Thank You !!

- Let's take a look at the numbers
- 32 Colleges using Actively Managed Payment Plan
- Serving over 43,000 Students this Spring
- CHANGE - New IPEDS FTE Data by NCES
- Let's review your data integration requirements
- Six ways to save money and enhance customer service
<table>
<thead>
<tr>
<th>Institution</th>
<th>NCES Enrollment FTE</th>
<th>Students Using NBS/AMPP</th>
<th>Students Choosing ACH</th>
<th>Students Choosing Credit Cards</th>
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<td>43,126</td>
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<td>249,341</td>
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<td>50.5%</td>
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Six Ways to Cut Costs

1. Actively Managed Payment Plan
2. Pending Aid Plan
3. Direct Deposit of Financial Aid Refunds
4. Electronic Billing
5. Electronic Payments
6. Convenience Fees for Tuition Paid by Credit Cards

1- Actively Managed Payment Plan

Enhance Student Success!

Put Students First
• Improve Access & Affordability
  – Spread payments out
  – Multiple plan options
  – Pending Aid Program
• Convenience
  – 24X 7
  – Real Time Link from SIS
• Toll Free Help and Payer Support
• Low cost to students
Payment Plan Options

- Prescheduled, automatic, recurring payments …as school chooses!
- One sign up per semester/term
  - *Electronic authorization vs. Electronic signature*
- Payments are processed via
  - ACH Bank Draft or
  - Credit/Debit Card
- Interface with your SIS for real time account information and adjustments
- Nelnet maintains contact with payers throughout term
  - Monthly email reminder notice
  - Missed payments
  - Change of Payment or amount due
  - or date changes

Flexible Plan Design

- Any number of payments
- Begin and end at any time
- **No Interest, No Qualifying, No Credit Check, No Minimum**
- Web enrollment
- Multiple student payment options under one system
- Program focused options
- Pending Aid Option for students using Financial Aid
Student Payment Policy

NBS offers three payment solutions to meet the needs of students and families:

**Group #1:** Students paying in full.

**Group #2:** Students enroll in a payment plan based on the terms established by the school.

**Group #3:** All Students who applied for financial aid. If aid is less than the full amount applied for, student can pay in full or will be automatically activated for a payment plan.

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Payment Plan - Assumptions

- Community College
- Enrollment: 10,000
- Yearly Tuition/Fees: $2,500
- Pay Plan Enrollments: 15% (1,500 Plans/semester)
- Avg. Payment Plan size: $900
- Payment Plan Annual Volume $2,700,000
- 3% in house loss experience: **$81,000**
2- Pending Aid Plan

• Pending Aid enables students to recognize their obligation to pay for any remaining balance due after financial aid is applied to their account.

• Pending Aid is a proactive way to reduce your internal collection effort by strengthening your internal policies and processes

• Stop the paper chase

Case Study

• Ozark Technical College

• Number of students: 8,000
  – 1,500: Paid in full
  – 1,500: On payment plan
  – 5,000: Applied for financial aid and tracking began

• Results of the 5,000
  – 2,700: Students received 100% aid
  – 2,300: Students had financial aid shortfall
  – Less than 70 students with balance at end of term
How Did Ozark Tech Do It?

- **Policy** - Students awaiting financial aid can register for classes, but only be held with a ‘Pending Aid’ in place.

- **Process** – Students had Option to pay in full or be enrolled in a payment plan.

- **Timely Communication** is the KEY!

- **Technology** - Online Sign-Up and E-Mail Notifications

- **Result** - Eliminated the “paper chase” NO more tracking down students to arrange payment terms.

YOUR SAVINGS WILL VARY

### 3 - Direct Deposit Financial Aid Refunds

10,000 Students x 55% Refunds = **5,500**

5,500 X $1.42* = $7,810 savings

(* check stock, postage, handling)

Does not include possible cash flow enhancements due to interest earned
Or the cost of replacing stolen checks.
4 - eBill Annual Savings - 1st year

Assume: 10,000 students @ 6 bills = 60,000 per yr
@ 65% adoption Rate = 39,000 eBills
Average cost of a Paper Bill = $1.00*

Cost Savings of Paper Bill $39,000
Annual Cost of QuikPay eBilling $19,650
Net Savings $19,350

Bills are hosted for Authorized Third Party Access

5 - ePayments Annual Savings - 1st year

Assume: Online Bills = 39,000 per yr
@ 50% adoption Rate = 19,500 eBills
65% of eBills Paid Online = 12,675
Payments 50% ACH 6,338 txns
Cost of Processing ACH @ $1.75 per $11,092 *
Annual Cost of QuikPay ePayments $10,436
Net Savings $ 656
Annual Cost of PCI Compliance Avoided $85,000**

* Avg Cost **Gartner, Inc, 2008
6-Credit Card Convenience Fee Program

A Convenience Fee is charged to the Payer not the institution.

Processed through Nelnet
ACH/eCheck Paid Direct to the College
Credit Card Paid to NBS (Merchant)
The Convenience Fee is not assessed by your institution
Includes: MasterCard, Discover, AMEX

For every $1 Million in Tuition paid by credit card, the college can save $20,000

Merchant Fees

Most institutions experience –

55% pay by credit card (why?)
45% pay by check

1,500 CC payments x $900 x 2 terms X 55%= $1,485,000 X 2.25% discount rate =

$33,412 Merchant Fees
Credit Card Convenience Fee Program

Using the Convenience Fee, most institutions experience –

- 20% pay by credit card
- 80% pay by eCheck

AND **NO CC MERCHANT FEES** Paid

Savings = **$33,412 Merchant Fees**

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Total Potential Annual Savings:

- AMPP $ 81,000
- Pending Aid -
- eRefunds $ 7,810
- eBilling $ 19,350
- ePayments $ 656
- Merchant Fee $ 33,412
- Potential Savings **$142,228**

PCI Cost Avoidance = **$85,000**
What Questions Do You Have For Us?

Other Nelnet Services

QuikPAY
  • ePayment Gateway - Tuition
  • eBill Presentation
  • Commerce Manager – Campus wide payments
  • eRefunds
  • Actively Managed Payment Plans - FACTS
  • Pending Aid – FACTS
  • Cashiering with full ACH conversion
  • Nelnet Merchant Services
  • Campus Guard - Compliance Consulting

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We look forward to working with you.