CAMPUS PARTNERS

UPDATE

Campus Partners Winston-Salem, NC

May 31, 2006

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Holiday Closing:

Tuesday, July 4 Independence Day

Our on-line systems will be available during normally scheduled hours.

Inside Campus Partners
Sharon Swaim
Manager, Product Development

Perkins Funding Update

Campus Partners recently received an e-mail alert from Andrew Stringer, Legislative Associate at COHEAO, which details potentially positive news about Fiscal Year 2007 Education Department funding. He reports that on May 18, the House passed House Concurrent Resolution 375, which established the Congressional budget for Fiscal Year 2007. The resolution set overall discretionary spending of approximately \$873 billion, which is \$4.1 billion more than the President's budget request.

In his e-mail to COHEAO members, Stringer writes, "While the House did not designate this money for the Perkins Loan Program, the more funding in the budget resolution, the greater the likelihood that the Perkins Loan Federal Capital Contribution and the Loan Cancellation Accounts will receive funding." The Senate voted to increase discretionary spending by over \$10 billion more than was requested in the President's budget. This total includes \$7.1 billion that the Specter-Harkin amendment directed to the Department of Education. Representative Mike Castle (R-DE) is leading efforts in the House to allocate an additional \$7.1 billion in discretionary funds for Labor, Health and Human Services, and Education to mirror the Senate budget resolution.

The Senate and House will soon begin working to resolve differences in the two budget resolutions. As to be expected, this will be a slow and difficult process. We will keep you posted as we learn more.

LEGISLATIVE UPDATE

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Guidance from ED on MPN and new Military Deferment

As published in our February 28, 2006 *Campus Partners Update*, a new Federal Perkins Master Promissory Note (MPN) is currently in the OMB clearance process. Based on comments from the Department of Education, ED most likely will not be issuing an addendum to the MPN to include the new military deferment provided for by the Higher Education Reconciliation Act (HERA). When the new MPN is released, a *Dear Colleague Letter* will accompany the new MPN and contain implementation guidance. However, according to ED, "schools are required to notify borrowers when the terms and conditions of the Perkins Loan change." Since the military deferment will be effective for loans first disbursed on or after July 1, 2001, schools will have to notify all prior borrowers who had a loan that was first disbursed on or after July 1, 2001 and who still have an outstanding Perkins loan balance.

Campus Partners is working with members of COHEAO to determine the Department's interpretation of "loans first disbursed on or after July 1, 2001." We will also be looking at ways we can assist you in notifying your borrowers. We will keep you posted in future publications of the *Update*.

Orange Book Released for Federal Perkins Program

The Federal Perkins Loan Program Status of Default as of June 30, 2005, also known as the Orange Book, is a report that lists each school that participated in the Perkins Loan Program during the 2004-2005 Award Year and provides a cohort default rate for each school. The report is based on FISAP data submitted by schools. According to the statistics published here, the Perkins cohort default rate dropped to 8.12% compared to 8.85% for cohort year 2003. You may download the Orange Book at: http://ifap.ed.gov/cbpmaterials/0405PerkinsDCROrngBk.html.

E-mail Directory for Campus Partners Management Staff

Servicing Operations

Lisa Koniuto, Dir., Cust. Relationship Mgtment: lkoniuto@campuspartners.com
John Elliott, Information Technology Dir.: jelliott@campuspartners.com
Daisy Bass, Customer Service Director: dbass@campuspartners.com
Lando Little, Customer Service Dir: llittle@campuspartners.com
Kathy Riddle, Customer Service Mgr.: jeizinski@campuspartners.com
Jennifer Gizinski, Customer Service Mgr.: jeizinski@campuspartners.com
Sharon Swaim, Manager, Product Development: sswaim@campuspartners.com
Judy Smith, IT Applications Mgr.: jeimith@campuspartners.com

E-Mail Addresses for our Customer Service Representatives are available via www.campuspartners.com.

Servicing Support

Charles Parker, Comptroller: cparker@campuspartners.com
Paula Hall, Servicing Support Svr.: phall@campuspartners.com
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Corporate Web Site: http://www.campuspartners.com

ED Provides Additional Guidance on Two New Grant Programs

ED has recently released documents, including several *Dear Colleague Letters*, which provide guidelines and instructions for current college students and high school seniors who wish to apply for new Academic Competitiveness Grants and National SMART Grants for the 2006-07 academic year. Students who completed rigorous coursework in high school or who are pursuing degrees in math, science and critical foreign languages are eligible for a portion of \$790 million in new federal funding for higher education. *Dear Colleague Letter GEN-06-06* provides a list of instructional programs that qualify as eligible majors, including critical foreign language majors, for the National SMART Grants for the 2006-07 award year. *Dear Colleague Letter GEN-06-08* describes how the Department intends to implement the grant programs and notes that action on the part of college students may be required by June 1 to receive one of the new grants. See the following links to view these letters:

EDUCATION DEPARTMENT UPDATE (Continued)

http://www.ifap.ed.gov/dpcletters/GEN0606.html http://www.ifap.ed.gov/dpcletters/GEN0608.html

Changes Made by the Higher Education Reconciliation Act of 2005

ED has published a third *Dear Colleague Letter* addressing FSA provisions of the Higher Education Reconciliation Act of 2005. Provisions discussed in *Dear Colleague Letter GEN-06-05* fall under six general categories:

Academic year
Distance Education
Need Analysis and Cost of Attendance
Program Eligibility
Return of Title IV Funds, and
Student Eligibility

For additional information, go to: http://www.ifap.ed.gov/dpcletters/GEN0605.html.

Regulatory Wisdom from Sharon Cameron

Question: Does a borrower who has filed for bankruptcy qualify for loan consolidation?

Answer: According to the Department of Education's Office of General Counsel, there is no prohibition against a borrower in bankruptcy taking out a Consolidation Loan. Also, on the Federal Consolidation Loan Verification Certificate, Item 10 ("Borrower Status Code") includes a code for "Bankruptcy."



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Notification and Extension Guidance to Assist Title IV Participants Affected by Hurricanes Katrina and Rita

Dear Colleague letter GEN-06-07 contains a summary and extension of prior guidance related to Hurricanes Katrina and Rita, and the announcement of additional waivers provided under the authority granted to the Secretary of Education. Read more about this guidance at http://ifap.ed.gov/eannouncements/katrina.html.

Notification of Campus-Based Funding for the 2006-2007 Award Year

Awards for the FWS, FSEOG, and Perkins Loan programs have been approved for the schools listed which is available at the link below. Of course, there is no new Federal Capital Contribution, but the report lists the maximum amount that schools may loan from their Perkins revolving fund. For additional information, see http://ifap.ed.gov/cbpmaterials/0607NotifCBFunding.html.

PRODUCT DEVELOPMENT UPDATE

Product Development News

Here is the latest news about recent product development efforts and enhancements to expect over the next few months. We have made several enhancements to our printable Loan Consolidation Verification (LVC) screen this month, and will be completing enhancements to *iPROMise* in early June. As requested by our customers, we are extending *iPROMise* to additional campus-based loan types and are allowing schools to use *iPROMise* for discrete portions of the entrance interview process. Details about these enhancements follow

Available Now!

- System III Enhancements
 - Transitioned to electronic data submission with Experian.
- Enhancements to the LVC Screen
 - Payoff amounts can now be calculated up to 150 days into the future and can be calculated by selecting of a future date from a provided calendar.
 - The printed LVC now contains the additional text required to allow the document to replace the blank request received from the consolidation company.

Customer Insight



At Spelman College we have a standard of giving "Nothing less than the best." One of the ways we execute this goal is by demonstrating exemplary customer service.

Campus Partners has not only been a great asset in servicing the Perkins Loans for Spelman, but they have also displayed a level of customer service that far exceeds one's expectations.

Adriane Allen Perkins Loan Coordinator Spelman College

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• Based on the User ID, all information in the signature line will be completed with the exception of the actual signature.

• The user can select either 'Standard' or 'Direct' when creating the LVC. For 'Standard' LVC requests, an additional option allows the user to select from a listing of consolidation lenders, and the lender name and mailing address information will be printed on the lower left corner of the document. If the 'Direct' LVC option is selected, requests will print the information in a slightly different format as required by Direct Loans.

Coming in June!

• Enhancements to iPROMise

- Customers can now choose to use only specific functions within *iPROMise*. For example, a customer can elect to use only the Entrance Counseling and Loan Interview portions of *iPROMise* and require that borrowers sign their MPN and receive their disclosure in person.
- Customers can select a new borrower notification option. Previously, the borrower could be notified through either US mail or by e-mail, but not by both methods. The new option allows the customer to request that both an e-mail and a letter be sent to the borrower.
- The flow of the *iPROMise* Web pages will change slightly to ensure that all borrowers are forced to view the disclosure and MPN prior to acknowledging that they have read the terms and conditions in the disclosure and the MPN.

Coming in July!

• Credit Card Payments via the Web

- Borrowers will be able to make credit card payments through our borrower Web site, www.mycampusloan.com (at the customer's discretion).
- *iPROMise* will be extended to include HPSL, NSL, PCL, LDS, and Institutional Loan types.

Coming in the Third Quarter!

• System III Enhancements

Transition to electronic data submission for other credit bureaus.

Get Ready for Year-End Processing

June 30 is only one month away. Use this checklist to close your fiscal year successfully:

YEAR END PROCESSING REMINDER

1. Reconcile loan and accounting information.

- · Reconcile all disbursements for the year.
- · Correct and return all unpostable new loans and advances.
- · Check and update separation dates.
- · Reconcile your general ledger.

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

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PROCESSING
REMINDER
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2. Determine special needs and communicate them to us.

- · Contact your auditors to determine their needs for reports.
- Provide instructions for any special mailing requirements for year-end reports.
- Submit change/adjustment requests for processing.

3. Work your Cohort Default Rate Report.

 Provide your Customer Service Representative with requests for coding changes.

With the end of the fiscal year approaching, our goal is to process all requests for changes in a timely manner. All requests arriving by regular mail, overnight mail, fax, DataLink Dispatch, or e-mail are processed in the order that we receive them. **Deadlines for receipt in our office are:**

June 8 Requests for duplicate reports

June 23 Requests for Change/Adjustment memos

June 30 Year-end post begins

Remember that you can use *eXpressReports* to access your fiscal year-end reports immediately following year-end processing.

AUDIT REMINDER

Audit Underway

Campus Partners is pleased to announce the completion of the first phase of our annual third party servicing audit by Porter Keadle Moore (PKM). The PKM auditors reviewed our compliance with servicing regulations mandated by the guidance applicable to the Compliance Audits (Attestation Engagements) of the Federal Student Financial Assistance Programs and Report on Controls Placed in Operation and Tests of Operating Effectiveness (SAS 70). The initial audit covered the first three-quarters of our fiscal year, which ends on June 30, 2006. PKM will return in July to review fourth quarter compliance, and the entire audit process will be completed by the end of July 2006. We are projecting the final documentation will be available by mid-August 2006. To request this material in paper format or on CD-ROM, please see the attached form. This form is also available on our Web site at www.campuspartners.com. Please contact your Customer Service Representative with any additional questions.

Attachment: Audit Request Form

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

Page 7 TRAINING UPDATE

Workshop Update

Enrollment is closed for *the Student Loans 101 Workshop* that will be held in July, but we will be scheduling two more training classes this year. The next workshop will be held in September, and we will notify you of the exact dates as soon as details are finalized.

Teleseminars and Web Conferences

The web and teleconference training schedule for the remainder of the year is shown below. These sessions will be presented by our Customer Service team, with Daisy Bass, Director of Customer Service, and Customer Service Managers, Kathy Riddle and Jennifer Gizinski, taking the lead in developing these training events. Some of your favorite customer service representatives will be on-hand to provide insight into these topics. Be sure to sign up at least a week before the event.

2006 Teleconference/Web Conference Training Schedule

All Web and Teleconferences are presented from 2:00 to 3:30 Eastern time.

<u>Topic</u>	<u>Date</u>
myReports for the New User-Web Conference	Friday, June 9
FISCOP Preparation	Friday, July 14
COHORT! What is it and How Do I Manage It?	Friday, August 25
How to Evaluate Deferment and Forbearance Requests	Friday, September 15
How to Submit New Loans and Advances	Friday, October 6
Key Screens on WebConnect-Web Conference	Friday, October 20
What Happens When a Borrower Goes into Collections?	Friday, November 10
What is Rehabilitation and How Can Borrowers Benefit?	Friday, December 8

To register for these training events, call Debra Pitts at 1-800-458-4492, ext. 2272 or e-mail her at dpitts@campuspartners.com at least a week before the scheduled session.

Regional Meetings-New and Improved!

The theme of this year's Regional Meetings series is "Campus Partners to Go," and we are prepared to deliver the training, information, and networking opportunities that you need to do your job more efficiently. Upcoming meetings will include speakers who are experts in the field of regulations, default prevention, or other topics of interest, valuable presentations by Campus Partners staff, and lunch, with a little fun thrown in to make the day even more memorable. We will also send you home with a customized tote filled with training materials to reference later. The agenda for the Georgia Regional Meeting is attached. So far we have scheduled the following meetings, and more will be added later.

Morehouse College Atlanta, GA June 9
Richard Stockton College Pomona, NJ August 7
College of St. Mary Omaha, NE October 10

If you need training delivered, register for one of our new and improved Regional Meetings scheduled at a location convenient to you. Just contact Debra Pitts at 800-458-4492, ext. 2272 or via e-mail at dpitts@campuspartners.com to sign up.

REGIONAL MEETINGS

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CONFERENCE SCHEDULE

Conference Schedule-See you there!

Representatives from Campus Partners will attend the following conferences.

Second Alliance, Inc. will present **Cruisin' to Collections** on July 10-12 at the Sheraton Universal Hotel in University City, CA. Lisa Koniuto, Director of Customer Relationship Management, and Sharon Cameron, Audit and Compliance Specialist, will speak at the conference. For more information, call Second Alliance at 800-830-7570.

The University of Washington and the University of Oregon will host the Western Student Financial Services Conference on July 16-19 at the Coeur D'Alene Resort in Coeur D'Alene, ID. Sean Collins, Account Manager-Western Region, will speak at the conference. For more information, contact Sandie Rosko, Manager Customer Service/ Receivables at the University of Washington at 206-685-3517 or via e-mail at sandier@u.washington.edu.

COHEAO will present their **Mid Year Meeting** at the Hotel Orrington in Evanston, IL (Chicago area) July 29 - August 1. For more details visit <u>coheao.org</u>.

Williams & Fudge will present its Student Loans & Receivables Collection Conference in Charlotte, NC on September 24-27. The conference will be held at the Double Tree Guest Suites in Charlotte/South Park. For more information, visit www.wfcorp.com.

CUTOFF DATES

CUTOFF DATES

Transaction	May	June	July	August
Last day to receive	5/25	6/27	7/25	8/28
collection payments				
Last day to receive regular	5/29	6/28	7/26	8/29
payments				
Last day for online	6/02	6/30	7/28	9/01
payments				
Date final post begins	6/02	6/30	7/28	9/01
Report date used for final	5/31	6/30	7/31	8/31
post				
Last day deposits created	5/31	6/30	7/28	8/31
for deposit to bank account				



AUDIT REPORT REQUEST FORM

√	Yes, I would like to receive the June 30, 2006 Audit Report. (We will automatically ship you a CD unless otherwise specified.)		
		_ copy(ies) in CD-ROM f _ copy(ies) in paper form	
Mail to:			
Contact name	: :		
Address:			
City/State/Zip	:		
Telephone:			
School name:			
Authorized Signature	gnature:		Date:

Please return to:

Administrative Assistant-Sales and Marketing Campus Partners P.O. Box 3176 Winston-Salem, NC 27102-3176 or fax to 336-607-2025



Campus Partners Georgia Regional Meeting Agenda

Morehouse College		June 9, 2006
9:00 a.m. – 9:30 a.m.	Greetings and Product Development Overview	Brad Resler David Cox
9:30 a.m. – 11:00 a.m.	Product Demonstrations including: <i>iPROMise</i> , mycampusloan.com, E-Exit, System 3 <i>i</i> and <i>eXpressReports</i>	Brad Resler David Cox
11:00 a.m. – 12:00 p.m.	COHEAO Update	Bob Perrin, COHEAO
12:00 p.m. – 1:00p.m.	Lunch Sponsored by Williams and Fudge	All Participants
1:00 p.m. – 1:30p.m.	Collection Agency Presentation	Kevin Hunt, Williams and Fudge
1:30 p.m. – 2:30p.m.	Default Management from the Campus Perspective	Eula Solomon, Ft. Valley State University
2:30 p.m. – 3:00 p.m.	Bankruptcy and Chapters 7 & 13	Louis McBryan, Attorney at Law Macey, Wilensky, Cohen, Wittner, Kessler, LLP
	Campus Partners To Go Teaming for Success in 2006 CAMPUS PARTNERS	



Get the Most from the Enhanced LVC Screen

Campus Partners has greatly enhanced the LVC functionality within System 3*i* to assist customers in completing Federal Consolidation Loan Verification Certificates (LVC). The enhanced LVC now displays and prints all of the information necessary for the consolidating lender to accept the printed document. All you have to do is print the form, add the required school specific information, and sign and date the form. Additionally, a separate option is provided to meet the unique needs of Direct loan consolidators.

To use the enhanced LVC screen follow the easy steps below:

- Log onto System3i.
- On the Account Details screen, click the "Calculate Future Payoff" button.
- Most LVCs have an anticipated payoff date printed on them. Therefore, an easy-to-use calendar feature has been added to eliminate the need to calculate the number of days between the requested payoff date and the date the LVC is being completed. Simply click on the calendar icon next to **Payoff Projection** and a calendar will be displayed.
- Click on the desired date (not to exceed 150 days in the future) and the date will be automatically inserted in **Payoff Projection**.
- Click the Calculate button



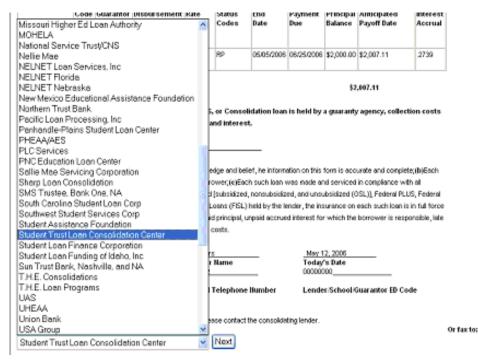
The next web page presented will contain the **Payoff Projection** information including data such as the loan balance, daily interest rate and payoff amount.



5-06 Campus Partners Update Continued on other side

The user can select either the **Standard** or the **Direct** version of the LVC by use of the radio buttons provided. Then simply click the **LVC** button to create the LVC.

The LVC will be created and presented. The **Standard LVC** will be presented initially with a drop down pick-list provided for item # 19 **Return Original To**, from which you will choose the appropriate consolidation lender and click the **Next** button. (The **Direct LVC** will not require this step.)



The final version of the **Standard LVC** will be presented for printing that includes the selected consolidation lender's name, mailing address, telephone and fax numbers (when available).

LVCs should be printed using the following printer settings:

- The Standard LVC should be printed as portrait.
- The **Direct LVC** should be printed as landscape.
- Both should be printed with top, bottom, left and right margins set to .25.
- If your current printer settings include the printing of Headers and/or Footers on pages you print from the web, you should eliminate those by removing anything shown in Header and Footer.





For a loan to be eligible for a Loan Verification Certificate, it must meet the following criteria:

- The loan must be a Perkins, Nursing, or Health Professions Loan (PCL loans are not eligible).
- The loan must be in an enrolled, grace, repayment, deferment, or cancellation/postponement status.
- The loan can not be placed with a collection agency.

For more information or assistance, please contact your Customer Service Representative.

Sharon Swaim

Manager of Product Development

For over 20 years, Campus Partners has benefited from the extraordinary talents of **Sharon Swaim, Manager of Product Development**. Sharon has worked as a forms analyst, answered borrower calls and processed correspondence in Borrower Services, been a team leader, a Customer Service Representative and a Business Analyst. Her ability to expertly master each of these areas resulted in her constant promotions to her current position. Her knowledge of our servicing systems and customer needs is virtually unsurpassed and thus enables her to be impressively successful as the leader of our Product Development team.

Brad Resler, National Sales Manager says of Sharon, "Working with Sharon is truly a pleasure. Her extensive system and product knowledge, combined with her approach of paying close attention to details and being ultra-responsive, makes Sharon a primary 'go-to' person in the company. Just as importantly, she has a genuine interest in constantly learning more about what services our customers want and how they want them delivered, which is critically important as Campus Partners continues to improve its value proposition for the higher education Business and Financial Aid Offices."

Sharon says the most important aspect of her job is "making the workload lighter for our customers." Under Sharon's leadership, the Product Development team has already lightened the workload of our customers by implementing invaluable, highly successful Campus Partners' products such as myReports, E-Exits, *iPROMise* and document imaging. The team is currently in the final testing phase of implementing online credit card payments for borrowers, which will be available in the coming months! "It's very rewarding when we deliver a solution that helps our customers do their job more efficiently and it is widely accepted," Sharon states of her job duties. She is especially pleased with the recent release of the printable Loan Verification Certificate, which has been well received. "Everyone loves it!" she says with a well-deserved sense of satisfaction.

Sharon and the Product Development team are not only responsible for developing new products and services, but they also support Ad-hoc reporting and changes to the mainframe, provide company-wide technical support, support portfolio transfers, develop Web-sites, perform Quality Assurance testing and write all required documentation to support new products and enhancements. "Our department does a tremendous amount," Sharon explains, but she says, "I am fortunate to work with a wonderful team of long-term, knowledgeable employees" whom Sharon says she likes to lead by example. Working in Product Development seems to be a perfect fit

Sharon Swaim: "It's very rewarding when we deliver a

solution that helps our customers do their jobs more efficiently and it is widely accepted."



with Sharon's personality because she likes to see results originate from mere ideas. "I love to nurture things from the very beginning," Sharon states, and being a mother is her greatest joy. She and her husband Ron have two children of whom they are extremely proud, Marissa, 23 and Justin, 20. Marissa graduated valedictorian from her high school class, Summa Cum Laude from High Point University and is currently enrolled in graduate school at Appalachian State University. Justin is also in college studying Mechanical Engineering Technology and recently went on his first corporate interview and got the job. "I have personally made my contribution to multiple institutions of higher learning!" Sharon laughs.

At home, Sharon loves to work in her garden where she grows an assortment of vegetables and herbs. She likes television shows that make her think, like "House" and listens to a variety of music. "I really enjoy jazzy stuff like Norah Jones," and one of her favorite movies is "The Divine Secrets of the Ya-Ya Sisterhood." Two facts about Sharon that are not widely known are that she has been playing the piano since the 6th grade and she thinks the Wendy's frosty is one of the greatest creations ever!

While her list of successes is already quite impressive both inside and outside the office, the biggest challenge Sharon says she faces on the job is trying to develop solutions to meet everyone's needs. To some, this task may seem impossible, but with Sharon's experience, dedication and determination, we know it's only a matter of time.