



Focused on Students and the Future since 1965

Sonny Perdue
GOVERNOR



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Dear Financial Aid Colleagues:

Recently, I sent you a letter discussing the "state of student lending" in Georgia. I hope the letter reassured you that despite the many changes occurring in the student loan industry affecting other lenders, GSFC remains as committed to your students and to your campus today as we have been for the past forty years. From the number of positive comments we received from the financial aid community following the release of the letter, it was apparent that there have been some genuine concerns afoot regarding the availability and cost of loan funds, particularly among the smaller private and public access schools.

To add a little more to the "state of student lending" in Georgia, I wanted to share with you in this letter an update on a number of activities underway here at GSFC that will further our goal of becoming Georgia's premier provider of student financial aid. More than ever, we are focused on students and on the future.

I. Borrower Benefits

Last week, we announced the 2008-2009 Georgia Student Finance Authority borrower benefits that became effective February 1, 2008. A summary of those benefits is listed below.

- Upfront
 - Georgia Student Finance Authority (GSFA, Lender Codes 822573 and 833624) will continue to pay the 1.5% Origination Fee and 1% Federal Default Fee on behalf of all Stafford borrowers. We will continue to pay the Federal Default Fee for all PLUS and GRADPLUS borrowers.
 - GSFA offers the same benefits package to all borrowers. Our philosophy is to offer every student at every school the best possible loan product.
- Repayment Incentives
 - We have made our repayment benefits easier to understand, easier to obtain and easier to keep. Borrowers simply agree to make their monthly payments on Stafford Loans via ACH and we will reduce their Stafford Loan interest rate by .5%. Graduate and we will reduce the interest rate by an additional 1%. A total interest rate reduction of 1.5%
 - For PLUS and GRADPLUS, borrowers simply make their monthly payments via ACH and we will reduce the loan interest rate by .5%.

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II. Federal Default Fees

- As required by law, our guarantor, the Georgia Higher Education Assistance Corporation (GHEAC) will continue to charge the 1% Federal Default Fee. Lenders, of course, have the option to pay the fee on behalf of students just as our lender, the Georgia Student Finance Authority does.

III. GHEAC Loan Processing Products and Services Update

- Scholarnet
Scholarnet is currently deployed in more than 1,000 schools nationwide. GHEAC will continue to offer Scholarnet and all of our FFEL online products to schools and lenders free of charge.
 - Scholarnet communicates in real time with our guaranty system. Literally, you can submit a single or batch of loans and receive a response within minutes.
 - Scholarnet is a true open system. It can communicate with any guarantor or lender using Commonline.
 - Scholarnet also supports alternative loan processing for any Commonline lender.
- FASTChoice Online Lender Lists
GHEAC recently launched FASTChoice, our free online lender list. FASTChoice offers transparency and gives you and your students control and choice of lenders.
 - With FASTChoice student and parent borrowers can review your school's preferred lender list online, review borrower benefits, link to the lender site for more information and complete their MPN online as soon as they select a lender.
 - Our lender list integrates completely with our online MPN products and you control what lenders appear.
 - The list will reorder each time the web page is refreshed.
 - The system allows the borrower to select another lender as well, even if they do not appear on your list.
- Real time Credit Decisions
GHEAC launched real time PLUS and GRADPLUS credit decisions this summer. Students and parents may now have their credit pre-approved in real time and get an answer in seconds. Schools may choose to get notification of the results in several ways.
 - We can send you a status email for each and every applicant telling you the exact response.
 - We can send you automated status reports up to eight times per day. Each report indicates the exact status of all applicants who have applied since the previous reporting period.
 - We can send CommonLine Certification Requests.
- FASTLoans, FASTPLUS and FASTGRADPLUS
GHEAC offers online MPN products for Stafford, PLUS and GRADPLUS loans.
 - FASTLoans integrates seamlessly with Mapping Your Future (MYF) to see if the student has completed online entrance counseling before they are permitted to complete an MPN (this is optional). If the student needs to complete entrance counseling, the system will take the student to MYF and then return them to FASTLoans when counseling is completed.
 - GHEAC can send your institution CommonLine 4 Certification Requests as soon as the student completes their MPN.

- FASTPLUS, FASTGRADPLUS and FASTLoans can be configured to require the borrower requested loan amount so that borrowers must actively inform you of the amount they wish to borrow.
- You can customize specific questions within the online MPN products to make sure your borrowers are well informed.
- You can customize the responses your students see as they complete the FASTLoans process. For example, if you have specific instructions that a student needs to know then that information can be displayed to them.
- ELM
GHEAC and GSFA are full ELM members. We fully support ELM processing and all of our FAST products integrate with ELM seamlessly. We process files with ELM every hour and can disburse via the National Disbursement Network (NDN) as well.

IV. GSFC Products and Services Update

- GAcollege411 has grown exponentially since it was launched almost three years ago. Now hundreds of thousands of students have used the site to plan, apply and pay for college. We have introduced Spanish translations for those sections that parents would most likely use. The team working on the site has been expanded and we look forward to working with you to make it even better.
- This fall we introduced the availability of HOPE Progress Reports. We have expanded the transcript exchange process to include all high school years. This will give every high school student the opportunity to monitor their HOPE eligibility throughout their high school years.
- SURFER is currently being updated and will include more intuitive navigation along with easier reporting and security administration.
- High school students, with the help of their counselor, can send their transcripts directly to colleges for evaluation. This process will continue to be enhanced over the coming months.
- We have further refined GSFAPPS. Schools may now enter paper applications and can clear some reject flags independently. To date, more than two hundred thousand students have completed an application online.

These are just some of the highlights of what we have been working on here at GSFC. If you would like more information on any of our products mentioned above, or if you have questions on any other of our financial aid products, please do not hesitate to contact me or any member of our team.

Sincerely,



Timothy A. Connell
President