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Information Item

California Student Aid Commission

Student Loan Guarantee Program Item: Presentation by Educational Credit Management Corporation (ECMC) on the transfer and transition of the state's student loan guaranty program

A presentation will be made by Richard Boyle, President and CEO, ECMC Group, Inc.

ECMC Update to CSAC Board of Directors

November 19, 2010

Richard Boyle, President and CEO, ECMC Group, Inc.
Jan Hines, President and CEO, ECMC

Topics

- Who is ECMC
- Transition from CSAC/EdFund to ECMC
- What ECMC will do in California
- ECMC support for CSAC

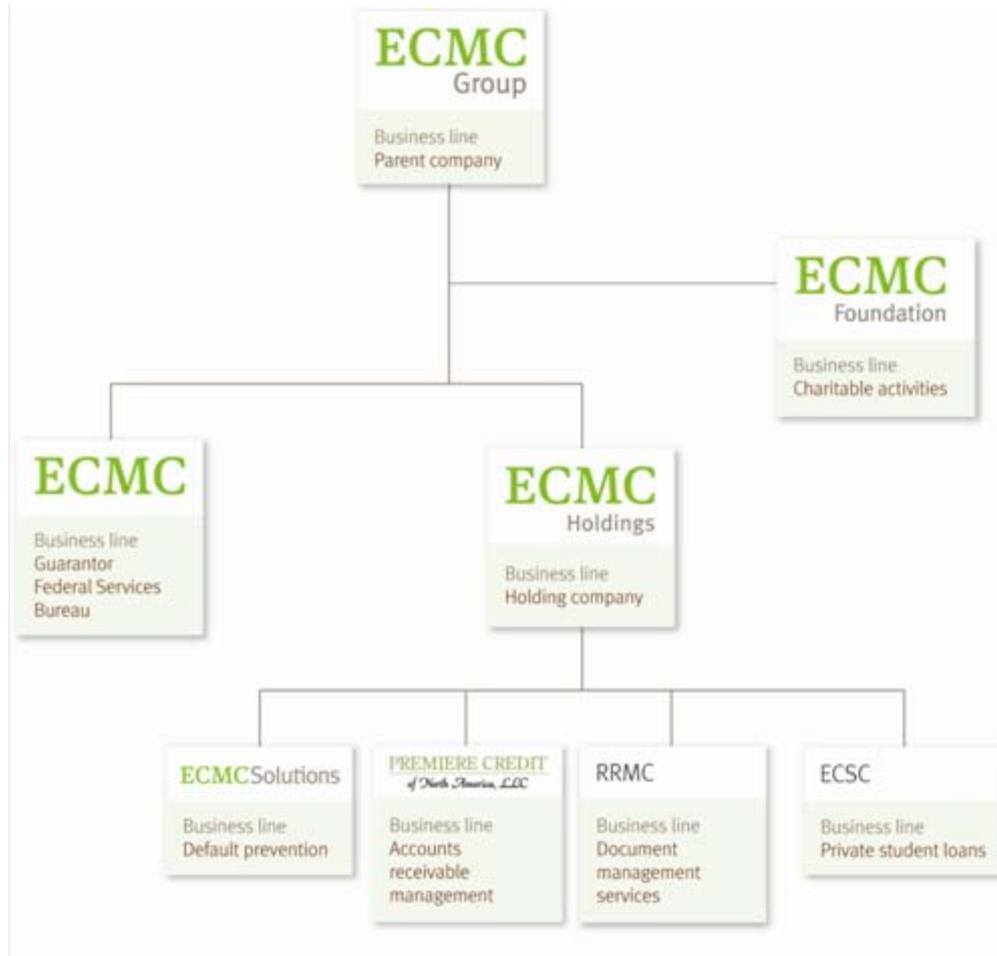
Who is ECMC

- Established in 1994 as:
 - A transitional guaranty agency—transition Federal Family Education Loan (FFEL) Program portfolios, as requested by the U.S. Department of Education, for guarantors that exit the Program
 - 1996 Virginia
 - 2010 Connecticut
 - 2005 Oregon
 - 2010 California
 - A national federal student loan bankruptcy servicer—currently providing bankruptcy servicing for 22 guaranty agencies and U.S. Department of Education

Who is ECMC (cont.)

- National FFEL Program guaranty agency
- In 2001, ECMC Group was established as a nonprofit parent company
 - At the core is our not-for-profit activity supporting the administration of federal student loan programs—including outreach to underserved student populations to increase college access, retention and success
 - We are expanding beyond our nonprofit role and pursuing other avenues for growth

Corporate structure



Transition overview

- 10-month process
- 4 phases:
 - Pre-designation (pre-11/1/2010)
 - Pre-conversion (11/1/2010 - 6/30/2011)
 - Conversion (7/1/2011 - 7/31/2011)
 - Post-conversion (8/1/2011 and following)

Transition overview (cont.)

- Key milestones
 - ECMC assumes responsibility for CSAC portfolio and all guarantor services
 - Tri-party services agreement (11/1/2010 - 9/30/2011)
 - Hire EdFund collections team (11/1/2010)
 - Hire remaining EdFund team (12/6/2010)
 - Establish ECMC operations center in Rancho Cordova (Phase 1: 11/1; Phase 2: 12/6)
 - Portfolio converted (7/31/2011)

What ECMC will do in California

- For as long as revenue stream supports, ECMC will:
 - Maintain an operations center in Rancho Cordova
 - Provide outreach and college access services
 - College Night events
 - Scholarship program
 - Financial literacy outreach and training

ECMC support for CSAC

- ECMC will:
 - Work collaboratively with CSAC management and staff to serve California students, borrowers and other constituencies
 - Provide technical and operational support in CSAC's administration of the California Cal Grant, Specialized and Outreach Programs
 - Provide collateral publications informing students, parents and counselors of state and federal financial aid programs, including the popular *Fund Your Future* publication

Thank you