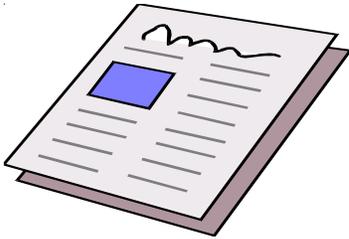


Manage Your Cohort!

HOW TO



The Cohort Rate is a yearly snapshot of your Perkins portfolio's default rate. In 2007, the Cohort is made up of borrowers who entered repayment between July 1, 2005 and June 30, 2006. The day after the original grace period ends is used to determine the repayment date. If the borrower becomes 240/270 days past due (240 for loans billed monthly and 270 for loans billed quarterly), they are counted towards your Cohort Default Rate.

Schools that have less than 30 borrowers per year that enter repayment will calculate the Cohort Rate in a slightly different manner. Instead of using only one year to determine the cohort default rate, schools with less than 30 borrowers that enter repayment take the previous three years' cohorts into account.

How can I exclude borrowers from my Cohort?

You may exclude borrowers if they:

- Voluntarily made six consecutive monthly payments;
- Voluntarily made all payments currently due;
- Repaid the loan in full;
- Received a deferment or forbearance based on a condition that began prior to the loan becoming 240/270 days past due;
- Successfully rehabilitated the loan after becoming 240/270 days past due; or
- Assigned to the Department of Education (ED) under a conditional discharge due to Total and Permanent Disability.

You also may exclude any loan which has been cancelled or paid-in-full because of:

- Death or disability;
- Bankruptcy;
- Closed school discharge;
- Compromise [per 674.33(e)]; or
- Write-off [per 674.47(h)].

How does Campus Partners help me know who is in my Cohort?

We provide two reports to help manage your Cohort: *The Cohort Default Rate Report* and *The Cohort Projected Report*. The Cohort Default Rate Report lists all of your borrowers that are currently in your Cohort Default Rate and the Cohort Projected Report lists all borrowers that will be in your Cohort Rate **as of July 1st next year**. The Cohort Default Rate report is sorted based on the **actual** number of days a loan is past due.

What else can Campus Partners do to help me manage my Cohort?

Managing your cohort default rate can be easy with help from Campus Partners. We provide you with tools that can help you control your default rate and even get a head start on next fiscal year.

Collection Agency Interface is a service we offer that allows you to place loans automatically with the collection agency or agencies of your choice. Reports are provided to the collection agencies (New Placements Report and Collection Agency Inventory) and these reports indicate which loans are in the current cohort population. Your collection agency relationship should include a requirement for priority processing of cohort accounts.

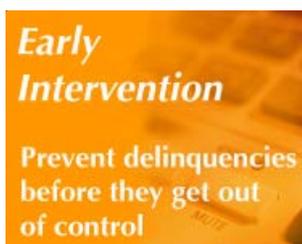
Sending **QuikLetters** is a good way to inform your borrowers that you and the government are monitoring their loans. A **QuikLetter** can be customized to provide your borrowers with the message you want to send them, or you may prefer to use a letter with standard text **such as the Cohort Series QuikLetters (#50434-Current Loans, #50436-Past Due Loans, #50437-Seriously Past Due Loans)** .



Campus Partners also offers **additional borrower contacts**. We can provide you with specialized reports which will assist you in making additional contacts. We can also set up additional telephone calls at a specific number of days past due for a nominal fee. You may want to add telephone calls when payments are 30 and /or 60 days past due.

Another way Campus Partners can help you manage your Cohort Default Rate is by signing up for the Early Intervention Program (EIP) or Cohort Right Track Program, our specialized cohort default prevention option. These services are structured to help you reduce borrower delinquencies before they get out of control. **EIP** is designed to prevent your borrowers from entering into default and **Cohort Right Track** is designed to focus only on your Cohort Default Rate. In addition to the standard due diligence services provided by our company, **EIP** provides a series of specialized letters and phone contacts to borrowers who are **15 to 105** days past due on their loan payments.

EIP will provide a combination of telephone calls and letters that contact borrowers early in their delinquency. Written contacts will occur at 30-, 45- and 75-days past due. In addition to the standard 90-day due diligence telephone contact, courtesy calls will be made at 15- and 30-days past due as well as additional due diligence calls at 45-, 60- and 75-days past due. When a customer signs up for **EIP**, they give Campus Partners the authority to discuss and process special payment arrangements and forbearance.



The philosophy behind these programs is that borrowers do not want to be delinquent, and may benefit when they understand their options. The goal of these contacts is to reach the borrower and return the account to a current or deferred status. Because **EIP** focuses on borrowers who are **15-105** days past due, collection efforts will begin earlier on your projected group of cohort borrowers. Many schools pass costs associated with the program on to their **EIP** borrowers, so it is a very cost effective way to keep borrowers out of default.

For more information on any of our services or products including the Early Intervention Program, please contact your Customer Service Representative.