



The News Can Confuse

**by Mark R. Goodman,
Educational Services Advisor**

The Fiscal Cliff, funding HHS and ED, Loan Withholding Repayment, Income Contingent Payment, Higher Delinquency rates, Federal Loan Overhaul, Tuition Rates and the Future of Perkins!???



These are some of the headlines that have promoted discussion in the Higher Education industry in recent weeks. I have received calls and e-mails regarding each of these and both the professional list serves and discussion forums have offered some unique perspectives. What we need to understand as Campus based loan and tuition professionals is how (and IF) these proposals will effect our student borrowers and the way we do our jobs! Some of these items are new, but most are twists on things that we have seen before. This article is my OPINION on some of these and as always, you, as Access clients and prospects can contact me to discuss any item in more detail.

Loan Withholding Repayment – This proposal has been made and claims that it will replace student loan servicing and collection. I received more calls about this than any other item. The proposal itself was made for Stafford and Grad PLUS and therefore would not directly effect those of us who focus on Campus Based collections. I do not think this proposal will get much support as it is short-sighted and is based on an English system that is failing. This propos-

al would also eliminate benefits to students and jobs and in my opinion result in a system that would have higher default rates and poor service, as the IRS would now be “servicing” student loans.

Income Contingent Payments – This plan called “Pay as You Earn” is an adjustment to a plan that already exists but is little used. The major difference that I see here is that the percentage of income that the student borrower would be required to pay monthly is cut from 15% to 10%. It also reduces the expanded repayment period from 25 to 20 years. As I read this plan the changes apply to new loans (current semester forward) and I personally do not see it changing things significantly. You can also see the November Notice from Access for additional information about Pay As You Earn.

The Fiscal Cliff – The “cliff” has been in the headlines for months and will get resolved in January. The effect that it has for us is that if the Administration’s proposal is passed on the Bush Tax Cuts extensions (raising tax rates on the top earners), then some of the added revenue will benefit Education and the proposed sequestration cuts will be avoided for another year.

Funding & Rates – The funding for the cancellations in Perkins does not look good, but this is not new, and I would venture to guess that ED will suffer as fiscal cliff cuts are made and something will happen to keep things rolling without major changes. As for the Stafford and PLUS Loan rates that are due to double this year, I believe that some action will be taken by Congress – possibly variable rates, but time and how they effect the budget will cause problems - this must be done by June 30th!

Delinquency Rates and more – We have been in a Recession and recovery is slow, delinquency rates across the board have been higher, but if you work with your student borrowers and your collection partners, then the affect will not be as significant. The changes made in recent years that moved Stafford loans to ED’s control, in my opinion would have caused higher delinquency rates without any economic changes. As for Perkins, Institutional, HPSSL and Nursing Loans along with Tuition we do have control. It is up to us to work with the students and educate them as to their rights and obligations. They need to stay in communication to work things out and make payments and when they do not it is important

to call in a Third Party like Access Receivables that offers more than just outstanding collection – we can help educate and keep your student in school or return the alumnus for graduate school or to help support his alma mater. As for the future, I do not have a crystal ball but, Perkins is here as the most beneficial loan our students can take, each school offers tuition plans and institutional loans and HPSL loans are campus controlled, so let's work with the students while they are in school and in repayment and partner with the right type of agency. These factors have not changed and will not in the short term. We can all make a difference, no matter what the headlines say! If you need help, ask your representative or contact me, we are on your side!



Welcome To The Family!

All of us here at Access would like to officially welcome the following schools to our growing list of Campus Based Clients:

CBT College – FL

Lincoln University – PA

Stratford University – VA (Corp)

Villanova University – PA

ACCESS Conference

Access Receivables will be at the **EARMA** (Educational Accounts Receivable Management Association) Conference in Atlantic City, NJ April 25-26, 2013. If you'll be in attendance, please be sure to stop by our booth. We look forward to seeing you there. For more information on the conference, [visit their site](#).

Webinar Schedule

Our first Webinar of the year is now scheduled for February 19th. The webinar will focus on “Best Practices” in tuition collection. The time and details will be sent in the next few weeks, but if you wish to reserve your spot, [contact Pam Long](#). The Webinar will be available through WebEx and will be free to our clients

and friends. You will be able to participate right from your desktop and multi-users at a school are welcome.

Please plan to join us at the Webinar and to visit us at EARMA!



Time To Analyze Receivables

As we begin the new year and on campus the new semester, it is time to look at the receivables that remain unpaid from the Fall. It is important to find the time to see what students did not return and had a balance. These are receivables that are collectible when a Third party gets involved at the early stage and that once the student has paid, they are likely to return to school to complete their education.

At Access, where we follow the mantra that Nice People Collect More™, our focus is resolving the delinquency and bringing the student back. This can be doubly beneficial to your campus and we do urge you to let us help!

As for the Campus based Loans, if you have followed due diligence and there has been no response then now is the time to call us so we can bring the borrower current and help them get their fiscal house in order.

We know that you are busy this time of year, but if you make it a policy to review the receivables the week after drop/add every semester, then the resultant additional cash flow and re-enrollment over the ensuing 6-months will pay a nice dividend!



Financial Literacy

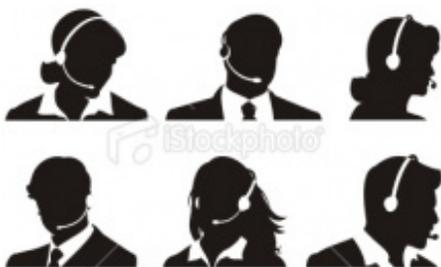
Pam Long- VP Sales & Marketing

The more you know, the more informed your decision making will be. I'm sure this concept isn't new to all of you. The same certainly holds true when we think about financial literacy. In fact, in their recent Torch addition, COHEAO shared a whitepaper on how important financial literacy is at the campus level. The key to an educational institution's successful Financial Literacy Program is when a student can make learned decisions regarding the financing of their education. With the economic changes over the past few years, the role of student financial services has changed from reactive to proactive with regards to financial literacy education. We felt that our role needed to be proactive as well and so, we pioneered www.whycreditmatters.net in 2012.

According to Tom Gillespie, president of ACCESS Receivables, "Over the last few years, credit availability and the importance of good credit has changed dramatically. If you are between the ages of twenty-one (21) and forty-five (45), you have never really lived in a time when your credit report was so important to your successful financial future. If your credit was less than stellar, you could still get credit at higher interest rates. Today, and for the foreseeable future, getting credit and keeping it is based on your payment history with all of your creditors. Access has developed this site as a community service for anyone to learn more about their credit, budgeting, goal setting and what to do if you are placed for collection. It is a non-branded site that is dedicated to financial literacy".

Students today are struggling to find good employment and struggling to pay off their student debt. Our collectors are trained to do more than just simply collect a debt. They are trained to be credit counselors and when they are working with a struggling student, they often refer them to www.whycreditmatters.net to help educate the student in the areas Tom mentioned – to learn more about their credit, how to budget and how to set financial goals. In addition, our Virtual Agent site now includes a link to this site.

www.whycreditmatters.net is a resource to you. It is a tool for you to utilize during freshman orientation, as you work with your students day in and day out or as you work to develop your own campus based financial literacy program. In addition, we are also collaborating with universities to include our AMMINA Virtual Agent into a stand-alone unit in the student financial services department and also as part of their financial literacy program.



Look At A Vendor CMD Outsourcing Solutions

Have long lines, unanswered calls and frustrated students become the norm at your institution? If so, perhaps CMD can help.

CMD Outsourcing Solutions is a co-sourced customer service call center, specializing in Higher Education. Founded in 1999, CMD partners with schools to provide a seamless and cost-effective communications platform to better handle issues related to administrative services, including admissions, registration, financial aid, business office and housing. CMD improves customer relations for colleges and universities by more effectively connecting students and parents with their school.

Here's an example of how one mid-sized 4-year Midwestern school used CMD to meet its operational mission. In this case, the challenge was to implement the Student Financial Services organizational model, while making quality student service the school's top priority. Coupled with surging enrollments, space and budget limitations, and the lack of the appropriate telephony and IT infrastructure support, school administrators realized it was time to look outside their institution for solutions.

CMD's decade-plus of experience supporting Financial Aid, Bursar's and Registrar's offices, as well as Housing and other offices supporting enrolled students, enabled a rapid and well-planned implementation. Using its proven project plan, CMD worked with the school to seamlessly transition the communications from the school's administrative offices to the CMD Operations Team. Once in place, CMD was able to deploy cost effective student service tools.

The school was able to make a rapid and smooth transition to a new organizational model, while at the same time dramatically increasing its customer service levels. Ultimately, CMD simply became an extension of the school's campus, becoming a virtual one-stop-shop for Student Financial Services. By partnering with CMD, the school was able to achieve:

- 93%+ First Call Resolution Rate on all Student Financial Services calls
- 93%+ Answer rate on all Student Financial Services calls
- Elimination/mitigation of peak processing period staffing and training pressures
- Increased financial aid and payment processing efficiency
- Online access to a searchable Knowledgebase to supplement in-house training.

To learn more about CMD, [visit their website](#).



Contact Access Receivables

Home Office:

Access Receivables Management
Suite 310
200 Joppa Road
Towson, MD 21286
Toll Free: 877-276-8600

Higher Education Marketing Team

Pam Long

Vice President – Sales

pam.long@access-receivables.com

Direct Dial: 410-836-7465

Ann McGough

Regional Director of Business Development

amcough@access-receivables.com

Direct Dial: 610-724-8657

Kevin Gillespie

Regional Director of Business Development

kgillespie@access-receivables.com

Direct Dial: 443-275-1713

Mark R. Goodman

Education Services Advisor

mgoodman@access-receivables.com

Direct Dial: 856-577-7703 (Pacific Time Zone)

And Be Sure To Check Out:

www.whycreditmatters.net



Nice people collect more.™

ACCESS Receivables is a Woman Owned Business that has specifically been serving Campus Based Clients in Higher Education for over two decades. We have chosen to remain focused in this area and our experienced management team is focused on developing the best means to help your students resolve their financial obligations and return to the campus to continue their education or as proud alumni.

One of the major concerns for colleges and universities today looking for a collection partner is complaints from their students and protecting their alumni dollars. Institutions want to be sure their student, although delinquent, will be treated fairly and with respect. Our proprietary Nice People Collect More™ methods educate delinquent customers on their fiduciary duty. We listen and work with students to resolve their account. We are increasing recoveries while creating a new trend – a positive experience in the collection process. So positive, delinquent customers send us testimonials. Imagine that, sending a testimonial or thank you letter to a debt collection company. We are very proud of this fact and we have [posted a few on our website](#).

ACCESS Receivables Management is a collection leader in the higher education industry. Our services are well known for being highly successful in servicing colleges and universities nationwide without complaints. High touch customer service and total ACCESS® have resulted in longevity with our clients. We invite the opportunity to share our experience with you. ACCESS offers a proven management team, innovative technology, the highest ranked skip tracing capabilities, exceptional staff and a painstaking approach. These factors have propelled ACCESS to be the best performing vendor for many educational institutions in the past and will for YOUR campus in the future. [Learn more...](#)