

Sonny Perdue
GOVERNOR



Timothy A. Connell
PRESIDENT

March 12, 2008

RE: Updates to Compliance Review Policies & Procedures

Dear Colleague:

Last year, the Georgia Student Finance Commission ("GSFC") instituted a new State Program Review Process. We feel the new process has been a tremendous success and we appreciate your assistance in implementing it. For those of you that were reviewed, you know that we asked for your comments on the review. We were glad to hear that you felt that our staff was knowledgeable, fair and professional. As we prepare to begin the next round of program reviews, I wanted to share with you some amendments to the review process that we have incorporated based upon feedback from schools this past year.

- *Previously, institutions were provided with the sample list of files to be reviewed five (5) business days prior to the on-site review.*

Effective immediately, institutions will be provided with a list of files to be reviewed at least ten (10) business days, but no more than twelve (12) business days, prior to the scheduled review.

- *During the 2007 Program Review cycle, an institution could provide documentation to clear a finding between the time the Preliminary Report and Final Report was issued, however the finding was still included in the Final Report and indicated as closed.*

Effective immediately, at the time of the Exit Interview, the institution will be provided with a schedule of preliminary deficiencies along with guidance to help the institution determine which documentation is missing.

Institutions will have ten (10) business days after the Exit Interview to submit applicable records to clear the missing documentation deficiencies noted during the Exit Interview. If the institution is able to submit the missing documentation in the ten (10) business day period, the potential finding will be cleared and not included as a finding in the Preliminary Report.

Documents submitted in response to the preliminary deficiency schedule must be received by the Lead Reviewer no later than ten (10) business days after the Exit Interview. These documents can be hand delivered, faxed, (scanned and) emailed, sent via United States Postal Service, Federal Express, United Parcel Service or any other

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acceptable courier method but must be received within the ten (10) business day timeframe. Documents postmarked on the tenth (10th) business day will be deemed received after the 10th business day. Documentation received after the tenth (10th) business day will be accepted and reviewed only to determine the status of the monetary liability associated with the finding. However, the stated deficiencies will be included in the Preliminary and Final Report as findings even if the monetary liability has been eliminated.

This change in process is not meant to eliminate findings related to repetitive, systemic errors and/or fraud. Findings not cleared during this process will continue to be listed in the Preliminary and Final Reports even if the monetary liability is subsequently eliminated. This process cannot be used to clear procedural deficiencies or forms or processes that were done incorrectly.

Since our Compliance Officers do not accept additional documents during the on-site review, this is an opportunity for the institution to submit documents that were missing from a file when it was being reviewed.

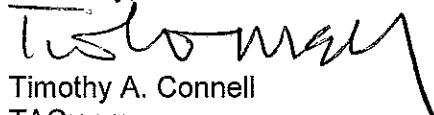
Institutions will still receive the Preliminary Report within thirty (30) days of the Exit Interview and will continue to have thirty (30) days to provide documentation in response to any of the findings in the Preliminary Report to clear a monetary liability. The items that were listed on the preliminary deficiencies schedule will be provided as an addendum to the Preliminary Report with the disposition of each item clearly noted.

GSFC may, at its discretion, note missing document/documentation findings in the area of concern, management notes, training recommendation or other section of the Preliminary and/or Final Report if they are repeated and/or substantial.

We are continually striving to improve our process to insure that we and you are being good stewards of the State's funds and the Programs that we administer. We welcome your comments and suggestions.

Thank you for your continued support and cooperation. As always, if you have any questions please do not hesitate to contact Richard Hawkshead at 770-724-9012, Robin Saye at 770-724-9137, or me directly.

Sincerely,



Timothy A. Connell
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