Electronic Access Conference

2002

ELM RESOURCES

What is ELM Resources?

- Mutual Benefit Corporation
  - Cooperative venture, open to all
  - Alliance of lenders, guarantors, and servicers
- Not-for-Profit Company
- Single Point of Data Exchange
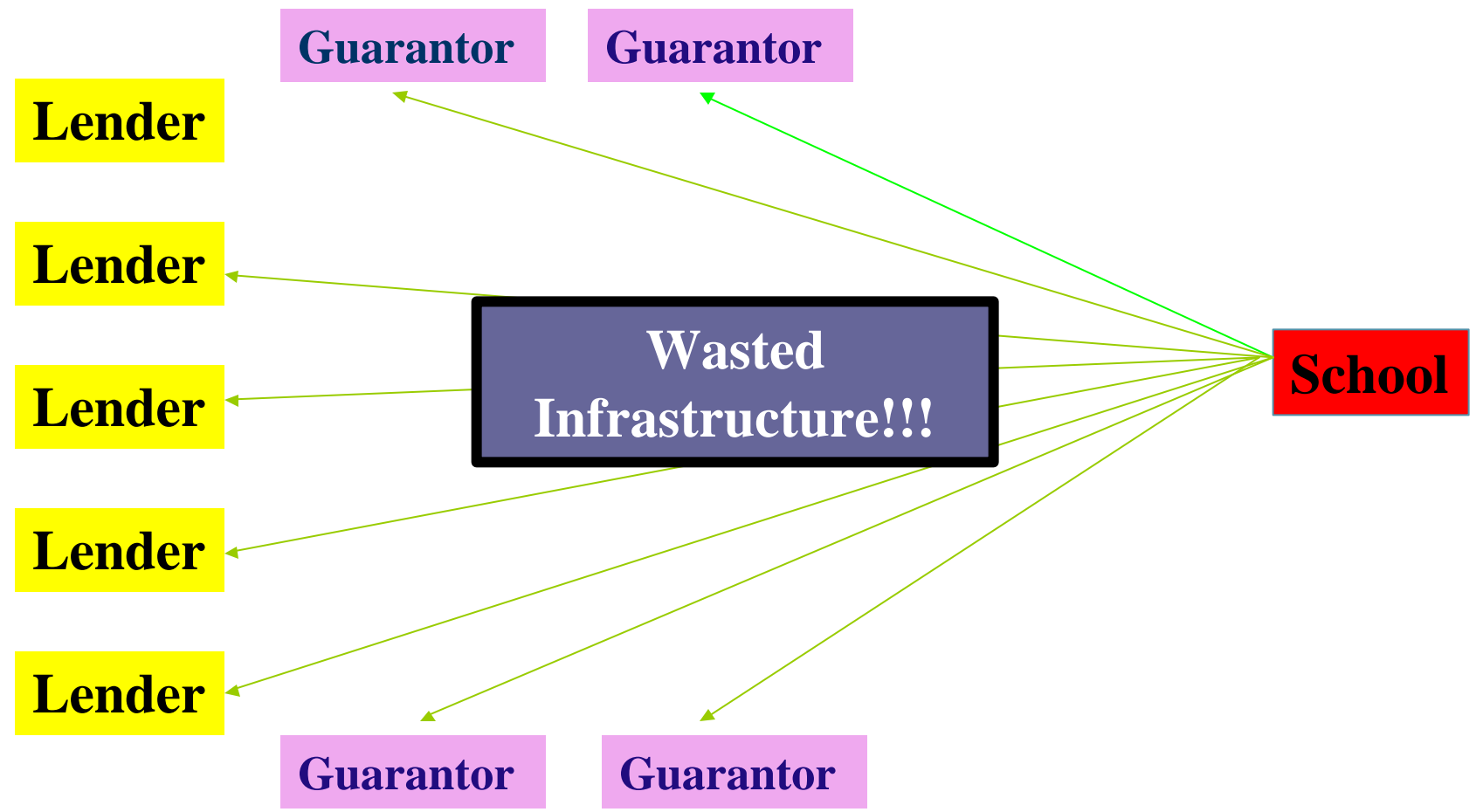- Free Services to Schools

The ELM Resources Mission

Promote an Open Market

- **School Benefits: Control and Choice**
  - **Control over the loan process**
  - **Select providers based upon service**
- **Eliminate competition on data exchange to preserve competition on service, price and product array**
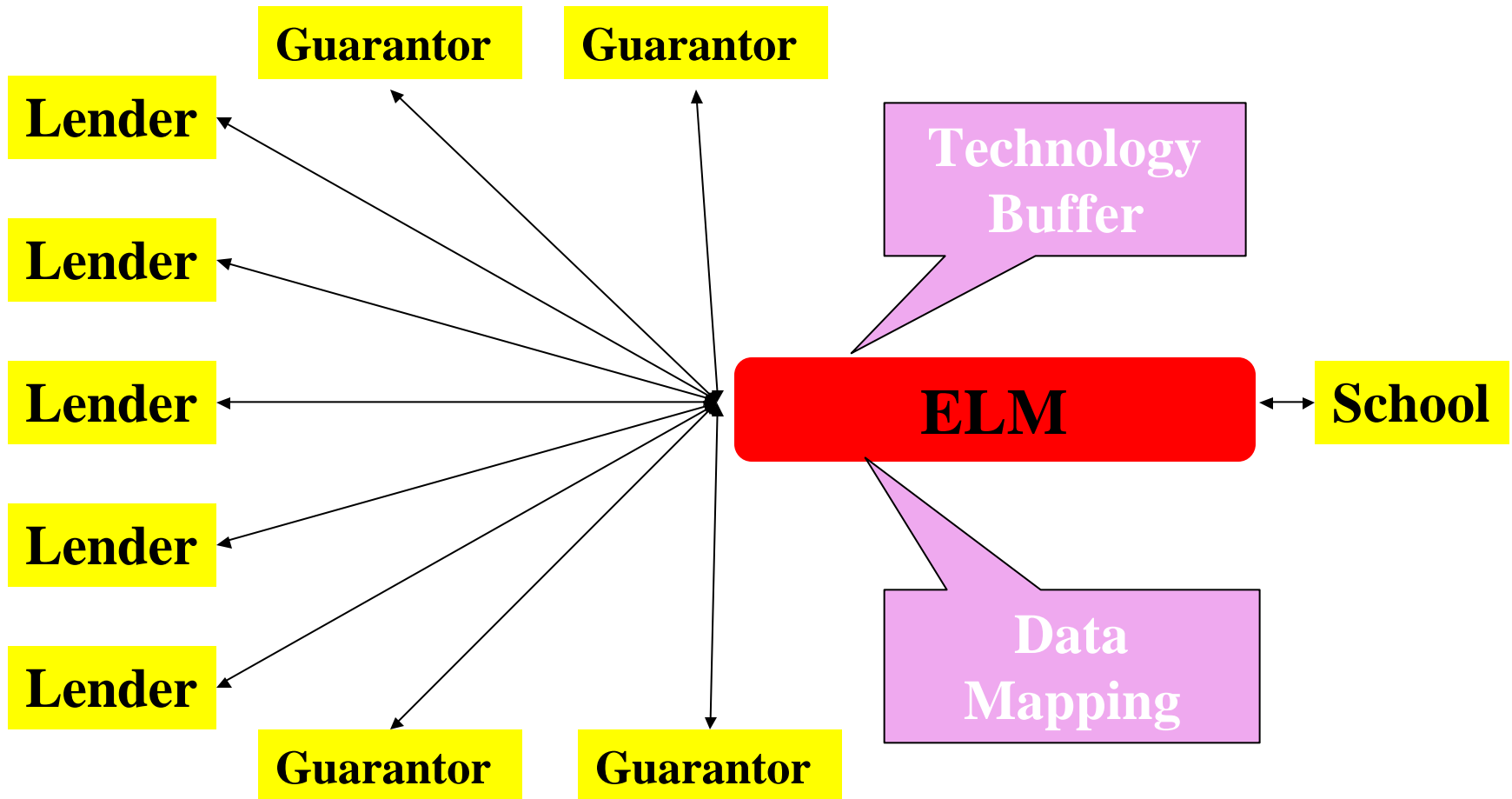
The ELM Approach

- **ELM routes data; Members serve customers**

- **Provider neutral and universal**

- **Simplicity of data exchange/access in a broad-based FFELP**

- **Data mapping services**

- **Industry utility**

Before ELM…

Guarantor Guarantor

Lender

Lender

Lender

Wasted Infrastructure!!!

School

Lender

Lender

Guarantor Guarantor

With ELM…

Guarantor Guarantor

Lender

Technology Buffer

Lender

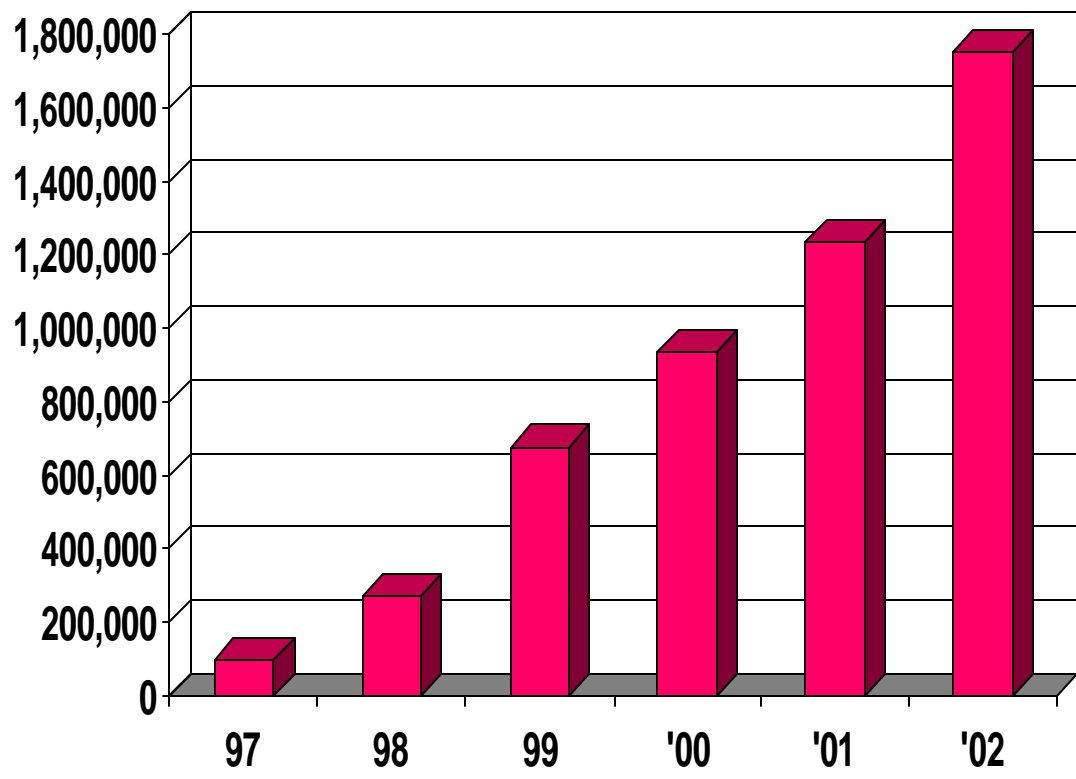Lender ELM School

Lender

Data Mapping

Lender

Guarantor Guarantor
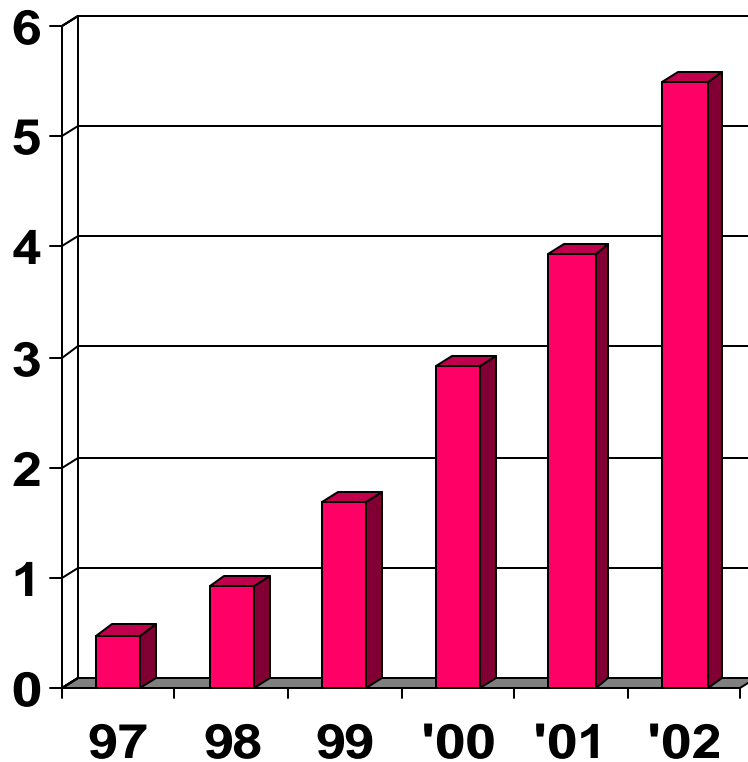
The ELM Advantage:

- School retains choice in loan providers
- Greater flexibility in loan management
- Less traffic in the office
- Little or no programming or system changes necessary
- Non-proprietary
- Promotes competition with a standardized process

ELM Application Volume

- 45% growth projected 2002
- 1 in 4 FFEL apps supported

NDN $ Volume Growth

- 2002 growth of 40% to a projected $5.3 billion
- New platform has doubled processing speed

ELMNet Inquiry

- **Tremendous growth in 2002 and 2003**
- **Approx. 85-90% of all borrowers are available via ELMNet inquiry**
- *Approx. 12 million borrowers!*
- *Both new loans and serviced loans!*
- **Data retrieved real-time from the true master files – lenders and servicers**
- **Systems integrate data from multiple sources**
- **FFELP and private loans**

- **<u>ELM Classic</u>:   Loan application service**

- **<u>National Disbursement Network</u>: for both FFELP & Private loans**

- **<u>E-Box</u>: Mailbox system for batch data files**

- **<u>ELMNet (Inquiry Phase):</u> Global loan status inquiry system**

- **<u>ELMNet (Processing Phase):</u> The integration of most of the above services through real-time or near real-time data exchange**

ELMNet
Maximum flexibility

- **Batch transaction processing**
- **Individual real-time transaction processing**
- **On-line real-time loan inquiries**
- **Use ELMNet web site**
- **Use school's student information system**
- **Scheduled and on-demand reports**

ELMNet – Real-time

Real-time **is defined as immediately transmitting loan transactions, data requests and responses including:**

- **ELM loan application data ("Application Send" transactions)**

- **Changes to loan data, including hold and release ("Change Send" transactions)**

- **Responses to loan applications and changes ("Response" transactions)**

- **Specific borrower/student loan inquiries**

- **Inquiry responses**

ELMNet RT Design

Achieve an <u>8 second</u> processing window.

- **<u>1 second</u> -- ELMNet receives the transaction, evaluates the data, reviews the destination profile, builds the outbound XML message, and places it in the outbound messaging mailbox**

- **<u>1 second</u> -- XML message moves from ELMNet to the destination**

ELMNet RT Design

- **<u>4 seconds</u> -- loan data provider receives, validates, evaluates the XML message, performs the requested action, and builds the response message**
- **<u>1 second</u> -- loan data provider sends the response message back to ELMNet**
- **<u>1 second</u> -- ELMNet processes the response message, updates the central ELM database, and builds any appropriate outbound message to the originator**

ELMNet
Real-time Loans
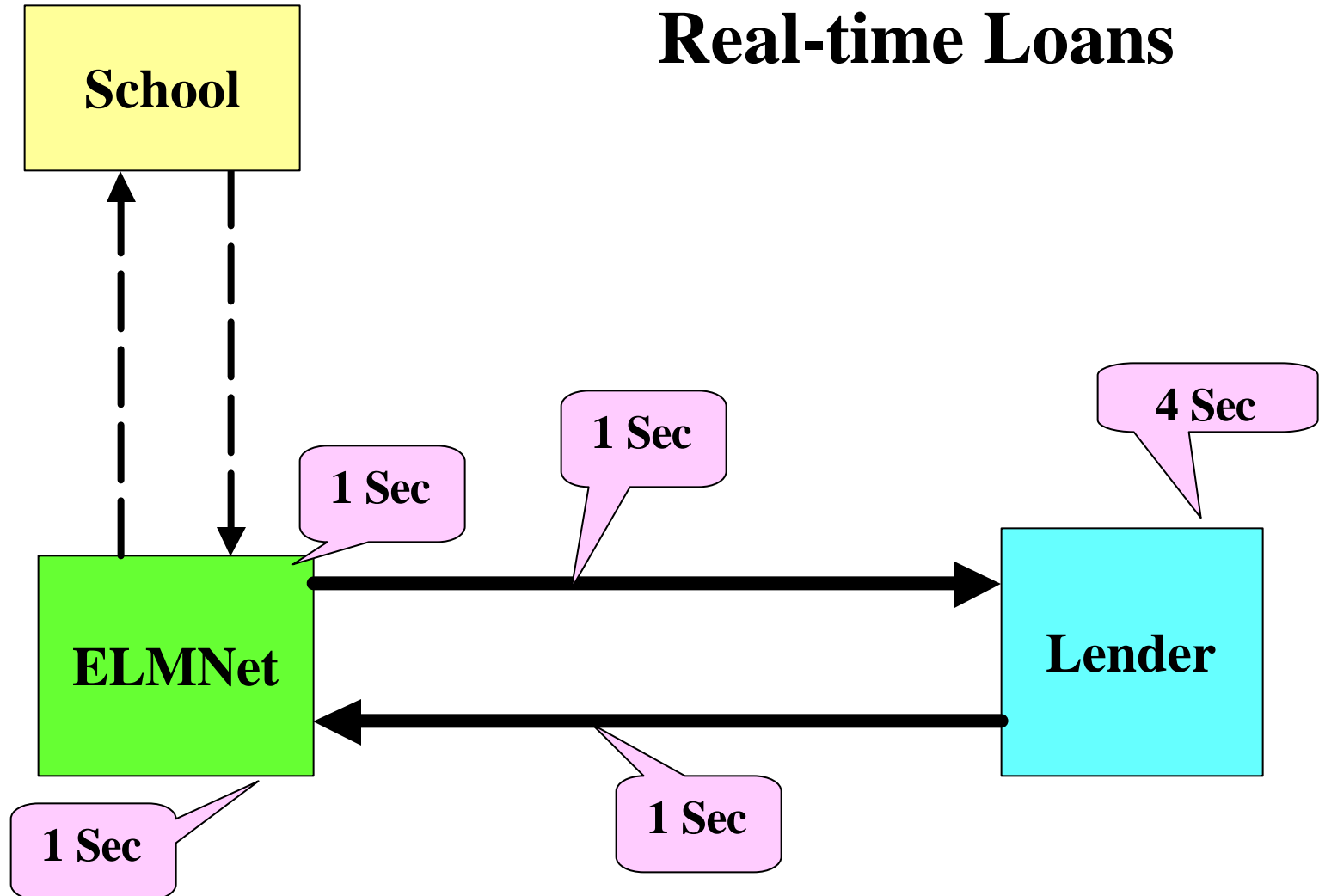
ELMNet & SIS/FAMS

- **Seamless interface**
- **Focus must be on school service to school customers**
- **ELMNet should be "invisible"; service comes from the school**
- **ELMNet interface**
  - **Loan Transactions**
    - **Batch**
    - **Real-time**
  - **Inquiry**
- **School can be batch _AND_ real-time**

ELMNet & SIS/FAMS

- **ELMNet supports CL95, CL4, CL5**

- **ELMNet supports school proprietary formats**

- **ELMNet will support Common Record for FFELP**

- **ELM is working with both vendors and individual schools**

- **ELMNet lets schools and vendors come up at their own development pace**

ELMNet – Value to Schools

- **Process closer to need – "Just in time" processing**

- **Later processing results in fewer changes**

- **Improved customer satisfaction**

- **Cost savings for schools**

- **Last minute changes handled real-time**

- **Improves timely availability of funds**

ELMNet – Value to Schools

- **Access to real-time total repayment data for exit counseling**

- **Ability to send FFELP and private loans in a single flow**

- **Ability to select business partners based upon products, price, and service – not technical data flows**

- **Ability re-examine internal processes and flows due to improved external partners performance**

ELMNet Reports for Schools

- **Regularly scheduled reports**

- **On-Demand reports**

- **Ad Hoc reports**

- **2003 – Reports from database of record**

ELM Resources

One School's Perspective

The University of Mississippi

The University of Mississippi

- **4-year Public Comprehensive Research**
- **4 Campuses**
- **13,000 Students on the Oxford Campus**
-   **(10,500 U/Gs & 2,500 Grads/Profs)**
- **2,000 on Satellite Campuses**
- **$80,000,000 in Financial Aid**
- **$45,000,000 in FFELP**
- **$ 2,500,000 in Alternative Loans**

Lender Partners

- **BancorpSouth**
- **Sallie Mae**
- **edamerica**
- **Citibank**
- **Educaid**
- **Wells Fargo**
- **MOHELA**
- **ESF**
- **Brazos HESC**
- **Nelnet**
- **Access Group**

- **TSAC**
- **USAF**
- **NSLP**
- **TG**

Before ELM

- **WhizKid**

- **Legacy System**

- **CL 96**

- **Eight Destinations for Loan Data**

- **Seven Inbound EFT Files**

- **243 Lenders**

History

- **Implementation—November/December, 1999**

- **"Go Live" ELM—January, 2000**

- **"Go Live" NDN—May, 2000**

- **PLUS Certifications—July, 2001**

- **Alternative Certifications—January, 2002**

Benefits

- **Control**
- **Choice**
- **Flexibility**
- **Mapping—Technology Buffer**
- **One Source—In and Out (Consolidated Disbursements and Auto Debit)**
- **24/7 Availability**
- **Lenders/Servicers/Guarantors compete on basis of products and service**

Future

- **Real Time" Inquiry and Processing**

- **"Just In Time" Model for Loans**

- **Lender partners focus on innovative products and services rather than on creating and supporting process**

- **Continue to act as an "Invisible Utility"**

Questions/Comments

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Current Real-Time Lenders

Citibank

Educaid/Wachovia

Wells Fargo

How can I be setup for real-time processing?

- **Contact the lenders who are processing real-time transactions with ELM**

- **Contact your ELM Client Services Manager**

- **Contact your ELM Sales Manager**

- **Contact the ELM Help Desk – 888-633-3356**

Do I have to change my loan process?

- **Currently real time transaction processing is only available via the ELM website. ELM is currently meeting and working with SIS vendors on a seamless interface.**

- **A school would not have to change how they use the ELM website. A profile within the ELMNet system will be set up with an effective date to send all transactions done via the website to the RT lender in a real-time XML message. Responses would come back to ELM in the same manner.**

What will I see……?

- **You will see that the statuses on your students' loans update much faster. This can result in a faster delivery of loan funds.**

- **Under the transmission tab, you will see a message labeled "S00319300_RT_20020819_121146"**
  - S00319300   =   School code; RT = Real Time
  - 20020819   =   message created on 8/19/2002
  - 121146   =   message created at 12:11:46 pm

- **In maintenance history, you will see a message labeled "L830005_RT020819121204"**
  - L830555   =   Lender code
  - 020819   =   message received on 8/19/02
  - 121204   =   message received at 12:12:04 pm (total of 18 seconds)

ELMNet Going Forward..

- **Real-time loan processing infrastructure in place -- now**

- **Real-time loan processing in production -- now**

- **Real-time access to remote loan originations systems in Summer 2003**

- **Real-time access to remote systems for ELMNet reports Summer 2003**

- **SIS/FAMS/Schools real-time interfaces -- 2003**

- **Support Common Record for FFELP -- when defined**

Thanks for your interest!

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