



UPDATE

Campus Partners
Winston-Salem, NC

June 1, 2009

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Inside Campus Partners
Gail Mayo
Senior Developer

Holiday Schedule

Fourth of July
Friday, July 3 (observed)

Our online systems will be available during normally scheduled hours.

Perkins Loans and the FY2010 Budget Proposal – An Update from COHEAO (Coalition of Higher Education Assistance Organizations)

LEGISLATIVE UPDATE

“The Obama Administration completed the presentation of its budget proposal for FY2010 recently, filling in numbers and a few details on its outline of February 26th. Of special interest in these budget documents is the Appendix, which holds details from the Office of Management and Budget and the Education Department’s Budget Office on the actual costs of programs, including Perkins Loans.

As announced in February, the President’s budget calls for increasing Perkins Loan assistance from \$1.1 billion to \$5.8 billion, but also removes the in-school interest subsidy and transfers the administration of loan servicing and collections to the Department of Education. According to the budget appendix, this will provide \$3.2 billion in savings for the federal government over five years. COHEAO is discussing alternatives to the budget proposal with Congress and the Administration with the goal of achieving the President’s call for expanding Perkins, but also maintaining the current benefits of the program, such as campus based administration, the in-school interest subsidy, and loan forgiveness benefits.”

To view the complete Education Budget Appendix, please visit <http://www.whitehouse.gov/omb/budget/fy2010/assets/edu.pdf>.

LEGISLATIVE UPDATE (Continued)

COHEAO is a partnership of more than 300 educational and commercial members promoting access to post-secondary education. Their focus is on legislative and regulatory advocacy for the Federal Perkins and other campus-based student loan programs. COHEAO's grassroots efforts on behalf of the Perkins program are largely why it still exists today.

COHEAO also communicates closely with the Department of Education (ED) and the Department of Health and Human Services (HHS), and congressional members to ensure that campus-based loan programs are successful. If you are interested in becoming a member, go to www.coheao.com.

Campus Partners is a strong supporter of COHEAO. Sharon Cameron serves as our company's representative to the group and stays in close communication with them to stay informed and share her insight.

EDUCATION DEPARTMENT UPDATE

Draft FISAP for 2009 Published by ED

The Fiscal Operations Report for 2008-09 and Application to Participate for 2010-11 in the Campus-Based Programs (FISAP) is currently under review by the Office of Management and Budget (OMB). The Department is providing the Draft FISAP and accompanying instruction booklet so schools can begin gathering necessary information for the actual submission of information through the final version of the FISAP, which will be available by August 1, 2009. The draft form and instructions are available in an electronic announcement from ED at <http://ifap.ed.gov/eannouncements/050809DraftFISAP1011.html>.

As published in our April 1, 2009 *Campus Partners Update*, there are significant changes to Part III (Perkins Loan), Part IV (FSEOG Program) and Part V (Federal Work-Study Program) of the FISAP due to the Higher Education Opportunity Act (HEOA). Below is a summary of those changes:

- Part III, Section A. – Lines added to report loan cancellations.
- Part III, Section A. – Lines added to accommodate short-term loans to the Fund.
- Part III, Section B. – Lines added to allow for the transfer of Federal Work-Study funds to the Federal Perkins program.
- Part IV, Section B. – Changed to allow for transfer of funds from the Federal Supplemental Education Opportunity Grants Program (FSEOG), which is now authorized under HEOA, to be spent in the Federal Work-Study Program (FWS).

E-mail Directory for Campus Partners Management Staff

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- Part V, Section B. – Changed to allow funds to be transferred from the FSEOG to be spent in the FWS Program and to allow funds to be transferred from the FWS program to the Federal Perkins program. Lines were also added to report funds that were spent for students impacted by a disaster and students who participated in civic education activities.

Campus Partners continues to work with our development staff to add new cancellation codes and update the NDSL/INST Accounting Report (Perkins Accounting report). At this time, we have made the appropriate changes to this year's FISAP; however, a final release will not be made until we receive the final version of the FISAP from the Department of Education.

Discharging Title IV Loans for Unemployable Veterans

ED has published *Dear Colleague Letter GEN-09-07 (DCL)* which provides procedures for a new discharge made by changes to the Higher Education Opportunity Act (HEOA). ED has established a separate standard for determining whether certain veterans are totally and permanently disabled for Title IV loan discharge purposes. The effective date for implementation of this new Department of Veterans Affairs (VA) cancellation was July 1, 2008, but guidance was not published until this May.

The *DCL* provides implementation guidance to FFEL lenders, guaranty agencies, and Perkins school lenders on the procedures for processing total and permanent disability discharge requests for borrowers who are covered by the new statutory provisions. Unlike the current total and permanent disability provisions, loans will not be assigned to ED.

There are two types of VA determinations that qualify a veteran for this discharge:

1. A determination that the veteran has a service-connected disability, or service connected disabilities, that are 100% disabling; or
2. A determination that the veteran is totally disabled based on an individual's unemployability.

Regulatory Wisdom from Sharon Cameron

Question: I have a Perkins borrower whose account is current but has made late payments in the past. This borrower is planning to buy a house and wants to clean up her credit bureau history. Can I set up rehabilitation on a current account?

Answer: No. Federal Perkins regulations in 674.39(a) read:

674.39 Loan rehabilitation.

(a) Each institution must establish a loan rehabilitation program for all borrowers for the purpose of rehabilitating **defaulted loans** made under this part, except for loans for which a judgment has been secured or loans obtained by fraud for which the borrower has been convicted of, or has pled nolo contendere or guilty to, a crime involving fraud in obtaining Title IV, HEA program assistance. The institution's loan rehabilitation program must provide that— **** (Denotes additional text in this provision)



**EDUCATION
DEPARTMENT
UPDATE
(Continued)**

The VA grants individual unemployability only for service-connected conditions. Therefore, any determination of individual unemployability qualifies a veteran for discharge. In the case of a determination that a veteran is 100% disabled, the determination must specify that the disabilities are service-connected.

Campus Partners is working to outline procedures for our staff to use to process these requests and provide guidance to your borrowers. We are also adding a new cancellation code (V0) for the new VA cancellation as well as updating the NDSL/INST (Perkins) Accounting Report. This new cancellation category has been added to this year's FISAP.

Campus-Based Waivers/Reallocation for Major 2008 Natural Disasters

Dear Colleague Letter CB-09-03 provides schools with new statutory waivers of some campus-based program requirements and a revised process for the reallocation of unspent campus-based funds. This waiver applies to the Federal Supplemental Educational Opportunity Grant (FSEOG) Program and the Federal Work-Study (FWS) Program and pertains to institutions located in certain areas affected by a major 2008 natural disaster. To read this DCL in its entirety, go to <http://ifap.ed.gov/dpccletters/CB0903.html>.

**PRODUCT
SERVICES NEWS**

System Enhancements

The Product Services team continues to be very busy as they respond to system changes required by regulations while managing system enhancements to facilitate the customer and borrower experience. To catch up with recent enhancements, please review the following attachment.

Attachment: Recent System Enhancements

We are profiling Gail Mayo, a member of the Applications Services team, in this month's "Inside Campus Partners." Gail has helped program many of the new system enhancements and loves this aspect of her job. Read more about Gail in this month's edition.

**DEFAULT RATE
RISING**

Student Loan Default Rates Predicted to Continue to Rise

The student loan default rate is continuing to rise in response to a poor economy and the large amount of student loan debt carried by students, according to many published accounts. In the past week, Boston.com, the online arm of the *Boston Globe*, and *USA Today* have published articles predicting higher student loan default rates for this year. The May 6, 2009, *Boston Globe* article discusses the issue with student loan experts who are very concerned about impending loan defaults. The article quotes Arne Duncan, the Secretary of Education, who states, "Whether we like it or not that is a reality we are looking at."

In a May 13, 2009 *USA Today* article, the author interviewed student loan officials who are also concerned about the growing default rate. Several students were interviewed who could not repay their loans because of job loss. Other students were pessimistic about their ability to find a job after graduation and feared they could not afford their payments.

We continue to counsel students about their student loan debt and assist them in submitting deferment and forbearance requests whenever possible. Anecdotal experience based on the number of borrowers calling our office suggests that the default rate is continuing to rise.

Audit Underway

Our third-party audit for the fiscal year ending June 30, 2009 is currently underway. We have expanded the scope of our audit to include all loan programs serviced by Campus Partners. As a result, our auditor, Porter Keadle Moore, LLP, estimates the final report will be available for distribution by September 15. Please email Debra Pitts dpitts@campuspartners.com if you need preliminary results before that date.

An *Audit Report Request Form* is available on our Web site. We will keep you informed about the status of the audit in future issues of the *Campus Partners Update*.

Attachment: Audit Request Form

Get Ready for Year-End Processing

June 30, 2009 is just a month away. Be sure to get your important requests in before the deadlines listed below so they can be processed by year-end. All requests are processed in the order that we receive them, whether they arrive via regular mail, overnight mail, fax, DataLink Dispatch, or e-mail.

YEAR-END PROCESSING REMINDER

Important Year-End Processing Deadlines

June 5	Requests for duplicate reports
June 19	Requests for Change/Adjustment memos
June 26	Year-end post begins



Customer Insight

“As always, thank you for your help. The staff at Campus Partners have always provided prompt, courteous assistance to me concerning the Federal Perkins Loan Program.”

Cindy Colbert
Juniata College Accounting Services

Web Conferences

Please join us for our next Web conference, *Understanding and Completing FISAP*, scheduled for June 11 from 2:00 to 3:30 Eastern. You may contact Debra Pitts at dpitts@campuspartners.com to register for this Web conference or any training event.

<i>Understanding and Completing FISAP</i>	Thursday, June 11 2:00 to 3:30 PM Eastern
<i>Cohort: What is it and How Do I Manage It?</i>	Thursday, August 13 2:00 to 3:30 PM Eastern
<i>Where do I Start? A Month to Month Guide</i>	Thursday, September 10 2:00 to 3:30 PM Eastern
<i>TBD</i>	Thursday, October 8 2:00 to 3:30 PM Eastern
<i>Regulations Update</i>	Thursday, November 12 2:00 to 3:30 PM Eastern
<i>Tips for Managing Delinquencies</i>	Thursday, December 10 2:00 to 3:30 PM Eastern

Student Loans 101

The next session of *Student Loans 101* will be presented on July 9-10. This workshop is designed for less experienced student loan administrators or those who are new to the Campus Partners system. Participants will gain hands-on experience at individual workstations in the newly renovated training room.

Student Loans 101

July 9-10

Time: Day One 8:30 AM- 4:00 PM Day Two 8:30 AM - 1:00 PM

To register, fax a completed registration form to Debra Pitts at 336-607-2025.

Attachment: Student Loan 101 Registration Form

CONFERENCES**Conference Schedule-See You There!**

Campus Partners staff will attend the conferences listed below. More conferences may be added in future issues of the *Update*.

The **2009 Western Student Financial Services Conference** will be held July 19-22 at the LaSells Steward Center at Oregon State University in Corvallis, OR. For more details, please visit <http://oregonstate.edu/conferences/pac10/index.html>.

COHEAO will hold their mid-year conference at the Westin Philadelphia in Philadelphia, PA on August 1-4. Additional information is available at <http://www.coheao.org>.

Williams & Fudge will hold its **Student Loans and Receivables Collection Conference** on September 20-23 at the Hilton Mrytle Beach Resort. For more information, go to <http://www.wfcorp.com/news/upcoming.html>.

The Texas Bursars for Universities and Colleges will host **BUC\$ on the Beach** at the Omni Bay Front Hotel on October 11-14 at Corpus Christi, TX. More details are available at <http://texasbucs.com>.

The **Minnesota Collection Network** will present its **Mega Conference XVII** on October 19-21 at the Sheraton Bloomington in Bloomington, MN. More information is available at <http://www.mnnetwork.org/>.

Cutoff Dates

Cutoff dates for May, June, July, and August are presented below.

CUTOFF DATES

Transaction	May	June	July	Aug.
Last day to receive collection payments	5/26	6/23	7/28	8/25
Last day to receive regular payments	5/27	6/24	7/29	8/26
Last day for online payments	5/29	6/26	7/31	8/28
Date final post begins	5/29	6/26	7/31	8/28
Report date used for final post	5/31	6/30	7/31	8/31
Last day deposits created for deposit to bank account	5/29	6/26	7/31	8/28

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. 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.

ATTACHMENT RECENT SYSTEM ENHANCEMENTS

System 3i

The printable Direct Loan LVC form for the William D. Ford Federal Direct Loan program was updated in production on May 1, 2009 to meet new formatting and data requirements that went into effect on that date.

Borrower Experience

Many “behinds the scenes” enhancements have been made to the mycampusloan, *iPROMise*, and E-Exit web sites. A few of the more visible changes are detailed below.

An enhancement has been made to allow a borrower to attempt to E-Sign (*iPROMise* and E-Exit) loan documents using any internet browser.

For increased security, when changing an existing or creating an initial password, borrowers may no longer use a number to begin or end their password. A warning message to this effect appears if the borrower creates a password that violates the policy. Borrowers can continue to use existing passwords that contain a number at the beginning or end of their password but must comply with the new password standard if they chose to change their password.

A date/time stamp has been added to the E-Pay payment confirmation screen to help the borrower manage their E-Pay activity records.

iPROMise

The following information was recently changed on the Federal Perkins Master Promissory Note available through *iPROMise*. The borrower’s name format is now last name, first name, middle initial. The Birth Date format has been changed to mm/dd/yyyy. The state abbreviation has been added to the driver’s license number.

The program number has been added to the Unregistered (Borrower) Report available through System 3i Customer Access for *iPROMise*.

Report Changes

The *NSLDS Load Error Report* now prints with error description text rather than just the error code number. (Update implemented by NSLDS)

Last Payment Type and Source fields have been added to the *Cumulative Credit Balance Report*. The new fields are located under the “Paid Out Date” heading.

A change has been made to the description of status 81 on the *Status Summary* and *Invoice Detail Reports*. The description has changed from “Referred to OE” to “Claim/Referred to OE.” The change was made to make the description less confusing to private loan customers.

Cancellation Codes

Campus Partners announced that new cancellation codes were going to be added to our system in the January issue of the *Update* newsletter. These changes were recently implemented. System III has been updated to allow for new cancellation codes for Loan Type N and I. The new codes are:

- A4 Attorney in a Public Defender Office
- B4 Librarian
- C4 Faculty Member at Tribal College or University
- F4 Firefighter
- T4 Speech Language Pathologist
- P4 Staff Member in a State Licensed or Regulated Pre-school or Child Care
- M4 Military

All Perkins and Institutional Loans (regardless of Note Date) are eligible for the new cancellation benefits for service performed on or after 8/14/08.

Until final regulations are received that might contradict the following schedule, each cancellation type will reflect cancellation credit as follows:

- 1st and 2nd years of service: 15% each year
- 3rd and 4th years of service: 20% each year
- 5th year of service 30% final year

We will continue to update our system with new cancellation codes and related requirements as more information is finalized.

NSLDS Reporting

An enhancement has been made to prevent invalid enrollment effective dates for New Loans and Advances, such as 22/01/09, from posting to the system. In addition, the value of "N" no longer can be submitted as a valid Academic Level for any New Loans and Advances submitted with a Note Date or Advance Date of 7/1/08 or after. These changes were made to help reduce errors resulting from recent changes to NSLDS reporting.



AUDIT REPORT REQUEST FORM



Yes, I would like to receive the FY 2009 Audit Report.

(We will automatically ship you a CD unless otherwise specified.)

Please send _____ copy(ies) in CD-ROM format @ \$75.00 each
_____ copy(ies) in paper format @ \$100.00 each

Mail to: _____

Contact name: _____

Address: _____

City/State/Zip: _____

Telephone: _____

School name: _____

Authorized Signature: _____ Date: _____

Please return to:

Campus Partners
Attn: Debra Pitts, Administrative Assistant
P.O. Box 3176
Winston-Salem, NC 27102-3176
or fax to: 336-607-2025

**2009 Registration Form
Student Loan 101 Workshop
Winston-Salem, NC**

- When:** Student Loans 101: July 9-10, 2009
- Times:** 8:30 AM to 4:00 PM
8:30 AM to 1:00 PM
- Where:** Campus Partners
Reynolda Business Center
2400 Reynolda Road
Winston-Salem, NC 27106
- Fees:** \$100 per person for two-day workshop
- Provided:** Continental breakfast; lunch; snacks
- Lodging:** Courtyard by Marriott
(336) 727-1277 or (800) 321-2211
Special rate available: \$82 + tax
- To obtain the discounted rate, please call the local number at least 2 weeks before the workshop and mention that you will be attending a Campus Partners workshop.
- Registration Deadlines:** 14 days before workshop start date

All registration fees are per person. 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.

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

**Student Loan 101 Workshop
Winston-Salem, NC
July 9-10, 2009**

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

NAME _____
TITLE _____ TELEPHONE _____
E-MAIL ADDRESS _____
 \$100 – SL 101 – 7/9-10

NAME _____
TITLE _____ TELEPHONE _____
E-MAIL ADDRESS _____
 \$100 – SL 101 – 7/9-10

NAME _____
TITLE _____ TELEPHONE _____
E-MAIL ADDRESS _____
 \$100 – SL 101 – 7/9-10

Registration Deadlines: 14 days before each scheduled workshop

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

Mail to:
Administrative Assistant
Campus Partners
P.O. Box 3176
Winston-Salem, NC 27102-3176

Questions?
Call 1-800-458-4492, ext. 2272
Fax 336-607-2025

Gail Mayo

Senior Developer

Gail Mayo is a Programming Hero for Campus Partners. Actually she is a Senior Developer, but that is about the same thing. Programmers are unsung heroes at our office because of their commitment to keeping our system in tune. Along with her remarkable programming abilities, Gail is a woman of many interests, including an affinity for playing Guitar Hero the minute she gets home from work. Gail has a big personality to go along with her exceptional job performance to the delight of everyone who knows her.

Gail's job responsibilities include responding to System Information Requests in concert with other members of the Application Services and Product Services teams, writing programs for new projects, and programming enhancements for our system. Because our system is continuously monitored, and Gail shares on-call duties with other programmers in case there is an issue that arises at night or on-weekends.

Recent projects that Gail has worked on include programming changes for 1098-E reporting, working to implement FISAP changes for 2009, adding new cancellation types to our system, and developing the Accrual Summary Report for our private loan customers. This report has been adopted by several campus-based customers, who have large institutional loan programs. "Many customers like account reporting because it provides all the information they need on one page," stated Gail, who took the lead in developing the report.

Gail has nine projects that she is currently working on, but that does not faze her. She loves to program. "I like to sit at my desk for hours at a time and code. I don't want to be interrupted to do anything else. It is a little strange because I am an outgoing person away from work," Gail observed. Gail previously worked at Wachovia Bank for 13 years, which gives her a solid background for her work at Campus Partners. She says working as a programmer suits her and she never wants to be in management or do anything else.

The job at Campus Partners is perfect for her. She gets to code non-stop and has co-workers like O.H. Walker and Judy Smith, Director, Application Services, to rely on for support. O.H. is a "fountain of knowledge" about our system, and "Judy is always available for my many questions," Gail explained.

Gail has been with the company for almost three years as an employee and 10 months as a contractor. As her manager, Judy has immense regard for Gail. She enthusiastically mentions that "Gail starting working for us as a contractor when the Private Loan business effort first started up. She immediately started running rings around the other contractors and it took me all of a few hours to know I wanted her on my staff permanently. She is a major asset to Application Services and all of Campus Partners. She has such a positive 'can do' attitude and is an inspiration to all of us. I think she raises the bar for all with her energy and drive. She is such a pleasure to manage and work with every day!"

Gail finds that achieving a successful implementation of programming changes is the most rewarding part of her work, and she works hard to achieve that goal. "When things go without a hitch, I get a good feeling," she said. And she is awash in good feelings these days as she gets to focus on what she describes as "nerdy math brain logic stuff." In this interview, she stated, "I am as happy as I possibly can be right now." This statement really says it all about her radiant spirit and positive attitude.

Gail Mayo

"I like to sit at my desk for hours at a time and code. I don't want to be interrupted to do anything else. It is a little strange because I am an outgoing person away from work."



Gail is originally from Baldwinsville, a small town in upstate New York, near Syracuse. She graduated from Ithaca College and began working as a programmer 25 years ago. Tired of the endless snow and winter, Gail moved to North Carolina in 1991 to continue her career. After so many years away, she remains close to her mother and four brothers and sisters still in New York or living elsewhere. A favorite niece attended school in North Carolina and stayed with her for about a year, which Gail really enjoyed.

For the past 25 years, she has attended and helped organize a Girls' Camping trip with her female friends and family. They camp out in someone's backyard and have a great time talking all night. Around seven of the participants are members of the original New York core group, and they try to get together twice a year. That is quite a testament to the bonds that exist within their group to be able to carry on this tradition for so long. Gail is totally committed to keeping this event going for as long as possible. She has also traveled to places such as Costa Rica, London, Bangkok, and Hawaii to visit her friends and family.

Gail has made many friends at Campus Partners and has organized more than a few activities with her coworkers. She enjoys reading crime fiction, watching shows such as the CSI franchise, and listening to the Allman Brothers and classic rock. She has also attended over 200 concerts, including nine Dave Matthews concerts.

And then there is the Guitar Hero business. She laughs when she says she is addicted to it. She goes home from work and plays for hours. After concentrating all day at work, it's probably relaxing for her to go home—and concentrate on something else. She also likes to solve number puzzles. In other words, Gail loves to think and that is what makes her great at her job. She is our programming hero, and everyone loves her for both her commitment to her job and her sense of fun.