

2000s HIGH TECH, HIGH TOUCH



"We are a free nation, where men and women have the opportunity to achieve their dreams. No matter your background or circumstance of birth, in America you can get a good education, start a business, raise a family, worship freely and help elect the leaders of your community and country."

—President
George W. Bush

By the turn of the century, families and students were enjoying the simplicity and ease of an electronic era. Wireless technology allowed information to be available anytime, anywhere with the touch of a button. Students could review a college curriculum, take a virtual tour of a campus, and apply for admission and financial aid, all from the comfort of their homes. Some students were taking college classes without even setting foot on campus.

Then the world was turned upside down by the tragic attack on the World Trade Center on September 11, 2001. A sense of solidarity took hold in the United States as it prepared for war. The higher education community took action by creating new aid programs and adjusting loan provisions for all who were directly and tragically affected by the 9/11 incident. CSLF quickly responded during this disaster by raising money for the victims and reaching out to borrowers affected by the tragedy.

The nation was forever changed, and yet the federal government called for normalcy in the country's day-to-day activities. The Department of Education continued its efforts to simplify the financial aid process with the use of new technology. The online Free Application for Federal Student Aid (FAFSA) was being processed in a matter of days, with fewer application errors. The use of the new Master Promissory Note, in conjunction with electronic signatures, simplified the loan process for everyone. The industry was headed toward a completely paperless process.

CSLF was also turning to the Internet as a new means of providing access and choice. CSLF's website (www.cslf.com) quickly changed to an all-purpose, interactive website. Students and parents could apply for loans, receive approval and complete an online entrance interview—all through CSLF's website. CSLF's technology continued to evolve with EnRoute, CSLF's Internet-based loan processing system. As of September 2005, almost 34,000 borrowers are registered with EnRoute, enabling them to have real-time access to loan applications



and information. One in five of these borrowers utilizes the electronic signature capabilities. CSLF was also one of the first agencies to go online with the Meteor program, a real-time loan data resource.

With its loan products and technology firmly in place, CSLF could now focus its resources on the training needs of school and lender partners. CSLF had always been a strong supporter of professional organizations, but time and money had begun to limit the number of conferences that financial aid professionals could attend. In 2000, CSLF's FACTS Training Program was created to supple-



ment the training needs of the financial aid community by offering free workshops several times each year. The response from clients was overwhelmingly positive and, as a result, CSLF built a state of the art training facility in 2003.

Recognizing that borrowers could benefit from workshops too, CSLF developed innovative debt management programs to take to college campuses. This, in conjunction with other outreach services, helped reduce CSLF's default rate to an all-time low of 4.1% (FY2000) — well below the national average.

CSLF as an Educator

CSLF provides a broad spectrum of training workshops for financial aid administrators, lenders and agency partners through its free FACTS Training Program. The topics range from technical financial aid issues to professional development programs. In addition, CSLF offers customized training programs to clients, including financial aid offices and lending partners.

CSLF supports the use of online entrance and exit interviews by sponsoring Mapping Your Future. CSLF encourages in-person entrance and exit interviews and provides staff to conduct these sessions on behalf of schools. In addition, CSLF promotes responsible borrowing and effective life skills through on-campus workshops for students, with topics ranging from debt management to budgeting to the responsible use of credit cards.



2000

EnRoute, CSLF's Internet-based educational loan processing and management system, debuts. CSLF announces borrower benefits on First Rate Stafford Loans. CSLF creates FACTS training program for the financial aid community.

2000

Electronic signature is available for FAFSA on the Web and MPN.

2001

A paperless student loan process becomes available through CSLF. Electronic Signatures in Global and National Commerce Act is passed.

2001

Mark Valenti becomes Chair-Elect of the National Council of Higher Education Loan Programs (NCHELP). Mr. Valenti is presented with the Lifetime Member Award by CAPFAA.

2002

CSLF's default rate is announced at an all time low of 4.1% (FY2000).

2000s

HIGH TECH, HIGH TOUCH

Continued

CSLF as an Ambassador of Higher Education

CSLF's early awareness initiative, called Investing in Futures (IF), was launched in 2003 and provides assistance to students, families, school counselors and community groups regarding all aspects of financial aid and college planning. Services include, an on-site Resource Center, a toll-free hotline and customized workshops for high schools and community groups. In 2004-2005, CSLF dedicated about 6,000 hours of staff time to these early awareness activities, with all programs and services provided free of charge as a public service to the community.

While the Investing in Futures program is still in its infancy, CSLF views this outreach as critical to ensuring college access and choice for all students, regardless of their income or background. Helping families understand the investment value of an education and supplementing the programs offered by colleges and other agencies will be a cornerstone in CSLF's mission for years to come.

CSLF had learned that preparation for smart borrowing and success in college should start well before students set foot on campus. The company began working in this area by sponsoring college preparation and debt management programs, such as Mapping Your Future and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). CSLF also co-sponsored events such as the annual CAPFAA Fair for Educational Professionals. In 2003, CSLF launched its own early awareness initiative, called Investing in Futures (IF). Simultaneously, CSLF was sought out by numerous television stations to provide interviews and full-length programs to promote the value of a college education, explain how families can prepare for college costs and outline how families can apply for financial aid.

It seems that good news travels fast, and along the way, CSLF has developed a solid reputation as being student-centered, flexible and ready to assist other agencies. In recent years, other organizations have sought help from CSLF as they developed their own aid programs. Examples of these partnerships include the Connecticut Innovations Scholarship Program, Connecticut State University System's Barnard Scholarship Program and the Father Goode Education Loan Trust.

As CSLF has continued to grow, operational efficiencies have reduced costs and made it easier to offer student scholarships as well as loans. Besides the Vincent J. Maiocco Scholarship, CSLF actively supports scholarship programs locally and through colleges and universities. The most recent

"CSLF has been one of the most responsive student loan providers for my students. At SCSU, Connecticut Student Loan Foundation is 'number one' as a student loan provider for our students."

—Avon Dennis, Director of Financial Aid & Scholarships, Southern Connecticut State University



2002

CSLF is one of the first organizations to provide data to Meteor, which allows schools, lenders and guarantors access to real-time FFELP loan information.

2002

CSLF is first in the industry to offer independent identity proofing through the Student Authentication Network (STAN) II service.

2003

PLUS MPN is introduced. CSLF launches a new early awareness initiative called Investing in Futures.

2005

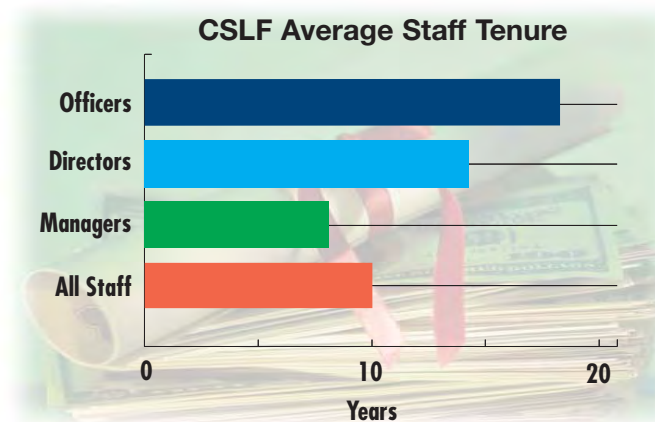
CSLF helps more students and families access college through their newly established College Scholarship Program.



chapter in CSLF's commitment includes \$20,000 for the new CSLF College Scholarship Program, which is available to high school seniors and first year college students. Cumulatively, either directly or indirectly, CSLF has awarded scholarships exceeding hundreds of thousands of dollars.

Having guaranteed over \$5 billion in educational loans since its inception, CSLF has remained true

to its original mission of providing access and choice to families pursuing a college education. As the company has grown and changed, the goal of providing college access has expanded to include customized services, money-saving borrower benefits, scholarships, community support and value-added activities so that CSLF can continue to be a leader in the industry. For CSLF, it's all about people, products and processes.



CSLF as an Employer

What is the secret of CSLF's success? Put simply, it's the people. Without fail, the employees at CSLF dedicate their tireless energy to the mission of providing opportunities and access to education through exceptional personal service. CSLF currently has 165 employees with an average tenure in the company of more than ten years. CSLF's current turnover rate is 3.0% and its average turnover rate for the past three years is only 4.8%. In other words, those who join the CSLF team are committed to its mission and find the work so fulfilling that they seldom want to leave!

THE CSLF STORY CONTINUES...

future



CSLF's core values have proven the test of time and there is every reason to believe those values will serve it well in the future.

It has been forty years since Vincent Maiocco and a small staff set up shop in a modest, one-room office in Hartford and manually began processing loans with a pencil and ledger sheet in hand. A lot has changed since then. CSLF is now a bundled agency, with expertise in all facets of loan processing from origination through repayment. The company has grown to a staff of 165 employees, is housed in a modern building in Rocky Hill and, more often than not, loan applications are processed electronically from beginning to end. Competitors have become partners and geographical boundaries are a thing of the past.

Yet for all of the changes, CSLF's mission is essentially the same as it was forty years ago. CSLF remains a non-profit company whose purpose is to provide opportunities and access to education. It continues to promote customer choice in products and processes and it supplements those choices with customized value-added services. So is it a timeless philosophy for conducting business or is it time to re-define CSLF's mission and position in the industry? Maybe it's both.

First, CSLF's core values have proven the test of time and there is every reason to believe those values will serve it well in the

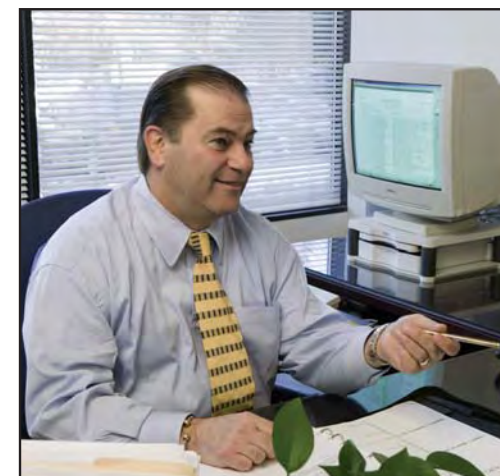
CSLF knows that electronic processes will never, and should never, replace personal relationships.

future. Access will continue to be a major focus at CSLF, although the meaning of that term continues to change now that record numbers of students are heading to college and more adults are returning to college for re-training, career changes and/or advancement in their current fields. It is likely that cradle-to-grave relationships will be the norm in many instances and adapted in others, all to provide the best options for customers. CSLF's Investing in Futures (early awareness) initiative may soon find itself delivering college financing materials to families of elementary and nursery school children!

Second, while CSLF is a national provider of student loans, its presence is most keenly felt at the regional level. There are plenty of online resources available now, yet it's the personal touch that makes the difference. Just as people continue to see their doctors and dentists on a regular basis despite an abundance of online medical information, CSLF knows that electronic processes will never, and should never, replace personal relationships.

Third, CSLF will continue to do what it does best—provide customer choice and customized value-added services on an individualized basis. Industry giants can

personal



CSLF will continue to do what it does best—provide customer choice and customized value-added services on an individualized basis.

THE CSLF STORY...

Continued



CSLF is working on operational efficiencies, including the updating and integrating of computer systems.

be extremely proficient and efficient at setting up systems that address the needs of the masses. Their economies of scale have given them the resources to lobby legislators and their research enables all of us to learn more about defaults, debt management, student retention, etc. CSLF will collaborate with others, as we have in the past, but we will continue to spend our time working with clients to meet their individual needs.

CSLF is already preparing for the future. It appears that the federal government may have limited money to spend on federal financial aid in the coming years and it is likely that subsidies for FFELP loans will be reduced. Thus, CSLF is working on operational efficiencies, including the updating and integrating of computer systems. New partnerships are being developed and systematic analyses of



workflows are routinely conducted to ensure maximum efficiency.

A relatively new trend in the area of financial aid is the recent growth of college savings plans. CSLF understands that financial planning may become more complicated for many families, including those of modest means. Education loans are but one piece of a complicated financial puzzle, yet CSLF believes there are ways to simplify the complex system. Similarly, an apples-to-apples comparison of loans seems to be a thing of the past with the proliferation of borrower benefit programs, alternative loans and consolidation options. CSLF is improving and introducing methods and systems that will educate the public about what is available, provide access to an abundance of programs and teach borrowers how to make the best use of them.

Is CSLF changing focus? No. We plan to build on our long-standing tradition of excellence while adapting to the future. We've built a system to guarantee loans and one to service them. We've built a solid loan portfolio as a lender and secondary market. We've built a new building and assembled a staff that is second to none. We've built electronic processes, borrower benefit programs and customized services. We've built a training program and a state-of-the-art training facility. We've built an early awareness program and a respected presence in the community. Whatever the next forty years may bring, CSLF will have the public's best interests in mind for opportunities and access to education. As long as this remains our top priority, higher education will be well served.



Whatever the next forty years may bring, CSLF will have the public's best interests in mind for opportunities and access to education.

access



service