

Are you ready for ACH with the Direct Loan Consolidation process?

As of October 1, 2014, all Direct loan consolidation payments and refunds must be transmitted via ACH. The Treasury will no longer be accepting paper checks.

Campus Partners can help!

Campus Partners' Loan Consolidation Solution includes the processing of all your loan consolidation needs, including payments and refunds via ACH! Starting with the initial LVC request to the Over/Under payment processing, *we have you covered!* Don't get bogged down handling your borrowers' loan consolidation requests when our streamlined solution can do it for you! We'll even complete the paperwork to ensure we receive your LVC requests and your payments from the four TIVAS. (If you are an Enhanced customer, Campus Partners already handles your loan consolidation processing.)

All you need to do is provide us with your information on the Authorization Form (*next page*), and we'll take it from there! With a one-time administrative fee of \$150.00, and \$100.00 per month, it's a value that you won't want to ignore! Simply complete the form, sign and date it, and return to:

**Campus Partners
Attn: Sales Department
P.O. Box 3176
Winston Salem, North Carolina 27102-3176
Fax (336) 607-2025**

If you have any questions about completing the form, please contact your Account Manager.



Authorization Form – Loan Consolidation

To be completed by the customer:

I hereby acknowledge receipt of the Loan Consolidation Solution Service Authorization Form and agree to the terms and conditions as noted. I understand that there will be a one-time administrative fee of \$150.00, and a monthly charge of \$100.00 which includes the completion of the initial request, loan consolidation payment processing and over/under payment processing. All other requests are subject to a research fee of \$50.00 per hour. I further authorize Campus Partners to debit our bank account for refund/overpayment transactions.

School Name: _____

School Contact*: _____

Email Address: _____

Authorized Signature: _____

Date: _____ Phone: _____

OPE Code*: _____

Federal Perkins regulations, Section 674.45(e), limit the cost of collection to 30% for first collection efforts and 40% for second and subsequent collection efforts as well as litigation. To ensure that these collection caps are not exceeded, most collection agencies will provide the school with a contingency fee that should be added to Borrower Paid Collection Cost on the borrower’s loan(s). For example, the conversion of the contingency fee for the 30% cap would equal 23.077% and for the 40% cap, the contingency fee would equal 28.570%. Please contact your collection agency(ies) for the appropriate contingency fees.

Agency Name: _____ 1st Placement _____ 2nd Placement _____

Borrower Paid Collection Cost Percentage*: _____

Agency Name: _____ 1st Placement _____ 2nd Placement _____

Borrower Paid Collection Cost Percentage*: _____

Agency Name: _____ 1st Placement _____ 2nd Placement _____

Borrower Paid Collection Cost Percentage*: _____

* See additional information on following pages. If you have more than three collection agencies, then please attach an additional sheet.

FAQ's

What services does Campus Partners Loan Consolidation Solution include?

Campus Partners' Loan Consolidation Solution includes every step of the loan consolidation process:

- Complete paperwork for FSA and the TIVAS for Campus Partners to receive LVC requests and payments
- Accept and process the LVC Request File
- Creation and delivery of the LVC Response File to the requesting TIVAS
- Receipt and processing of Loan Consolidation payments via ACH
- Review of Borrower's accounts to determine if any further action is required (Over/Under payment processing)
 - If the remaining balance, on all of the borrower's loans combined within the same loan program is within regulatory tolerance, Campus Partners will process the small balance write up/ write off on the loan(s).
 - If the combined remaining owing balance on all loans within the program being consolidated exceeds \$25.00 Campus Partners will complete and submit the Under Payment transmittal to the TIVAS.
 - If the combined balance across all loans within the program being consolidated reflects an overpayment of \$10.00 or more, Campus Partners will process the required transactions to submit the Over Payment transmittal and generate a refund via ACH to the appropriate TIVAS.

(All other requests are subject to a research fee of \$50.00 per hour.)

How will a school review and process Over/Under payments for Loan Consolidations?

This is why you need the Loan Consolidation Solution Service! The over and under payment transactions are not available on System 3i and must be processed via System III/DataLink.

Can a school continue to receive Loan Consolidation payments via check? What about returning overpayments to the TIVAS? Can a school return funds to the TIVA via check?

Not anymore! Another reason to choose our LC Solution! As of October 1, 2014, all loan consolidation payments and refunds must be transmitted via ACH. The Treasury will no longer be accepting paper checks.

Is the pricing varied based on school size?

The loan consolidation process is based on borrower behavior and not on portfolio size. Large institutions with more than 10,000 borrowers may have 5 borrowers apply for Direct Loan Consolidation and a small institution with less than 1000 borrowers may have 10 of their borrowers apply for a Direct Loan Consolidation. Since all borrowers that have at least one Direct or FFEL loan that is not consolidated can consolidate, any borrower in that scenario is a potential LVC request.

Since the borrower selects which TIVAS to consolidate with, we will have connectivity ready for each of the four TIVAS so you don't have to!

What is the administrative fee for? What needs to be set up?

In order for Campus Partners to process Direct Loan Consolidations on your behalf, there are several steps that must be completed with each of the four TIVAS to ensure that electronic files are routed correctly and access is granted to their associated web portals.

*What are the steps to signing up for the Campus Partners' Loan Consolidation Solution?

Complete the authorization form (*page 2 of this document*). Be sure to include:

- BPCC % to be used when completing LVCs for borrowers assigned to a collection agency.
 - *(The BPCC% must now be placed on each loan and will be used to calculate the estimated collection costs on loans currently placed in collection. The estimated collection costs will always be computed using the outstanding loan balance regardless of the amount that may have been placed in collection.)*
 - **Important note:** With the BPCC% on the loan, any loan payments received directly from the borrower, or via any source other than the collection agency, will automatically assess a collection fee as part of the application of the payment. If, once reported to the collection agency, the agency fee assessment is different than the amount automatically assessed based on the BPCC%, the school will be responsible for initiating any fee adjustments.
- OPEID number (school code)
- Name of the individual that will serve as the School Loan Consolidation Point of Contact

How long does it take for Campus Partners' Loan Consolidation Solution to be set up?

The set up period takes approximately 2-4 weeks before all entities involved have received and updated the information on their systems. During this initial period, schools may still receive LVC requests and payments from the TIVAS. Once the school has received confirmation that their authorization form has been received and processed, the school may forward any LVC requests and Loan Consolidation payments to Campus Partners for processing.

Who do I contact if I have a question on the Loan Consolidation Process?

You may contact Alan Guise at Campus Partners at aguise@campuspartners.com, or at (336) 607-2149.