**New Promissory Notes Revised**

The Department of Education (ED) has revised the newly issued promissory notes for the Federal Perkins Loan and National Direct Student Loan (NDSL) programs. Links to the corrected notes are provided in *Dear Partner Letter CB-01-15* and implementation instructions are offered in an earlier letter, *Dear Partner Letter CB-01-13*.

Colleges and universities may begin using the revised notes immediately. However, the prior promissory notes may be used until May 1, 2002. You can download the new promissory note at [http://www.ifap.ed.gov/dpcletters/CB0115.html](http://www.ifap.ed.gov/dpcletters/CB0115.html).

**ED Reduces Schools’ 2002-2003 Paper FAFSA Orders by 33%**

ED has announced that institutions will only receive two-thirds of the number of FAFSAs they ordered for 2002-03. ED has instituted this reduction because many paper FAFSAs were not used last year due to increased use of electronic filing methods. If you request the same number of FAFSAs this year as you did last year, your order will automatically be reduced 33%. If you order fewer FAFSAs, you will receive the amount you indicate. If you need more FAFSAs than you are allotted, you can request the number you need via ED’s web ordering system.
According to ED, *Student Guide* and *Funding Your Education* orders placed by postsecondary schools will be fulfilled at 100%, but schools are encouraged to use the electronic form of the document.

### 2002-03 EDE Technical Reference Now Posted

The 2002-2003 EDE Technical Reference was posted to the www.ifap.ed.gov. Web site in November. This document provides record layouts for schools or other organizations that need to design software systems to interface with ED’s software in order to process applications and package student financial aid awards. The document is posted in both PDF and Word formats and is available at the following address: [http://sfadownload.ed.gov/DLTechRef0203.htm](http://sfadownload.ed.gov/DLTechRef0203.htm).

### Availability of CPS Test System for 2002-2003

The CPS Test System for 2002-2003 is available until January 31, 2002. It is designed to allow institutions to test electronic application and/or correction data from their systems with the CPS, outside the normal CPS production environment.

### Fed.Up Initiative Issues Chart

The House Committee on Education and the Workforce has published a *Fed.Up Initiative Regulatory Relief Proposals* chart in draft form on its Web site. The chart is available in PDF and HTML formats. The draft chart helps provide a review of the many issues that were submitted as part of the Fed.Up project. This is still a work in progress and will be updated periodically. The link to view this document is: [http://edworkforce.house.gov/issues/107th/education/fedup/regschart.htm](http://edworkforce.house.gov/issues/107th/education/fedup/regschart.htm).

### First Annual Spring Update Conference

ED will hold its new Spring Update Conference March 6 - 8, 2002, in Baltimore, MD. The Spring Conference is being expanded beyond Direct Loan issues to include sessions on common origination and disbursement, verification, quality assurance, and policy and program updates, among other topics. The Spring Update Conference will feature a related meeting, the Software Developers Conference, which is designed as a technical track to include institution Chief Information Officers.

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**E-mail Directory**

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- Bob Balsamo, Production Control Supervisor: [rbalsamo@efg.net](mailto:rbalsamo@efg.net)
- Daisy Bass, Customer Service Assoc. Director: [dbass@efg.net](mailto:dbass@efg.net)
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- Betsy Burton, Market Development Director: [bburton@efg.net](mailto:bburton@efg.net)
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- Kim Wilson, School Relations Coord.: [kwilson@efg.net](mailto:kwilson@efg.net)
- Kim Wright, Information Technology Dir.: [kwright@efg.net](mailto:kwright@efg.net)
- World Wide Web Site: [http://www.efg.net/efgtechnologies](http://www.efg.net/efgtechnologies)
SAIG Enrollment Form Clarification

Because of inquiries that we have received, it appears that some customers are getting conflicting information from Title IV WAN Customer Service about how to re-submit enrollment documents to meet the requirements of the Privacy Act.

Because we do not have all the necessary client specific information for customers that received notification that they must re-enroll, affected customers will need to fill out the portion of the enrollment document that applies to them. If you are one of these customers, you should fill out your portion of the form and forward it to us for handling of the remaining enrollment requirements.

The form is available from the IFAP site at www.ifap.gov. Follow these steps to locate the document:

• Click under action letters in the “Most Frequently Visited Publications” section.
• Select “All 2001-2002 Action Letters.”
• Select “Action Letter #5 (Gen 1-01).”
• Click on the link at the bottom of that action letter (Student Aid Internet Gateway (SAIG) Enrollment Form) and the form will be downloaded to your workstation for printing. Note: The revision date on this form is September 2000.

Complete the following items ONLY:

• On page 11, item 13A - This section should be completed providing the school name, OPE-ID, business address, phone and fax numbers.
• On page 13, item 13B - The Effective Date of Action of “batch Perkins Loan data” (the third box down on the page) should be 12/01/01.
• On page 19, the School President/CEO/Chancellor must sign in the box provided.

The entire package should be forwarded to EFG Technologies for completion. We will fill out the rest of the form and sign it before mailing it back to Title IV WAN. If you have any questions, please contact your Customer Service Representative.

Form 1098-Es to be Mailed in January

If you contract with us for TRA student loan interest reporting, we will mail Form 1098-E to borrowers who may be eligible for a federal income tax deduction for interest paid in 2001. Forms will be mailed by mid-January to borrowers who paid eligible interest of $5.00 or more during the 2001 tax year. Borrowers may access their interest paid information from our Interactive Voice Response (IVR) System effective January 1.

For your borrowers who paid interest totaling $600 or more, we will report information to the IRS in February, as required by regulations.

Included with this issue of Update is a sample of Form 1098-E. If you have already signed a contract for this service, you do not need to complete any other forms.

12-01 EFG Technologies Update
A FAQs document for borrowers is located on our Web site at http://www.efg.net/efgtechnologies/pdf_download/TRA_Bulletins/FAQ%202000%20TRA.pdf. The FAQs address some standard questions and answers regarding the student loan interest deduction.

When you access DocumentDirect, you will see the category NPSLS0971F-TRA Customer Report. Click on this button to review your report. If you are not set up to review your reports through the Internet, please contact your School Relations Coordinator.

**Consolidation Loan Available Thru AMS**

Our affiliate company, Academic Management Services (AMS) offers a Consolidation Loan for borrowers who wish to consolidate their federal educational loans. For many borrowers, consolidating student loan obligations into a single loan is an excellent way to manage their debt.

If you receive Exit Interview packages from EFG Technologies, we are including informational brochures about the AMS Consolidation Loan program. We encourage you to use this material during your exit counseling sessions. You may also be interested in a direct counseling program. AMS loan counselors will speak with your borrowers to determine if loan consolidation is a good option for them. If you would like to find out more about how EFG Technologies and AMS can assist your borrowers with loan consolidation, please contact Betsy Burton, Marketing Director, at 1-800-458-4492, ext. 2009; or by e-mail to bburton@efg.net.

**Introducing the New Payoff Screen**

The next time you need to accurately project a payoff balance for a student, you will not have to perform any manual calculations thanks to the PAYO screen. This new screen calculates a borrower’s payoff amount by projecting the current balance, including interest amounts due, up to 90 days into the future. Only a few loans in certain statuses will still require manual calculations to project payoff amounts. For more information and tips for users, please see this quarter’s System III Connection, included with this issue of the Update.

**Cohort Default Rate Added to Reports**

You can now find your cohort default rate on the following reports: Loans to Review for Cohort Default Rate, FISCOP Report, and Status Summary Report. This information will be complete for institutions with greater than or less than 30 borrowers who entered repayment in the current cohort year. The calculation of your cohort default rate has been changed to include default repayment flags of “IE” (Ineligible to re-instate Title IV eligibility) in the total number of borrowers with loans in default.

The mission of EFG Technologies is to provide high quality, accurate, and effective processing services in response to the needs of our customers. We strive to consistently provide superior service and innovative solutions at a competitive price.
Campaign Underway to Encourage ADD
In December we initiated a campaign to encourage borrowers to use our Automatic Direct Draft (ADD) program to make their student loan payment(s). ADD simplifies the payment process with a routine draft of the borrower’s bank account. Our campaign includes inserting ADD applications and special messages with borrower billing statements and providing specialized ADD information via our Interactive Voice Response System and our Web site. We plan to continue the ADD campaign through the first Quarter of 2002. We encourage you to speak with your borrowers about ADD as well. Visit our Web site at www.efg.net/efgtechnologies for more information.

Annual Statements to be Mailed in February
By the first week in February we will send Annual Statements to your borrowers who are making payments by Automatic Direct Draft (ADD) or Coupon Books. These statements provide borrowers with up-to-date information on the status and balance of their loan(s).

Announcing a New Product - Enhanced Service!
EFG Technologies is pleased to introduce Enhanced Service – a new level in loan servicing. Enhanced Service goes beyond the standard full service benefits such as forms processing and borrower correspondence. With Enhanced Service, EFG Technologies removes more of the administrative burden from you and your staff by storing your borrowers’ original file folder documents and providing additional processing services. Please refer to our New Product Update included with this publication for more information.

HELP Desk Transfers to Customer Service Department
We are pleased to announce that the EFG Technologies HELP Desk is now part of our Customer Service Department, reporting directly to Associate Director Daisy Bass. The HELP Desk team provides customers with technical assistance related to our online products and services such as DataLink WebConnect, DocumentDirect on-line reports, and DataDirect FTP. You may continue to contact the HELP Desk directly, via our toll-free telephone number 1-800-458-4492, ext. 2111. Representatives are available to assist you.

2002 Training Programs Announced
The School Relations Team is developing new training programs for 2002. Our goal is to create interesting and challenging programs that allow schools to use a combination of federal regulations knowledge, System III know-how and DocumentDirect skills in their day-to-day work. The training sessions will initially be limited to groups of 10 people. We anticipate our first training program will be at the end of March. More information will be provided in future issues of the Update.

Several of our customers have asked for DocumentDirect training. DocumentDirect is a Web-based service that allows customers to download and print reports on a weekly and monthly basis. Instead of waiting for your reports to be sent through the U.S. Postal Service, you can access them directly from your computer. In addition to accessing your report information quickly, you can retrieve the last four years of
Since many customers have not yet mastered DocumentDirect, we will be providing regional training sessions. Because people tend to learn better hands-on, we will be using our customers’ computer labs to access DocumentDirect. How does this work? Colleges and Universities have computer labs on campus. During an off-peak time (such as during spring break), we will “rent” the computer lab and invite a few local schools to come over for a half-day training session. We will use the Internet to provide DocumentDirect training, and our customers will receive a solid understanding of how DocumentDirect works. We will limit the first few sessions to 10 people. We will be testing this new concept in January at a school in upstate New York, and will report back on our success.

We plan to host five Regional Meetings in 2002. Regional Meetings are a great way to share information with your colleagues and learn some new tricks of the trade. Meetings are scheduled for the following locations, with dates to be announced soon:

- Columbia, SC
- Boston, MA
- Richmond, VA
- Seattle, WA
- Florida

If you are interested in holding one of these meetings at your institution, please contact your school relations coordinator.

### Regional Luncheon Held in Texas

Betsy Burton, Director of Marketing, and Pattie Mastin, School Relations Coordinator for the Southeastern Region, visited with several customers during the Arlington, Texas Regional Luncheon on December 5. A special thank you goes to Terry Spoon at the University of Texas-Arlington for her assistance in making this event happen. The meeting was informative for those who were in attendance.

### Conferences Scheduled

The Coalition of Higher Education Assistance Organization’s (COHEAO) Annual Meeting and Student Loan Seminar will be held on January 27 to 31, 2002 at the Ritz-Carlton Hotel in Arlington, VA. The event will include discussions on the Bush Administration’s agenda for Reauthorization, emerging technologies to aid in the delivery of student financial aid (especially the Perkins Loan Program), and loan benefits for teachers. EFG Technologies has consistently taken an active role within COHEAO and recommends that all our clients investigate the benefits available through this organization. For more information and to register, visit the COHEAO Web site at [www.coheao.com](http://www.coheao.com).

EFG Technologies staff also will attend the 11th Annual EARMA Collections Conference, which will be held on April 9-10, 2002 at the National Conference Center in East Windsor, New Jersey. For more information, call 723-235-9184.
Holiday Schedule for 2002
EFG Technologies will be closed on the following holidays in 2002.

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>Tuesday, January 1</td>
</tr>
<tr>
<td>Martin Luther King Jr’s Birthday</td>
<td>Monday, January 21</td>
</tr>
<tr>
<td>President’s Day</td>
<td>Monday, February 18</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Monday, May 27</td>
</tr>
<tr>
<td>Independence Day</td>
<td>Thursday, July 4</td>
</tr>
<tr>
<td>Labor Day</td>
<td>Monday, September 2</td>
</tr>
<tr>
<td>Columbus Day</td>
<td>Monday, October 14</td>
</tr>
<tr>
<td>Veteran’s Day</td>
<td>Monday, November 11</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>Thursday, November 28</td>
</tr>
<tr>
<td>Day After Thanksgiving</td>
<td>Friday, November 29</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>Wednesday, December 25</td>
</tr>
</tbody>
</table>

Cutoff Dates
The cutoff dates for January and February 2002 are listed in the table below. A table listing cutoff dates for 2002 follows.

<table>
<thead>
<tr>
<th>Transaction</th>
<th>January 2002</th>
<th>February 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last day to receive collection payments</td>
<td>01/28/02</td>
<td>02/25/02</td>
</tr>
<tr>
<td>Last day to receive regular payments</td>
<td>01/29/02</td>
<td>02/26/02</td>
</tr>
<tr>
<td>Last day for online payments</td>
<td>02/01/02</td>
<td>03/01/02</td>
</tr>
<tr>
<td>Date final post begins</td>
<td>02/01/02</td>
<td>03/01/02</td>
</tr>
<tr>
<td>Report date used for final post</td>
<td>01/31/02</td>
<td>02/28/02</td>
</tr>
<tr>
<td>Last day deposits created for deposit to bank account</td>
<td>01/31/02</td>
<td>02/28/02</td>
</tr>
<tr>
<td>Month</td>
<td>Last day to receive collection payments</td>
<td>Last Day to receive regular payments</td>
</tr>
<tr>
<td>-------------</td>
<td>----------------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>January 2002</td>
<td>01/28/02</td>
<td>01/29/02</td>
</tr>
<tr>
<td>February 2002</td>
<td>02/25/02</td>
<td>02/26/02</td>
</tr>
<tr>
<td>March 2002</td>
<td>03/26/02</td>
<td>03/27/02</td>
</tr>
<tr>
<td>April 2002</td>
<td>04/23/02</td>
<td>04/24/02</td>
</tr>
<tr>
<td>May 2002</td>
<td>05/28/02</td>
<td>05/29/02</td>
</tr>
<tr>
<td>June 2002</td>
<td>06/25/02</td>
<td>06/26/02</td>
</tr>
<tr>
<td>July 2002</td>
<td>07/26/02</td>
<td>07/29/02</td>
</tr>
<tr>
<td>August 2002</td>
<td>08/27/02</td>
<td>08/28/02</td>
</tr>
<tr>
<td>September 2002</td>
<td>09/24/02</td>
<td>09/25/02</td>
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<td>October 2002</td>
<td>10/28/02</td>
<td>10/29/02</td>
</tr>
<tr>
<td>November 2002</td>
<td>11/22/02</td>
<td>11/25/02</td>
</tr>
<tr>
<td>December 2002</td>
<td>12/23/02</td>
<td>12/24/02</td>
</tr>
<tr>
<td>January 2003</td>
<td>1/28/03</td>
<td>1/29/03</td>
</tr>
</tbody>
</table>

**FUN FACT**

Did you know that EFG Technologies produces over 60 different reports? That's a lot to choose from. You can receive these reports via the Internet, CD-ROM, and paper!

Visit www.efg.net/efgtechnologies to find out how to win a free gift from our Marketing Department.
### Instructions for Borrower

A person (including a financial institution, a governmental unit, and an educational institution) that is engaged in a trade or business and, in the course of such trade or business, received interest of $600 or more during the year on a student loan used solely to pay for qualified higher education expenses must furnish this statement to you.

You may be able to deduct student loan interest on your income tax return if the interest payments were made during the first 60 months the interest payments were required. However, the interest reported on this statement may be different from the interest you may deduct. See the “Student Loan Interest Deduction Worksheet” in your Form 1040 or 1040A instructions. Also, see **Pub. 970**, Tax Benefits for Higher Education, for more information.

**Box 1.** Shows the interest received by the lender during the year on this student loan.

**Box 2.** Shows if loan origination fees and/or capitalized interest are included in box 1. If box 2 is not checked, you may contact your lender about this information.
Introducing…Enhanced Service – a new level in loan servicing

Are you a one-person shop or a Perkins Loan Manager with limited resources?
Let EFG Technologies provide you with the Enhanced Service you need!

What is Enhanced Service?

Enhanced Service is a level of service above and beyond that of a standard full service agreement. In addition to the benefits of Full Service that EFG Technologies provides, such as borrower and customer service and forms processing, EFG is responsible for managing your portfolio from the time a new loan is added to the system, forward. In addition to the standard Full Service, Enhanced Service provides the following:

- Storing your borrowers’ original file folders including the promissory notes, deferment/cancellation forms, borrower correspondence, and other documentation. All transactions processed on a borrower account will be noted in the permanent on-line history of the account. Documents that require permanent retention will be filmed and then filed in the borrower files retained in the EFG vault.

- Counseling borrowers who are having problems making payments on their accounts. This may include special payments arrangements for past due borrowers, counseling borrowers on forbearance, reviewing loan consolidation options and even creating loan rehabilitation programs.

- Managing the NSLDS Load Error Reports by updating all fields for which we have the necessary information.

- Automatic first placement with your designated collection agencies at a specified number of days past due. After the loan has been placed with a collection agency for one year with no activity, EFG staff will review the account, and when appropriate, place the delinquent account with a second agency.

- Assigning loans with the Department of Education if second placement is unsuccessful. This includes 100% completion of computer generated ED553 packages as well as historical and entitlement information (Note: there is an extra fee for this service).

- Reviewing borrower credit balances and issuing refund checks after 60 days.

- Returning Paid-In-Full promissory notes after the loan appears on the Paid-Out/Credit Balance/Write-Off Report.

- Skip tracing borrower addresses when an address is coded “BAD.”

- Processing credit verification requests when received in our office.

- Reviewing loan consolidation verifications and completing the necessary paperwork.
Here’s what our current Enhanced Service customers are saying:

“Converting to EFG in November of 1999 was one of the best decisions Bentley College ever made. Paying a servicer to perform all our Perkins and institutional loan servicing has proven to be very beneficial. It has given me the opportunity to take on other responsibilities within the College and not spend my time performing such tasks as mailing due diligence and paid in full letters. EFG has the trained staff and technology to handle loan servicing the way it should be done. In addition to providing excellent customer service to the College they also provide great service to our borrowers. I firmly believe that ‘Enhanced Service’ is the best way to go for Perkins loan servicing, especially in light of how fast the federal regulations change.”

AnnMarie Pennachio
Assistant Director of Student Financial Services
Bentley College
Waltham, MA

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Linda Hendy
Chief Financial Officer
Western States Chiropractic College
Portland, OR

Enhanced Service removes much of the administrative burden from you and your staff. For more information, contact your School Relations Coordinator or call 1-800-458-4492, ext. 2272.

Visit us at www.efg.net/efgtechnologies.
Introducing the New Payoff Projection Screen (PAYO)

We are pleased to introduce the new Payoff Projection Screen (PAYO) which provides projected payoff amounts for borrowers who want to make a final payment on their loan or loans. Using PAYO eliminates the need to perform any manual calculations to provide the borrower with an accurate payoff amount projected into the future.

To use this new screen, first access a borrower’s account information. Then enter PAYO in the Option field. Press Enter. The following screen appears:

<table>
<thead>
<tr>
<th>PAYOFF/PROJECTION</th>
<th>OPTION ____</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCOUNT 123 456 789 01</td>
<td>SSN 123 45 6789</td>
</tr>
<tr>
<td>PROGRAM 00001</td>
<td>LOAN 123 45 6789 01</td>
</tr>
<tr>
<td>NAME SHOAF, SHERYL</td>
<td>STUDENT ID</td>
</tr>
<tr>
<td>CURRENT POST DATE 10 03 01</td>
<td>PROJECTED DATE OF PAYOFF 10 18 01</td>
</tr>
<tr>
<td>PROJECTED DAYS TO PAYOFF 15</td>
<td>SPECIAL MESSAGE AREA</td>
</tr>
</tbody>
</table>

**LOAN INFORMATION**

<table>
<thead>
<tr>
<th>EXL PROG LOAN/SEQ</th>
<th>INT RATE</th>
<th>CURRENT END DATE</th>
<th>PROJECTED INTEREST</th>
<th>PROJECTED PAYOFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>_ 00001 123 45 6789 01</td>
<td>40</td>
<td>00 00 00</td>
<td>12.58</td>
<td>6,288.08</td>
</tr>
</tbody>
</table>

TOTAL 6,288.08

**PAYO Screen Fields and Functions**

1. **Borrower Information.** System III automatically fills these fields when a borrower’s loan(s) information is accessed.
   A. **ACCOUNT** - Borrower’s account number.
   B. **SSN** - Borrower’s social security number.
   C. **PROGRAM** - Program number. If the screen is accessed at the account level, then System III does not populate the program number.
   D. **LOAN** - Loan number. If the screen is accessed at the account level, then System III will not populate the loan number.
   E. **NAME** - Borrower’s name.
2. Information Required to Calculate a Payoff.
   A. CURRENT POST DATE. System III uses the current post date.
   B. PROJECTED DATE OF PAYOFF. System III automatically sets this date 15 days ahead. However, you may key over this date and enter a date that is up to 90 days in the future. When the enter key is pressed, System III re-calculates the payoff amount based on the new information.
   C. PROJECTED DAYS TO PAYOFF. System III automatically sets the number of days to 15, but you may key over the number of days with any number between 1 and 90. After the enter key is pressed, System III re-calculates the payoff based on the new information.

3. Loan Information.
   A. EXL – This is the exclude field. If you want to exclude a loan from the payoff calculation, place an “X” next to that loan. System III will automatically exclude a loan that does not qualify for the payoff calculation (such as a loan in a closed status).
   B. PROG LOAN/SEQ – This field displays the program loan and sequence numbers for all of the loans in the account consolidation number as indicated.
   C. STAT – This field indicates the status of all loans listed. If the loan has been placed with a collection agency, a “C” appears beside the status code.
   D. INT RATE END DATE – This field is used for loans with a variable interest rate that changes on a specific schedule. This field indicates the date that the current rate is effective through.
   E. CURRENT PAYOFF – This field displays the payoff amount as of the current post date.
   F. PROJECTED INTEREST – This field displays the amount of interest that System III has calculated through the projected date of payoff.
   G. PROJECTED PAYOFF – This field displays the CURRENT PAYOFF amount plus the PROJECTED INTEREST.
   H. TOTAL – This field displays the total of the PROJECTED PAYOFF amounts calculated for consolidated accounts.

HELPFUL HINTS WHEN USING PAYO

Helpful Hints Regarding the PAYO Screen

1. When the PAYO screen is accessed, the cursor automatically appears at the PROJECTED DATE OF PAYOFF field. Either tab or use your mouse to change the cursor position.

2. The following special messages indicate conditions that may affect the payoff calculation. Please take note of any of the following messages displayed in the SPECIAL MESSAGE AREA.

   A. E0001 PAYOFF DATE MUST BE WITHIN 90 DAYS – If this message appears, the projected payoff date is more than 90 days into the future. System III does not calculate a payoff more than 90 days ahead.

   B. DATE EXCEEDS INT RATE END DATE(S) – This message indicates the current interest rate on the loan is scheduled to change before the projected payoff date. Please advise the borrower of this change. This is relevant for institutional loan types.

   C. LOAN(S) IN GRACE – PROJ INT ZERO – This message displays when the loan is in a grace status, and System III did not calculate projected interest.
In this situation, check the grace expiration date. If the grace expiration date is before the projected payoff date, then you must manually calculate the projected interest for the loan or loans in question. This message applies to loans that do not accrue interest during the grace period.

D. **LOAN(S) ENROLLED – PROJ INT ZERO** – This message appears when the loan is currently in an enrolled status, and System III did not calculate projected interest. In this case, check the loan to ensure that no interest will accrue before the projected payoff date. If some interest is scheduled to accrue before the projected payoff date, you must manually calculate the projected interest. This message applies to loans that do not accrue interest during the enrollment period.

E. **LOAN(S) IN 5X STATUS EXCLUDED** – When a loan is currently in a deferred status, and System III did not calculate a projected payoff, this message appears. In this case, you must review the loan and calculate the payoff amount.

F. **LOAN(S) IN 6X STATUS EXCLUDED** – This message appears when the loan is currently in a postponed or to-be-cancelled status, and System III did not calculate a projected payoff. You must manually review the loan and calculate the payoff in this instance.

G. **POSSIBLE UNASSESSED FEES** – This message means that the projected payoff date exceeds 30 days, and fees possibly could be accessed on the loan. The PAYO screen does not project fees.

H. **LOAN(S) IN COLLECTION EXCLUDED** – If this message appears, then one (or all of the loans) has been placed with an external collection agency, or the loan has been placed with an internal agency and the borrower-paid collection cost percentage is greater than .00000. In these situations, System III does not calculate a payoff amount and automatically codes these loans as “excluded.”

I. **LOAN(S) IN 8X/9X STATUS EXCLUDED** – This message displays if one or all of the loans is in a closed or to-be-closed status. System III does not calculate a payoff for these loans and automatically codes them as being excluded. Excluded statuses are listed below.
   - Status 80 – To be paid out.
   - Status 81 – Loans referred to the Department of Education (NDSL loans only).
   - Status 82 – Assigned to the Department of Education (NDSL loans only).
   - Status 83 – Loans in Litigation.
   - Status 85 – Loan was written off.
   - Status 90 – Loan is paid out.
   - Status 91 – Loan cancelled due to disability.
   - Status 92 – Loan cancelled due to bankruptcy.
   - Status 93 – Loan Accepted by the Department of Education (NDSL loans only).
   - Status 94 – Loan was automatically written off.
   - Status 95 – Loan was manually written off.
   - Status 96 – Loan was cancelled due to death.
HELPFUL HINTS WHEN USING PAYO (Continued)

3. When changing the PROJECTED DATE OF PAYOFF or the PROJECTED DAYS TO PAYOFF fields, remember to enter a value in only one of the fields, or System III will give you an error message and not re-calculate the PROJECTED PAYOFF.

4. The PAYO screen does not calculate future events such as fee assessment or interest capitalization transactions.

SYSTEM III AVAILABILITY

System III Availability

The graph below displays the percentage of time that System III has been available, as scheduled, for customers. System III is available Monday - Friday from 6:00 a.m. - 10:00 p.m. EST and Saturday (excluding month-end cutoff weekends) from 7:00 a.m. - 3:00 p.m. EST.

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Questions?
Call your Customer Service Representative.

EFG Technologies HelpDesk may be reached at (800) 458-4492, ext. 2111 or helpdesk@efg.net.

Visit our web site at www.efg.net/efgtechnologies/.

System III Connection is a quarterly publication with news for EFG Technologies’ DataLink system users.
System III offers flexibility in reporting options. A customer may choose to reduce their paper reporting, change their sorting options, and add optional reports.

WOULD YOU LIKE TO REDUCE THE AMOUNT OF PAPER IN YOUR OFFICE?

Here are some options:

All of your monthly reports can be accessed and/or printed using DocumentDirect via the Internet on the Monday morning immediately following month-end processing. You can print only the reports you need.

Are you currently a DataLink customer? If you have access to our on-line system, you might want to eliminate your monthly Student Loan Journal (SLJ) and Transactions and Adjustments Journal (T & A). Your SLJ and T & A will be included on the CD-ROM with your other reports in case you need it for your auditors. You can also access your SLJ on DocumentDirect. Send your requests to reduce and/or eliminate paper reporting to your Customer Service Representative.

Most customers receive a large number of reports during the month of June. You may want to review your June month-end Control List of Reports. This report provides you with a list of the reports you are receiving. If you find there are reports that you no longer need printed, you may indicate “DocumentDirect only” on the report and send it to your School Relations Coordinators. They will discuss your choices with you, and will eliminate printing of those reports for you.

If you have not registered yet for DocumentDirect, you can register at http://www.efg.net/efgtechnologies. Best of all there are no additional fees associated with DocumentDirect.
WOULD YOU LIKE TO CHANGE THE SORTING OPTIONS OF A REPORT?

Many reports are available with loans sorted by either numerical order or by alphabetical order. If you would like to change the way loans are sorted, please contact your Customer Service Representative.

WOULD YOU LIKE TO RECEIVE OPTIONAL REPORTS?

EFG offers several optional reports:

**Loans Without a Good Address**
This report is a cumulative listing of all loans without a good address.

**Cumulative Credit Balance Report**
This report is a cumulative listing of all loans with a credit balance.

**Credit Bureau Report**
This report lists all loans reported to the credit bureaus as of the current month end.

**New Delinquents Report**
This report lists loans that became a pre-specified number of days past due during the reporting period.

**Funds Advanced Year-To-Date Report**
This report lists all loans that have received advances during the current fiscal year.

To Order Additional Reports

1. Simply send a request to your Customer Service Representative.
2. Please specify whether you want the report to output to Document Direct/CD-ROM only (no charge) or to paper.

If you have any questions, please contact your Customer Service Representative or School Relations Coordinator.

Visit us at www.efg.net/efgtechnologies.
Pattie Mastin, School Relations Coordinator (SRC) for the Southeast, and EFG Technologies seem to be made for each other. Pattie describes herself as a people-person who loves to travel and likes working in a college environment. Her job as an SRC calls for her to have extensive contact with customers, travel at least half the time, and visit college campuses throughout the Southeast. Given this situation, it is no wonder that Pattie loves to go to work everyday.

Pattie started at EFG Technologies on July 1, 2001, and immediately began learning the nuts and bolts of the job. With the help of her more experienced colleagues, Kim Wilson and Sharon Cameron, and her manager, Betsy Burton, Pattie quickly gained the knowledge and confidence she needed to put her show on the road. “This is a great company,” Pattie states with enthusiasm. “People here are very friendly and supportive. Everyone here offers assistance when I need it.”

Pattie may have required training in student loan servicing, but she is no stranger to college campuses. Pattie joined the company after working in student development at several colleges. She most recently worked at Wake Forest University, which is about a mile from EFG Technologies’ offices in Winston-Salem. As a student, Pattie attended SUNY-Oswego in upstate New York and earned her Master’s degree in counseling psychology at St. Bonaventure University.

As a former college employee, Pattie feels an instant bond with her customers. She knows what the ebb and flow of college life is like and wants to help make her customers’ jobs easier. She believes she can help by understanding their needs and by introducing new products and services to them.

For the past several months, Pattie has been promoting the Early Intervention Program (EIP) to her customers. When colleges contract for EIP, EFG loan counselors contact borrowers early in their delinquency to explain options that can help them repay their loans. Pattie will also be talking to colleges soon about the Enhanced Service option, which EFG Technologies has just begun offering to all our customers. With Enhanced Service, the customer can contract with EFG Technologies to provide all servicing for the loan, including storing the original loan documents in our secured vault. (For more information about Enhanced Service, see our New Product Update in this month’s Update newsletter.)

Pattie Mastin:

“This is a great company,” Pattie states with enthusiasm. “People here are very friendly and supportive. Everyone here offers assistance when I need it.”

Pattie hopes to soon be able to put faces with all the customers she talks with on the phone. Naturally an outgoing person, Pattie is driven to build relationships with her customers so they know they can count on her. She wants to see the big picture at every college in her territory so she can make meaningful suggestions.

Getting to know her customers means travel, and travel these days is uncertain. However, Pattie is unfazed by tightened travel security. To Pattie, one of the most attractive parts of her job is travel, and that perspective has not changed. She is thrilled with having the chance to visit Savannah and Dallas for the first time recently and looks forward to her other customer visits.

Not being afraid of flying may have some genetic roots, because one of her brothers is a member of the US Air Force Thunderbirds. Pattie also has three other siblings who live throughout the country. She is originally from Danville, New York, where her parents still live.

In her spare time Pattie likes doing crafts and making projects for her family and friends around the holidays. Since her goal is to form relationships with all her customers, she may have to start her craft projects a little early next year to accommodate all of her customers.