

Promote Automatic Direct Draft

How To

It's easier than ever!

For the last few years, our company has been promoting **AutoDraft (automatic direct draft)** to your borrowers as a convenient and efficient method for them to make student loan payments. We now routinely draft regularly scheduled payments from a growing number of borrowers' checking or savings accounts each month. The process has just gotten easier because borrowers can now enroll in AutoDraft at www.mycampusloan.com.

Our Call Center representatives routinely inform callers who are not delinquent in their accounts that they can enroll in AutoDraft over the phone or online and our IVR offers the same message. Taking enrollments over the phone or online eliminates barriers to signing up for AutoDraft such as procrastination, finding stamps and envelopes, and uncertainty over account information. Our Call Center staff can also answer questions about AutoDraft and offer reassurances that the process will work in the borrower's favor.

It is a perfect option to offer borrowers who are calling to make a payment by phone. Because there is a \$5.00 fee for pay-by-phone, borrowers needing to make a quick payment by phone can have this fee waived by bringing their account current and enrolling in AutoDraft in the same call.

Promoting the use of Automatic Direct Draft results in an increase in timely payments. Customers have reported that borrowers using automatic direct draft are less likely to default than borrowers who do not use AutoDraft. It is a win-win situation for borrowers and lenders.

Borrowers win with AutoDraft because:

- It reduces late charges. Payments draft automatically from the borrower's checking or savings account on a specified date, eliminating postal delays or other reasons for late payments.
- It saves valuable time. Borrowers do not have to write checks for their loan payment.
- It saves money. Borrowers do not have costs for postage and envelopes, and payments made on time will reduce the amount of interest paid over the life of the loan.



Lenders win with AutoDraft because:

- It increases the timeliness of payments.
- It reduces delinquencies and defaults.
- It provides a more predictable cash flow.



When to promote AutoDraft:

- Introduce Automatic Direct Draft as a preferred payment method during a borrower's exit interview. Explain its advantages to the borrower and encourage the borrower to choose this payment option when their loan enters repayment.
- Introduce AutoDraft to the borrower during your collection efforts when handling delinquent accounts. Explain to a delinquent borrower that once they satisfy their delinquency, they can use AutoDraft to maintain a current status on their loan(s).

Note: AutoDraft is not applicable to a delinquent account. Delinquent borrowers must bring their account(s) current before enrolling in AutoDraft. Our pay-by-phone service may be used to bring their account current. During the same conversation, they can sign up for automatic direct draft on the phone.

How to obtain an AutoDraft Authorization form:

- Encourage the borrower to enroll in AutoDraft online at www.mycampusloan.com.
- A borrower can download an authorization form on-line by visiting our Web site at www.mycampusloan.com. Select "Downloadable Forms," then select "Authorization of Automatic Direct Draft."
- We can generate QuikLetters (\$) to borrowers who currently do not use AutoDraft. This QuikLetter includes an authorization form.
- We can produce mailing labels for borrowers who currently do not use AutoDraft (\$).
- We can supply authorization forms to schools who prefer to mail the applications directly to borrowers or use as a stuffer with exit interview information.
- You can send individual borrowers an authorization form by using QuikLetter #00217 (\$). An authorization form is automatically inserted with the letter.
- AutoDraft authorization forms are automatically sent to borrowers with their last grace statement.

\$ = indicates there may be a cost associated with this service

Below is a copy of our AutoDraft enrollment form.

| AUTHORIZATION AGREEMENT FOR AUTOMATIC DIRECT DRAFT (AutoDraft) | |
|---|--|
| Student Loan/Account No. _____ | Return with voided check to: Campus Partners PO Box 2902 Winston-Salem, NC 27102 Please continue to make payments until you receive written confirmation of your participation in automatic direct draft. |
| Name _____ | |
| U.S. Bank Name/Branch _____ | |
| Bank Transit Routing No. _____ | |
| Bank Account Number _____ | |
| Draft Amt. \$ _____ | |
| Frequency (circle one) Monthly Quarterly | |
| Day of month amount should be drafted from account (1st through 28th) _____ | |
| Signature _____ Date _____ | |
| Visit us at www.mycampusloan.com | |

If you would like more information regarding AutoDraft, please contact your Customer Service Representative.