



May 5, 2008

RE: SPECIAL ANNOUNCEMENT FOR ALL FEDERAL PERKINS CLIENTS

Dear Valued Client:

As your business partner, General Revenue Corporation (GRC) remains committed to helping your institution comply with all U.S. Department of Education regulations governing the administration of Federal Perkins loans. In response to the recent amendment regarding collection costs, GRC is pleased to announce we will reduce our commission rate for all clients with Perkins contracts that currently reflect rates exceeding the new limits.

As you are aware, on November 1, 2007, the U.S. Department of Education approved amendments to Section 674.45(e)(3) under Title IV of the Higher Education Act. **Effective July 1, 2008**, these changes will limit the collection costs an institution may assess against a Perkins Loan borrower to 30% for first collection efforts; 40% for second collection efforts; and, in cases of litigation, 40% plus court costs.

To implement the revised commission rate structure, GRC will forward all of our Perkins clients a contract addendum within the coming weeks. This addendum will outline the institution's new commission rate and apply the same collection costs logic currently under contract. Clients will be asked to read and sign the addendum, then return the document to our office. Since this change is Federal law, GRC will proceed with the implementation of these changes by July 1, 2008.

We believe this addendum process will ensure all of our Perkins placing clients are compliant with the revised Perkins regulation and will have no impact to borrowers or to each school's Perkins Fund.

As always, GRC thanks you for your business and looks forward to our continued partnership. If you are a Perkins client and have any questions or concerns regarding these changes before or after receiving your contract addendum, please feel free to contact your Regional Sales Executive directly or your Client Services Representative at **800.234.1472**.

Sincerely,

A handwritten signature in black ink, appearing to read "James Jackson".

James Jackson
Managing Director and Vice President
Business Development

A handwritten signature in black ink, appearing to read "Maggie Adams".

Maggie Adams
Client Services Director

General Revenue Corporation • A Member of Asset Performance Group, A Division of Sallie Mae

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