kblackburn@amsweb.com**	Pattie Mastin, Account Manager.: **pmastin@amsweb.com**
Mark Bondurant, Alternative Loan Mgr **mbondurant@amsweb.com**	Torium Matthews, Cust. Service Rep.: **tmatthews@amsweb.com**
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Charles Cornelius, Default Prevention Svr.: **ccornelius@amsweb.com**	Patrick Roberson, Borrower Ser. Svr**: proberson.amsweb.com**
Wendy Cox, Customer Service Rep.: **wcox@amsweb.com**	Will Shaw, School Relations Coord.: **wshaw@amsweb.com**
Sharal Duncan, Customer Service Rep.: **sduncan@amsweb.com**	Pat Shepherd, Human Resources Mgr.: **pshepherd@amsweb.com**
John Elliott, Info. Technology Dir.: **jelliott@amsweb.com**	Jeff Smejkal, Network and Sec. Adm. Mgr: **jsmejkal@amsweb.com**
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LaShonda Hairston, School Relations Coord.: **lfields@amsweb.com**	Billi Wolfe, School Relations Coord.: **bwolfe@amsweb.com**
Paula Hall, Payment Processing Svr.: **phall@amsweb.com**	World Wide Web Site: **http://www.amsservicing.com**

Teleconference Schedule

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

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
Introducing: myamsloan.com

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
Introducing: A Revised amsservicing.com

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
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. Please contact Debra Pitts at (800) 458-4492 ext. 2272 or at dpitts@amsweb.com for more information.

Attachment: *Registration Flyer and Form*

Regional Meetings

Our next Regional Meetings will be held on October 3, 2003 at **Regis College** in Weston, MA and on October 6 at the **University of Nebraska-Lincoln** in Lincoln, NE. 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.

TRAINING UPDATE (Continued)

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

Cutoff dates for October and November 2003 are presented below. Cutoff dates for 2004 appear on the next page.

Transaction	October 2003	November 2003
Last day to receive collection payments	10/28/03	11/21/03
Last day to receive regular payments	10/29/03	11/24/03
Last day for online payments	10/31/03	11/28/03
Date final post begins	10/31/03	11/28/03
Report date used for final post	10/31/03	11/30/03
Last day deposits created for deposit to bank account	10/31/03	11/28/03

Cutoff Dates For 2004

Month	Last day to receive collection payments	Last Day to receive regular payments	Last day for on-line payments	Date final post begins	Report date used for final post	Last day deposits created for deposit to bank account
December 2003	12/26/03	12/29/03	01/02/04	01/02/04	12/31/03	12/31/03
January 2004	01/27/04	01/28/04	01/30/04	01/30/04	01/31/04	01/30/04
February 2004	02/24/04	02/25/04	02/27/04	02/27/04	02/29/04	02/27/04
March 2004	03/26/04	03/29/04	04/02/04	04/02/04	03/31/04	03/31/04
April 2004	04/27/04	04/28/04	04/30/04	04/30/04	04/30/04	04/30/04
May 2004	05/25/04	05/26/04	05/28/04	05/28/04	05/31/04	05/28/04
June 2004	06/25/04	06/28/04	07/02/04	07/02/04	06/30/04	06/30/04
July 2004	07/27/04	07/28/04	07/30/04	07/30/04	07/31/04	07/30/04
August 2004	08/24/04	08/25/04	08/27/04	08/27/04	08/31/04	08/27/04
September 2004	09/27/04	09/28/04	10/01/04	10/01/04	09/30/04	09/30/04
October 2004	10/26/04	10/27/04	10/29/04	10/29/04	10/31/04	10/29/04
November 2004	11/19/04	11/22/04	11/26/04	11/26/04	11/30/04	11/26/04
December 2004	12/28/04	12/29/04	12/31/04	12/31/04	12/31/04	12/30/04
January 2005	01/25/05	01/26/05	01/28/05	01/28/05	01/31/05	01/28/05

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.

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**

09-03 AMS Servicing Group Update

UPDATE

Web Products

It's been an exciting month at AMS Servicing Group in the world of Web products and services. Here's the latest news and information:

Introducing our Redesigned Web site - www.amsservicing.com

On September 18, we launched our redesigned company Web site, amsservicing.com. The new site provides expanded content, easier navigation, and improved design. If you haven't visited the site yet, check it out at www.amsservicing.com.

On our Web site you will find information about AMS Servicing Group and the variety of products and services we offer. You will also find information and schedules for regional meetings, conferences, and teleseminars. You can even meet our Customer Service and School Relations Representatives face-to-face. There's lots more to find on the Web site....forms, helpful links, news, and the latest version of the *Update* monthly newsletter. Bookmark this valuable Web site today!

Our redesigned Web site also serves as the portal to System 3*i*, AMS Servicing Group's new Web-enabled loan servicing system. Keep reading for more details.

Available NOW - System 3*i*

System 3*i* is our new internet-based student loan servicing system. System 3*i* provides you with real-time access to your student loan porfolio via the Web. With the first release of System 3*i* in September, you have the ability to login, select, and view account information for your borrowers. During the next six weeks, we will be releasing additional features and functions for your use including: view account history, view Collection Agency information, calculate future payoff, update addresses, and process E-Pays.

All you need to get started using System 3*i* is an Internet connection and an ID and password. If you don't currently have an ID and password assigned by AMS Servicing Group, just visit www.amsservicing.com and download a System 3*i* Access Authorization Form. Complete and return the form to our office, and we'll assign your ID and password within 2-3 business days.

System 3*i* is easy to use, and can be a helpful tool for the day-to-day responsibilities in your office. You have ready-access to information, in a safe, secure environment. If you need any assistance, our Help Desk staff is available at 1-800-458-4492, ext. 2111.

We will continue to enhance System 3*i* based on customer feedback - so let us hear from you!

myamsloan.com Continues to Grow!

Four months following the launch of our new Web site for borrowers, myamsloan.com, we have over 25,000 borrowers registered and using the site! Borrowers have real-time access to their account information, and can make payments, update their addresses, review account history, download deferment and cancellation forms, and enroll in AutoDraft.

We are currently developing a new service that will be offered to borrowers through myamsloan.com - E-Billing. With this service, borrowers can sign-up to receive e-mail notification of their student loan bill, then pay the bill on-line via our E-Pay function. Stay tuned to the *Update* for more information about this upcoming enhancement.

HOW TO

Process New Loans and Advances and Unpostable New Loans and Advances

It's That Time of Year Again!

AMS Servicing Group offers customers several methods to submit information on new loans and advances: **electronically** through *DataDirect* File Transfer Protocol (FTP), on a reel tape or cartridge, on a form transmittal, or using **on-line data entry**. All methods require that the loan data be accurate and complete. We also offer two reports, the *Unpostable New Loans Response Document* and the *Unpostable Advances Response Document,* to aid you in correcting any new loans and advances rejected during posting.

If you have a large number of disbursements to report, using *DataDirect* is the best method. By utilizing *DataDirect*, schools can eliminate the need for technical support required when using tapes and cartridges. Additionally, *DataDirect* expedites the process since there is no physical media to mail. Whether you use *DataDirect*, a reel tape, or a cartridge to send data, transferring information electronically is always easier and more efficient. Ask your School Relations Coordinator for information on how to set up *DataDirect* for your school or for a copy of our specifications to share with your programmers. AMS Servicing Group must receive and approve a test file before routine FTP transmissions or tapes will be accepted.

Some loan administrators choose to send disbursements to AMS Servicing Group on a form specifically created for this purpose. The *New Loan Input Form* is used to submit initial loan disbursements for input to our system. To help you complete the form, AMS Servicing Group offers a sheet with input codes and field definitions for reference. You may submit up to 50 *New Loan Input Forms* in one batch.

The *New Loan Batch Ticket* is used as a cover sheet for groups of loans submitted to AMS Servicing Group. It must accompany each batch of *New Loan Input Forms* for balancing and accuracy. You can take advantage of common fields within the batch - such as loan type, separation date, repayment frequency, and repayment plan - and record that data in the uniform values section of the *New Loan Batch Ticket*. You may then omit those fields on the individual *New Loan Input Forms*.

The forms are easy to complete — just remember that all shaded fields must be completed. Please send these forms by mail instead of faxing them, because fax machines darken the shaded boxes, often making the information entered impossible to read.

Keep in mind that our system can store up to five addresses. It is to your advantage to include as many addresses as possible on the *New Loan Input Form*. If AMS Servicing Group has multiple addresses on the system, it's easier to locate a borrower who has moved. AMS Servicing Group's *WebConnect* users will find it helpful to have multiple addresses on-line if they need to contact borrowers who are past due.

An *Advance Transmittal Form* is used to submit subsequent disbursements for a borrower who already has a loan posted on the system. An *Advance Batch Ticket* must accompany *Advance Transmittals*. Up to 50 advances may be included in each batch. Don't forget to take advantage of the uniform values section, if applicable.

If you have submitted an advance in error, don't worry. Just complete an **Advance Reversal Transmittal Form** to make adjustments. Please note that when an advance is submitted for the incorrect amount or in error, the entire advance amount must be reversed.

All forms are available on our Web site http://www.amsservicing.com under Downloadable Forms.

If you have access to *WebConnect*, you can enter new loans and advances directly online. If you key your own loans, you may have noticed a new Subsystem edit that states "Name Invalid or Conflicts W/Production SSN." This enhancement was added to support security for borrower access to loans via myamsloan.com. While we understand this security feature increases the number of rejects you may experience in your new loan batches, our New Loans Analysts will monitor any online keyed batches daily and make the necessary corrections, as possible.   Once again, we will attempt to minimize any inconvenience to you while we implement enhancements that maximize borrower security and privacy.

Please contact your School Relations Coordinator if you have *WebConnect* and are interested in processing these transactions online.

In order to make sure that your books balance easily at end of the year, always:
>   1. Submit your new loans and advances regularly throughout the year;
>   2. Verify that the data submitted is accurate and complete; and
>   3. Request the optional *Funds Advanced Year-to-Date* report quarterly.

Unpostable New Loans and Advances
In some cases unpostable new loans or advances may be returned to you because of errors that can be easily corrected. The *Unpostable New Loan Response Document* provides you with a list of all unpostable new loans, loan corrections, reconstruction loans, and reconstruction loan corrections processed during the reporting period, as well as the reason(s) why the loan could not be processed. The *Unpostable Advances Response Document* also provides a list of all unpostable advances processed during the reporting period and a reason why the advances could not be processed. There is a space to enter corrected data for each error.

You should review the report(s) and make necessary corrections to the data directly on the report(s) and return them to AMS Servicing Group. A space is provided immediately below each data element to write in corrections on both reports. We will use the returned report to correct data stored in the New Loan Database or the Advance Database and then will release the new loan or advance for posting to the system.

> **These are weekly reports and must be accessed through *DocumentDirect*, our on-line report viewing product. If you do not have access or need assistance obtaining these weekly reports, contact your Customer Service Representative.**

Please note the deletion date on the right side of the report. Corrections need to be returned to AMS Servicing Group before this date or the stored data will be deleted from the system. **You will then have to resubmit any rejected new loans or advances by your chosen submission method.**

For more details on correcting unpostable new loans and advances, please visit our Web site at http://www.amsservicing.com/help/howto/How_to_Process_Unpostable_New_Loans_and_Advances.pdf.

Questions? Call your Customer Service Representative.

Valerie McMillian

Team Leader

Valerie McMillian—Team Leader, Retail Manager, Team Mom. You get the picture. Valerie's leadership ability emerges in whatever setting she is in. Valerie joined our company three years ago as Team Leader in Transaction Processing. Usually these positions are filled from within, but Valerie was no stranger to our staff here. Although she had not worked in student loans, Valerie had worked side-by-side with many of our employees when our company was a division of the Wachovia Corporation. When Kathy Riddle, Manager of Customer Support, had an opening for a Team Leader, she knew she could count on Valerie.

Valerie and her team now are part of Payment Processing, but her responsibilities remain the same. She oversees AutoDraft, our automatic direct draft service, and suspense, where unpostable payments reside until they are resolved. Her area also responds to borrower correspondence. She also maintains a spreadsheet of the number of *QuikLetters* and billing statements that are sent out each month and of all payments processed by our internal and external lockbox. Valerie also performs special balancing and reporting activities for some of our customers. These reports not only must be accurate, but also must be submitted according to a strict deadline.

Valerie keys customer transmittals and collection payments if the data entry unit needs assistance. In fact, Valerie recently was named Employee of the Month for these efforts and for testing and training her staff on E-Oscar, our new on-line credit bureau updating system. Valerie also has had perfect attendance since she started working here.

Valerie credits her fellow employees in helping her learn the fine points of her job. "My managers and supervisors freely share their knowledge with me," says Valerie. "I want to know as much as possible because I want to be valuable to the company."

Valerie's belief in the Golden Rule guides her in leading her team and in providing exceptional customer service. "We all are customers at one time or another," she believes. This philosophy guides her in helping borrowers who may feel very frustrated by the time their correspondence gets to Valerie. "I try to satisfy these borrowers. I never let a letter or an e-mail go unanswered."

Valerie's past experience and education help her excel on the job. In a former career, she managed a large discount store in Washington, DC. She also has an A.A.S. degree in

Valerie McMillian:
"My managers and supervisors freely share their knowledge with me. I want to know as much as possible because I want to be valuable to the company."

Secretarial Science from Forsyth Technical Community College.

Valerie is accommodating, but she is no pushover. Growing up with seven brothers and one sister saw to that. "People in DC started out calling me "Country Girl," Valerie relates with a laugh, but they quickly found out she had big city attitude.

Valerie is a single parent raising a daughter, Chautney, who is in 8th grade, a 10-year-old son, Terrence, and Raquel, her 8-year old niece. Chautney wants to be a anesthesiologist, and Terrence is determined to be a professional basketball player. Both are on the way to these goals. Chautney is an "A" student in gifted classes, and Terrence's AAU basketball team came in 10th place in the National Championships. Valerie is Team Mom for the group and accompanied them to New Orleans for the tournament this summer. Raquel has not decided what she wants to be when she grows up, but for now she keeps Valerie on her toes.

Valerie's role model is her mother who was a nursing professor until she left teaching to become a pastor. Like her mother, she has a national evangelist license. She also plays bass guitar at her church, writes poetry, and finds time to read two books a week. One series of books that she likes has "a black woman in corporate America" as a protagonist. It is a character that Valerie says she can identify with. In this case, *art* does seem to imitate *life.*