

Q&A: ECMC's Role in the Connecticut FFEL Program



On November 2, 2009, Educational Credit Management Corporation (ECMC), with the approval of the U.S. Department of Education, assumed responsibility for the guaranty agency functions of Connecticut Student Loan Foundation (CSLF). ECMC became the designated guarantor for the state of Connecticut effective January 1, 2010.

This list of questions and answers summarizes ECMC's role in Connecticut and outlines implications for CSLF schools, lenders, servicers and borrowers.

Q. How is ECMC qualified to serve as a successor guarantor?

A. ECMC was established, in part, to serve as a guarantor in states where the original designated guarantor can no longer continue operations. ECMC's prior transition experience supports such a role. When the guarantors in Virginia and Oregon ceased participation in the FFEL Program, ECMC successfully assumed these guaranty agency functions and was selected as the designated guarantor in both states.

About ECMC

Q. Who is ECMC?

A. ECMC is a nonprofit company that provides services to students, schools and lenders/servicers in support of higher education finance. Under our charter with the U.S. Department of Education, ECMC can be called upon to provide services to other guarantors.

Q. What goals does ECMC work to accomplish?

A. We work to simplify higher education finance and support borrowers through successful repayment of their student loans. Through our charitable affiliate, ECMC Foundation, we distribute innovative curricula and sponsor mentoring programs to promote college access, retention and success among underserved students.

Q. Where is ECMC located?

A. ECMC is located in Oakdale, Minnesota.

Q. Is ECMC a part of a larger organization?

A. Yes—ECMC is part of ECMC Group. Other nonprofit entities within ECMC Group include:

- ECMC/Federal Services Bureau (FSB) provides student loan bankruptcy servicing to 25 guaranty agencies and the U.S. Department of Education.
- ECMC Foundation helps low-income, first-generation college-bound students of all ages pursue their education goals.

Q. Who is ECMC's executive management team?

A. ECMC's executive management team is as follows:

- Richard J. Boyle, President and CEO, ECMC Group
- Janice A. Hines, President and CEO, ECMC
- Greg VanGuilder, CFO, ECMC Group
- Steven A. Wellvang, General Counsel, ECMC Group
- Kathy King, Controller, ECMC Group
- Ed Spear, CIO, ECMC Group
- March Kessler, Executive Director, ECMC Foundation

ECMC's commitment to Connecticut

Q. What is ECMC's commitment to Connecticut?

A. ECMC is dedicated to providing a high standard of service to students, schools and lenders/servicers and ensuring the integrity of the FFEL Program in Connecticut.

Q. How will this commitment be demonstrated?

A. ECMC has worked to effect a seamless transition from CSLF with no interruption of services. We will provide Connecticut students, schools, lenders and servicers with access to first-rate systems that support the full array of FFEL Program services.

Our direct communication efforts throughout the transition show our commitment to providing CSLF customers the information they need to manage their accounts and find assistance. Our website, www.ecmc.org, has been restructured so that specific sections are dedicated to communicating ongoing updates to CSLF customers.

ECMC sponsors outreach programs to support college access, retention and success. We are working to introduce these programs in Connecticut and will keep you informed of updates over the coming months.

Q. How does this transition benefit borrowers?

- A. ECMC works to simplify higher education finance and assist borrowers in understanding and fulfilling their student loan obligations. Borrowers will be able to take advantage of ECMC's programs and services, including online access to account information, free resources for planning and paying for college, and easy-to-use repayment tools.

Q. Will ECMC participate in industry organizations in Connecticut?

- A. ECMC has joined the Connecticut Association of Professional Financial Aid Administrators (CAPFAA).

School, lender and borrower transition information

Q. What processing changes will CSLF customers experience?

- A. CSLF customers will continue to use the same processing flows that they used previously with CSLF. Our technical staff is prepared to assist you in accessing new features of ECMC's automated system.

For questions, please contact Paul Perea at pperea@ecmc.org.

Q. Will schools have any new agreements or contracts to sign?

- A. The requirement for new agreements and contracts depends upon which services schools wish to use. For example, if a lender flow process was used, continuing to use this flow will not require the execution of any new ECMC agreements.

Q. Where should schools and lenders send paper certifications?

- A. All paper certifications should be sent to ECMC at one of the following addresses:

ECMC
Guarantee Servicing
P.O. Box 64909
St. Paul, MN 55164-0909

For overnight delivery:

ECMC
Guarantee Servicing
1 Imation Place, Bldg 2
Oakdale, MN 55128

Q. Will electronic application processing change?

- A. ECMC is contacting all schools, lenders and servicers that transmit data electronically to coordinate any changes that may be required. For questions, please contact Paul Perea at pperea@ecmc.org.

Q. Will lenders have to sign a new participation agreement with ECMC?

- A. CSLF's participating lenders already have participation agreements with ECMC.

Most lenders already have in place all the agreements necessary to provide the full range of ECMC's services. However, separate agreements are required for disbursement services and PLUS pre-approval. We will work to obtain these agreements with lenders who have not signed such agreements but who wish to participate.

Lenders who have any questions regarding participation agreements should contact Deanna Krull at dkrull@ecmc.org.

Q. What operational changes affecting lenders and servicers will result from this transition?

- A. Details regarding operational changes were sent to lenders and servicers and are available on ECMC's website at www.ecmc.org.

Q. How will borrowers be affected by this transition?

- A. ECMC assumed all existing CSLF guarantees. Therefore, all student loans guaranteed by CSLF will be guaranteed by ECMC going forward.

ECMC has notified all defaulted CSLF borrowers of their updated repayment information and news about ECMC's designation.

Otherwise, ECMC does not plan to notify all CSLF borrowers of this change. This will help minimize borrower confusion about whether they should contact their lender/servicer or their guarantor. Most borrower questions are more appropriately handled by the lender or servicer.

We look forward to working with you to ensure the integrity of the FFEL Program in Connecticut. If you have additional questions or need further assistance, please contact ECMC's customer service department at 1-888-775-3262.