



**\$380,500,000**  
**ACCESS GROUP, INC.**  
**PRIVATE STUDENT LOAN ASSET-BACKED**  
**FLOATING RATE NOTES, SERIES 2005-A**

**Securities Offered**

- Classes of notes listed in the table below

**Assets**

- Access Group program private student loans

**Credit Enhancement**

- Excess interest and loan fees on student loans
- As to senior notes only, subordination of class B notes

Prospective investors in the notes should consider the discussion of certain material factors set forth under “Risk Factors” beginning on page 7 of this Offering Memorandum.

The notes will represent limited obligations of Access Group, payable solely from the trust estate created under the indenture and described herein. The notes are not insured or guaranteed by any government agency or instrumentality, by any insurance company or by any other person or entity. The holders of the notes will have recourse to the trust estate pursuant to the indenture, but will not have recourse to any other assets of Access Group.

**THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

<u>Class</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Price to Public</u>	<u>Proceeds to Access Group</u>
A-1 (senior) . . . .	\$115,000,000	3-month LIBOR plus 0.08%	January 27, 2020	100%	99.770%
A-2 (senior) . . . .	112,000,000	3-month LIBOR plus 0.22%	April 27, 2026	100%	99.715%
A-3 (senior) . . . .	115,500,000	3-month LIBOR plus 0.40%	July 25, 2034	100%	99.665%
B (subordinate) . .	38,000,000	3-month LIBOR plus 0.80%	July 25, 2034	100%	99.609%
Total . . . . .	\$380,500,000			\$380,500,000	\$379,358,500

It is expected that delivery of the notes will be made in book-entry-only form through The Depository Trust Company, Clearstream Banking, société anonyme and the Euroclear System, on or about June 7, 2005.

**UBS**

**Goldman, Sachs & Co.**

**Lehman Brothers**

The date of this Offering Memorandum is June 3, 2005.

**CAUTIONARY STATEMENTS REGARDING  
FORWARD-LOOKING STATEMENTS IN THIS  
OFFERING MEMORANDUM**

Certain statements included or incorporated by reference in this Offering Memorandum constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934 and Section 27A of the United States Securities Act of 1933. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate” or other similar words. Such forward-looking statements include, among others, statements made in reference to the anticipated dates of principal distributions to be made with respect to the Notes, expected defaults and recoveries on the Portfolio Loans and the timing, amounts and characteristics of the Portfolio Loans to be acquired or refinanced.

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Access Group does not plan to issue any updates or revisions to those forward-looking statements if or when expectations, events, conditions or circumstances change.

## SUMMARY OF TERMS

This summary highlights selected information from this document and does not contain all of the information you need to make your investment decision. To understand all of the terms of this offering, read this entire document.

### PRINCIPAL PARTIES

#### *The Issuer*

- Access Group, Inc., a Delaware nonstock corporation

#### *The Servicers*

- Kentucky Higher Education Student Loan Corporation
- Access Group, Inc.

#### *The Indenture Trustee*

- Deutsche Bank Trust Company Americas

#### *The Initial Swap Counterparty*

- Lehman Brothers Special Financing Inc.

### DATES

#### *Quarterly Payment Dates*

The 25th day of each January, April, July and October, commencing July 2005. If the 25th is not a business day, the next business day will be the payment date.

#### *Date of Issuance*

On or about June 7, 2005.

#### *Collection Periods*

The period from the date of issuance through June 30, 2005 and each succeeding three-month period.

#### *Record Dates*

The business day before each quarterly payment date.

#### *Final Maturity Dates*

The final maturity dates of the notes are set forth on the cover of this offering memorandum. The outstanding principal amount of each class of notes is due and payable on its final maturity date.

### TRUST ESTATE ASSETS

The assets that secure the notes will consist of:

- a portfolio of "private" student loans originated under the Access Group loan program that had an aggregate outstanding balance (principal plus accrued interest) as of March 31, 2005 of approximately \$177,759,000, and that is currently financed through a separate note issuance;
- an additional portfolio of private loans originated under the Access Group loan program, to be purchased on the date of issuance, which had an aggregate outstanding balance (principal plus accrued interest) as of March 31, 2005 of approximately \$160,160,000;
- additional private loans and additional disbursements under portfolio loans, expected to be financed by January 2006;
- the moneys and investment securities in the collection account, the pre-funding account and the capitalized interest account under the indenture;
- rights under any interest rate exchange agreement; and
- rights under related contracts.

Private student loans are supplemental loans made pursuant to the Access Group loan program. These loans are not guaranteed or reinsured by guarantee agencies under the Federal Family Education Loan Program established by the Higher Education Act, by the federal government or by any loan insurer or other person or entity.

Access Group has acquired a portfolio of private loans from National City Bank. Those loans are currently financed under a separate indenture, and will be refinanced under the indenture (and released from the lien of the prior indenture) upon the issuance of the notes. At that time, Access Group will also purchase an additional portfolio of private loans from National City Bank.

*Pre-Funding Account*

Approximately \$10,525,000 of the proceeds of the notes will be deposited in the pre-funding account. Amounts on deposit in the pre-funding account are expected to be used to acquire additional private loans and additional disbursements of portfolio loans prior to the quarterly payment date in January 2006. If amounts on deposit in the pre-funding account are not fully utilized by that date, the amount remaining in the pre-funding account will be distributed as available funds on that date.

*Capitalized Interest Account*

Approximately \$28,500,000 of the proceeds of the notes will be deposited in the capitalized interest account. Amounts in the capitalized interest account will be available, among other things, to provide for payment of interest on the notes if amounts available in the collection account are not sufficient for that purpose. On a capitalized interest release date, any amounts remaining in the capitalized interest account in excess of the corresponding capitalized interest account requirement will be distributed as part of available funds. The capitalized interest release dates and capitalized interest account requirements will be:

<u>Capitalized Interest Release Date</u>	<u>Capitalized Interest Account Requirement</u>
January 2006	\$26,600,000
April 2006	24,700,000
July 2006	21,400,000
October 2006	18,200,000
January 2007	15,300,000
April 2007	12,800,000
July 2007	10,600,000
October 2007	8,200,000
January 2008	5,900,000
April 2008	3,500,000
July 2008	1,000,000

Additional capitalized interest release dates may be added, or the capitalized interest account requirements may be reduced, upon confirmation

from the rating agencies that the ratings of the notes will not be reduced or withdrawn as a result.

*Interest Rate Exchange Agreement*

Access Group will obtain a basis swap and an interest rate cap under an interest rate exchange agreement entered into on or before the date of issuance with Lehman Brothers Special Financing Inc., as swap counterparty.

*Basis Swap*

Under the basis swap provisions of the initial interest rate exchange agreement, the swap counterparty will pay to the trustee, for each quarterly payment date, an amount equal to the product of 3-month LIBOR (determined in a manner similar to the determination of the 3-month LIBOR index for the notes) times the notional amount of the basis swap under the interest rate exchange agreement.

For each quarterly payment date, Access Group will pay the swap counterparty from available funds, an amount equal to the product of the average of weekly determinations of 91-day U.S. treasury bill rates during the related interest period, plus 0.48%, times the notional amount.

The initial notional amount for the basis swap under the interest rate exchange agreement will be approximately equal to the aggregate principal balance, as of March 31, 2005, of the portfolio loans bearing interest based upon the 91-day U.S. treasury bill rate. The notional amount will amortize quarterly, in proportion to the projected amortization of those portfolio loans. The notional amounts of the basis swap under the initial interest rate exchange agreement for each quarterly payment date are set forth under “Description of the Initial Interest Rate Exchange Agreement—Basis Swap—Table of Notional Amounts.”

The basis swap under the initial interest rate exchange agreement is scheduled to terminate on the quarterly payment date in October 2019.

*Interest Rate Cap*

Under the interest rate cap provisions of the initial interest rate exchange agreement, the swap counterparty will make payments to the trustee based upon the notional amount of the interest rate cap and the amount, if any, by which 3-month LIBOR exceeds 5.5% for any interest period during which

the interest rate cap is in effect. The interest rate cap under the initial interest rate exchange agreement will have a notional amount of \$380,500,000 and is scheduled to terminate on the quarterly payment date in July 2007.

## THE NOTES

Access Group is issuing \$380,500,000 of its private student loan asset-backed floating rate notes in four classes.

- \$115,000,000 Class A-1 Notes
- \$112,000,000 Class A-2 Notes
- \$115,500,000 Class A-3 Notes
- \$38,000,000 Class B Notes

### *Senior Notes*

- Class A-1 Notes
- Class A-2 Notes
- Class A-3 Notes

### *Subordinate Notes*

- Class B Notes

### *Denominations*

The notes are offered in initial denominations that are multiples of \$1,000.

### *Initial Interest Period and Interest Rates*

The initial interest period for the notes will be the period from the date of issuance to July 25, 2005. During the initial interest period, each class of notes will bear interest at a rate equal to the rate determined by the following formula, plus the applicable interest rate margin set forth on the cover of this offering memorandum:

$$x + [18/32 \cdot (y-x)],$$

where:

x = one-month LIBOR, and

y = two-month LIBOR

### *Subsequent Interest Periods and Interest Rates*

After the initial interest period, interest will accrue for each period from a quarterly payment date to the next quarterly payment date.

Each class of notes will bear interest at a rate equal to the 3-month London interbank offered rate (LIBOR) plus the applicable interest rate margin set forth on the cover of this offering memorandum.

### *Calculation of Interest*

The interest rates on the notes will be determined for each quarterly interest period based upon 3-month LIBOR two business days before the commencement of the interest period. Interest on the notes will be calculated on the basis of the actual number of days elapsed in the interest period over a year consisting of 360 days.

Interest on the notes will be payable on each quarterly payment date, to the persons who are the registered owners thereof as of the preceding business day.

### *Interest Rate Information*

After issuance of the notes, you may obtain the current interest rates from Access Group's web site at [www.accessgroup.org](http://www.accessgroup.org), or by telephone from the trustee at (212) 250-6645.

## DISTRIBUTIONS

### *Available Funds*

On each quarterly payment date, the following funds will be available for distribution as described below:

1. all amounts received in the collection account and not yet transferred or paid out as of the last day of the related collection period,
2. amounts received from a swap counterparty with respect to the related interest period,
3. only on a capitalized interest release date, any amount remaining in the capitalized interest account in excess of the capitalized interest account requirement for that date and only on the pre-funding termination date, any amount remaining in the pre-funding account,
4. amounts in the capitalized interest account, but only to the extent necessary (after application of funds in the collection account) to pay or provide for the payment of (a) administrative allowances and trustee

fees, (b) payments (other than certain swap termination payments) due to the swap counterparty under an interest rate exchange agreement, (c) interest on the senior notes and (unless a subordinate note interest trigger is in effect) the class B notes, and (d) principal of the notes at their final maturity, and

5. other amounts received in the collection account after the last day of the related collection period, but only to the extent necessary (after giving effect to clause 4 above) to pay or provide for the payment of (a) administrative allowances and trustee fees, (b) payments (other than certain swap termination payments) due to the swap counterparty under an interest rate exchange agreement, (c) interest on the senior notes and (unless a subordinate note interest trigger is in effect) the class B notes, and (d) principal of the notes at their final maturity.

Amounts received in the collection account will include principal, interest and late payment charges with respect to the portfolio loans (including net recoveries on charged-off loans), investment earnings on funds in the collection account, the pre-funding account and the capitalized interest account, any payments received pursuant to an interest rate exchange agreement, and any amounts received from the originating lender or the servicer upon their purchase of portfolio loans.

#### *Priority of Payments*

On each quarterly payment date, available funds will be applied in the following order of priority:

- first, to Access Group, an amount equal to the administrative allowance for the preceding quarter, and to the trustee, the fees due to the trustee for the preceding quarter,
- second, to the payment of amounts due to the swap counterparty (other than swap termination payments) under an interest rate exchange agreement,
- third, to the payment of interest on the senior notes and certain swap termination payments due to the swap counterparty under an interest rate exchange agreement,

- fourth, to the payment of any class of senior notes maturing on that quarterly payment date,
- fifth (unless a subordinate note interest trigger is in effect), to the payment of interest on the class B notes,
- sixth, if a subordinate note interest trigger is in effect, any remainder to the payment of principal with respect to the senior notes as described below under “—Allocation of Principal Payments,”
- seventh, to the payment of class B notes maturing on that quarterly payment date,
- eighth, to the capitalized interest account, the amount, if any, necessary to increase the balance thereof to at least \$1,000,000 or such other minimum amount as may be established upon confirmation from the rating agencies that the ratings of the notes will not be reduced or withdrawn as a result,
- ninth, to the payment of the principal of the notes as described below under “—Allocation of Principal Payments,” an amount up to the principal distribution amount,
- tenth, to the payment of any other swap termination payments due to the swap counterparty under an interest rate exchange agreement,
- eleventh, to Access Group, an amount equal to the aggregate amount (if any) by which administrative allowances for prior quarterly payment dates have been reduced to allow for other applications of available funds, as provided in the indenture, and
- twelfth, only on or after the first capitalized interest release date but before the first optional call date, any remainder to Access Group.

The application of revenues is described in further detail under “Description of the Indenture—Distributions of Available Funds.”

#### *Principal Distributions*

Principal distributions will be made on any quarterly payment date in an amount equal to the lesser of the principal distribution amount or available funds

remaining after the required prior applications as described above under “—Priority of Payments.”

The principal distribution amount on any quarterly payment date is (a) before the first capitalized interest release date, any available funds remaining after all prior distributions with respect to the notes, (b) on or after the first capitalized interest release date, but before the first optional call date, the amount which, if applied to the payment of principal of the notes and after giving effect to all applications of available funds on the quarterly payment date as described above under “—Priority of Payments,” would cause the total asset percentage to be 103%, and (c) on or after the first optional call date, any available funds remaining after all prior distributions with respect to the notes. The total asset percentage is the percentage obtained by dividing the value of the trust estate by the aggregate principal amount of notes outstanding. The value of the trust estate on any quarterly payment date is equal to the sum of the aggregate principal balance of the portfolio loans, plus accrued interest on the portfolio loans that will be capitalized upon commencement of repayment, plus the balances in the capitalized interest account and the pre-funding account (excluding any portion of those balances distributed on the quarterly payment date as available funds), all as of the end of the related collection period.

#### *Subordinate Note Interest Trigger*

A subordinate note interest trigger is in effect for any quarterly payment date if, after giving effect to the application of available funds on that date, the senior asset percentage would be less than 100%. The senior asset percentage is the percentage obtained by dividing the value of the trust estate by the aggregate principal amount of senior notes outstanding. While this condition exists, no interest will be paid on the class B notes.

#### *Stepdown Date*

The stepdown date will be the later of (a) the date on which no class A-1 notes remain outstanding or (b) the earlier of (i) the first quarterly payment date on which no senior notes remain outstanding, or (ii) the quarterly payment date in October 2011.

#### *Subordinate Note Principal Trigger*

After the stepdown date, a subordinate note principal trigger is in effect on any quarterly payment date if, after giving effect to the application of available funds on that date, the total asset percentage would

be less than 101%. When a subordinate note principal trigger is in effect, no principal payments will be made with respect to the class B notes unless no senior notes remain outstanding. Instead, all principal payments will be allocated to the senior notes.

#### *Allocation of Principal Payments*

Prior to the stepdown date, or after the stepdown date if a subordinate note principal trigger is in effect, any amount to be distributed as principal payments on the notes will be payable solely to the senior notes in sequential order beginning with the class A-1 notes, until the class A-1 notes are paid in full, then the class A-2 notes until the class A-2 notes are paid in full, and then the class A-3 notes.

After the stepdown date and so long as no subordinate note principal trigger is in effect, the senior percentage of any principal distribution amount will be payable to the senior notes (in the same sequential order described in the preceding sentence) and the subordinate percentage of the principal distribution amount will be payable to the class B notes. The senior percentage at any time equals the percentage equivalent of a fraction, the numerator of which is the aggregate principal balance of the senior notes then outstanding and the denominator of which is the aggregate principal balance of all notes then outstanding. The subordinate percentage is equal to 100% minus the senior percentage.

#### **OPTIONAL REDEMPTION**

All outstanding notes are subject to redemption in whole, but not in part, at the option of Access Group, on any quarterly payment date after the aggregate principal balance of the portfolio loans is less than 10% of the aggregate principal balance of the initial portfolio loans as of the date of issuance.

The redemption price will be 100% of the principal amount of the notes plus accrued interest to the redemption date.

If Access Group does not exercise its option to redeem the notes in whole on the first optional call date, amounts (other than administrative allowances) that would otherwise be distributed to Access Group on any quarterly payment date thereafter will instead be distributed as principal payments with respect to the notes.

## CREDIT ENHANCEMENT

### *Senior Notes*

- excess interest and loan fees on the student loans
- subordination of the class B notes

### *Class B Notes*

- excess interest and loan fees on the student loans

## REGISTRATION, CLEARING AND SETTLEMENT

You will hold your interest in the notes through The Depository Trust Company, Clearstream Banking, société anonyme or the Euroclear System. You will not be entitled to receive definitive certificates representing your interests in the notes, except in certain limited circumstances. See “Description of the Notes—Book-Entry Registration.”

## RATINGS

It is a condition to the underwriters’ obligation to purchase the notes that the class A-1 notes, class A-2 notes and class A-3 notes are rated in the highest rating category and the class B notes are rated in one of the three highest rating categories of each of two rating agencies. See “Risk Factors—Credit ratings only address a limited scope of your concerns.”

## FEDERAL INCOME TAX CONSEQUENCES

In the opinion of Foley & Lardner LLP, the notes will be characterized as debt obligations for federal income tax purposes. Interest paid or accrued on the notes will be taxable to you.

By accepting your note, you agree to treat your note as a debt instrument for income tax purposes.

See “United States Federal Income Tax Consequences.”

## ERISA CONSIDERATIONS

The notes will be eligible for purchase by employee benefit plans and individual retirement accounts, subject to the conditions described in “ERISA Considerations.”

## IDENTIFICATION NUMBERS

The notes will have the following CUSIP numbers, ISIN and European Common Codes:

### *CUSIP Numbers*

- Class A-1 Notes: 00432C CA7
- Class A-2 Notes: 00432C CB5
- Class A-3 Notes: 00432C CJ8
- Class B Notes: 00432C CC3

### *International Securities Identification Numbers (ISIN)*

- Class A-1 Notes: US00432C CA71
- Class A-2 Notes: US00432C CB54
- Class A-3 Notes: US00432C CJ80
- Class B Notes: US00432C CC38

### *European Common Codes*

- Class A-1 Notes: 022041762
- Class A-2 Notes: 022041835
- Class A-3 Notes: 022171941
- Class B Notes: 022041894



## RISK FACTORS

You should consider the following risk factors in deciding whether to purchase the notes.

**Limited assets will be available to pay principal and interest, which could result in delays in payment or losses on the notes.**

The notes are obligations solely of Access Group, and will not be insured or guaranteed by the originating lender, the servicer, the trustee or any of their affiliates. Moreover, Access Group will have no obligation to make any of its assets available to pay principal or interest on the notes, other than the private student loans acquired or refinanced with proceeds of the notes (portfolio loans) and the other assets making up the trust estate. Noteholders must rely for repayment upon revenues realized from the portfolio loans and other assets in the trust estate which are available for payment of the notes. See “Source of Payment and Security for the Notes.” Noteholders will have no claim to any amounts properly distributed to Access Group from time to time.

**Defaults on portfolio loans could result in delays in payment or losses on the notes.**

The portfolio loans are not secured by any collateral of the borrowers. The repayment of the portfolio loans is dependent upon the ability and willingness of the borrowers (and, where applicable, co-signers) to repay. No other party has agreed to guaranty or insure the portfolio loans. If the borrower defaults on a portfolio loan, only net amounts, if any, recovered through collection efforts will be available with respect to that loan.

The portfolio loans are private student loans, and thus are not made under the Federal Family Education Loan Program (FFELP), and are not guaranteed or insured by any FFELP guarantee agency, or by any government agency. As a result, the portfolio loans have a higher risk of loss than FFELP loans.

Although Access Group has established the loan fees and interest rates at levels that it believes will be sufficient to cover expected net losses with respect to the portfolio loans, there can be no assurance that losses will not exceed those expectations. If, at any time (i) defaults with respect to the portfolio loans exceed those expected by Access Group or (ii) recoveries with respect to defaulted portfolio loans fall short of those expected by Access Group, the ability of Access Group to pay principal of and interest on the notes could be adversely affected.

The portfolio loans will include certain loans that were up to 60 days delinquent in one or more required payments as of March 31, 2005. None of those loans will be excluded from the portfolio loans as a result of continued delinquencies after that date.

**Performance may be affected by the third party servicer’s or Access Group’s limited experience servicing private student loans.**

Although Kentucky Higher Education Student Loan Corporation (“KHESLC”), the initial servicer of a large majority of the portfolio loans, has extensive experience servicing FFELP loans, it has only limited experience servicing private student loans. Moreover, under the terms of its servicing agreement, KHESLC is not responsible for collection activities with respect to private loans that have become 90 days delinquent. Access Group is responsible for engaging one or more collection agents for the delinquent and defaulted student loans. Although Access Group has relationships with certain collection agents, it does not have (nor is it required to have) any long-term commitment from any collection agent to collect the delinquent student loans.

Access Group services a portion of its portfolio of private loans, including the portfolio loans. Access Group has serviced student loans only since July 1, 2004. Access Group is not currently servicing a material amount of loans that have entered repayment. Access Group's lack of servicing experience could result in a failure to meet agreed upon servicing standards and reduced loan collections.

Because the servicing of private student loans of the type financed with note proceeds requires special skill and diligence, any failure of either KHESLC or Access Group to diligently service the portfolio loans, or any failure of Access Group to have the delinquent and defaulted portfolio loans collected by a qualified collection agent, could adversely affect Access Group's ability to pay principal of and interest on the notes.

**Transfer of servicing could result in losses with respect to the loans.**

The initial servicing agreement with KHESLC has a term that expires December 31, 2006. If the term of the agreement is not extended, Access Group would be required to service the KHESLC-serviced portfolio loans itself or transfer those loans to a new servicer. In addition, upon a servicer default that applies to a particular servicer, the holders of the senior notes have the right to require Access Group to transfer the servicing of the portfolio loans away from that servicer. In the case of a servicer default applicable to KHESLC, there is no assurance that Access Group could adequately service the entire balance of the portfolio loans or that a new servicer could be found to service the loans according to the same standards or for the same fees as under the KHESLC servicing agreement. Any transfer of loan servicing to a different servicer could result in reduced loan collections, and could adversely affect payment of principal of and interest on the notes.

**If a portfolio loan defaults, the trust estate may incur losses on that loan unless the lender or the servicer purchases it because of a breach of a representation or warranty.**

All of the portfolio loans have been or will be purchased from National City Bank. National City Bank has made representations and warranties in the student loan purchase agreements in connection with its sales of student loans to Access Group. If those representations and warranties are breached as to a given portfolio loan, National City Bank will be obligated to repurchase the portfolio loan. However, Access Group does not examine the documents relating to student loans to the extent necessary to determine whether all of such representations and warranties are satisfied for each portfolio loan. Moreover, those representations and warranties will not cover any problem arising after the sale of the portfolio loan to Access Group (such as a failure to service the portfolio loan properly) that was not caused by a breach of the representations and warranties.

As of the date of issuance, KHESLC will service a large majority of the portfolio loans. KHESLC will be obligated to purchase portfolio loans which KHESLC fails to properly service and which become charged-off loans or with respect to which such failure impairs Access Group's right or ability to collect any payments.

National City Bank or KHESLC may not have the financial resources to purchase any portfolio loan which it is contractually obligated to purchase. No such failure would be an event of default, or would permit the exercise of remedies, under the indenture.

**Borrowers of student loans are subject to a variety of factors that may adversely affect their repayment ability.**

Collections on the portfolio loans during a collection period may vary greatly in both timing and amount from the payments actually due on the portfolio loans for that collection period for a variety of economic, social and other factors.

Failures by borrowers to timely pay the principal and interest on their portfolio loans or an increase in deferments or forbearances could affect the timing and amount of available funds for any collection period and the payment of principal and interest on the notes. The portfolio loans have been made primarily to graduate and professional students, who generally have higher debt burdens than student loan borrowers as a whole. In addition, borrowers of supplemental private loans such as the portfolio loans typically have already borrowed up to the maximum annual or aggregate limits under FFELP loans. The effect of these factors, including the effect on the timing and amount of available funds for any collection period and the payment of principal and interest on the notes, is impossible to predict.

**The interest rates on the portfolio loans and invested funds may be insufficient to cover interest on the notes.**

The interest rates on the notes will be based generally on the three-month London interbank offered rate (LIBOR). The interest rates on approximately 47% of the initial portfolio loans will be based on 91-day U.S. treasury bill rates, resulting in the risks described below under “—Your notes will have basis risk and the interest rate exchange agreement does not eliminate all of this risk.” Although the rates on the remaining portfolio loans are based on three-month LIBOR, those rates are determined at different times than the interest rates on the notes.

In addition, under borrower payment incentives offered by Access Group, interest rates on the portfolio loans to be acquired on the date of issuance may be reduced based upon the payment method or the payment performance of the borrowers. Access Group cannot predict which borrowers will qualify for these incentives. The effect of these incentive programs may be to reduce the yield on the portfolio loans.

Unspent proceeds of the notes and other moneys in the accounts established under the indenture will be invested at fluctuating interest rates. There can be no assurance as to the interest rates at which these proceeds and moneys can be invested.

If the yields on the portfolio loans, together with payments received under an interest rate exchange agreement and investments of the accounts held under the indenture do not generally exceed the interest rates on the notes, together with payments due under an interest rate exchange agreement and expenses relating to the servicing of the portfolio loans and administration of the indenture, Access Group may have insufficient funds to make required payments on the notes.

**The outstanding principal amount of the notes may exceed the principal amount of the assets, which could result in losses on the notes if there was a liquidation.**

The initial portfolio loans to be acquired on the date of issuance will be purchased at a price that exceeds their principal amount plus accrued interest. In addition, a portion of the proceeds of the notes will be applied to pay issuance expenses of the notes, and another portion will be released to Access Group. Thus, upon the issuance of the notes, the principal amount of the notes will exceed the principal amount of student loans and other assets held by the trustee in the accounts under the indenture. At any given time, the principal amount of outstanding notes may exceed the principal amount of portfolio loans and other assets held by the trustee in the accounts under the indenture. If an event of default occurs and the assets in the trust estate are liquidated, the portfolio loans would have to be sold at a premium for the holders of the class B notes, and possibly the holders of the senior notes, to avoid a loss. Access Group cannot predict whether or when the aggregate principal amount of the portfolio loans and other assets in the trust estate may exceed the aggregate principal amount of the notes.

**If the trustee is forced to sell loans after an event of default, there could be losses on the notes.**

Generally, during an event of default, and subject to the rights of noteholders to direct remedies, the trustee is authorized to sell the portfolio loans. However, the trustee may not find a purchaser for the portfolio loans. Also, the market value of the portfolio loans plus other assets in the trust estate might not equal the principal amount of notes plus accrued interest.

The market for private student loans is not as developed as the market for FFELP loans. There may be fewer potential buyers for those loans, and therefore lower prices available in the secondary market.

The noteholders (particularly the holders of the class B notes) may suffer a loss if the trustee is unable to find a purchaser or purchasers willing to pay sufficient prices for the portfolio loans.

**Application of consumer protection laws to the loans may increase costs and uncertainties about the portfolio loans.**

Consumer protection laws impose requirements upon lenders and servicers. Some state and federal laws impose finance charge restrictions on certain transactions and require certain disclosures of legal rights and obligations. Furthermore, to the extent applicable, these laws can impose specific statutory liabilities upon creditors who fail to comply with their provisions and may affect the enforceability of the loan. As they relate to FFELP loans, these laws are generally preempted by the Higher Education Act. However, private loans are subject to applicable laws regulating loans to consumers. If the application of consumer protection laws were to cause portfolio loans, or any of the terms of the portfolio loans, to be unenforceable against the borrowers or co-signers, Access Group's ability to repay the notes could be adversely affected.

**Internet-based loan origination processes may give rise to greater risks than paper-based processes.**

Access Group currently uses the internet to obtain application information and distribute certain legally required notices to applicants and borrowers, and intends in the future to use the internet in some cases to obtain electronically signed loan documents in lieu of paper documents with actual borrower signatures. These processes may entail greater risks than would paper-based student loan origination processes, including risks regarding the sufficiency of notice for compliance with consumer protection laws and risks that borrowers may challenge the authenticity of loan documents.

**The composition and characteristics of the loan portfolio will continually change.**

The loans that Access Group intends to acquire or refinance with the proceeds of the notes on the date of issuance are described in this offering memorandum. The characteristics of the portfolio loans included in the trust estate will change from time to time as a result of the expected acquisition after the date of issuance of additional private loans and additional disbursements of portfolio loans, as well as scheduled amortization, prepayments, delinquencies and defaults on the loans.

**Your notes may not be repaid on their final maturity dates.**

Access Group expects that final payment of each class of notes will occur on or prior to the respective final maturity dates. Failure to make final payment of any class of notes on or prior to the respective final maturity dates would constitute an event of default under the indenture. However, no assurance can be given that sufficient funds will be available to pay each class of notes in full on or prior to its final maturity date. If sufficient funds are not available, final payment of any class of notes could occur later than the stated maturity date for that class or you could suffer a loss on your investment.

**Bankruptcy of Access Group could result in accelerated prepayment on the notes.**

If Access Group were to become the subject of a bankruptcy proceeding, the United States Bankruptcy Code could materially limit or prevent the enforcement of Access Group's obligations, including its obligations under the notes. Access Group's trustee in bankruptcy or Access Group itself as debtor-in-possession may seek to accelerate payment on the notes and liquidate the assets held under the indenture. If principal on the notes is declared due and payable, you may lose the right to future payments and face reinvestment risks mentioned below. If the assets held under the indenture are liquidated, you may face the risks relating to the sale of the portfolio loans mentioned above.

**Your notes will have basis risk and the interest rate exchange agreement does not eliminate all of this risk.**

Access Group will enter into a basis swap under an interest rate exchange agreement with a swap counterparty. This swap is intended to mitigate the basis risk associated with the notes (the risk that shortfalls might occur because the interest rates on a portion of the portfolio loans adjust on the basis of one index and the interest rates on the notes adjust on the basis of a different index). The initial notional amount of the swap will be approximately equal to the initial aggregate principal balance of the treasury bill rate-based portfolio loans. The notional amount will amortize on a schedule that is based on projected amortization of the treasury bill rate-based portfolio loans. If the actual amortization of those loans is slower or faster than expected, the result could be that the swap does not mitigate as much of the basis risk as expected or that it introduces additional basis risk.

The initial interest rate exchange agreement is scheduled to terminate, by its terms, on the quarterly payment date in October 2019. In addition, the initial interest rate exchange agreement may be terminated before that date upon the occurrence of certain events. Upon the early termination of the initial interest rate exchange agreement, you cannot be certain that Access Group will be able to enter into a substitute interest rate exchange agreement. There can be no assurance that the amount of credit enhancement will be sufficient to cover the remaining basis risk associated with the notes after a termination of the interest rate exchange agreement.

**If the swap counterparty fails to make its payments under the interest rate exchange agreement, it could result in changes in timing of payments or losses on the notes.**

In addition to the basis swap described above, an interest rate cap is being obtained under the initial interest rate exchange agreement, to enhance the likelihood that Access Group would have sufficient revenues to pay interest on the notes during periods of high prevailing interest rates that may occur during the term of the interest rate cap. If a swap counterparty fails to make required payments under any interest rate exchange agreement, Access Group may have insufficient funds to make required payments of principal of or interest on the notes.

**In the event of an early termination of an interest rate exchange agreement due to certain swap termination events, Access Group may be required to make a large termination payment to the swap counterparty.**

If a termination event occurs under an interest rate exchange agreement and Access Group owes the swap counterparty a large termination payment that is required to be paid pro rata with interest due to the senior notes, Access Group may not have sufficient available funds on that or future quarterly payment dates to make required payments of interest or principal on the notes.

**Other parties may have or may obtain a superior interest in the portfolio loans.**

If, through inadvertence or fraud, portfolio loans were to be sold to a purchaser who purchases in good faith without knowledge that the purchase violates the rights of the trustee in the portfolio loans, the purchaser could defeat the trustee's security interest in those portfolio loans.

The third party servicer maintains custody of the loan documents for a majority of the initial portfolio loans that it services. A separate document storage and retention service provider, under contract with Access Group, maintains possession of the documentation for loans made on or after July 1, 2004. However, the loan documents will not be physically segregated or marked to evidence Access Group's or the trustee's interest in those loans. A third party that obtained control of loan documents might be able to assert rights that defeat the trustee's security interest.

**Investors in the class B notes are subject to variability of cash flows and face greater risk of loss.**

Although interest on the class B notes generally will be paid prior to principal of the senior notes, if a subordinate note interest trigger is in effect, interest on the class B notes will be suspended in favor of the payment of principal of the senior notes. In addition, the class B notes will not receive any payments of principal until the stepdown date or (even after the stepdown date) if a subordinate note principal trigger is in effect. Thus, investors in the class B notes will bear losses on the portfolio loans prior to such losses being borne by holders of senior notes.

**Payment priorities change upon certain events of default.**

Upon the occurrence of certain events of default and the acceleration of the notes, payment of the principal of and interest on the class B notes will be fully subordinated to the payment in full of all amounts due and payable on the senior notes. See "Description of the Indenture—Application of Collections."

**The failure to pay the class B notes is not an event of default.**

The indenture provides that failure to pay interest when due on the class B notes will not be an event of default under the indenture as long as any senior notes remain outstanding. See "Description of the Indenture—Events of Default."

**Holders of senior notes have certain controlling rights.**

Holders of class B notes may be limited in the legal remedies that are available to them until the holders of the senior notes are paid in full. Until no senior notes remain outstanding, the senior notes will control many of the rights of the class B notes. Without the consent of the holders of the class B notes, the holders of a majority of the senior notes may, among other things, (i) waive events of default, (ii) cause the removal of a servicer upon a servicer default, and (iii) upon the occurrence and during the continuation of an event of default under the indenture, instruct the trustee to declare the principal of the notes (including the class B notes) to be immediately due and payable and subsequently to rescind such acceleration and instruct the trustee concerning any proceedings or remedies. See "Description of the Indenture—Remedies."

**Sequential payment of principal exposes the classes of notes with later principal payments to increased risks of losses.**

Payments of principal with respect to the senior notes will be applied first to the class A-1 notes, then to the class A-2 notes, and then to the class A-3 notes, in each case until that class is paid in full. The sequential payment of principal increases the risks and severity of potential loss to holders of classes of notes that receive later principal payments.

**Amendments to the indenture can be approved without the consent of all holders.**

Under the indenture, certain amendments may be made with the approval of the holders of specified percentages of the aggregate principal amount of the notes, without the consent of the other holders. You have no recourse if the holders vote and you disagree with the vote on these matters. The holders may vote in a manner which impairs the payment of principal of and interest on the notes.

**Certain actions can be taken without noteholder approval based on rating agency confirmations.**

The indenture provides that Access Group and the trustee may undertake various actions based upon receipt by the trustee of confirmation from each of the rating agencies that the outstanding ratings assigned by such rating agencies to the notes will not be impaired by those actions. To the extent those actions are taken after issuance of the notes, investors in the notes will be depending on the evaluation by the rating agencies of those actions and their impact on credit quality.

**A secondary market for the notes may not develop, which means you may have trouble selling them when you want.**

The notes will not be listed on any securities exchange. As a result, if you want to sell your notes you must locate a purchaser that is willing to purchase those notes. The underwriters have informed Access Group that they intend to make a secondary market for the notes by offering to buy the notes from investors that wish to sell. However, the underwriters will not be obligated to make offers to buy the notes and may stop making offers at any time. In addition, the prices offered, if any, may not reflect prices that other potential purchasers would be willing to pay, were they to be given the opportunity. There have been times in the past where there have been very few buyers of asset-backed securities, and there may be such times in the future. As a result, you may not be able to sell your notes when you want to do so or you may not be able to obtain the price that you wish to receive.

The ratings of the notes by the rating agencies will not address the market liquidity of the notes.

**The notes are not suitable investments for all investors.**

The notes are not a suitable investment if you require a regular or predictable schedule of payments or payment on any specific date. The notes (and in particular, the class B notes) are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyze the prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors.

**Credit ratings only address a limited scope of your concerns.**

A rating is not a recommendation to buy, sell or hold notes or a comment concerning suitability for any investor. Any rating agency may change its ratings of the notes after the notes are issued if that rating agency believes that circumstances have changed. Any subsequent change in rating could affect the price that a subsequent purchaser will be willing to pay for the notes.

A rating only addresses the likelihood of the timely payment of interest and the payment of principal at final maturity, and does not address the likelihood of prior principal distributions with respect to the notes.

See "Ratings."

**Uncertainty regarding timing of principal payments on the notes may create reinvestment risks.**

The amount of distributions of principal of the notes and the times when you receive those distributions depends, in part, on the amounts in which and the times at which principal payments on the portfolio loans are received. Those principal payments may be regularly scheduled payments or unscheduled payments resulting from prepayments of the portfolio loans. Portfolio loans may be prepaid by borrowers at any time without penalty. The rate of prepayments may be influenced by economic and other factors, such as interest rates, the availability of other financing and the general job market (and, in particular, the job market for lawyers). In addition, under certain circumstances, the originating lender may be obligated to repurchase portfolio loans pursuant to the student loan purchase agreement as a result of breaches of its representations and warranties, or the servicer may be required to purchase loans as a result of errors in servicing the portfolio loans. To the extent that (1) borrowers elect to prepay their portfolio loans, or (2) the portfolio loans are sold to the originating lender or the servicer, the receipt of revenues may result in distributions of principal of the notes.

There are no guaranties or reserves available to pay defaulted portfolio loans, and thus a portfolio loan being charged off does not result in any revenues being deposited to the collection account.

The proceeds of the notes will include an amount to be deposited in the capitalized interest account, which is available to pay administrative allowances, payments (other than certain swap termination payments) under an interest rate exchange agreement and interest on the notes. If that amount is not needed for those purposes, Access Group will distribute the excess as part of available funds. Access Group has determined the amount to be deposited into the capitalized interest account based upon what it believes are conservative assumptions as to the amounts that will be needed to make required interest payments on the notes. If the amounts actually needed to make those required payments are less than those assumed, amounts in the capitalized interest account will be released, which could result in distributions of principal of the notes or distributions to Access Group. In particular, it is possible that a significant amount will be released from the capitalized interest account in January 2006 (the first release date), resulting in a distribution of principal of the notes.

The proceeds of the notes will also include an amount to be deposited in the pre-funding account, which is available to finance additional portfolio loans and additional disbursements of portfolio loans. If that entire amount cannot be applied to for that purpose, any remaining amount will be distributed as available funds in January 2006, which may result in a distribution of principal of the notes.

If you receive principal payments on your note prior to its final maturity, you may not be able to reinvest your funds at the same yield as the yield on your note. In addition, your yield may be reduced if you purchased your note at a premium and the principal is paid sooner than you expected, or if you purchased your note at a discount and the principal is paid later than you expected. Access Group cannot predict the rate of principal distributions with respect to any class of notes, and reinvestment risks or reductions in yield resulting from such distributions will be borne entirely by you and the other holders.



## INTRODUCTION

This Offering Memorandum sets forth information concerning the issuance by Access Group, Inc., a Delaware nonstock corporation, of \$380,500,000 aggregate principal amount of its Private Student Loan Asset-Backed Floating Rate Notes, Series 2005-A Class A-1, Class A-2, Class A-3 and Class B. Information on the cover page hereof and under the captions “Summary of Terms” and “Risk Factors” is part of this Offering Memorandum. Capitalized terms used in this Offering Memorandum, and not otherwise defined herein, shall have the meanings assigned thereto under “Glossary of Certain Defined Terms.”

*The Notes are limited obligations of Access Group specifically secured by and payable solely from the Trust Estate created under the Indenture and described herein. The Notes do not represent general obligations of Access Group. See “Source of Payment and Security for the Notes.”*

This Offering Memorandum contains brief descriptions of the Notes, the Indenture, the student loans to be financed or refinanced through the issuance of the Notes and other documents and laws. The descriptions and summaries herein do not purport to be comprehensive or definitive and reference is made to such documents and laws for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document or law. Copies of the Indenture may be obtained upon request directed to the Trustee at Deutsche Bank Trust Company Americas, 60 Wall Street, MS NYC60-2606, New York, New York 10005, Attention: Structured Finance Services.

## USE OF PROCEEDS

The proceeds from the sale of the Notes will be used as follows:

- approximately \$339,014,000 will be used to refinance a portfolio of Private Loans and to acquire an additional portfolio of Private Loans on the Date of Issuance (and any portion of that amount not so used will be deposited in the Pre-Funding Account).
- approximately \$11,186,000 will be deposited in the Pre-Funding Account and used to acquire additional Private Loans and additional disbursements of the Portfolio Loans, or applied as described under “Description of the Indenture—Accounts—Pre-Funding Account.”
- approximately \$28,500,000 will be deposited in the Capitalized Interest Account and made available for the payment of Administrative Allowances, Trustee Fees, payments due under the Initial Interest Rate Exchange Agreement and interest on the Notes as described under “Description of the Indenture—Accounts—Capitalized Interest Account.”
- approximately \$1,800,000 will be released to Access Group.

After the issuance and sale of the Notes and the application of their proceeds on the Date of Issuance, the Total Asset Percentage will be approximately 99.5% and the Senior Asset Percentage will be approximately 110.5%. Costs of issuance of the Notes (including underwriting fees) will be paid from the proceeds released to Access Group or from other funds available for that purpose.

## SOURCE OF PAYMENT AND SECURITY FOR THE NOTES

### General

The Notes will be limited obligations of Access Group payable solely from the Trust Estate created under the Indenture, consisting of the Portfolio Loans and certain revenues and Accounts pledged under the Indenture. The pledged revenues include: (1) payments of interest and principal made by obligors of Portfolio Loans, (2) income from investment of moneys in the pledged Accounts, (3) payments from the Swap Counterparty under an Interest

Rate Exchange Agreement, (4) proceeds of any sale or assignment of any Portfolio Loans as described under “Description of the Indenture—Portfolio Loans,” and (5) available Note proceeds.

The principal of and interest on the Notes will be secured by a pledge of and a security interest in all rights, title, interest and privileges of Access Group (1) in, to and under all Portfolio Loans (including the evidences of indebtedness thereof and related documentation), (2) with respect to Portfolio Loans, in, to and under any Third Party Servicing Agreement and the Commitment Agreements, (3) in, to and under any Interest Rate Exchange Agreement, and (4) in and to the proceeds from the sale of the Notes (until expended for the purpose for which issued) and the pledged revenues, moneys, evidences of indebtedness, instruments, securities and other financial assets in the Accounts. The security interest in revenues, moneys, evidences of indebtedness and, unless registered in the name of the Trustee, securities and other financial assets payable into the various Accounts does not constitute a perfected security interest until such revenues, moneys, evidences of indebtedness and securities are received by the Trustee. Pledged revenues are subject to withdrawal from the pledged Accounts, to prior applications to pay Administrative Allowances and Trustee Fees, and to certain other applications as described under “Description of the Indenture—Accounts” and “—Distributions of Available Funds.” Any amounts properly distributed to Access Group or otherwise applied as described herein will no longer be available to pay the principal of or interest on the Notes.

### **Priorities; Subordination of the Class B Notes**

The rights of the Holders of Class B Notes will be subordinated to the rights of the Holders of the Senior Notes to the extent described herein. This subordination is intended to enhance the likelihood of receipt of interest and principal by the Holders of the Senior Notes when due.

Payments of interest on the Class B Notes will be made on a Quarterly Payment Date only to the extent that there are sufficient Available Funds for such payments after making all payments of interest due on the Senior Notes required on the Quarterly Payment Date, and only if a Subordinate Note Interest Trigger is not in effect. Principal payments to be made from Available Funds will be applied to the Class B Notes only after the Stepdown Date and only if a Subordinate Note Principal Trigger is not in effect. See “Description of the Indenture—Distributions of Available Funds.” So long as any Senior Notes remain Outstanding, the failure to make interest payments with respect to Class B Notes will not constitute an Event of Default under the Indenture. In the event of an acceleration of the Notes as a result of payment defaults or certain other defaults, the principal of and accrued interest on the Class B Notes will be paid only to the extent there are moneys available under the Indenture after payment of the principal of and accrued interest on all Senior Notes. In addition, the Holders of the Senior Notes are entitled to direct certain actions to be taken by the Trustee prior to and upon the occurrence of an Event of Default, including the election of remedies. See “Description of the Indenture—Remedies” and “—Application of Collections.”

## **ACCESS GROUP, INC.**

### **Organization**

Access Group, Inc. is a Delaware nonstock corporation organized to promote access to legal and other post-graduate education through affordable financing and related services. Access Group is a membership organization, whose members include state operated and nonprofit American Bar Association-approved law schools located in the United States. Access Group has received an Internal Revenue Service determination that it is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and that it is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code because it is an organization described in Section 509(a)(3) of the Internal Revenue Code.

## Directors and Officers

Access Group's bylaws provide that the Board of Directors shall be composed of not more than thirteen directors, as determined by the Board. The Board has currently provided for thirteen directors. Seven of the directors are elected by the membership of Access Group, and the remaining six directors are elected by the Board of Directors.

The names and principal occupations of the directors of Access Group on the date hereof are as follows, there being one vacancy on the Board:

<u>Name and Position Held</u>	<u>Term Expires</u>	<u>Principal Occupation</u>
Joseph D. Harbaugh Director and Chair	December 31, 2006	Dean, Shepard Broad Law Center, Nova Southeastern University
Janice C. Eberly Director	December 31, 2005	Professor of Finance, Kellogg Graduate School of Management, Northwestern University
Marc S. Franklin Director	December 31, 2005	Senior Vice President, Strategic Planning and Development, Pacific Life Insurance Company
Katherine B. Gottschalk Director	December 31, 2007	Assistant Dean for Financial Aid, University of Michigan Law School
E. Lynn Hampton Director	December 31, 2006	Vice President and Chief Financial Officer, Metropolitan Washington Airports Authority
Rondy E. Jennings Director	December 31, 2007	Investment Banker, UBS Financial Services Inc.
Deborah J. Lucas Director	December 31, 2005	Professor of Finance, Kellogg Graduate School of Management, Northwestern University
Leo P. Martinez Director	December 31, 2006	Academic Dean, University of California, Hastings College of the Law
Richard A. Matasar Director	December 31, 2007	Dean and President, New York Law School
Pauline A. Schneider, Esq. Director	December 31, 2007	Attorney, Hunton & Williams LLP, Washington, D.C.
Mark S. Warner Director	December 31, 2006	Director of Financial Aid, University of Iowa
Susan Westerberg Prager Director	December 31, 2005	Professor of Law, University of California - Los Angeles School of Law

Daniel R. Lau, 66, has been the President and CEO of Access Group since its organization in 1993. He is responsible for the company's strategic direction and oversees all of its activities. Before becoming President and CEO of Access Group, Mr. Lau was Vice President of Financial Aid Services for Law School Admission Services, Inc. for more than four years. Mr. Lau served from 1977 to 1989 with the U.S. Department of Education, working on various assignments in several capacities, managing the federal student financial aid programs. He served the last five of these years as the Director of Student Financial Assistance Programs within the Department's Office of

Student Financial Assistance, the highest-ranking civil service position within that office. In that capacity, he was responsible for the overall policy development and operational management of the federal student assistance programs. He currently sits on the Board of Directors of ELM Resources, a student loan mutual benefit corporation. Mr. Lau holds a B.S. in History and an M.S. in Public Administration from Brigham Young University. He also attended the John F. Kennedy School of Government, at Harvard University, as a Senior Executive Fellow.

Curtis L. Johnson, 52, is an Executive Vice President and the Chief Operating Officer. He is responsible for overseeing Access Group's business operations, including marketing, sales, communications, loan processing and servicing, and customer service. He began his tenure with Law School Admission Services, Inc. in 1990 and has been with Access Group since its organization. Previously, he served as Director of Financial Aid for the University of Southern Louisiana (now known as the University of Louisiana at Lafayette) and as Director of Financial Aid for the University of Alabama. Mr. Johnson earned his B.A. and M.B.A. in Management from the University of Southwestern Louisiana.

Martin Maistre, 45, is an Executive Vice President and the Chief Information Officer. He is responsible for the overall strategic direction and daily operations of information technology, including application development, infrastructure, information security, architecture, and quality. Prior to joining Access Group, Mr. Maistre served as Executive Vice President and Chief Technology Officer for JP Morgan Chase Card Services. He also served as Executive Vice President and Division Information Officer for Bank One Card Services and Senior Vice President of Systems Application Development and Vice President of Cobrand/Affinity Business Relationship Management at Bank One/First USA. He holds a B.A. in Liberal Arts from Manhattan College in New York.

John F. Kolla, Sr., 47, is Vice President, Acting Chief Financial Officer and Controller. Effective October 4, 2004, Mr. Kolla was appointed Acting Chief Financial Officer, and assumed responsibility for overseeing Access Group's strategic planning, treasury, risk management, accounting and financial reporting functions. He is also responsible for budgeting, payroll and cash management functions, as well as overseeing the company's investment portfolio. Prior to joining Access Group in 2002, Mr. Kolla served as a Director of Finance at Liggett Group, Inc., a Vice President of Finance for Oxford Finance Corporation, and a Vice President in the Finance and Consumer Lending Divisions of PNC Bank Corporation. He holds a B.B.A. in Accounting from Temple University and an M.B.A. from LaSalle University. Mr. Kolla is a Certified Public Accountant, and is a member of both the American and Pennsylvania Institutes of CPA's.

Diana Moy Kelly, 51, is Vice President of Portfolio Management. She is responsible for overseeing investor reporting, portfolio analytics and financing activities. Prior to joining Access Group in May 2002, she was the Chief Financial Officer and Treasurer of Flagship Credit Corporation. She also served as Assistant Treasurer of PECO Energy Company and as Vice President and Treasurer of Tokai Financial Services. She holds a B.A. in Economics and Accounting from Catholic University of America and an M.B.A. in Finance and Accounting from the University of Pittsburgh.

## **Operations**

Access Group's primary activity is the administration of the Access Group Loan Program, a program that provides student loans under the Federal Family Education Loan Program ("FFELP Loans") as well as supplemental loans ("Private Loans"), primarily to graduate and professional students. See "—Access Group Loan Program" below. In addition, Access Group offers a variety of debt management materials and software, a financial aid need analysis service, and assistance and training for financial aid professionals.

As of March 31, 2005, Access Group had 244 employees. Its offices are located at 5500 Brandywine Parkway, Wilmington, Delaware 19803, and its phone number is (302) 477-4190. Access Group moved into new office facilities on May 23, 2005, in part to provide additional space needed due to anticipated increases in staffing for its loan servicing operations.

As of March 31, 2005, Access Group had total assets of \$6.37 billion and total liabilities of \$6.21 billion, on an unaudited basis. **Except for those limited assets to be pledged under the Indenture, none of Access Group's assets are available to pay principal of or interest on the Notes.**

### Access Group Loan Program

The Access Group Loan Program was originated in 1983 as the "Law School Assured Access Program." The loan program was developed by Law School Admission Council, Inc. ("LSAC"), a Delaware nonstock corporation, and initially operated by Law School Admission Services, Inc. ("LSAS"), another Delaware nonstock corporation of which LSAC was the sole member. The program initially provided only loans to law students under the federal Guaranteed Student Loan Program (now known as the "FFELP Program"). Beginning in 1986, the program was expanded to include supplemental loans to meet the borrowing needs of law students that were not being met by the federally guaranteed loans. In 1993, Access Group (then known as "Law Access, Inc.") was organized as an independent, membership corporation to operate the program, which was then known as the "Law Access Loan Program." Over the next several years the program was expanded to include loans for other graduate and professional students. In 1997, the organization changed its name to Access Group, Inc. to reflect the broader scope of its programs.

Access Group and its predecessor, LSAS, have provided for the Access Group Loan Program by entering into contracts with a series of lenders, loan guarantors and loan servicers. Under these contracts, the lenders agreed to make or finance the loans to eligible borrowers on the terms offered by the program from time to time. Initially, these contracts did not provide for Access Group to purchase the loans, but provided for the lenders to pay Access Group marketing fees in connection with its administration of the program. Beginning with academic year 1998-1999, Access Group's contracts for the program have provided for Access Group to originate or purchase the loans, as described below.

For academic years 1998-1999 and 1999-2000, Access Group contracted with National City Bank, a national banking association with its headquarters located in Cleveland, Ohio, for the bank to originate FFELP Loans and Private Loans under the Access Group Loan Program and sell the loans to Access Group or its affiliates. For academic years 2000-2001 and thereafter, Access Group has, either directly or through a limited liability company affiliate, borrowed funds to originate FFELP Loans under the Access Group Loan Program. No FFELP Loans will be financed under the Indenture. Access Group has continued to contract with National City Bank for the origination and acquisition of Private Loans.

The following table sets forth the approximate aggregate principal amounts of FFELP Loans and Private Loans made under the Access Group Loan Program for each of Access Group's fiscal years 2001 through 2005:

Fiscal Year Ending March 31	FFELP Loans (millions)	Private Loans (millions)	Total Loans (millions)
2001	\$451.2	\$271.5	\$ 722.7
2002	459.7	284.1	743.8
2003	668.2	398.5	1,066.7
2004	867.4	576.7	1,444.1
2005	995.1	735.3	1,730.4

The following table breaks out the approximate Private Loan volume by particular loan type for each of Access Group's fiscal years 2001 through 2005:

<u>Fiscal Year</u> <u>Ending March 31</u>	<u>Law</u> <u>Access Loans<sup>(1)</sup></u> <u>(millions)</u>	<u>Graduate</u> <u>Access Loans</u> <u>(millions)</u>	<u>Medical</u> <u>Access Loans<sup>(2)</sup></u> <u>(millions)</u>	<u>All Other</u> <u>Private Loans</u> <u>(millions)</u>	<u>Total</u> <u>Private Loans</u> <u>(millions)</u>
2001	\$235.4	\$ 9.0	\$ 7.9	\$19.2	\$271.5
2002	247.6	8.8	7.5	20.2	284.1
2003	317.3	21.8	28.9	30.5	398.5
2004	438.6	31.7	25.6	80.8	576.7
2005	554.1	43.2	29.2	109.3	735.8

(1) Includes Bar Examination Loans

(2) Includes Residency Loans

Access Group has entered into a series of Commitment and Loan Sale Agreements (the "Commitment Agreements"), with National City Bank, pursuant to which National City Bank has agreed to originate Private Loans under the Access Group Loan Program. Access Group has separately contracted for the origination of FFELP Loans under its program. As of March 31, 2005, the Access Group Loan Program had provided approximately \$699,000,000 in aggregate principal amount of Private Loans for academic year 2004-2005, to approximately 45,000 students.

#### **Previous and Contemporaneous Financings**

The following table sets forth Access Group's previous long-term financings for its Access Group Student Loan Program:

<u>Name of Issue</u>	<u>Date Issued</u>	<u>Type(s) of Loans Financed</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Outstanding Principal Amount (March 31, 2005)</u>
Student Loan Asset-Backed Auction Rate Notes, Senior Series 2000A-1 through A-4 and Subordinate Series 2000B-1	February 9, 2000	FFELP and Private <sup>(1)</sup>	\$334,500,000	February 1, 2035	\$124,700,000 <sup>(2)</sup>
Student Loan Asset-Backed Auction Rate Notes, Senior Series 2000A-5 through A-9 and Subordinate Series 2000B-2	July 7, 2000	FFELP and Private <sup>(1)</sup>	\$467,000,000	February 1, 2035	158,900,000 <sup>(2)</sup>
Student Loan Asset-Backed Auction Rate Notes, Senior Series 2000A-10	November 16, 2000	FFELP and Private <sup>(1)</sup>	\$109,500,000	February 1, 2035	84,450,000 <sup>(2)</sup>
Floating Rate Student Loan Asset-Backed Notes, Series 2001 Class I A-1A, Class I A-1, Class I A-2, Class II A-1A, Class II A-1 and Class B	August 2, 2001	FFELP and Private	\$840,000,000	May 25, 2034	424,970,964
Federal Student Loan Asset-Backed Notes, Series 2002-1, Classes A-1 through Class A-4 and Class B	August 6, 2002	FFELP	\$488,900,000	September 1, 2037	458,063,000
Private Student Loan Asset-Backed Notes, Series 2002-A Classes A-1 and A-2 and Class B	August 6, 2002	Private	\$318,850,000	September 25, 2037	310,532,552
Federal Student Loan Asset-Backed Notes, Series 2003-1, Classes A-1 through A-6 and Class B	May 6, 2003	FFELP	\$669,154,000	December 26, 2035	669,154,000
Private Student Loan Asset-Backed Notes, Series 2003-A Classes A-1 through A-3 and Class B	May 6, 2003	Private	\$453,310,000	July 1, 2038	450,120,471
Federal Student Loan Asset-Backed Notes, Series 2004-1, Classes A-1 through A-6 and Class B	May 6, 2004	FFELP	\$750,000,000	June 25, 2037	750,000,000
Private Student Loan Asset-Backed Notes, Series 2004-A Classes A-1 through A-4 and Classes B-1 and B-2	May 6, 2004	Private	\$771,431,000	July 1, 2039	771,148,074
Federal Student Loan Asset-Backed Floating Rate Notes, Series 2004-2, Classes A-1 through A-5 and Class B	October 28, 2004	FFELP	\$767,472,000	January 26, 2043	767,472,000

<sup>(1)</sup> The FFELP Loans financed through the issuance of the Series 2000 Notes were refinanced through the issuance of the Series 2004-2 Notes.

<sup>(2)</sup> The remaining Series 2000 Notes will be redeemed after the issuance of the Notes.

Access Group has established a revolving line of credit through a multi-issuer commercial paper conduit facility, to provide for the origination of FFELP Loans under the Access Group Loan Program. Access Group uses the facility as a temporary financing vehicle for newly originated FFELP Loans, pending long-term financing. The total principal amount that may be outstanding under the line of credit at any time is limited to \$2,000,000,000. As of March 31, 2005, the principal amount outstanding was \$1,193,100,000. Contemporaneously with the issuance of the Notes, Access Group expects to issue \$671,000,000 of its Federal Student Loan Asset-Backed Floating Rate Notes, Series 2005-1 to refinance a portion of its FFELP Loans currently financed under the line of credit facility.

Access Group has also established a separate revolving line of credit (the “Warehouse Financing”) with institutional investors, to provide for the acquisition of Private Loans made under the Access Group Loan Program. The total principal amount that may be outstanding under the Warehouse Financing at any time will be limited to \$800,000,000. On the Date of Issuance, Access Group expects to obtain its initial advance under the Warehouse Financing to acquire Private Loans from National City Bank that are not included in the Acquisition Portfolio Loans and to refinance the remaining Private Loans financed under the Series 2000 Indenture that are not included in the Refinancing Portfolio Loans. Thereafter, Access Group intends to use the Warehouse Financing as a temporary financing vehicle for certain recently originated Private Loans, pending long-term financing under financings such as the Notes.

All of the notes described above have been or will be issued pursuant to indentures that are separate and distinct from the Indenture. None of the student loans financed thereby (except for the Portfolio Loans refinanced with proceeds of the Notes on the Date of Issuance, which will no longer secure the Series 2000 Notes) will serve as security for the Notes, and none of the revenues from those student loans will be available to pay the Notes.

## **THE PORTFOLIO LOANS**

### **Description of Portfolio Loans**

On the Date of Issuance, Access Group will use a portion of the proceeds of the Notes to refinance a portfolio consisting of a portion of the Private Loans currently financed under the Series 2000 Indenture (the “Refinancing Portfolio Loans”), which had an approximate aggregate outstanding balance (principal plus accrued interest) of \$177,759,000 as of March 31, 2005. The Refinancing Portfolio Loans consist primarily of Private Loans made for academic years 1998-1999 and 1999-2000, though a small amount of the Refinancing Portfolio Loans were made for subsequent academic years.

On the Date of Issuance, Access Group will use another portion of the proceeds of the Notes to acquire from National City Bank a portfolio of Private Loans (the “Acquisition Portfolio Loans”) having an approximate aggregate outstanding balance (principal plus accrued interest) of \$160,160,000 as of March 31, 2005. The Acquisition Portfolio Loans and the Refinancing Portfolio Loans are together referred to as the “Initial Portfolio Loans.” The Acquisition Portfolio Loans consist primarily of Private Loans made pursuant to the Access Group Loan Program for academic year 2004-2005 though a small amount of the Acquisition Portfolio Loans are Private Loans made for academic year 2003-2004. Access Group expects to use the portion of the proceeds of the Notes deposited into the Pre-Funding Account to purchase additional Private Loans and additional disbursements of the Acquisition Portfolio Loans from National City Bank during the Pre-Funding Period (the “Pre-Funding Portfolio Loans” and, together with the Initial Portfolio Loans, the “Portfolio Loans”). The Pre-Funding Portfolio Loans are expected to consist of Private Loans made pursuant to the Access Group Loan Program for academic year 2004-2005 and additional disbursements on existing Portfolio Loans. Additional disbursements are made on a small portion of Private Loans that have been acquired by Access Group in situations where a borrower determines that additional funds are needed after the loan has been fully disbursed in the amount originally approved, or after a disbursement has been cancelled. The Acquisition Portfolio Loans include, and the Pre-Funding Portfolio Loans are expected to include, loans evidenced by electronically signed notes. See “—Acquisition of Portfolio Loans” below and “Description of Private Loans.”



Each Portfolio Loan provides for the amortization of its outstanding principal balance over a series of periodic payments. Each periodic payment consists of an installment of interest which is calculated on the basis of the outstanding principal balance of the Portfolio Loan multiplied by the applicable interest rate and further multiplied by the period elapsed (as a fraction of a calendar year) since the preceding payment of interest was made. As payments are received in respect of a Portfolio Loan, the amount received is applied first to outstanding late payment charges, if assessed, then to interest accrued to the date of payment and the balance is applied to reduce the unpaid principal balance. Accordingly, if a borrower pays a regular installment before its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made will be less than it would have been had the payment been made as scheduled, and the portion of the payment applied to reduce the unpaid principal balance will be correspondingly greater. Conversely, if a borrower pays a monthly installment after its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made will be greater than it would have been had the payment been made as scheduled, and the portion of the payment applied to reduce the unpaid principal balance will be correspondingly less. In either case, subject to any forbearance period, the borrower pays installments until the final scheduled payment date, at which time the amount of the final installment is increased or decreased as necessary to repay the then outstanding principal balance of such Portfolio Loan.

No FFELP Loans will be financed under the Indenture. Because the Portfolio Loans are Private Loans and are not made under the FFEL Program, they are not guaranteed by any FFELP guarantee agency and are not entitled to any payments from the U.S. Department of Education. Moreover, although the Refinancing Portfolio Loans were previously entitled to the benefits of certain loan guarantees or loan reserves, no insurer or other party has agreed to guaranty or insure any of the Portfolio Loans (including the Refinancing Portfolio Loans after they are released from the Series 2000 Indenture), and no reserve has been or will be established with respect to any of the Portfolio Loans. See “Description of Private Loans.”

Set forth in the following tables are descriptions of certain characteristics as of March 31, 2005 of the Initial Portfolio Loans. Access Group expects to use all or a portion of the amount deposited to the Pre-Funding Account to acquire additional Private Loans and additional disbursements of the Acquisition Portfolio Loans during the Pre-Funding Period; however, there is no assurance that additional loans and disbursements will be available in that amount under the Commitment Agreement. The acquisition of these additional loans and disbursements, as well as payment activity with respect to the Initial Portfolio Loans between March 31, 2005 and the Date of Issuance, will cause the aggregate characteristics of the Portfolio Loans to vary from those described in the following tables.

Due to rounding, the sum of the outstanding balances shown in any table may not equal the total outstanding balance of the Initial Portfolio Loans, and the sum of the percentages of loans by outstanding balance shown in any table may not equal 100.00%.

**Composition of the Initial Portfolio Loans  
as of March 31, 2005**

Aggregate Principal Balance.....	\$332,827,864
Aggregate Accrued Interest .....	5,090,436
Aggregate Outstanding Balance.....	337,918,301
Aggregate Outstanding Balance – LIBOR Index <sup>(1)</sup> .....	179,180,866
Aggregate Outstanding Balance – T-Bill Index <sup>(1)</sup> .....	158,737,435
Number of Borrowers .....	21,650
Average Outstanding Balance Per Borrower .....	15,608
Number of Loans .....	28,804
Average Outstanding Balance Per Loan .....	11,732
Weighted Average Remaining Term (months).....	241
Weighted Average Margin of Interest Rate <sup>(2)</sup> over:	
LIBOR Index.....	3.41%
T-Bill Index .....	2.90%

(1) These are the respective aggregate outstanding balances of the Initial Portfolio Loans for which the interest rates are based on the 3-month LIBOR index and the 91-day U.S. Treasury bill index.

(2) The margin is the amount that is added to the 3-month LIBOR rate or the 91-day Treasury bill rate, as applicable, each quarter to determine the interest rate on the loan. The margin applicable to an Acquisition Portfolio Loan may change due to the applicability of repayment incentives, as described under “Description of Private Loans—Loan Terms—Interest.”

**Distribution of the Initial Portfolio Loans as of March 31, 2005 by Loan Type**

<u>Loan Type</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
Bar Exam.....	4,471	\$ 31,256,448	9.25%
Business Access.....	627	7,242,142	2.14
Comprehensive Access .....	216	4,243,527	1.26
Dental Access.....	664	11,446,363	3.39
Dental Residency .....	99	956,621	0.28
Graduate Access.....	1,708	21,235,624	6.28
Health Access.....	326	3,848,557	1.14
International Student Loans .....	44	887,742	0.26
Law Access .....	19,079	237,595,963	70.31
Medical Access .....	876	10,842,133	3.21
Medical Residency .....	359	3,034,688	0.90
Sponsored Access.....	335	5,328,492	1.58
 Total	 28,804	 \$337,918,301	 100.00%

**Distribution of the Initial Portfolio Loans by Range of Outstanding Balances as of March 31, 2005**

<u>Outstanding Balance</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
Less than \$5,000.....	5,856	\$ 17,610,500	5.21%
\$5,000 – \$9,999.....	8,693	63,800,696	18.88
\$10,000 – \$14,999.....	6,047	73,408,686	21.72
\$15,000 – \$19,999.....	3,481	59,909,882	17.73
\$20,000 – \$24,999.....	2,477	54,878,455	16.24
\$25,000 – \$29,999.....	1,337	36,162,986	10.70
\$30,000 – \$34,999.....	625	19,876,806	5.88
\$35,000 or greater.....	288	12,270,290	3.63
<b>Total</b>	<b>28,804</b>	<b>\$337,918,301</b>	<b>100.00%</b>

**Distribution of the Initial Portfolio Loans by Servicer as of March 31, 2005**

<u>Servicer</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
KHESLC.....	25,377	\$287,625,250	85.12%
Access Group.....	3,427	50,293,050	14.88
<b>Total</b>	<b>28,804</b>	<b>\$337,918,301</b>	<b>100.00%</b>

**Distribution of the Initial Portfolio Loans by Borrower Payment Status as of March 31, 2005**

<u>Borrower Payment Status</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
In School.....	9,735	\$149,559,874	44.26%
Grace.....	211	2,410,828	0.71
Forbearance.....	513	5,325,986	1.58
Repayment:			
First Year of Repayment.....	2,368	21,730,021	6.43
Second Year of Repayment.....	1,539	16,029,104	4.74
Third Year of Repayment.....	4,285	45,648,616	13.51
Fourth Year of Repayment.....	6,406	68,835,972	20.37
Fifth or Later Year of Repayment...	3,747	28,377,899	8.40
<b>Total</b>	<b>28,804</b>	<b>\$337,918,301</b>	<b>100.00%</b>

**Distribution of the Initial Portfolio Loans in Repayment by  
Days of Delinquency as of March 31, 2005**

<u>Days of Delinquency</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
0 – 30.....	18,125	\$178,151,185	98.63%
31 – 60.....	220	2,470,428	1.37
<b>Total</b>	<b>18,345</b>	<b>\$180,621,612</b>	<b>100.00%</b>

**Weighted Average Months Remaining  
in Status by Current Borrower Payment Status as of March 31, 2005**

<u>Current Borrower Payment Status</u>	<u>Weighted Average Remaining Term in Months</u>				
	<u>In School</u>	<u>Grace</u>	<u>Forbearance</u>	<u>Repayment</u>	<u>Aggregate</u>
In School.....	33	9	0	240	282
Grace.....	0	9	0	240	249
Forbearance.....	0	0	4	217	222
Repayment.....	0	0	0	208	208
<b>All Loans</b>	<b>15</b>	<b>4</b>	<b>0</b>	<b>222</b>	<b>241</b>

**Distribution of the Initial Portfolio Loans by  
Remaining Term to Scheduled Maturity as of March 31, 2005**

<u>Remaining Months to Scheduled Maturity</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
Less than 180.....	748	\$ 5,097,750	1.51%
180 – 200.....	3,914	32,014,922	9.47
201 – 224.....	11,144	120,047,261	35.53
225 – 249.....	3,258	31,113,742	9.21
250 – 274.....	774	10,091,876	2.99
275 – 299.....	7,712	120,010,989	35.51
300 or greater.....	1,254	19,541,761	5.78
<b>Total</b>	<b>28,804</b>	<b>\$337,918,301</b>	<b>100.00%</b>

**Distribution of the 3-Month LIBOR-Based Portfolio Loans by Margin of Borrower Interest Rate over 3-Month LIBOR as of March 31, 2005**

<u>Margin</u> <sup>(1)</sup>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
1.70 – 2.31%.....	418	\$ 7,257,460	4.05%
2.32 – 2.81%.....	3,663	42,259,136	23.58
2.82 – 3.31%.....	303	4,366,174	2.44
3.32 – 3.90%.....	9,019	125,298,096	69.93
<b>Total</b>	<b>13,403</b>	<b>\$179,180,866</b>	<b>100.00%</b>

<sup>(1)</sup> The margin is the amount that is added to the 3-month LIBOR rate each quarter to determine the interest rate on the loan. The margin applicable to an Acquisition Portfolio Loan may change due to the applicability of repayment incentives, as described under “Description of Private Loans—Loan Terms—Interest.”

**Distribution of the 91-Day U.S. Treasury Bill-Based Loans by Margin of Borrower Interest Rate over 91-Day U.S. Treasury Bill Rate as of March 31, 2005**

<u>Margin</u> <sup>(1)</sup>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
2.45 – 2.71%.....	636	\$ 5,940,385	3.74%
2.72 – 2.91%.....	13,286	136,578,689	86.04
2.92 – 3.31%.....	751	8,820,201	5.56
3.32 – 3.50%.....	728	7,398,160	4.66
<b>Total</b>	<b>15,401</b>	<b>\$158,737,435</b>	<b>100.00%</b>

<sup>(1)</sup> The margin is the amount that is added to the 91-day U.S. Treasury bill rate each quarter to determine the interest rate on the loan. The margin applicable to an Acquisition Portfolio Loan may change due to the applicability of repayment incentives, as described under “Description of Private Loans—Loan Terms—Interest.”

**Distribution of the Initial Portfolio Loans by Loan Fee  
to be Added<sup>(1)</sup> as of March 31, 2005**

<u>Loan Fee</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
Loan Fee already added <sup>(2)</sup> .....	18,858	\$185,947,599	55.03%
0%.....	3,594	58,516,827	17.32
3.0%.....	3,116	46,764,252	13.84
5.0%.....	8	127,135	0.04
6.0%.....	2,816	41,223,073	12.20
6.5%.....	3	57,597	0.02
6.9%.....	22	276,821	0.08
7.5%.....	117	1,465,337	0.43
7.9%.....	1	29,029	0.01
9.0%.....	4	82,969	0.02
9.9%.....	109	1,325,632	0.39
12.9%.....	156	2,102,030	0.62
<b>Total</b>	<b>28,804</b>	<b>\$337,918,301</b>	<b>100.00%</b>

<sup>(1)</sup> The loan fee is added at the time a Private Loan enters repayment.

<sup>(2)</sup> As of March 31, 2005, 18,858 of the Initial Portfolio Loans with an aggregate outstanding balance of \$185,947,599 had already entered repayment and had the loan fee, if any, added to the principal balance. The remaining Initial Portfolio Loans had not yet had the loan fee, if any, added to their principal balances.

**Distribution of the Initial Portfolio Loans by Borrower's  
Address as of March 31, 2005**

<u>State of Borrower's Address<sup>(1)</sup></u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
New York .....	5,659	\$ 72,694,643	21.51%
California .....	2,584	36,997,601	10.95
Illinois .....	1,562	19,563,824	5.79
Massachusetts.....	1,615	19,555,390	5.79
Virginia .....	1,568	16,653,282	4.93
Florida .....	1,380	16,162,315	4.78
New Jersey .....	1,402	16,150,553	4.78
Pennsylvania .....	1,622	15,640,884	4.63
Maryland .....	1,018	11,433,544	3.38
Ohio.....	1,173	10,947,965	3.24
District of Columbia.....	778	9,494,939	2.81
Texas.....	810	8,607,233	2.55
Georgia.....	800	8,139,945	2.41
North Carolina.....	718	7,648,822	2.26
Other <sup>(2)</sup> .....	6,115	68,227,359	20.19
Total	28,804	\$337,918,301	100.00%

<sup>(1)</sup> Based on the billing addresses of the borrowers of the Initial Portfolio Loans shown on the Servicers' records. Because over 44% (by outstanding balance) of the Initial Portfolio Loans as of that date were to borrowers who were still in school, these amounts may not be representative of the distribution at the time the loans are in repayment.

<sup>(2)</sup> Consists of locations that include other states, U.S. territories, possessions and commonwealths, foreign countries and overseas military establishments, none of the aggregate outstanding balance of the Initial Portfolio Loans relating to which exceeds 2% of the aggregate outstanding balance of the Initial Portfolio Loans.

To the extent that states with a large concentration of Portfolio Loans experience adverse economic or other conditions to a greater degree than other areas of the country, the ability of borrowers to repay their Portfolio Loans may be impacted to a larger extent than if the borrowers were more dispersed geographically.

**Distribution of the Initial Portfolio Loans  
as of March 31, 2005 by FICO Credit Scores  
at Time of Application Review<sup>(1)</sup>**

<b>All Loans</b>			
<u>FICO Credit Score<sup>(2)</sup></u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
≥810.....	55	\$ 891,909	0.26%
800 – 809.....	191	2,505,971	0.74
790 – 799.....	405	5,474,937	1.62
780 – 789.....	712	9,411,082	2.79
770 – 779.....	1,139	14,966,080	4.43
760 – 769.....	1,642	20,714,042	6.13
750 – 759.....	2,061	25,611,192	7.58
740 – 749.....	2,367	28,136,999	8.33
730 – 739.....	2,407	27,904,761	8.26
720 – 729.....	2,426	28,828,963	8.53
710 – 719.....	2,328	26,666,240	7.89
700 – 709.....	2,255	25,472,879	7.54
690 – 699.....	2,268	25,557,942	7.56
680 – 689.....	2,190	24,699,987	7.31
670 – 679.....	2,086	22,983,869	6.80
660 – 669.....	1,769	19,607,790	5.80
650 – 659.....	1,375	14,479,000	4.28
640 – 649.....	533	5,658,650	1.67
630 – 639.....	155	1,958,063	0.58
620 – 629.....	56	775,399	0.23
610 – 619.....	5	127,643	0.04
<610.....	5	79,254	0.02
No current data <sup>(3)</sup> .....	219	3,142,058	0.93
No credit report <sup>(4)</sup> .....	155	2,263,590	0.67
<hr/>			
Total	28,804	\$337,918,301	100.00%

(1) FICO credit scores are a statistical credit model developed by Fair Issac Corporation to measure the relative degree of risk a potential borrower represents to a lender based upon credit-related data contained in an applicant's credit bureau reports. This table reflects FICO credit scores as of the times the loan applications were reviewed. FICO scores can change over time and there can be no assurance that a borrower's FICO score has not changed as of the date of this Offering Memorandum or will not change in the future.

(2) For loans with co-signers, the FICO credit score is that of the co-signer.

(3) Data received from credit bureau had not been updated within previous six months.

(4) No credit report was received.



**Distribution of the Initial Portfolio Loans  
as of March 31, 2005 by FICO Credit Scores  
at Time of Application Review<sup>(1)</sup>**

**Loans without Co-signers**

<u>FICO Credit Score</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans By Outstanding Balance</u>
≥810 .....	21	\$ 364,260	0.12%
800 – 809 .....	79	1,268,367	0.42
790 – 799 .....	231	3,434,156	1.13
780 – 789 .....	469	6,611,491	2.18
770 – 779 .....	916	12,237,542	4.04
760 – 769 .....	1,414	17,844,564	5.89
750 – 759 .....	1,814	22,995,953	7.59
740 – 749 .....	2,141	25,369,519	8.37
730 – 739 .....	2,172	25,050,229	8.26
720 – 729 .....	2,204	26,135,104	8.62
710 – 719 .....	2,128	24,368,755	8.04
700 – 709 .....	2,051	23,023,916	7.60
690 – 699 .....	2,056	23,117,628	7.63
680 – 689 .....	1,998	22,314,260	7.36
670 – 679 .....	1,979	21,625,168	7.13
660 – 669 .....	1,737	19,331,740	6.38
650 – 659 .....	1,356	14,237,822	4.70
640 – 649 .....	529	5,606,132	1.85
630 – 639 .....	148	1,848,196	0.61
620 – 629 .....	55	773,486	0.26
610 – 619 .....	3	98,042	0.03
<610 .....	4	75,582	0.02
No current data <sup>(2)</sup> .....	219	3,142,058	1.04
No credit report <sup>(3)</sup> .....	155	2,263,590	0.75
<b>Total</b>	<b>25,879</b>	<b>\$303,137,561</b>	<b>100.00%</b>

<sup>(1)</sup> FICO credit scores are a statistical credit model developed by Fair Issac Corporation to measure the relative degree of risk a potential borrower represents to a lender based upon credit-related data contained in an applicant's credit bureau reports. This table reflects FICO credit scores as of the times the loan applications were reviewed. FICO scores can change over time and there can be no assurance that a borrower's FICO score has not changed as of the date of this Offering Memorandum or will not change in the future.

<sup>(2)</sup> Data received from credit bureau had not been updated within previous six months.

<sup>(3)</sup> No credit report was received.

**Distribution of the Initial Portfolio Loans  
as of March 31, 2005 by FICO Credit Scores  
at Time of Application Review<sup>(1)</sup>**

**Loans with Co-signers**

<u>FICO Credit Score of Co-signer</u>	<u>Number of Loans</u>	<u>Aggregate Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>
≥810 .....	34	\$ 527,649	1.52%
800 – 809 .....	112	1,237,605	3.56
790 – 799 .....	174	2,040,780	5.87
780 – 789 .....	243	2,799,591	8.05
770 – 779 .....	223	2,728,538	7.84
760 – 769 .....	228	2,869,478	8.25
750 – 759 .....	247	2,615,239	7.52
740 – 749 .....	226	2,767,480	7.96
730 – 739 .....	235	2,854,532	8.21
720 – 729 .....	222	2,693,859	7.75
710 – 719 .....	200	2,297,486	6.61
700 – 709 .....	204	2,448,963	7.04
690 – 699 .....	212	2,440,314	7.02
680 – 689 .....	192	2,385,726	6.86
670 – 679 .....	107	1,358,701	3.91
660 – 669 .....	32	276,050	0.79
650 – 659 .....	19	241,178	0.69
640 – 649 .....	4	52,518	0.15
630 – 639 .....	7	109,867	0.32
620 – 629 .....	1	1,913	0.01
610 – 619 .....	2	29,600	0.09
<610 .....	1	3,673	0.01
<b>Total</b>	<b>2,925</b>	<b>\$34,780,739</b>	<b>100.00%</b>

<sup>(1)</sup> FICO credit scores are a statistical credit model developed by Fair Issac Corporation to measure the relative degree of risk a potential borrower represents to a lender based upon credit-related data contained in an applicant's credit bureau reports. This table reflects FICO credit scores as of the times the loan applications were reviewed. FICO scores can change over time and there can be no assurance that a borrower's FICO score has not changed as of the date of this Offering Memorandum or will not change in the future.

**Acquisition of Portfolio Loans**

The Refinancing Portfolio Loans are currently owned by Access Group, subject to a security interest created by the Series 2000 Indenture, under which the Refinancing Portfolio Loans are currently financed. Access Group or its limited liability company affiliate established for that purpose originally acquired the Refinancing Portfolio Loans from National City Bank pursuant to a Commitment Agreement. The Refinancing Portfolio Loans were financed with the proceeds of the Series 2000 Notes or other funds available for that purpose under the Series 2000 Indenture. On the Date of Issuance, Access Group will apply a portion of the proceeds of the Notes to provide for the redemption of the Series 2000 Notes, in order to obtain the release of the Refinancing Portfolio Loans. See "Use of Proceeds."

Access Group will purchase the Acquisition Portfolio Loans from National City Bank on the Date of Issuance, as provided in the applicable Commitment Agreement. Thereafter, Access Group expects to purchase additional Private Loans and additional disbursements made with respect to Acquisition Portfolio Loans during the

Pre-Funding Period, as provided in the applicable Commitment Agreement. The portion of the purchase prices of the Pre-Funding Portfolio Loans paid from the Pre-Funding Account will be 100% of the principal amount thereof, plus accrued interest thereon. The premiums paid to acquire the Pre-Funding Portfolio Loans will be paid from other funds of Access Group.

#### *Commitment Agreements*

Under the Commitment Agreements, National City Bank has agreed to originate Private Loans under the Access Group Loan Program for the periods covered by the respective Commitment Agreements, and to sell all of the Private Loans originated under the program to Access Group. Access Group has agreed, subject to the availability of financing, to cause all of such Private Loans which meet certain eligibility criteria to be purchased. The prices paid by Access Group to acquire Private Loans under each Commitment Agreement are equal to the principal amount of the loans, plus accrued interest on those loans, plus a premium based on a percentage of the principal amount of the loans.

In each Commitment Agreement, National City Bank has made representations as to the validity, enforceability and transferability of each Private Loan and as to the legal authority of National City Bank to engage in the transactions contemplated by the Commitment Agreement. In particular, National City Bank has represented and warranted that, at the date of its sale by National City Bank, each Private Loan was or will be a valid and enforceable obligation of the borrower, except by reason of any legal incapacity of the borrower (as to which no representation is made).

Each Commitment Agreement provides that if any representation made by National City Bank with respect to a Private Loan sold to Access Group proves to have been materially incorrect, or under certain other circumstances specified in the Commitment Agreement, National City Bank shall repurchase such loan at a price equal to the then outstanding principal balance, plus accrued interest, plus any expenses incurred by Access Group in connection therewith, plus the premium paid by Access Group as part of the purchase price for such loan.

Access Group's rights under the Commitment Agreements with respect to Portfolio Loans will be pledged to the Trustee pursuant to the Indenture.

#### **Servicing**

All of the Refinancing Portfolio Loans and the majority of the Acquisition Portfolio Loans are currently serviced by Kentucky Higher Education Student Loan Corporation ("KHESLC") under the KHESLC Servicing Agreement. Prior to 2000, all of Access Group's Student Loans were serviced by AFSA Data Corporation ("AFSA"). In 2001 and 2002, Access Group transferred the servicing of all of its Student Loans (including the Refinancing Portfolio Loans then serviced by AFSA) to KHESLC. As of March 31, 2005, Private Loans originally serviced by AFSA constituted approximately 47% (by aggregate outstanding principal balance) of the Refinancing Portfolio Loans. The remaining Refinancing Portfolio Loans have been serviced by KHESLC since their origination. The Acquisition Portfolio Loans are currently (and have been since their origination), and the Pre-Funding Portfolio Loans are or will be, serviced on behalf of National City Bank by KHESLC or Access Group. Upon their acquisition by Access Group, the Acquisition Portfolio Loans and Pre-Funding Portfolio Loans will continue to be serviced by KHESLC or Access Group, as the case may be.

### **SERVICING AND COLLECTION OF PORTFOLIO LOANS**

#### **General**

Access Group will covenant in the Indenture to administer and collect, or cause a Third Party Servicer to administer and collect, all Portfolio Loans in a diligent manner. Of the Initial Portfolio Loans as of March 31, 2005, approximately 85.1% by outstanding balance (principal plus accrued interest) were serviced by KHESLC under the KHESLC Servicing Agreement and approximately 14.9% by outstanding balance were serviced by Access Group under the Access Group Servicing Agreement.

## **Description of the KHESLC Servicing Agreement**

Access Group has entered into the KHESLC Servicing Agreement as of January 1, 2003. In addition to the Portfolio Loans, all other student loans (both FFELP Loans and Private Loans) owned by Access Group that will not be financed under the Indenture are currently serviced under the KHESLC Servicing Agreement. The following is a summary of the material terms of the KHESLC Servicing Agreement.

Under the KHESLC Servicing Agreement, KHESLC generally agrees to provide all customary post-origination student loan servicing activities with respect to student loans made under the Access Group Loan Program and owned by Access Group or its designees. Such services generally include billing for and processing payments from borrowers, undertaking certain required collection activities with respect to delinquent loans, submitting guarantee claims with respect to defaulted loans, remitting payments to the appropriate accounts, establishing and maintaining records with respect to its servicing activities, maintaining custody of such promissory notes and related documentation as Access Group may deliver to KHESLC, and providing certain reports of its activities and the student loan portfolios serviced by KHESLC. KHESLC's responsibility for collection activity with respect to Private Loans ceases when such loans become 90 days delinquent (although it continues to be responsible for payment processing).

KHESLC agrees to service the Private Loans in compliance with certain guidelines and with all applicable federal and state laws and regulations. KHESLC also agrees to service FFELP Loans in compliance with the Higher Education Act.

### *Purchase of Serviced Loans*

If Access Group or KHESLC discovers a material breach by KHESLC of certain of its duties under the KHESLC Servicing Agreement with respect to a serviced loan, KHESLC must purchase the student loan within 90 days (or, in the case of certain breaches relating to defaulted Private Loans, 60 days) after the date that KHESLC discovers, or receives written notice of, such material breach. The required purchase date is extended to 180 days after discovery or notice if the breach is curable by KHESLC and KHESLC is attempting to cure such breach.

### *Servicing Fees*

Access Group agrees to pay monthly fees to KHESLC for the servicing of its student loans, according to schedules set forth in the KHESLC Servicing Agreement. The fees are subject to annual increases and to further increase by KHESLC if KHESLC incurs increases in costs as a result of material changes in its servicing practices or systems due to changes to the Higher Education Act, or other changes in laws, regulations or standard industry practices governing its operations (including the implementation by a guarantor of unique servicing requirements), or if KHESLC incurs other increases in costs beyond its control or demonstrates that, after using its best efforts to meet certain performance standards, those standards cannot be met within the current fee structure. The portions of these fees allocable to Portfolio Loans will be paid by Access Group from its Administrative Allowance.

### *Reporting*

KHESLC is required to deliver to Access Group on an annual basis certain audit reports and certifications as to its compliance with the KHESLC Servicing Agreement.

### *Termination*

The KHESLC Servicing Agreement has a term that ends on December 31, 2006. Access Group may renew the KHESLC Servicing Agreement for one or more additional one-year terms if it notifies KHESLC 90 days prior to a scheduled expiration date of its intent to renew, if all fees due and owing to KHESLC from Access Group have been paid and if the parties agree to the fees to be paid during the additional one-year term or terms. Upon the expiration of the original or any annual renewal term, the KHESLC Servicing Agreement will continue on a month-to-month basis until terminated by either party upon 60 days' prior written notice to the other party. The KHESLC Servicing Agreement may be terminated prior to a scheduled expiration date as follows:

- KHESLC may immediately terminate the KHESLC Servicing Agreement if Access Group fails to pay undisputed servicing fees when required and such nonpayment persists for 60 days from the servicing fee payment date;
- KHESLC may terminate the KHESLC Servicing Agreement upon 60 days' written notice to Access Group if Access Group assigns the KHESLC Servicing Agreement to an entity succeeding to all or substantially all of the business or assets of Access Group without the prior consent of KHESLC;
- Access Group may terminate the KHESLC Servicing Agreement if KHESLC seeks to increase its servicing fees due to increases in costs as described under “—Servicing Fees” above, and Access Group is unwilling to pay increased servicing fees reflecting those increased costs;
- Access Group may terminate the KHESLC Servicing Agreement if KHESLC merges or is consolidated into another entity, another entity succeeds to the properties and assets of KHESLC substantially as a whole, or an assignment of KHESLC's rights and obligations is made that does not comply with certain provisions of the KHESLC Servicing Agreement;
- Access Group may terminate the KHESLC Servicing Agreement in the event the Office of the Comptroller of Currency or the Federal Trade Commission formally objects to the KHESLC Servicing Agreement;
- Access Group may terminate the KHESLC Servicing Agreement upon receipt by Access Group of a notice from KHESLC of its intent to change its servicing system (provided that Access Group provides KHESLC with a notice stating that, in its reasonable opinion, such change would materially impair KHESLC's ability to perform its duties under the KHESLC Servicing Agreement and that Access Group elects to terminate the KHESLC Servicing Agreement prior to such change), upon receipt of notice from a rating agency of its withdrawal, suspension or downgrading of any securities issued by Access Group or its designee or its refusal to rate any securities to be issued by Access Group or its designee as a result of the financial condition of KHESLC or its servicing of student loans pursuant to the KHESLC Servicing Agreement, or upon KHESLC's failure to maintain unencumbered operating fund equity at certain required levels; and
- Access Group may immediately terminate the KHESLC Servicing Agreement if KHESLC is rendered unable, in whole or in part, by a force outside of the control of KHESLC or Access Group, to satisfy its obligations under the KHESLC Servicing Agreement, upon breaches by KHESLC of various covenants, representations and warranties under the KHESLC Servicing Agreement, upon the occurrence of various events relating to KHESLC, or upon the failure of KHESLC to remedy a Servicer Default (as defined below).

In addition, KHESLC may resign from its obligations and duties under the KHESLC Servicing Agreement upon determination that the performance of its duties will no longer be permissible under applicable law or will violate any final order of a court or administrative agency with jurisdiction over KHESLC or its properties. Notice of any such determination permitting the resignation of KHESLC must be communicated to Access Group at the earliest practicable time, and any such determination must be evidenced by a legal opinion acceptable to Access Group to such effect. No such resignation will become effective until a successor servicer acceptable to Access Group has assumed the responsibilities and obligations under the KHESLC Servicing Agreement. Upon receipt of KHESLC's notice of intent to resign and prior to the assumption of the KHESLC Servicing Agreement by a successor servicer acceptable to Access Group, Access Group has the right to terminate the KHESLC Servicing Agreement.

Upon the termination of the KHESLC Servicing Agreement and the payment of the fees provided for therein (including, in certain cases, deconversion fees and/or removal fees), KHESLC agrees to transmit the files and electronic records relating to the serviced loans as directed by Access Group.

### *Servicer Default*

The occurrence of any of the following constitutes a Servicer Default under the KHESLC Servicing Agreement:

- any failure by KHESLC to deliver, to the account established for that purpose, any payment required under the KHESLC Servicing Agreement, which failure remains unremedied for three business days after the earlier of KHESLC's discovery, or receipt of written notice of, such failure;
- any failure by KHESLC to observe or to perform in any material respect any covenant or agreement of KHESLC set forth in the KHESLC Servicing Agreement, which failure remains unremedied for 30 days after KHESLC's receipt from Access Group of notice of such failure, requiring the same to be remedied;
- any limitation, suspension or termination by the Department of Education of KHESLC's eligibility to service FFELP Loans;
- the Department of Education or any guaranty agency has issued a notice of suspension or termination for the payment of default claims (or, with respect to FFELP Loans, certain other payments) with respect to a material portion of the serviced loans for reasons attributable to KHESLC's servicing error and KHESLC has been unable to stay or cure such suspension or termination within 60 days thereafter;
- any representation or warranty of KHESLC contained in the KHESLC Servicing Agreement proves to have been false or misleading in any material respect and such false or misleading representation or warranty materially adversely affects KHESLC's ability to perform its obligations under the KHESLC Servicing Agreement; or
- certain events of bankruptcy or insolvency with respect to KHESLC.

### **The Third Party Servicer**

KHESLC is an independent de jure municipal corporation and political subdivision of the Commonwealth of Kentucky established in 1978 by the Kentucky General Assembly to provide a student loan finance program in the Commonwealth. KHESLC's objectives are accomplished primarily through its secondary market program, which purchases student loans from eligible lenders, and its direct lending program, which makes loans to parents and students directly.

KHESLC also services student loans and collects defaulted educational loans. As of March 31, 2005, KHESLC provided loan servicing and collections for FFELP Loans and other education loans totaling approximately \$6.9 billion, approximately \$1.2 billion of which were FFELP Loans owned by KHESLC and approximately \$5.7 billion of which were FFELP Loans and Private Loans made under the Access Group Loan Program. KHESLC's principal office is located at 10180 Linn Station Road, Louisville, Kentucky 40223, and its telephone number is (502) 329-7079.

As of March 31, 2005, substantially all of the approximately \$2.5 billion of non-FFELP loans serviced by KHESLC were Private Loans made under the Access Group Loan Program.

### **Servicing by Access Group**

In July 2004, Access Group began servicing some of its loan portfolio in-house. Access Group's current plan is not to transfer the servicing of any existing loans to itself, but rather to service only loans made to borrowers whose first Access Group Loan Program loan was disbursed after the time Access Group began servicing. Therefore, Access Group does not expect the amount of the Portfolio Loans to be serviced by Access Group to increase materially. However, Access Group retains the option to assume servicing of any or all of the Portfolio Loans at any time.

Access Group has entered into a Master Agreement for Servicing Private Student Loans (as supplemented as described below, the “Access Group Servicing Agreement”), which sets forth Access Group’s obligations with respect to the servicing of Private Loans financed under indentures pursuant to which Access Group has issued its student loan asset-backed debt. On the Date of Issuance, the Trustee and Access Group will enter into a Supplement to Master Agreement for Servicing Private Student Loans, thereby making the Access Group Servicing Agreement applicable to the Indenture and those Portfolio Loans that Access Group then services or may at any time determine to transfer to itself for servicing.

The Access Group Servicing Agreement does not provide that Access Group is or will be a master servicer for Portfolio Loans. Access Group is not and does not expect to become responsible for the servicing of Portfolio Loans serviced under the KHESLC Servicing Agreement or any other Third Party Servicing Agreement.

In general, the Access Group Servicing Agreement provides that Access Group will exercise reasonable care and diligence in servicing the Portfolio Loans that are subject to the agreement (the “Access Group Serviced Loans”) in compliance with the terms of the loans and applicable laws. Access Group will be required to cause the purchase of otherwise enforceable Portfolio Loans which become unenforceable because of an action or omission by Access Group as servicer, or to deposit funds with the Trustee to obtain the release of those Portfolio Loans.

#### *Fees*

The Access Group Servicing Agreement provides for servicing fees to be paid to Access Group only if the Trustee has foreclosed on the Access Group Serviced Loans and only if Access Group does not receive Administrative Allowances with respect to the Access Group Serviced Loans.

#### *Termination*

Access Group will have the right to cease servicing Portfolio Loans under the Access Group Servicing Agreement at any time upon 180 days’ notice, provided that a replacement Servicer acceptable to the Trustee has been obtained. Access Group will have the right to terminate its servicing of Portfolio Loans on shorter notice if servicing fees are payable as described above but are not paid. The Trustee will have the right to terminate the Access Group Servicing Agreement upon a Servicer Default thereunder.

#### *Servicer Default*

The occurrence of any of the following constitutes a Servicer Default under the Access Group Servicing Agreement:

- any failure by Access Group to deliver to the Collection Account any payment required under the Access Group Servicing Agreement, which failure remains unremedied for three business days after the earlier of Access Group’s discovery of, or receipt of written notice of, such failure;
- any failure by Access Group to observe or to perform in any material respect any covenant or agreement of Access Group relating to Portfolio Loans and set forth in the Access Group Servicing Agreement, which failure remains unremedied for 30 days the earlier of Access Group’s discovery of, or receipt of written notice of, such failure;
- any representation or warranty of Access Group contained in the Access Group Servicing Agreement proves to have been false or misleading with respect to Portfolio Loans in any material respect when made, and remains false or misleading for 60 days after the earlier of Access Group’s discovery of, or receipt of written notice of, such circumstance;
- certain events of bankruptcy or insolvency with respect to Access Group;
- certain failures by Access Group to pay debt incurred by it or judgments rendered against it; or

- prior to July 1, 2007, Access Group's unrestricted net assets, as of the end of any fiscal quarter, shall be less than \$100,000,000.

### **Other Servicing Agreements**

Under various circumstances, Access Group may in the future enter into one or more additional or substitute Servicing Agreements with other Servicers. Upon the termination of the KHESLC Servicing Agreement, Access Group would be required under the Indenture to service the Portfolio Loans serviced thereunder or enter into one or more other Servicing Agreements with a Third Party Servicer. Upon the occurrence of a Servicer Default, Access Group may, or the Acting Holders Upon Default may direct the Trustee to cause Access Group to, enter into a new Servicing Agreement with respect to the affected Portfolio Loans as described under "Description of the Indenture—Covenants—Servicer Default." In addition, Access Group may, at any time, determine to enter into an additional Third Party Servicing Agreement with respect to Portfolio Loans.

The Indenture requires, as a condition to Access Group entering into any new Servicing Agreement, that each Rating Agency confirm in writing that entering into such Servicing Agreement will not result in a reduction or withdrawal of its rating of any Notes.

### **Collection of Delinquent and Defaulted Portfolio Loans**

The Servicer's responsibility for collection activity with respect to a Private Loan ceases when the loan becomes 90 days delinquent. Access Group currently engages several collection agencies for the collection of delinquent and defaulted Private Loans. Access Group engages only collection agencies that have significant experience in collecting student loans, although not all of the agencies have significant experience in collecting Private Loans (as opposed to FFELP Loans).

Under current arrangements, collection agencies are paid a flat fee for each delinquent account that they successfully prevent from defaulting, and a percentage of any amount they successfully recover on defaulted accounts. A different agency is generally used on defaulted accounts than was used for the same account when it was delinquent, to create an incentive for collectors of delinquent accounts to recover prior to their becoming defaulted. The collection agencies remit payments received with respect to delinquent accounts to the Servicer for payment processing. Recoveries with respect to defaulted loans, net of the collection agency's fee, are transferred to accounts directed by Access Group (which, in the case of Portfolio Loans, will be the Collection Account). The portions of those fees allocable to Portfolio Loans (other than Charged-Off Loans) will be paid by Access Group from its Administrative Allowance (or other funds). The fees allocable to Charged-Off Loans will reduce the amounts deposited to the Collection Account as net recoveries.

Access Group competitively awards volume based on the percentages of delinquent accounts brought current prior to default and the recovery percentages achieved with respect to defaulted loans. Those collection agencies with higher percentage of delinquent loans brought current and higher recovery percentages are rewarded by receiving higher dollar volumes of loans than those agencies with lower percentages.

Contracts with collection agencies generally provide that they are fully responsible for compliance with all applicable federal, state and local laws applicable to the collection process, including the Fair Debt Collection Practices Act and laws relating to licensing in those jurisdictions that require licensing.

Access Group may in the future enter into different arrangements with respect to the collection of delinquent Portfolio Loans and Charged-Off Loans, including the discounted sale of Charged-Off Loans.



## DESCRIPTION OF PRIVATE LOANS

### General

The Private Loans have been made by National City Bank pursuant to the Access Group Loan Program. There are several different types of Private Loans, including Law Access Loans, Business Access Loans, Medical Access Loans, Dental Access Loans and Health Access Loans, which are available to graduate and professional students in various courses of study that correspond to the names of the loans, and Graduate Access Loans, which are available to other graduate or professional students. Bar Examination Loans are available to law students or recent law graduates to cover costs of preparing for the bar examination, and Residency Loans and Dental Residency Loans are available to medical or dental students or recent graduates to finance costs involved with obtaining and participating in required residency or postdoctoral programs. Comprehensive Access Loans are available to students attending qualified graduate or professional schools who do not meet the citizenship or enrollment requirements applicable to other loan types. Sponsored Access Loans are available to parents or others (“sponsors”) who wish to borrow on behalf of an eligible student.

The Private Loans are unsecured loans made directly to the student (or sponsor) borrowers. In some cases, the borrower is required to provide a co-signer for the loan.

### Loan Terms

The terms of the Private Loans offered pursuant to the Access Group loan programs have changed over the years. The following summary describes certain material terms of the Private Loans to be financed under the Indenture.

#### *Eligibility*

The Private Loans have been made by National City Bank to students enrolled or accepted for enrollment in eligible graduate or professional schools, to recent graduates of such schools or to sponsors borrowing on behalf of such students. The applicants are required to meet the eligibility requirements for the Access Group Loan Program, including that the applicant must:

- be a U.S. Citizen or an eligible non-citizen,
- be attending (or borrowing on behalf of a student who is attending) a qualified graduate or professional school at least half-time (or, in the case of Bar Examination Loans, Residency Loans and Dental Residency Loans, have graduated from such a graduate or professional school), and
- meet the Access Group Loan Program credit eligibility criteria,

except that the citizenship and enrollment requirements do not apply to Comprehensive Access Loans.

The credit eligibility criteria require that if an applicant has any credit history (as shown on a credit bureau report obtained in evaluating the application), the applicant must either have a certain minimum credit score or provide a co-signer who meets credit criteria that include a minimum credit score and certain other credit history requirements.

To be eligible, a graduate or a professional school must be either a state institution or a tax-exempt nonprofit organization and must be approved or accredited by the applicable body provided for in the program guidelines (which, in the case of law schools, is the American Bar Association).

#### *Loan Limits*

There are no annual or aggregate loan limits for Private Loans under the Access Group Loan Program, except that Bar Examination Loans have a limit of \$11,000 and Residency Loans and Dental Residency Loans have

a limit of \$13,000. At the time of the origination of the Refinancing Portfolio Loans, the limits were \$8,000 for Bar Examination Loans and \$10,000 for Residency Loans and Dental Residency Loans. For all other loans, students (or sponsors on behalf of students) may borrow up to their entire unmet need, as certified by the school they are attending. However, before academic year 2000-2001, there were limits on the aggregate amount of education debt which an applicant could have outstanding. These limits, which included all undergraduate and graduate education debt (including FFELP Loans, Private Loans and any other loans) varied depending upon loan type, ranging from \$120,000 to \$195,000.

### *Interest*

The interest rates on the Private Loans vary each calendar quarter. The index on which the interest rates for the Acquisition Portfolio Loans, the Pre-Funding Portfolio Loans and a small portion of the Refinanced Portfolio Loans are based is the 3-month London Interbank Offered Rate (LIBOR) as of the last business day of the second month of the preceding calendar quarter (as reported in *The Wall Street Journal*). The margins to be added to the LIBOR index range from 1.45% to 4.30% per annum, depending on the type of loan, the year of origination of the loan, the borrower's credit score and payment performance, and the school attended. The index on which the interest rates for the majority of the Refinancing Portfolio Loans are based is the coupon equivalent yield of the 91-day U.S. Treasury bills for the final auction held during the preceding calendar quarter (as reported in *The Wall Street Journal*). The margins to be added to the Treasury bill index range from 2.45% to 3.50% per annum, depending on the type of loan, the year of origination of the loan, the borrower's credit score and payment performance, and the school attended.

The interest rate on Private Loans made beginning in academic year 2002-2003 (which includes all of the Acquisition Portfolio Loans and Pre-Funding Portfolio Loans but excludes all of the Refinancing Portfolio Loans) is reduced by 0.25% per annum for borrowers that arrange to have their loan payments automatically withdrawn from a bank account. In addition, for most Private Loans made after that date, if the borrower makes the first 48 consecutive loan payments without becoming more than 15 days delinquent, the interest rate will be reduced by 0.5% per annum, for so long as scheduled payments do not become more than 15 days delinquent. Some of the Private Loans provide instead for the interest rate to increase if the borrower becomes more than 15 days delinquent.

No interest is due prior to the commencement of the repayment period. Interest that accrues prior to the repayment period and is not otherwise paid is added to the principal balance once, at the commencement of repayment.

### *Loan Fees*

A one-time loan fee is charged to borrowers of Private Loans made after academic year 2001-2002 and before academic year 2005-2006 (which includes all of the Acquisition Portfolio Loans and Pre-Funding Portfolio Loans). The fee is not paid on a current basis, but will instead be added to the principal balance of the loan at the commencement of repayment (after accrued interest has been added to the principal balance) or, if earlier, upon the payment of the loan in full. The fee is either 0%, 3% or 6% of the outstanding principal amount of the loan (depending on the type of loan, the borrower's credit score and the school attended).

For Private Loans made before academic year 2000-2001 (which includes the large majority of the Refinancing Portfolio Loans, an initial fee that ranged between 0% and 9% of the principal amount of the loan (depending upon the type of loan, the year of origination of the loan, the borrower's credit score, the school attended by the borrower, and whether or not a co-signer is obligated on the loan) was deducted from the proceeds of each disbursement of the loan. An additional fee that ranges between 0% and 6.9% (depending upon similar factors) of the original principal balance of the loan is charged at the time the loan enters repayment. For Private Loans made for academic years 2000-2001 and 2001-2002 (which includes the remaining Refinancing Portfolio Loans), a single fee is charged to borrowers, and added to the principal balance of the loan at the commencement of repayment (after accrued interest has been added to the principal balance). The fee ranges from 5.0% to 12.9% of the outstanding principal balance of the loan (depending on the borrower's credit history and, in certain limited circumstances, the school attended by the borrower and whether a cosigner is obligated on the loan).

### *Repayment*

The loans must be repaid during a twenty-year period. The repayment period generally begins nine months after the borrower (or the student on behalf of whom a sponsor has borrowed) graduates or otherwise ceases to be enrolled in an eligible course of instruction at a participating school (or, in the cases of Medical Access Loans and Dental Access Loans, after the borrower completes or ceases to participate in a residency or postdoctoral program, subject to certain maximum periods that do not exceed 57 months after graduation). Payments of principal and interest are due monthly. The minimum monthly payment is \$50.

Access Group offers three repayment options: (1) a level payment plan, which requires approximately equal monthly payments of principal and interest throughout the repayment period (with the payment amount adjusted when the interest rate changes, to equal the amount that would amortize the outstanding principal balance over the remaining repayment period, based on the then-current interest rate), (2) a deferred principal payment plan which requires only interest payments during the first two years, followed by approximately equal monthly payments of principal and interest sufficient to amortize the principal amount over the remaining repayment period, and (3) a deferred principal payment plan that requires only interest payments during the first two years, followed by interest and partial principal payments for three years, followed by approximately equal monthly payments of principal and interest sufficient to amortize the remaining principal amount over the remaining repayment period. In addition, a borrower who is experiencing difficulty repaying his or her loan may arrange for a repayment schedule that further defers principal payments.

At the option of the owner of the loan, periods of forbearance can be granted, during which reduced payments or no payments may be made. These periods generally do not exceed a total of 12 months and do not extend the repayment period.

### **Access Group Private Loan Data**

The following two tables reflect statistics applicable to all Private Loans owned by Access Group and may not be representative or indicative of the future delinquency, loss or recovery performance of the Portfolio Loans, or of Access Group's Private Loans generally. Loan losses, repayment status and delinquency status experience may be influenced by a variety of economic, social and geographic conditions and other factors. Future loan losses, repayment status and delinquency status of the Portfolio Loans may not be similar to that set forth below. In particular, the figures shown below depict a short period of time early in the life of the loans. In general, the Acquisition Portfolio Loans were made more recently than the Private Loans that are not Portfolio Loans, which in turn were made more recently than the Refinancing Portfolio Loans. Moreover, the majority of the Private Loans reflected have certain different terms and eligibility requirements than those of the Portfolio Loans. The figures do not include loan loss and recovery experience with respect to Private Loans owned by Access Group at a time when they were guaranteed by a third party not affiliated with Access Group for which complete information is not available.

In addition, the percentages in the tables below have not been adjusted to eliminate the effect of the rapid growth of Access Group's portfolio of Private Loans. Accordingly, repayment status and delinquency status percentages may be higher than those shown in the tables if a group of loans (such as the Refinancing Portfolio Loans) were isolated at a period in time and the loan loss, repayment status and delinquency status date showed the activity only for that isolated group over the periods indicated.

The following table reflects the repayment and delinquency status of Access Group's Private Loan portfolio at March 31, 2005, March 31, 2004 and March 31, 2003.

**Access Group**  
**Outstanding Balance<sup>(1)</sup> of Private Loans**  
**By Repayment and Delinquency Status**  
**(dollars in thousands)**  
**(unaudited)**

	March 31, 2005		March 31, 2004		March 31, 2003	
	Outstanding Balance	Percentage of Repayment Loans	Outstanding Balance	Percentage of Repayment Loans	Outstanding Balance	Percentage of Repayment Loans
Interim status	\$ 602,044		\$ 402,068		\$296,486	
In forbearance	65,291		55,901		57,388	
In repayment and percentage in each status:						
Current	1,234,015	97.8%	852,570	97.7%	598,855	98.3%
Delinquent 30-59 days <sup>(2)</sup>	14,353	1.1	8,176	0.9	4,426	0.7
Delinquent 60-89 days <sup>(2)</sup>	4,622	0.4	4,988	0.6	1,325	0.2
Delinquent 90 days or greater <sup>(2)</sup>	<u>9,036</u>	<u>0.7</u>	<u>7,271</u>	<u>0.8</u>	<u>4,936</u>	<u>0.8</u>
Total in repayment	1,262,026	100.0%	873,005	100.0%	609,542	100.0%
Total outstanding balance of private student loans	<u>\$1,929,361</u>		<u>\$1,330,974</u>		<u>\$963,416</u>	

(1) Principal plus accrued interest.

(2) The period of delinquency is based on the number of days scheduled payments are contractually past due and relate to loans in repayment; that is, loans not charged-off and loans not in interim status or in forbearance.

The following table reflects the loan loss experience for Access Group's fiscal years ended March 31, 2005, March 31, 2004 and March 31, 2003. The fiscal year ended March 31, 2003 was the first full fiscal year in which none of the Private Loans owned by Access Group were guaranteed by a third party.

**Access Group  
Private Loans  
Loan Loss Experience  
(dollars in thousands)  
(unaudited)**

	Fiscal Year Ended <u>March 31, 2005</u>	Fiscal Year Ended <u>March 31, 2004</u>	Fiscal Year Ended <u>March 31, 2003</u>
Gross charge-offs <sup>(1)</sup>	\$18,460	\$14,581	\$6,367
Recoveries <sup>(2)</sup>	<u>3,227</u>	<u>2,257</u>	<u>1,812</u>
Net charge-offs	\$15,232	\$12,324	\$4,555
 Average outstanding receivable balance of Private Loans	 \$1,738,702	 \$1,218,583	 \$787,150
 Net charge-offs as a percentage of average outstanding receivable balance of Private Loans	 0.88%	 1.01%	 0.58%
 Daily average outstanding receivable balance of Private Loans in repayment <sup>(3)</sup>	 \$962,630	 \$661,729	 \$383,101
 Net charge-offs as a percentage of average outstanding receivable balance of Private Loans in repayment	 1.58%	 1.86%	 1.19%

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<sup>(1)</sup> In accordance with Access Group's servicing policies and procedures, loans are generally charged-off when the borrower has become more than 180 days delinquent.

<sup>(2)</sup> The amount of cash collected during the period on previously charged-off loans, including charged-off loans purchased by the servicer in the amounts of \$969,000 for the fiscal year ended March 31, 2003, \$599,524 for the fiscal year ended March 31, 2004 and \$82,923 for the fiscal year ended March 31, 2005.

<sup>(3)</sup> Excludes loans in forbearance.

## DESCRIPTION OF THE NOTES

### General Terms of the Notes

The Notes will be dated as of the Date of Issuance and, subject to principal distributions and prior redemption as described below, will mature on the Quarterly Payment Dates set forth in the table below (each, a “Final Maturity Date”):

<u>Class</u>	<u>Final Maturity Date (Quarterly Payment Date)</u>
A-1	January 2020
A-2	April 2026
A-3	July 2034
B	July 2034

It is expected that each class of the Notes will initially be represented by one or more notes registered in the name of the nominee of DTC acting as a securities depository. The Notes generally will be available for purchase in initial denominations of \$1,000 and multiples thereof in Book-Entry Form. Access Group has been informed by DTC that DTC’s nominee will be Cede & Co. Accordingly, Cede & Co. is expected to be the Holder of the Notes. Unless and until Definitive Notes are issued under the limited circumstances described herein, no Noteholder will be entitled to receive a physical certificate representing its Note. All references herein to actions by Noteholders refer to actions taken by DTC upon instructions from its participating organizations (the “Participants”) and all references herein to distributions, notices, reports and statements to Noteholders refer to distributions, notices, reports and statements to DTC or Cede & Co., as the registered Holder of the Notes, for distribution to Beneficial Owners in accordance with DTC’s procedures with respect thereto. See “—Book-Entry Registration” and “—Definitive Notes” below.

All payments of principal of and interest on the Notes will be made in lawful money of the United States of America.

### Interest Rate on the Notes

For the period from the Date of Issuance to but excluding July 25, 2005, interest will accrue on the principal balance of each class of the Notes at an annualized rate determined on or about June 3, 2005 by reference to the following formula:

$$x + [18/32 \cdot (y-x)],$$

where:  
x = One-Month LIBOR, and  
y = Two-Month LIBOR,

plus the applicable interest rate margin for each class of the Notes set forth in the table below:

<u>Class</u>	<u>Interest Rate Margin</u>
A-1	0.08%
A-2	0.22
A-3	0.40
B	0.80

Thereafter, interest will accrue on the principal balance of each class of the Notes from and including the most recent Quarterly Payment Date on which interest has been paid to but excluding the next Quarterly Payment Date (each, an “Interest Period”) at an annualized rate equal to Three-Month LIBOR (determined as described under “Determination of LIBOR” below) plus the applicable interest rate margin for each class of the Notes set forth above. Interest will be payable to the Noteholders on each Quarterly Payment Date, commencing July 25, 2005.

Interest due for any Interest Period will be determined based on the actual number of days in such Interest Period over a 360-day year.

Interest on any Note accrued as of any Quarterly Payment Date but not paid on such Quarterly Payment Date will be due on the next Quarterly Payment Date together with interest on such amount at the rate of interest borne by such Note.

In no event shall the cumulative amount of interest paid or payable on the Notes exceed the amount permitted by applicable law. If the applicable law is ever judicially interpreted so as to render usurious any amount called for under the Notes or related documents or otherwise contracted for, charged, reserved, taken or received in connection with the Notes, or if the redemption or acceleration of the maturity of the Notes results in payment to or receipt by the Holder or any former Holder of the Notes of any interest in excess of that permitted by applicable law, then, notwithstanding any provision of the Notes or related documents to the contrary, all excess amounts theretofore paid or received with respect to the Notes shall be credited on the principal balance of the Notes (or, if the Notes have been paid or would thereby be paid in full, the Indenture provides that such amounts shall be refunded by the recipient thereof), and the provisions of the Notes and related documents shall automatically and immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for under the Notes and under the related documents.

Under current Delaware law, there is no restriction on the interest rate that may be charged for the lending of money evidenced by the Notes.

#### **Determination of LIBOR**

Pursuant to the Indenture, the Trustee will determine the Three-Month LIBOR for purposes of calculating the interest due on the Notes for each Interest Period on the second business day prior to the commencement of each Interest Period (each, a "LIBOR Determination Date"). For purposes of establishing a LIBOR Determination Date, a business day is any day on which banks in London and New York City are open for the transaction of international business.

"*One-Month LIBOR*," "*Two-Month LIBOR*" and "*Three-Month LIBOR*" mean a rate of interest per annum equal to the rate per annum at which United States dollar deposits having a maturity of one, two or three months, as applicable, are offered to prime banks in the London interbank market which appears on Telerate Page 3750 as of approximately 11:00 a.m., London time, on the related LIBOR Determination Date. If such rate does not appear on Telerate Page 3750, the rate will be determined on the basis of the rate at which deposits in United States dollars having a maturity of three months are offered to prime banks in the London interbank market by four major banks in the interbank market selected by the Trustee and in a principal amount of not less than U.S. \$1,000,000 and that is representative for a single transaction in such market at such time. The Trustee will request the principal London office of each of such banks to provide a quotation of its rate. If at least two quotations are provided, Three-Month LIBOR will be the arithmetic mean (rounded upwards, if necessary, to the nearest one-hundredth of one percent) of such offered rates. If fewer than two quotations are provided, Three-Month LIBOR will be the arithmetic mean (rounded upwards, if necessary, to the nearest one-hundredth of one percent) of the rates quoted at approximately 11:00 a.m., New York City time, on such LIBOR Determination Date by three major banks in New York, New York selected by the Trustee for loans in United States dollars to leading European banks having a maturity of three months, and in a principal amount of not less than U.S. \$1,000,000; provided that if the banks selected as aforesaid are not quoting as mentioned in this sentence, Three-Month LIBOR in effect for such Interest Period will be Three-Month LIBOR in effect for immediately preceding Interest Period.

"*Telerate Page 3750*" means the display page so designated on the Bridge Telerate Service (or such other page as may replace that page on that service for the purpose of displaying comparable rates or prices) or such comparable page on a comparable service.

## Prepayment Provisions

The Notes will receive distributions of principal, and will be subject to optional redemption, as described below. In addition, as described under “Description of the Indenture—Remedies,” the principal amount of all Notes may be declared immediately due and payable upon the happening and continuance of certain Events of Default under the Indenture. The Notes are not otherwise subject to redemption prior to maturity.

### *Distributions of Principal from Available Funds*

Principal payments will be made to the Holders of Notes prior to their respective Final Maturity Dates on each Quarterly Payment Date in an amount equal to the following:

- (a) unless a Subordinate Note Interest Trigger is in effect, (i) before the first Capitalized Interest Release Date, any Available Funds remaining after the required prior distributions as described in clauses “*first*” through “*eighth*” under “Description of the Indenture—Distributions of Available Funds,” (ii) on or after the first Capitalized Interest Release Date but before the First Optional Call Date, any Available Funds remaining after the required prior distributions as described in clauses “*first*” through “*eighth*” under “Description of the Indenture—Distributions of Available Funds,” up to the amount necessary, after giving effect to the application of all Available Funds on such Quarterly Payment Date, to cause the Total Asset Percentage to be equal to at least 103%, or (iii) on or after the First Optional Call Date, any Available Funds remaining after the required prior distributions as described in clauses “*first*” through “*eighth*” under “Description of the Indenture—Distributions of Available Funds,” and
- (b) if a Subordinate Note Interest Trigger is in effect, all Available Funds remaining after the required prior distributions as described in clauses “*first*” through “*third*” under “Description of the Indenture—Distributions of Available Funds.”

All amounts distributed as principal of the Senior Notes will be allocated first to the Class A-1 Notes, until all of the Class A-1 Notes have been paid, second to the Class A-2 Notes, until all of the Class A-2 Notes have been paid, and third to the Class A-3 Notes. Each principal payment with respect to Notes of a particular class shall be allocated to all Holders of the Notes of such class pro rata, based upon the Principal Amounts of such Notes.

### *Optional Redemption*

All Outstanding Notes are subject to redemption at the option of Access Group, in whole but not in part, on the first Quarterly Payment Date on which the aggregate principal balance of the Portfolio Loans (other than Charged-Off Loans) as of the end of the related Collection Period is less than 10% of the aggregate principal balance of the Initial Portfolio Loans as of the Date of Issuance, and on any Quarterly Payment Date thereafter.

The redemption price will be 100% of the Principal Amount of the Notes redeemed, plus accrued interest to the redemption date. The Trustee is required to send notice of redemption by first-class mail, sent not less than five Business Days before the redemption date, to the Holder of each Note (which initially will be DTC or its nominee) at the last address set forth in the Note register maintained by the Trustee.

Access Group may not redeem the Notes unless the Available Funds under the Indenture would be sufficient to pay any Swap Termination Payments that may be due upon such redemption.

## Book-Entry Registration

### *General*

*The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal of and interest on the Notes to DTC Participants, Clearstream Participants and Euroclear Participants or to purchasers of the Notes, confirmation and transfer of beneficial*



*ownership interests in the Notes, and other securities-related transactions by and between DTC, Clearstream, Euroclear, DTC Participants, Clearstream Participants, Euroclear Participants and Beneficial Owners, is based solely on information furnished by DTC, Clearstream and Euroclear and has not been independently verified by Access Group or the Underwriters.*

Holders of the Notes may hold their certificates through DTC, in the United States, or Clearstream or Euroclear, in Europe, if they are participants of such systems, or indirectly through organizations that are participants in such systems.

DTC will hold the globally offered Notes. Clearstream and Euroclear will hold omnibus positions on behalf of the Clearstream Participants and the Euroclear Participants, respectively, through customers securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories (collectively, the "Depositories"), which in turn will hold such positions in customers' securities accounts in the Depositories' names on the books of DTC.

For further information with respect to clearance, settlement and tax documentation procedures relating to the globally offered Notes, see Annex A to this Offering Memorandum, "Global Clearance, Settlement and Tax Documentation Procedures."

#### *DTC*

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for its Participants and facilitates the clearance and settlement among DTC Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic book-entry changes in DTC Participants' accounts, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Indirect access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its DTC Participants are on file with the SEC.

Transfers between DTC Participants will occur in accordance with DTC rules. Transfers between Clearstream Participants and Euroclear Participants will occur in the ordinary way in accordance with their applicable rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its Depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines based on European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its Depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to the Depositories.

Because of time-zone differences, credits of securities in Clearstream or Euroclear as a result of a transaction with a DTC Participant will be made during the subsequent securities settlement processing, dated the business day following the DTC settlement date, and such credits or any transactions in such securities settled during such processing will be reported to the relevant Clearstream Participant or Euroclear Participant on such business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC. Day traders that use Clearstream or Euroclear and that purchase the Notes from DTC

Participants for delivery to Clearstream Participants or Euroclear Participants should note that these trades may fail on the sale side unless affirmative actions are taken. Participants should consult with their clearing system to confirm that adequate steps have been taken to assure settlement.

Purchases of Notes under the DTC system must be made by or through DTC Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual owner of a Note (a "Beneficial Owner") is in turn to be recorded on the DTC Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Notes, except when use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by DTC Participants with DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the DTC Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of Indirect Participants and some other banks, the Holder of a Note may be limited in its ability to pledge Notes to persons or entities that do not participate in the DTC system, or to otherwise take actions with respect to those Notes due to the lack of a physical certificate for those Notes.

Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners may desire to make arrangements with a DTC Participant or an Indirect Participant so that all notices of redemption of their Notes and other communications to DTC which affect these Beneficial Owners, and notification of all interest payments, will be forwarded in writing by the DTC Participant or Indirect Participant. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to advise a Beneficial Owner, of any notice of redemption or its content or effect will not affect the validity of the redemption of Notes called for redemption or any other action premised on such notice.

Neither DTC nor Cede & Co. will consent or vote with respect to the Notes. Under its usual procedures, DTC mails an omnibus proxy to the issuer as soon as possible after the record date, which assigns Cede & Co.'s consenting or voting rights to those DTC Participants to whose accounts the Notes are credited on the record date, identified in an attached listing.

Principal and interest payments on the Notes will be made to DTC. DTC's practice is to credit the accounts of the DTC Participants, upon DTC's receipt of funds and corresponding detail information from the Trustee, on payment dates in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such DTC Participant and not of DTC, the Trustee or Access Group, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Trustee, disbursement of such payments to DTC Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of DTC Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to Access Group or the Trustee. Under such circumstances, if a successor securities depository is not obtained, Definitive Notes are required to be printed and delivered. Access Group may decide to

discontinue use of the system of book-entry transfers through DTC, or a successor Securities Depository. In that event, Definitive Notes will be delivered to Noteholders. See “—Definitive Notes” below.

#### *Clearstream*

Clearstream Banking, société anonyme (“Clearstream”) is a licensed bank organized as a limited liability company (a société anonyme) under Luxembourg law, and operating as a professional depository. Clearstream holds securities for its participating organizations (“Clearstream Participants”) and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in Clearstream accounts of Clearstream Participants or between a Clearstream account and a Euroclear Account, thereby eliminating the need for physical movement of certificates. For transactions between a Clearstream Participant and a participant of another securities settlement system, Clearstream generally adjusts to the settlement rules of the other securities settlement system. Transactions may be settled in Clearstream in numerous currencies, including United States dollars. Clearstream provides to its Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

#### *Euroclear*

The Euroclear System was created in 1968 to hold securities for participants of the Euroclear System (“Euroclear Participants”) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Transactions may be settled in multiple currencies, including United States dollars. The Euroclear System includes various other services, including securities lending and borrowing and interfaces with domestic markets in numerous countries generally similar to the arrangements for cross-market transfers with DTC described above. The Euroclear System is operated by Euroclear Bank, SA/NV (the “Euroclear Operator” or “Euroclear”). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear Participants include investment banks, banks (including central banks), securities brokers and dealers, supranationals, investment managers, corporations, trust companies and other professional financial intermediaries. Indirect access to the Euroclear System is also available to other firms that maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Investors electing to acquire Notes through an account with the Euroclear Operator or some other securities intermediary must follow the settlement procedures of such an intermediary.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law. These rules and laws govern transfers of securities and cash within the Euroclear System, withdrawal of securities and cash from the Euroclear System, and receipts of payments with respect to securities in the Euroclear System. All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under these rules and laws only on behalf of Euroclear Participants and has no record of or relationship with persons holding through Euroclear Participants.

Distributions with respect to Notes held through Clearstream or Euroclear will be credited to the cash accounts of Clearstream Participants or Euroclear Participants in accordance with the relevant system’s rules and procedures, to the extent received by its Depository. Such distributions will be subject to tax reporting in accordance with relevant United States tax laws and regulations. See “United States Federal Income Tax Consequences.” Clearstream or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a Noteholder under the Indenture on behalf of a Clearstream Participant or Euroclear Participant only in accordance

with its relevant rules and procedures and subject to its Depository's ability to effect such actions on its behalf through DTC.

DTC, Clearstream and Euroclear are under no obligation to perform or continue to perform the foregoing procedures, and such procedures may be discontinued at any time.

### **Definitive Notes**

Notes of any class will be issued in fully registered, certificated form to Beneficial Owners or their nominees rather than to DTC or its nominee, if (1) the Notes of such class are not eligible for the services of DTC, (2) DTC determines to discontinue providing its services with respect to the Notes of such class or (3) Access Group successfully seeks to terminate the system of book-entry transfers for the Notes of such class through DTC. In that event, Access Group may either identify another qualified Securities Depository or direct or cause note certificates for such class to be delivered to Beneficial Owners thereof or their nominees and, if certificates are delivered to the Beneficial Owners, the Beneficial Owners or their nominees, upon authentication of the Notes of such class in authorized denominations and registration thereof in the Beneficial Owners' or nominees' names, will become the holders of such Notes for all purposes. In that connection, the Trustee is to mail an appropriate notice to the Securities Depository for notification to DTC Participants and Beneficial Owners of the substitute Securities Depository or the issuance of note certificates to Beneficial Owners or their nominees, as applicable.

Distributions of principal of and interest on the Notes will be made by the Trustee directly to Holders of Definitive Notes in accordance with the procedures described herein and in the Indenture. The principal of the Definitive Notes, together with interest payable thereon, on the Final Maturity Date thereof will be payable in lawful money of the United States of America upon presentation and surrender of such Definitive Notes at the designated office of the Trustee or, at the option of the Holder, at the designated office of a duly appointed paying agent. Principal and interest due on the Definitive Notes on each Quarterly Payment Date shall be payable by check or draft drawn upon the Trustee mailed to the Person who is the Holder thereof as of 5:00 p.m. in the city in which the designated office of the Note registrar is located on the Record Date relating thereto, at the address of such Holder as it appears on the Note register.

Definitive Notes will be transferable and exchangeable at the offices of the registrar for the Notes, which will initially be the Trustee. No service charges will be imposed for any registration of transfer or exchange, but the registrar may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith.

## DESCRIPTION OF THE INITIAL INTEREST RATE EXCHANGE AGREEMENT

### General

On or before the Date of Issuance, Access Group will enter into the Initial Interest Rate Exchange Agreement, pursuant to which it will obtain a basis swap and an interest rate cap.

### Basis Swap

Under the basis swap provisions of the Initial Interest Rate Exchange Agreement, with respect to each Quarterly Payment Date while the Initial Interest Rate Exchange Agreement is in effect, (1) the Swap Counterparty will pay to the Trustee, for the account of Access Group, on the last business day preceding the Quarterly Payment Date, an amount equal to the Swap Counterparty Payment Amount, and (2) the Trustee will pay to the Swap Counterparty, on the Quarterly Payment Date, an amount equal to the Access Group Payment Amount.

The “Swap Counterparty Payment Amount” for a Quarterly Payment Date is an amount equal to:

- three-month LIBOR (as defined in the Initial Interest Rate Exchange Agreement) determined as of the LIBOR Determination Date for the applicable Interest Period (except that for the initial Interest Period the rate shall be 3.21977% per annum), times
- the applicable notional amount for the Interest Period relating to such Quarterly Payment Date (as set forth in the table below), times
- a fraction, the numerator of which is the actual number of days elapsed in the related Interest Period and the denominator of which is 360.

The “Access Group Payment Amount” for a Quarterly Payment Date is an amount equal to:

- the 91-day Treasury bill rate (as defined in the Initial Interest Rate Exchange Agreement) determined based on the unweighted average of weekly resets of such rate during the applicable Interest Period, plus 0.48% per annum,
- the applicable notional amount for that Interest Period relating to such Quarterly Payment Date (as set forth in the table below), times
- a fraction, the numerator of which is the actual number of days elapsed in the related Interest Period and the denominator of which is 365 or 366, as the case may be.

The basis swap under the Initial Interest Rate Exchange Agreement will terminate on the Quarterly Payment Date in October 2019. It may terminate earlier than that date if an event of default or termination event (as described below) occurs.

*Table of Notional Amounts*

The notional amount of the Initial Interest Rate Exchange Agreement for the Interest Period ending on each Quarterly Payment Date shall be the respective amount shown in the table below:

<u>Quarterly Payment Date</u>	<u>Notional Amount</u>	<u>Quarterly Payment Date</u>	<u>Notional Amount</u>
July 2005	\$157,300,000	October 2012	\$66,400,000
October 2005	156,000,000	January 2013	64,000,000
January 2006	151,900,000	April 2013	61,700,000
April 2006	147,800,000	July 2013	59,300,000
July 2006	143,900,000	October 2013	57,100,000
October 2006	140,000,000	January 2014	54,900,000
January 2007	136,200,000	April 2014	52,700,000
April 2007	133,200,000	July 2014	50,600,000
July 2007	129,500,000	October 2014	48,500,000
October 2007	125,900,000	January 2015	46,400,000
January 2008	122,300,000	April 2015	44,400,000
April 2008	118,800,000	July 2015	42,500,000
July 2008	115,400,000	October 2015	40,600,000
October 2008	112,000,000	January 2016	38,700,000
January 2009	108,800,000	April 2016	36,800,000
April 2009	105,500,000	July 2016	35,000,000
July 2009	102,400,000	October 2016	33,200,000
October 2009	99,300,000	January 2017	31,500,000
January 2010	96,200,000	April 2017	29,800,000
April 2010	93,200,000	July 2017	28,100,000
July 2010	90,300,000	October 2017	26,500,000
October 2010	87,400,000	January 2018	24,900,000
January 2011	84,600,000	April 2018	23,300,000
April 2011	81,900,000	July 2018	21,800,000
July 2011	79,100,000	October 2018	20,300,000
October 2011	76,500,000	January 2019	18,700,000
January 2012	73,900,000	April 2019	17,200,000
April 2012	71,400,000	July 2019	15,700,000
July 2012	68,900,000	October 2019	14,200,000

*Modifications and Amendment of the Basis Swap*

The Indenture will contain provisions permitting Access Group to enter into amendments to the Initial Interest Rate Exchange Agreement. See “Description of the Indenture—Interest Rate Exchange Agreements.”

*Default Under the Basis Swap*

Events of default under the basis swap provisions of the Initial Interest Rate Exchange Agreement are expected to include:

- the failure of Access Group or the Swap Counterparty to pay any amount when due under the Initial Interest Rate Exchange Agreement after giving effect to the applicable grace period,
- a default in the due and punctual payment of any interest on the Notes or principal of the Notes at the Final Maturity Date thereof that also constitutes an Event of Default under the Indenture,
- the occurrence of a bankruptcy of Access Group or an event of insolvency or bankruptcy of the Swap Counterparty,

- an acceleration of the principal of the Notes following an Event of Default under the Indenture for a breach of any covenant or a violation of any representation or warranty which acceleration has become non-rescindable and non-waivable, and pursuant to which the Trustee has liquidated the Portfolio Loans, and
- the following other standard events of default under the 1992 ISDA Master Agreement, which shall not be applicable to Access Group (except in the case of the default described in the immediately preceding bullet): “Breach of Agreement,” “Credit Support Default,” “Misrepresentation,” “Default under Specified Transaction,” “Cross-Default” and “Merger Without Assumption.”

#### *Termination Events*

Termination events under the basis swap provisions of the Initial Interest Rate Exchange Agreement are expected to include the following standard events under the 1992 ISDA Master Agreement: “Illegality,” which generally relates to changes in law causing it to become unlawful for either party to perform its obligations under the Initial Interest Rate Exchange Agreement; “Tax Event,” which generally relates to either party to the Initial Interest Rate Exchange Agreement receiving a payment under the Initial Interest Rate Exchange Agreement from which an amount has been deducted or withheld for or on account of taxes; and the additional termination events described below.

#### *Additional Termination Events*

The Initial Interest Rate Exchange Agreement is expected to include an additional termination event relating to the credit rating of the Swap Counterparty’s guarantor. This additional termination event will occur if the Swap Counterparty has not, within a specified number of days of receiving notice of a ratings event, procured a collateral arrangement (and delivered any collateral required to be delivered at that time), a replacement transaction or a rating reaffirmation in the manner required by the Initial Interest Rate Exchange Agreement.

The Initial Interest Rate Exchange Agreement also is expected to include additional termination events relating to Access Group and the Trustee entering into Supplemental Indentures adverse to the Swap Counterparty without its consent, and Access Group and the Trustee failing to return collateral provided by the Swap Counterparty pursuant to the terms of a collateral arrangement described in the preceding paragraph.

#### *Early Termination of the Basis Swap*

Upon the occurrence of any event of default or a termination event under the Initial Interest Rate Exchange Agreement, the non-defaulting party or the non-affected party, as the case may be, will have the right to designate an early termination date.

Upon an early termination of the Initial Interest Rate Exchange Agreement, either Access Group or the Swap Counterparty may be liable to make a termination payment to the other, regardless of which party has caused that termination. The amount of that termination payment will be based on the value of the swap transaction as computed in accordance with the procedures in the Initial Interest Rate Exchange Agreement (which includes the use of “Close-out Amount”). For a description of the priority of payment for Swap Termination Payments required to be made by Access Group, see “Description of the Indenture—Distribution of Available Funds,” “—Remedies” and “—Application of Collections.”

### **Interest Rate Cap**

Under the terms of the interest rate cap provisions of the Initial Interest Rate Exchange Agreement, Access Group will make an upfront payment to the Swap Counterparty from the proceeds of the sale of the Notes on the Date of Issuance. On or before each Quarterly Payment Date to and including the Quarterly Payment Date in July 2007 (unless the interest rate cap provisions of the Initial Interest Rate Exchange Agreement are terminated prior to such date), the Swap Counterparty will pay to the Trustee for deposit into the Collection Account an amount equal to the product of:

- the excess, if any, of three-month LIBOR for the related Interest Period (calculated in a similar manner as the calculation of the interest rate for the Notes) over 5.5%, multiplied by
- a notional amount equal to \$380,500,000, multiplied by
- a fraction, the numerator of which is the number of days in such Interest Period and the denominator of which is 360.

Upon the occurrence of certain defaults or termination events under the interest rate cap provisions of the Initial Interest Rate Exchange Agreement, Access Group will have the right to designate an early termination date. These events include a failure to make required payments, certain events of insolvency or bankruptcy with respect to the Swap Counterparty, and the various events of default and termination events described above under “—Basis Swap” that are applicable to the Swap Counterparty.

Upon an early termination of the interest rate cap provisions of the Initial Interest Rate Exchange Agreement, the Swap Counterparty may be liable to make a termination payment to the Trustee based on the value of the transaction computed in accordance with the procedures set forth in the Initial Interest Rate Exchange Agreement.

### **Swap Counterparty**

Lehman Brothers Special Financing Inc. (“LBSF”), the Swap Counterparty under the Initial Interest Rate Exchange Agreement, is a Delaware corporation and a wholly owned subsidiary of Lehman Brothers Inc. Payments of all amounts payable by LBSF under the Initial Interest Rate Exchange Agreement will be irrevocably and unconditionally guaranteed by Lehman Brothers Holdings Inc.

Lehman Brothers Holdings Inc. (together with its consolidated subsidiaries, “LBHI”) is a holding company which, through its wholly owned subsidiary Lehman Brothers Inc. and other subsidiaries, provides investment banking services to institutional, corporate, government and high-net-worth individual clients and customers. LBHI’s business includes capital raising for clients through securities underwriting and direct placements, corporate finance and strategic advisory services, private equity investments, securities sales and trading, research, and the trading of foreign exchange and derivative products and certain commodities. LBHI acts as a market-maker in all major equity and fixed income products in both the U.S. and international markets. LBHI is a member of all principal securities and commodities exchanges in the United States, as well as the National Association of Securities Dealers, Inc., and holds memberships or associate memberships on several principal international securities and commodities exchanges, including the London, Tokyo, Hong Kong, Frankfurt, Paris and Milan stock exchanges.

LBHI was incorporated in Delaware on December 29, 1983. LBHI’s principal executive offices are located at 745 Seventh Avenue, New York, New York 10019 and its main telephone number is (212) 526-7000.

LBHI files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (“SEC”). Any document LBHI files with the SEC may be read and copied at the SEC’s Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains annual, quarterly and current reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. LBHI’s electronic SEC filings are available to the public at <http://www.sec.gov>.

*The information in the preceding four paragraphs has been provided by LBSF and is not guaranteed as to accuracy or completeness, and is not to be construed as representations, by Access Group or the Underwriters. Except for the foregoing four paragraphs, LBSF has not been involved in the preparation of, and does not accept responsibility for, this Offering Memorandum.*



## DESCRIPTION OF THE INDENTURE

### General

Access Group and the Trustee will enter into an Indenture of Trust, dated as of June 1, 2005 (the “Indenture”), which will authorize the issuance of the Notes. The following, together with the information under the caption “Description of the Notes,” is a summary of the material terms of the Indenture. The summary describes the terms of the Indenture as it is to be originally executed. The Indenture may be amended as described below under “—Supplemental Indentures.” The summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture.

The Indenture establishes the terms of the Notes, sets forth various covenants and agreements of Access Group relating thereto, default and remedy provisions, and responsibilities and duties of the Trustee, and establishes the various Accounts into which the Note proceeds and Access Group’s revenues related to the Portfolio Loans and the Notes are deposited and transferred for various purposes. The Notes are the only debt obligations that may be issued by Access Group under the Indenture. Access Group may also enter into Interest Rate Exchange Agreements under the Indenture. See “—Interest Rate Exchange Agreements” below.

### Accounts

#### *Pre-Funding Account*

The Indenture establishes a Pre-Funding Account. The Trustee will, upon delivery to the initial purchasers of the Notes and from the proceeds thereof, credit to the Pre-Funding Account the amounts set forth under “Use of Proceeds.”

Amounts in the Pre-Funding Account will be used for the acquisition of Private Loans and additional disbursements of Portfolio Loans, as described herein under “The Portfolio Loans—Acquisition of Portfolio Loans.” At the direction of Access Group, the Trustee will make payments to National City Bank from the Pre-Funding Account for the acquisition of Private Loans and additional disbursements of Portfolio Loans at a purchase price equal to 100% of the principal balance thereof, plus accrued interest thereon.

If there is any balance remaining in the Pre-Funding Account at the end of the Pre-Funding Period, that balance will be distributed as Available Funds on the last day of the Pre-Funding Period, as described under “—Distributions of Available Funds” below.

Pending application of moneys in the Pre-Funding Account, such moneys will be invested in investment securities, as described under “—Investments” below, and any income from such investments will be deposited in the Collection Account.

#### *Collection Account*

The Indenture establishes a Collection Account. The Trustee will credit to the Collection Account: (1) all amounts received as interest and principal payments with respect to the Portfolio Loans, including net recoveries with respect to Charged-Off Loans, (2) proceeds of any sale or assignment of Portfolio Loans as described under “—Portfolio Loans” below, (3) all payments received from the Swap Counterparty under an Interest Rate Exchange Agreement, and (4) all amounts received as income from investment securities in the Collection Account, the Pre-Funding Account and the Capitalized Interest Account.

On each Quarterly Payment Date, the Trustee will transfer the moneys in the Collection Account received during the preceding Collection Period and not previously transferred or paid out as described under “—Distributions of Available Funds” and any payments received with respect to the related Interest Period under an Interest Rate Exchange Agreement. If those amounts, together with any Available Funds from the Capitalized Interest Account and the Pre-Funding Account, are not sufficient to make the distributions on a Quarterly Payment Date with respect to Administrative Allowances and Trustee Fees, payments due under an Interest Rate Exchange

Agreement (other than Low Priority Swap Termination Payments), interest on the Senior Notes and (unless a Subordinate Note Interest Trigger is in effect) the Class B Notes, and the principal of any Notes on their Final Maturity Date, the Trustee will apply additional moneys received after the end of the Collection Period and on or before the Quarterly Payment Date.

Pending transfers from the Collection Account, the moneys therein will be invested in investment securities as described under “—Investments” below, and any income from such investments will be retained therein.

#### *Capitalized Interest Account*

The Indenture establishes a Capitalized Interest Account. The Trustee shall, upon delivery to the initial purchasers of the Notes and from the proceeds thereof, credit to the Capitalized Interest Account the amount set forth under “Use of Proceeds.” In addition, on any Quarterly Payment Date, the Trustee will transfer Available Funds to the Capitalized Interest Account to the extent provided under “—Distributions of Available Funds” below.

Amounts in the Capitalized Interest Account shall be applied on any Quarterly Payment Date, to the extent other Available Funds are not sufficient for such payments, to the payment of (1) Administrative Allowances and Trustee Fees, (2) payments due under an Interest Rate Exchange Agreement (other than Low Priority Swap Termination Payments), (3) interest on the Senior Notes and (unless a Subordinate Note Interest Trigger is in effect) the Class B Notes, and (4) principal of the Notes due at their Final Maturity Date. Amounts remaining in the Capitalized Interest Account in excess of the respective Capitalized Interest Account Requirements on any Capitalized Interest Release Date will be distributed as Available Funds as described under “—Distributions of Available Funds” below.

Pending application of moneys in the Capitalized Interest Account, such moneys shall be invested in investment securities, as described under “—Investments” below, and any income from such investments shall be deposited in the Collection Account.

#### **Distributions of Available Funds**

On each Quarterly Payment Date, Available Funds will be applied in the following order of priority:

*first*, to Access Group, an amount equal to the Administrative Allowance for the preceding quarter, and to the Trustee, an amount equal to the Trustee Fees for the preceding quarter, pro rata, based upon the amounts due Access Group and the Trustee;

*second*, to the Swap Counterparties entitled thereto, payments due under any Interest Rate Exchange Agreements (other than Swap Termination Payments), pro rata, based upon the amounts due each Swap Counterparty;

*third*, to the Holders of the Senior Notes, an amount equal to interest due on the Senior Notes (including any overdue interest), and to the Swap Counterparties entitled thereto, any High Priority Swap Termination Payments due under any Interest Rate Exchange Agreements, pro rata, based upon the amounts due each Holder of Senior Notes and each Swap Counterparty;

*fourth*, to the Holders of the Senior Notes, an amount equal to principal due on any class of Senior Notes on their Final Maturity Date, pro rata, based upon the amounts due each Holder of Senior Notes of such class;

*fifth* (unless a Subordinate Note Interest Trigger is in effect), to the Holders of the Class B Notes, an amount equal to interest due on the Class B Notes (including any overdue interest), pro rata, based upon the amounts due each Holder of the Class B Notes;

*sixth*, if a Subordinate Note Interest Trigger is in effect, any remainder to the payment of principal to the Holders of the Senior Notes as described in the next paragraph;

*seventh*, to the Holders of the Class B Notes, an amount equal to principal due on the Class B Notes on their Final Maturity Date, pro rata, based upon the amounts due each Holder of the Class B Notes);

*eighth*, to the Capitalized Interest Account, the amount, if any, necessary to increase the balance thereof to at least \$1,000,000 or such other minimum amount as may be established upon confirmation from the Rating Agencies that the ratings of the Notes will not be reduced or withdrawn as a result;

*ninth*, an amount up to the Principal Distribution Amount for such Quarterly Payment Date, to be allocated as follows:

- prior to the Stepdown Date (and on and after the Stepdown Date if a Subordinate Note Principal Trigger is in effect), to the Holders of the Senior Notes, as described in the next paragraph, and
- on and after the Stepdown Date and if no Subordinate Note Principal Trigger is in effect, an amount equal to the Senior Percentage of the amount applied to principal shall be allocated to the Holders of the Senior Notes, as described in the next paragraph, and an amount equal to the Subordinate Percentage shall be allocated to the Holders of the Class B Notes;

*tenth*, to the Swap Counterparties entitled thereto, any Low Priority Swap Termination Payments due under any Interest Rate Exchange Agreements, pro rata, based upon the amounts due each Swap Counterparty;

*eleventh*, to Access Group, an amount up to the aggregate amount by which the Administrative Allowance released on prior Quarterly Payment Dates was reduced as described in the definition of such term under “Glossary of Certain Defined Terms” and not thereafter recovered as described in this clause “eleventh;” and

*twelfth*, only on or after the first Capitalized Interest Release Date but before the First Optional Call Date, any remainder to Access Group.

All principal distributions allocated to the Holders of the Senior Notes shall be applied first to the payment of the Class A-1 Notes until all Class A-1 Notes have been paid in full, second to the payment of the Class A-2 Notes until all Class A-2 Notes have been paid in full, and third to the Class A-3 Notes. All principal distributions allocated to a particular class of Notes shall be applied pro rata to the Holders of all Notes of that class, based upon the respective Principal Amounts of such Notes.

### **Portfolio Loans**

Pursuant to the Indenture, the Portfolio Loans are pledged and assigned by Access Group to the Trustee to secure the Notes. Portfolio Loans may be sold or assigned by Access Group only in connection with (a) a sale or refinancing of all Portfolio Loans as described in the next sentence, (b) the resale to National City Bank of any Portfolio Loans pursuant to National City Bank’s repurchase obligation under a Commitment Agreement, (c) the sale to a Servicer of any Portfolio Loans pursuant to its obligations under a Servicing Agreement, or (d) any sale or assignment of Charged-Off Loans. In connection with the redemption of all of the Outstanding Notes as described under “Description of the Notes—Prepayment Provisions—Optional Redemption,” Access Group may sell or refinance all of the Portfolio Loans, so long as the proceeds of such sale or refinancing (together with other amounts available under the Indenture) are sufficient to provide for the payment of the redemption price of the Notes, all Trustee Fees, and all amounts due under any Interest Rate Exchange Agreement. Any Portfolio Loans so sold or assigned will, upon receipt of the purchase price therefor, if applicable, be released from the lien of the Indenture and will no longer be considered Portfolio Loans, and the revenues from such Private Loans will no longer be available for the payment of the Notes.

## **Interest Rate Exchange Agreements**

Access Group may, from time to time, enter into additional or substitute Interest Rate Exchange Agreements, so long as Access Group has received written confirmation from each Rating Agency that entering into such Interest Rate Exchange Agreement will not cause the reduction or withdrawal of any ratings on the Notes.

Any such Interest Rate Exchange Agreement would be expected to have terms generally similar to the terms of the Initial Interest Rate Exchange Agreement described under “Description of the Initial Interest Rate Exchange Agreement;” however, such an agreement may have different or additional termination events, events of default, and other terms and provisions.

Access Group may terminate any Interest Rate Exchange Agreement prior to its scheduled termination date, or revise the schedule of notional amounts or otherwise amend any Interest Rate Exchange Agreement, if Access Group has received written confirmation from each Rating Agency that such action will not cause the reduction or withdrawal of any ratings on the Notes. No such confirmation would be needed to reduce the notional amount of an Interest Rate Exchange Agreement if the aggregate notional amount under any such agreements after giving effect to such amendment is not less than the aggregate outstanding principal balance of the Portfolio Loans for which the interest rate is based on the 91-day U.S. Treasury bill rate, as of the end of the most recent Collection Period.

Access Group and the Swap Counterparty may amend an Interest Rate Exchange Agreement in any other respect so long as the Trustee is provided with written confirmation from each Rating Agency that such amendment will not cause the reduction or withdrawal of any ratings on the Notes.

## **Pledge; Encumbrances**

The Notes are limited obligations of Access Group specifically secured by the pledge of the proceeds of the sale of Notes (until expended for the purpose for which the Notes were issued), the Portfolio Loans and the revenues, moneys and securities in the various Accounts, in the manner and subject to the prior applications provided in the Indenture. Portfolio Loans sold or assigned to another party as described under “—Portfolio Loans” above will, contemporaneously with receipt by the Trustee of the purchase price thereof, no longer be pledged to nor serve as security for the payment of the principal of or interest on the Notes.

Access Group agrees that it will not create, or permit the creation of, any pledge, lien, charge or encumbrance upon the Portfolio Loans or the other revenues and assets pledged under the Indenture, except only as to a lien subordinate to the lien of the Indenture created by any other indenture authorizing the issuance of bonds, notes or other evidences of indebtedness of Access Group, the proceeds of which will be used to refund or otherwise retire all or a portion of the Outstanding Notes. Access Group agrees that it will not issue any bonds or other evidences of indebtedness secured by a pledge of the revenues and other assets pledged under the Indenture, creating a lien or charge equal or superior to the lien of the Indenture. Nothing in the Indenture is intended to prevent Access Group from issuing obligations secured by revenues and assets of Access Group other than the revenues and other assets pledged in the Indenture.

## **Covenants**

Certain covenants with the Holders of the Notes contained in the Indenture are summarized as follows:

*Acquisition, Collection and Assignment of Portfolio Loans.* Access Group agrees that it will use the proceeds of the Notes to refinance or purchase only Private Loans made and purchased or eligible for sale under the applicable Commitment Agreement, and (subject to any adjustments referred to in the following paragraph) will diligently cause to be collected all principal and interest payments on all the Portfolio Loans and other sums to which Access Group is entitled pursuant to the Commitment Agreements.

*Enforcement of Portfolio Loans.* Access Group agrees that it will cause to be diligently enforced all terms, covenants and conditions of all Portfolio Loans (other than Charged-Off Loans) and agreements in connection

therewith, including the prompt payment of all principal and interest payments and all other amounts due Access Group thereunder. Nothing in the provisions of the Indenture described in this paragraph, however, shall be construed to prevent Access Group from (a) settling a default or curing a delinquency on any Portfolio Loan or otherwise settling any dispute with a borrower on such terms as shall be required by law or as Access Group may deem to be in the best interest of the Access Group Loan Program, (b) amending the terms of a Portfolio Loan to provide for a different rate of interest thereon to the extent required by law, (c) adjusting the interest rate on a Portfolio Loan to take into account any discount Access Group may cause to be made available to borrowers who make payments on Portfolio Loans through automatic withdrawals or who make timely payments, (d) adjusting the repayment terms in accordance with one of the repayment plans offered by Access Group, (e) if the Trustee shall have received written confirmation from each Rating Agency that such action will not cause the reduction or withdrawal of any rating or ratings then applicable to any Outstanding Notes, otherwise amending the terms of any Portfolio Loan or agreement in connection therewith, (f) waiving the loan fee with respect to Portfolio Loans that are paid in full before they enter repayment, (g) waiving the initial late payment charge for any borrower, or (h) applying any credit to the balance of a Portfolio Loan if an amount equal to the credit is deposited into the Collection Account by or at the direction of Access Group as a payment of such Portfolio Loan.

*Administration and Collection of Portfolio Loans.* Access Group agrees to service and collect, or enter into one or more Servicing Agreements pursuant to which Third Party Servicers agree to service or collect, all Portfolio Loans (other than Charged-Off Loans) in a competent and diligent manner. Access Group agrees to cause to be diligently enforced all terms, covenants and conditions of each Third Party Servicing Agreement, including the prompt payment of all principal and interest payments and all other amounts due Access Group thereunder. Access Group shall not permit the release of the obligations of any Third Party Servicer under any Servicing Agreement and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of Access Group, the Trustee and the Holders under or with respect to each Third Party Servicing Agreement. Access Group agrees not to consent or agree to or permit any amendment or modification of any Servicing Agreement which will in any manner materially adversely affect the rights or security of the Holders. Notwithstanding the foregoing, Access Group may amend any Servicing Agreement in any respect if each Rating Agency confirms that such amendment will not cause the withdrawal or reduction of any rating or ratings then applicable to any Outstanding Notes.

*Servicer Default.* Access Group agrees to notify the Trustee of the occurrence of any Servicer Default that affects Portfolio Loans. Upon the occurrence of a Servicer Default, Access Group may, or at the direction of the Acting Holders Upon Default Access Group shall, either assume the servicing of the affected Portfolio Loans itself or transfer the servicing of the affected Portfolio Loans to a successor Servicer selected by Access Group. If Access Group has not replaced the Servicer to which a Servicer Default applies within the period specified in the Indenture after receiving direction to replace such Servicer from the Acting Holders Upon Default, then the Trustee is authorized to replace such Servicer.

*Quarterly Servicing Reports.* Access Group will prepare, or cause a Third Party Servicer to prepare, a Quarterly Servicing Report for each Collection Period and will furnish, or cause to be furnished, to the Trustee a copy of each such report by the 25th day of the next calendar month (or the next succeeding business day if such 25th day is not a business day). See “Reports to Noteholders.”

*Tax-Exempt Status.* Access Group agrees that it will not take any action which would result in the loss of, and will take all reasonable actions necessary to maintain, its status as an organization described in Section 501(c)(3) of the Internal Revenue Code and exempt from federal income taxation under Section 501(a) of the Internal Revenue Code (or any successor provisions).

*Continuing Existence; Merger and Consolidation.* Access Group agrees to maintain its existence as a corporation and, except as otherwise specifically authorized in the Indenture, not to dispose of all or substantially all of its assets (by sale, lease or otherwise), or consolidate with or merge into another entity or permit any other entity to consolidate with or merge into it unless either Access Group is the surviving corporation or each of the following conditions is satisfied:

- (1) the surviving, resulting or transferee entity, as the case may be, shall be organized under the laws of the United States or one of the states thereof;

(2) at least thirty days before any merger, consolidation or transfer of assets becomes effective, Access Group shall have given the Trustee written notice of the proposed transaction;

(3) immediately after giving effect to any merger, consolidation or transfer of assets, no Event of Default shall have occurred and be continuing;

(4) each Rating Agency shall have confirmed that such merger, consolidation or transfer of assets will not cause the withdrawal or reduction of any rating or ratings then applicable to any Outstanding Notes; and

(5) prior to or concurrently with any merger, consolidation or transfer of assets, (a) any action as is necessary to maintain the lien and security interest created in favor of the Trustee by the Indenture shall have been taken, (b) the surviving, resulting or transferee entity, as the case may be, shall have delivered to the Trustee an instrument assuming all of the obligations of Access Group under the Indenture and related agreements, together with any necessary consents and (c) Access Group shall have delivered to the Trustee and each Rating Agency a certificate and an opinion of counsel (which shall describe the actions taken as required by clause (a) of this paragraph or state that no such action need be taken) each stating that all conditions precedent to such merger, consolidation or transfer of assets have been complied with.

## **Investments**

Moneys from time to time on deposit in the Accounts may be invested in one or more of the following investment securities:

- Government Obligations;
- interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any bank, trust company, national banking association or other depository institution (including the Trustee or any of its affiliates), provided that, at the time of deposit or purchase, if the investment is for a period exceeding one year, such depository institution shall have long-term unsecured debt rated by each Rating Agency not lower than in its highest applicable rating category or if the investment is for a period of less than one year, such depository institution shall have short-term unsecured debt rated at least “A-1” by S&P, “P-1” by Moody’s and “F1” by Fitch;
- obligations issued or guaranteed as to principal and interest by any of the following: (a) the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Farm Credit Banks, the Federal Intermediate Credit Banks, the Export-Import Bank of the United States, the Federal Land Banks, the Federal Financing Bank, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation or the Farmers Home Administration, or (b) any agency or instrumentality of the United States of America established for the purpose of acquiring the obligations of any of the foregoing or otherwise providing financing therefor, provided that any such obligation described in this clause (b) must be rated by each Rating Agency in its highest applicable rating category;
- repurchase agreements or reverse repurchase agreements with banks (which may include the Trustee or any of its affiliates) which are members of the Federal Deposit Insurance Corporation or with government bond dealers insured by the Securities Investor Protection Corporation, which such agreements are secured by Government Obligations to a level sufficient to obtain a rating by each Rating Agency in its highest applicable rating category, or with brokers or dealers whose unsecured long-term debt is rated by each Rating Agency in its highest applicable rating category;
- any money market fund rated by each Rating Agency in its highest applicable rating category;

- any debt instrument with a term exceeding one year rated by each Rating Agency in its highest applicable rating category, or any debt instrument with a term of one year or less rated at least “A-1” by S&P and “P-1” by Moody’s; provided, however, that such debt instrument is not an unsecured corporate obligation or an asset-backed security;
- any investment agreement which constitutes a general obligation of an entity whose debt, unsecured securities, deposits or claims paying ability is rated by each Rating Agency in its highest applicable rating category; and
- any other investment if the Trustee shall have received written evidence from each Rating Agency that treating such investment as an investment security will not cause any rating then applicable to any Outstanding Notes to be lowered or withdrawn.

### **Events of Default**

If any of the following events occur, it is an “Event of Default” under the Indenture:

- (A) default in the due and punctual payment of any interest on any Senior Note;
- (B) default in the due and punctual payment of the principal of any Senior Note;
- (C) if no Senior Notes are Outstanding, default in the due and punctual payment of any interest on any Class B Note;
- (D) if no Senior Notes are Outstanding, default in the due and punctual payment of the principal of any Class B Note;
- (E) default in the performance of any of Access Group’s obligations with respect to the transmittal of moneys to be credited to the Collection Account under the provisions of the Indenture, and such default shall have continued for a period of 30 days;
- (F) default in the performance or observance of any other of the covenants, agreements or conditions on the part of Access Group contained in the Indenture or in the Notes, and such default shall have continued for a period of 30 days after written notice thereof, specifying such default, shall have been given to Access Group by the Trustee (which may give such notice in its discretion and will give such notice at the written request of the Acting Holders Upon Default); provided that, if the default is such that it can be corrected, but not within such 30 days, it will not constitute an Event of Default if corrective action is instituted by Access Group within such 30 days and is diligently pursued until the default is corrected; or
- (G) certain events of bankruptcy or insolvency of Access Group.

### **Remedies**

Whenever any Event of Default shall have occurred and be continuing, the Trustee may (and, upon the written request of the Acting Holders Upon Default, the Trustee shall), by notice in writing delivered to Access Group, declare the principal of and interest accrued on all Notes then Outstanding due and payable.

At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee, the Acting Holders Upon Default, by written notice to Access Group and the Trustee, may rescind and annul such declaration and its consequences if:

- There has been paid to or deposited with the Trustee by or for the account of Access Group, or provision satisfactory to the Trustee has been made for the payment of, a sum sufficient to pay:

(A) if Senior Notes are Outstanding: (i) all overdue payments (other than Low Priority Swap Termination Payments) under any Interest Rate Exchange Agreement; (ii) all overdue installments of interest on all Senior Notes; (iii) the principal of any Senior Notes which has become due other than by such declaration of acceleration, together with interest thereon at the rate or rates borne by such Senior Notes; (iv) to the extent that payment of such interest is lawful, interest upon overdue installments of interest on the Senior Notes at the rate or rates borne by such Senior Notes; (v) all other sums required to be paid to satisfy Access Group's obligations with respect to the transmittal of moneys to be credited to the Collection Account under the provisions of the Indenture; and (vi) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses and disbursements of the Trustee, its agents and counsel, and any paying agents; or

(B) if no Senior Notes are Outstanding, but Class B Notes are Outstanding: (i) all overdue payments (other than Low Priority Swap Termination Payments) under any Interest Rate Exchange Agreement; (ii) all overdue installments of interest on all Class B Notes; (iii) the principal of any Class B Notes which has become due other than by such declaration of acceleration, together with interest thereon at the rate or rates borne by the Class B Notes; (iv) to the extent that payment of such interest is lawful, interest upon overdue installments of interest on the Class B Notes at the rate or rates borne by the Class B Notes; (v) all other sums required to be paid to satisfy Access Group's obligations with respect to the transmittal of moneys to be credited to the Collection Account under the provisions of the Indenture; and (vi) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses and disbursements of the Trustee, its agents and counsel, and any paying agents; and

- All Events of Default, other than the nonpayment of the principal of and interest on Notes that have become due solely by such declaration of acceleration, have been cured or waived as provided in the Indenture.

If an Event of Default has occurred and is continuing, the Trustee may, subject to applicable law, pursue any available remedy by suit at law or in equity to enforce the covenants of Access Group in the Indenture and may pursue such appropriate judicial proceedings as the Trustee shall deem most effective to protect and enforce, or aid in the protection and enforcement of, the covenants and agreements in the Indenture. The Trustee is also authorized to file proofs of claims in any equity, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization or other similar proceedings.

If an Event of Default has occurred and is continuing, and if it shall have been requested so to do by the Acting Holders Upon Default and shall have been indemnified as provided in the Indenture, the Trustee is obliged to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee shall deem most expedient in the interests of the Holders; provided, however, that the Trustee has the right to decline to comply with any such request if the Trustee shall be advised by counsel that the action so requested may not lawfully be taken or if the Trustee receives, before exercising such right or power, contrary instructions from the Acting Holders Upon Default.

The Acting Holders Upon Default have the right to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture; provided that (a) such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture; (b) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders of Notes not taking part in such direction, other than by effect of the subordination of the Class B Notes; (c) the Trustee shall be indemnified as provided in the Indenture; and (d) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

No Holder of any Note will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy under the Indenture unless (1) an Event of Default shall have occurred and be continuing, (2) the Acting Holders Upon Default shall have made written request to the Trustee, (3) such Acting Holders Upon Default shall have offered to the Trustee indemnity, (4) the Trustee shall have thereafter failed for a period of 60 days after the receipt of the request and indemnification or refused to exercise the powers granted in the



Indenture or to institute such action, suit or proceeding in its own name and (5) no direction inconsistent with such written request shall have been given to the Trustee during such 60-day period by the Acting Holders Upon Default. Notwithstanding the foregoing provisions of the Indenture, the Acting Holders Upon Default may institute any such suit, action or proceeding in their own names for the benefit of the Holders of all Outstanding Notes.

Unless the Trustee has declared the principal of and interest on all Outstanding Notes immediately due and payable and has obtained a judgment or decree for payment of the money due, the Trustee will waive any Event of Default, and its consequences, upon written request of the Acting Holders Upon Default; except that there will not be waived (a) any Event of Default arising from the acceleration of the maturity of the Notes, except upon the rescission and annulment of such declaration as described in the second paragraph under this caption “—Remedies;” (b) any Event of Default in the payment when due of principal of or interest on any Note, except with the consent of the Holder thereof or unless, prior to such waiver, Access Group has paid or deposited with the Trustee a sum sufficient to pay all amounts owed to such Holder; (c) any Event of Default arising from the failure of Access Group to pay unpaid expenses of the Trustee, its agents and counsel, and any authenticating agent or paying agent as required by the Indenture, unless, prior to such waiver, Access Group has paid or deposited with the Trustee sums required to satisfy such payment obligations; or (d) any default in respect of a provision of the Indenture which could not be amended without the consent of each Holder affected by such amendment (as described under “—Supplemental Indentures—Supplemental Indentures Requiring Consent of Noteholders” below), unless each such Holder has consented to the waiver.

### **Application of Collections**

All moneys received by the Trustee pursuant to any remedy will, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the fees and expenses of the Trustee and any liabilities incurred by the Trustee with respect to the Trust Estate, be applied as follows:

(A) Unless the principal of all the Outstanding Notes shall have become or shall have been declared due and payable, all such moneys will be deposited into the Collection Account and applied as described under “—Distributions of Available Funds” above.

(B) If the principal of all Outstanding Notes shall have become due or shall have been declared due and payable and such declaration has not been annulled and rescinded under the provisions of the Indenture, all such moneys will be applied as follows:

- FIRST, to the payment of all amounts (other than Swap Termination Payments) due under Interest Rate Exchange Agreements ratably, according to the amounts due, to the persons entitled thereto without any discrimination or preference;
- SECOND, to the payment of all interest then due on the Senior Notes and all High Priority Swap Termination Payments then due under Interest Rate Exchange Agreements ratably, according to the amounts due, to the persons entitled thereto without any discrimination or preference;
- THIRD, if there has been an Event of Default described in clauses (A), (B) or (G) above under “—Events of Default,” to the payment of all principal then due on the Senior Notes ratably, according to the amounts due, to the persons entitled thereto without any discrimination or preference;
- FOURTH, to the payment of all interest then due on the Class B Notes ratably, according to the amounts due, to the persons entitled thereto without any discrimination or preference;
- FIFTH, if there has not been an Event of Default described in clauses (A), (B) or (G) above under “—Events of Default,” to the payment of all principal then due on the Senior Notes ratably, according to the amounts due, to the persons entitled thereto without any discrimination or preference;

- SIXTH, to the payment of all principal then due on the Class B Notes ratably, according to the amounts due, to the persons entitled thereto without any discrimination or preference;
- SEVENTH, to the payment of any Low Priority Swap Termination Payments ratably, according to the amounts due, to the persons entitled thereto without any discrimination or preference; and
- EIGHTH, to Access Group.

(C) If the principal of all Outstanding Notes shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then (subject to the provisions described in paragraph (B) above, if the principal of all the Outstanding Notes shall later become or be declared due and payable) the money held by the Trustee under the Indenture will be applied in accordance with the provisions described in paragraph (A) above.

### **Trustee**

Prior to the occurrence of an Event of Default which has not been cured, the Trustee is required to perform such duties and only such duties as are specifically set forth in the Indenture. Upon the occurrence and during the continuation of an Event of Default, the Trustee is required to exercise the rights and powers vested in it by Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in his own affairs.

Before taking any action under the Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct.

The Trustee may at any time resign upon 60 days' notice to Access Group and to the Holders, such resignation to take effect upon the appointment of a successor Trustee. The Trustee may be removed at any time by Access Group, and Access Group agrees to remove the Trustee at the request of the Holders of a majority in Principal Amount of Senior Notes Outstanding (or, if no Senior Notes are Outstanding, a majority in Principal Amount of the Class B Notes Outstanding), except during the existence of an Event of Default. No such removal will be effective until the appointment of a successor Trustee.

### **Supplemental Indentures**

#### *Supplemental Indentures Not Requiring Consent of Holders*

Access Group and the Trustee may, from time to time and at any time, without the consent of, or notice to, any of the Noteholders, enter into an indenture or indentures supplemental to the Indenture, among other purposes, to:

- (a) cure any ambiguity or formal defect or omission in the Indenture,
- (b) grant to the Trustee for the benefit of the Holders any additional rights, remedies, powers, authority or security,
- (c) describe or identify more precisely any part of the Trust Estate or subject additional revenues, properties or collateral to the lien and pledge of the Indenture,
- (d) evidence the appointment of a separate trustee or a co-trustee or the succession of a new Trustee, or
- (e) modify, eliminate and/or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended,

or under any similar Federal statute, and to add to the Indenture certain other provisions as may be expressly permitted by said Trust Indenture Act of 1939.

#### *Supplemental Indentures Requiring Consent of Noteholders*

In addition to Supplemental Indentures described in the preceding paragraph, upon receipt of an instrument evidencing the consent to the below-mentioned Supplemental Indenture by: (1) if they are affected thereby, the Holders of not less than two-thirds of the aggregate Principal Amount of the Outstanding Senior Notes, and (2) if they are affected thereby, the Holders of not less than two-thirds of the aggregate Principal Amount of the Outstanding Class B Notes, the Trustee will join with Access Group in the execution of any Supplemental Indentures for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, however, that no such Supplemental Indenture will permit without the consent of each Holder which would be affected thereby: (a) an extension of the maturity of the principal of or the interest on any Note, (b) a reduction in the principal amount or redemption price of any Note or the rate of interest thereon, (c) a privilege or priority of any Senior Note over any other Senior Note, except as described herein with respect to sequential payment of the different classes, (d) a privilege or priority of any Class B Note over any other Class B Note, (e) a privilege of any Senior Notes over any Class B Notes, other than as theretofore provided in the Indenture, (f) the surrendering of a privilege or a priority granted by the Indenture if, in the judgment of the Trustee, to the detriment of another Holder, (g) a reduction or an increase in the aggregate Principal Amount of the Notes required for consent to such Supplemental Indenture, (h) the creation of any lien ranking prior to or on a parity with the lien of the Indenture on the Trust Estate or any part thereof, except as expressly permitted in the Indenture, (i) any Holder to be deprived of the lien created on the rights, title, interest, privileges, revenues, moneys and securities pledged under the Indenture, or (j) the modification of any of the provisions of the Indenture described in this paragraph.

#### *Rights of Trustee*

If, in the opinion of the Trustee, any Supplemental Indenture adversely affects the rights, duties or immunities of the Trustee under the Indenture or otherwise, the Trustee may, in its discretion, decline to execute such Supplemental Indenture.

#### **Discharge of Notes and Indenture**

The obligations of Access Group under the Indenture, and the liens, pledges, charges, trusts, covenants and agreements of Access Group therein made or provided for, will be fully discharged and satisfied as to any Note and such Note will no longer be deemed to be Outstanding thereunder:

(1) when such Note shall have been canceled; or

(2) as to any Note not canceled, when payment of the principal of such Note, plus interest on such principal to the due date thereof, either (a) shall have been made in accordance with the terms of the Indenture, or (b) in the case of a Note to be redeemed or paid at maturity on the next Quarterly Payment Date, shall have been provided for by irrevocably depositing with the Trustee exclusively for such payment, (i) moneys sufficient to make such payment or (ii) Government Obligations maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment and, if payment of all then Outstanding Notes is to be so provided for, the payment of all fees and expenses of the Trustee and any other fiduciaries under the Indenture.

#### **GLOSSARY OF CERTAIN DEFINED TERMS**

Set forth below is a glossary of the principal defined terms used in this Offering Memorandum.

“*Access Group*” means Access Group, Inc., a Delaware corporation.

“*Account*” means any of the accounts established by the Indenture, which are the Capitalized Interest Account, the Collection Account and the Pre-Funding Account.

“*Acquisition Portfolio Loans*” means those Private Loans currently owned by National City Bank that will be acquired by Access Group with proceeds of the Notes on the Date of Issuance.

“*Acting Holders Upon Default*” means:

(1) at any time that any Senior Notes are Outstanding, the Holders of a majority in aggregate Principal Amount of Senior Notes Outstanding, and

(2) at any time that no Senior Notes are Outstanding but Class B Notes are Outstanding, the Holders of a majority in aggregate Principal Amount of Class B Notes Outstanding.

“*Administrative Allowance*” means a quarterly allowance which shall be released to Access Group each quarter to cover servicing and collection fees with respect to Portfolio Loans (other than Charged-off Loans) and Access Group’s other expenses (other than Trustee Fees) incurred in connection with carrying out and administering its powers, duties and functions under the Indenture and any related agreements. The amount of the Administrative Allowance on each Quarterly Payment Date shall be equal to 0.25% of the aggregate principal balance of the Portfolio Loans, other than Charged-Off Loans, as of the first day of the related Collection Period; provided, that on any Quarterly Payment Date on which, after giving effect to the application of Available Funds described under “Description of the Indenture—Distributions of Available Funds,” the Total Asset Percentage would otherwise be less than 97%, the amount of the Administrative Allowance shall be reduced, if necessary (but in no event below 0.1125% of the aggregate principal balance of such Portfolio Loans), to an amount which will allow sufficient Available Funds to make the allocations described in clauses “*first*” through “*tenth*” under “Description of the Indenture—Distributions of Available Funds;” or (in any case) such greater amount as Access Group may determine, upon confirmation from the Rating Agencies that the ratings of any Notes will not be reduced or withdrawn as a result.

“*Available Funds*” means, as of any Quarterly Payment Date, the sum of the following:

(1) all amounts received in the Collection Account and not yet transferred or paid out as of the last day of the related Collection Period,

(2) amounts received from the Swap Counterparty with respect to the related Interest Period pursuant to an Interest Rate Exchange Agreement,

(3) only with respect to a Capitalized Interest Release Date, any amount remaining in the Capitalized Interest Account in excess of the Capitalized Interest Account Requirement on that date and only with respect to the Pre-Funding Termination Date, any amount remaining in the Pre-Funding Account on that date,

(4) amounts in the Capitalized Interest Account, but only to the extent necessary to increase the balance of Available Funds to an amount sufficient to pay (a) Administrative Allowances and Trustee Fees, (b) payments due to the Swap Counterparty (other than Low Priority Swap Termination Payments) under any Interest Rate Exchange Agreement, (c) interest due on the Senior Notes and (unless a Subordinate Note Interest Trigger is in effect) the Class B Notes, and (d) principal of the Notes on their Final Maturity Date, and

(5) other amounts received in the Collection Account after the last day of the related Collection Period, but only to the extent necessary after (after giving effect to clause 4 above) to increase the balance of Available Funds to an amount sufficient to pay (a) Administrative Allowances and Trustee Fees, (b) payments due to the Swap Counterparty (other than Low Priority Swap Termination Payments) under an Interest Rate Exchange Agreement, (c) interest due on the Senior Notes and (unless a Subordinate

Note Interest Trigger is in effect) the Class B Notes, and (d) principal of the Notes on their Final Maturity Date.

“*Beneficial Owner*” means, with respect to a Note held in Book-Entry Form, the actual purchaser of such Note.

“*Book-Entry Form*” means a form of ownership and registration under which (1) the beneficial right to principal and interest may be transferred only through a book entry, and (2) physical securities in registered form are issued only to a Securities Depository or its nominee as registered holder, with the securities “immobilized” in the custody of the Securities Depository or the Trustee.

“*Business Day*” means a day of the year on which (i) banks located in the city in which the designated office of the Trustee is located are not required or authorized to remain closed, and (ii) the New York Stock Exchange is not closed.

“*Capitalized Interest Account*” means the Capitalized Interest Account created and established by the Indenture.

“*Capitalized Interest Account Requirement*” means, for each of the Capitalized Interest Release Dates, the following respective amounts:

<u>Capitalized Interest Release Date</u>	<u>Capitalized Interest Account Requirement</u>
January 2006	\$26,600,000
April 2006	24,700,000
July 2006	21,400,000
October 2006	18,200,000
January 2007	15,300,000
April 2007	12,800,000
July 2007	10,600,000
October 2007	8,200,000
January 2008	5,900,000
April 2008	3,500,000
July 2008	1,000,000

provided, however, that any Capitalized Interest Account Requirement may be reduced, or additional Capitalized Interest Release Dates may be added, upon confirmation from the Rating Agencies that the ratings of the Notes will not be reduced or withdrawn as a result.

“*Capitalized Interest Release Date*” means each Quarterly Payment Date from January 2006 through July 2008, and any other date that may be established by Access Group upon confirmation from the Rating Agencies that the ratings of the Notes will not be reduced or withdrawn as a result.

“*Charged-Off Loan*” means a Portfolio Loan with respect to which the borrower has become more than 180 days delinquent in a required payment of principal or interest.

“*Class A-1 Notes*” means the \$115,000,000 Private Student Loan Asset-Backed Floating Rate Notes, Series 2005-A Class A-1 issued by Access Group pursuant to the Indenture.

“*Class A-2 Notes*” means the \$112,000,000 Private Student Loan Asset-Backed Floating Rate Notes, Series 2005-A Class A-2 issued by Access Group pursuant to the Indenture.

“*Class A-3 Notes*” means the \$115,500,000 Private Student Loan Asset-Backed Floating Rate Notes, Series 2005-A Class A-3 issued by Access Group pursuant to the Indenture.

“*Class B Notes*” means the \$38,000,000 Private Student Loan Asset-Backed Floating Rate Notes, Series 2005-A Class B issued by Access Group pursuant to the Indenture.

“*Collection Account*” means the Collection Account created and established by the Indenture.

“*Collection Period*” means the period from the Date of Issuance through June 30, 2005 and each calendar quarter thereafter.

“*Commitment Agreements*” means the Commitment and Loan Sale Agreement, dated as of April 1, 1998, the Commitment and Loan Sale Agreement, dated as of April 1, 2000 and the Amended and Restated Commitment and Loan Sale Agreement, dated as of March 8, 2004, each between Access Group and National City Bank, pursuant to which Access Group has purchased or agreed to purchase Private Loans from National City Bank, in each case as amended from time to time.

“*Date of Issuance*” means the date of initial issuance and delivery of the Notes, which is expected to be June 7, 2005.

“*DTC*” means The Depository Trust Company.

“*DTC Participants*” means the participating organizations that utilize the services of DTC, including securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended.

“*Event of Default*” means an event of default under the Indenture, as described under “Description of the Indenture—Events of Default.”

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*FFEL Program*” means the Federal Family Education Loan Program established by the Higher Education Act pursuant to which loans are made to borrowers pursuant to certain guidelines, and the repayment of such loans is guaranteed by a guarantee agency, and any predecessor or successor program.

“*FFELP Loans*” means student loans made under the FFEL Program.

“*Final Maturity Date*” means, (a) when used with respect to the Class A-1 Notes, the Quarterly Payment Date in January 2020, (b) when used with respect to the Class A-2 Notes, the Quarterly Payment Date in April 2026, and (c) when used with respect to the Class A-3 Notes and the Class B Notes, the Quarterly Payment Date in July 2034.

“*First Optional Call Date*” means the first Quarterly Payment Date on which the aggregate principal balance of the Portfolio Loans (other than Charged-Off Loans) as of the last day of the related Collection Period is less than 10% of the aggregate principal balance of the Initial Portfolio Loans as of the Date of Issuance.

“*Fitch*” means Fitch, Inc., its successors and their assigns.

“*Forbearance*” means a loan status in which the borrower has been permitted to defer the repayment of principal of a Portfolio Loan for administrative reasons or due to temporary financial hardship or other special circumstances.

“*Government Obligations*” means direct obligations of, or obligations the full and timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“*Grace*” means a loan status in which principal need not be paid on a Portfolio Loan during the period of time following a borrower’s ceasing to meet the enrollment standards for such loan, and prior to the commencement of the repayment period.

“*High Priority Swap Termination Payments*” means a Swap Termination Payment resulting from (1) one of the following events of default under the Interest Rate Exchange Agreement: (A) the failure of Access Group to pay any amount when due under the Interest Rate Exchange Agreement after giving effect to the applicable grace period, (B) default in the due and punctual payment of any interest on the Notes or principal of the Notes at the final maturity date thereof, in either case which default constitutes an event of default under the Indenture, or (C) the occurrence of a bankruptcy of Access Group, or (2) a termination event resulting from an “Illegality”, under the Interest Rate Exchange Agreement, as described under “Description of the Initial Rate Exchange Agreement—Basis Swap—Termination Events.”

“*Higher Education Act*” means the Higher Education Act of 1965, as amended or supplemented from time to time, and all regulations promulgated thereunder.

“*Holder*,” when used with respect to any Note, means the person in whose name such Note is registered in the Note Register.

“*Indenture*” means the Indenture of Trust, dated as of June 1, 2005, from Access Group to the Trustee, as amended and supplemented from time to time.

“*Indirect Participants*” means organizations which have indirect access to the Securities Depository, such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly.

“*Initial Interest Rate Exchange Agreement*” means the 1992 ISDA Master Agreement (Multi-Currency-Cross Border) by and between Access Group and the Swap Counterparty, together with the schedule and confirmation dated as of June 3, 2005.

“*Initial Portfolio Loans*” means the Private Loans to be acquired or refinanced with the proceeds of the Notes on the Date of Issuance, which are made up of the Refinancing Portfolio Loans and the Acquisition Portfolio Loans.

“*Interest Period*” means the period from the Date of Issuance to the first Quarterly Payment Date, and thereafter the period from each Quarterly Payment Date to the next Quarterly Payment Date.

“*Interest Rate Exchange Agreement*” means the Initial Interest Rate Exchange Agreement and any similar agreement entered into by Access Group and a Swap Counterparty as described under “Description of the Indenture—Interest Rate Exchange Agreements.”

“*KHESLC Servicing Agreement*” means the Amended and Restated Servicing Agreement dated January 1, 2003 between Access Group and Kentucky Higher Education Student Loan Corporation, as Servicer, as amended and supplemented from time to time.

“*LIBOR Determination Date*” has the meaning set forth under “Description of the Notes—Determination of LIBOR.”

“*Low Priority Swap Termination Payments*” means all Swap Termination Payments other than High Priority Swap Termination Payments.

“*Moody’s*” means Moody’s Investors Service, Inc., its successors and their assigns.

“*Noteholder*” means the Holder of any Note.

“Notes” means, collectively, the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes and the Class B Notes.

“Outstanding” means, when used with respect to Notes, all Notes other than (a) any Notes deemed no longer Outstanding as a result of the purchase, payment or defeasance thereof, (b) any Notes surrendered for transfer or exchange for which another Note has been issued under the Indenture, or (c) with respect to any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Notes owned by Access Group to the extent the Trustee knows that such Notes are so owned.

“Participant” means a participating organization that utilizes the services of the Securities Depository.

“Portfolio Loans” means Private Loans acquired or refinanced by Access Group with proceeds of the Notes, but does not include Private Loans released from the lien of the Indenture and sold to any purchaser.

“Pre-Funding Account” means the Pre-Funding Account created and established by the Indenture.

“Pre-Funding Period” means the period from the Date of Issuance to the Pre-Funding Termination Date.

“Pre-Funding Portfolio Loan” means a Private Loan, or an additional disbursement of a Portfolio Loan, acquired by Access Group during the Pre-Funding Period with amounts in the Pre-Funding Account.

“Pre-Funding Termination Date” means the Quarterly Payment Date in January 2006.

“Principal Amount,” when used with respect to a Note, means the original principal amount of such Note less all payments previously made to the Holder thereof in respect of principal.

“Principal Distribution Amount,” means (a) when used with respect to a Quarterly Payment Date occurring before the first Capitalized Interest Release Date, all Available Funds remaining after giving effect to the prior applications thereof as described under “Description of the Indenture—Distributions of Available Funds,” (b) when used with respect to a Quarterly Payment Date occurring on or after the first Capitalized Interest Release Date but before the First Optional Call Date, the amount which, after giving effect to all applications of Available Funds made on such Quarterly Payment Date as described under “Description of the Indenture—Distributions of Available Funds,” would cause the Total Asset Percentage to be 103% if such amount were applied to the payment of principal of the Notes, and (c) when used with respect to a Quarterly Payment Date occurring on or after the First Optional Call Date, all Available Funds remaining after giving effect to the prior applications thereof as described under “Description of the Indenture—Distributions of Available Funds”.

“Private Loan” means a student loan which is not made pursuant to the Higher Education Act, but which is made pursuant to the Access Group Loan Program. The term includes both Portfolio Loans and other Private Loans made under the Access Group Loan Program, which may have other terms and characteristics.

“Quarterly Payment Date” means the 25th day of each January, April, July and October, commencing July 2005, or, if any such day is not a Business Day, the next succeeding Business Day.

“Quarterly Servicing Report” means the quarterly report concerning the Portfolio Loans prepared by Access Group in accordance with the Indenture.

“Rating Agency” means any rating agency that has an outstanding rating on any of the Notes pursuant to request by Access Group.

“Record Date” means the Business Day immediately preceding each Quarterly Payment Date.

“Refinancing Portfolio Loans” means the Private Loans currently financed under the Series 2000 Indenture, which will be refinanced with proceeds of the Notes on the Date of Issuance.



“S&P” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., its successors and their assigns.

“*Securities Depository*” means DTC or any successor or other clearing agency selected by Access Group as securities depository for any Notes in Book-Entry Form.

“*Senior Asset Percentage*” means the percentage obtained by dividing the Value of the Trust Estate by the aggregate principal amount of Outstanding Senior Notes.

“*Senior Notes*” means, collectively, the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes.

“*Senior Percentage*” means, with respect to any Quarterly Payment Date, the percentage equivalent of a fraction, the numerator of which is the Outstanding Principal Amount of the Senior Notes as of the end of the related Collection Period and the denominator of which is the Outstanding Principal Amount of all Notes as of the end of the related Collection Period.

“*Series 2000 Indenture*” means the Indenture of Trust, dated as of February 1, 2000, from Access Group and U.S. Bank National Association, as eligible lender trustee, to U.S. Bank National Association, as indenture trustee, pursuant to which Access Group issued the Series 2000 Notes.

“*Series 2000 Notes*” means Access Group’s Student Loan Asset-Backed Auction Rate Notes, Series 2000A-1 through A-10 and Series 2000B-1 and B-2, described under “Access Group, Inc.—Previous and Contemporaneous Financings.”

“*Servicer*” means Access Group and any Third Party Servicer, in each case while such party is servicing Portfolio Loans.

“*Servicer Default*” means (a) with respect to Portfolio Loans serviced by a Third Party Servicer, an event designated as such in the applicable Servicing Agreement (and with respect to the KHESLC Servicing Agreement means an event described as such under “Servicing and Collection of Portfolio Loans—Description of the KHESLC Servicing Agreement—Servicer Default”), and (b) with respect to Portfolio Loans serviced by Access Group, an event designated as such under “Servicing and Collection of Portfolio Loans—Servicing by Access Group.”

“*Servicing Agreement*” means the Access Group Servicing Agreement and any Third Party Servicing Agreement.

“*Stepdown Date*” means the later of (a) the first date on which no Class-A-1 Notes remain Outstanding or (b) the earlier of (i) the first date on which no Senior Notes remain Outstanding, or (ii) the Quarterly Payment Date in October 2011.

“*Subordinate Note Interest Trigger*” is in effect on any Quarterly Payment Date if, after giving effect to the application of Available Funds on such Quarterly Payment Date as described under “Description of the Indenture—Distributions of Available Funds,” the Senior Asset Percentage would be less than 100%.

“*Subordinate Note Principal Trigger*” is in effect on any Quarterly Payment Date if, after giving effect to the application of Available Funds on such Quarterly Payment Date as described under “Description of the Indenture—Distributions of Available Funds,” the Total Asset Percentage would be less than 101%.

“*Subordinate Percentage*” means 100% minus the Senior Percentage.

“*Supplemental Indenture*” means any amendment of or supplement to the Indenture made in accordance with the provisions of the Indenture.

“*Swap Counterparty*,” when used with respect to an Interest Rate Exchange Agreement, means the party with which Access Group enters into such Interest Rate Exchange Agreement and in the case of the Initial Interest Rate Exchange Agreement means Lehman Brothers Special Financing Inc.

“*Swap Termination Payments*” means (a) payments due from Access Group to a Swap Counterparty as a result of the early termination of an Interest Rate Exchange Agreement, including as described under “Description of the Initial Interest Rate Exchange Agreement—Basis Swap—Early Termination of the Basis Swap,” and (b) any other payments due from Access Group to a Swap Counterparty under an Interest Rate Exchange Agreement, other than regular payment amounts (as specified in a confirmation) required to be made by Access Group on Quarterly Payment Dates pursuant to a swap transaction.

“*Third Party Servicer*” means Kentucky Higher Education Student Loan Corporation and any other organization with which Access Group may, from time to time, enter into a Third Party Servicing Agreement, in each case while such party is servicing Portfolio Loans.

“*Third Party Servicing Agreement*” means the KHESLC Servicing Agreement and any other agreement between Access Group and a Third Party Servicer under which the Third Party Servicer agrees to act as Access Group’s agent in connection with the administration and collection of Portfolio Loans in accordance with the Indenture, but does not include agreements pursuant to which collection agencies attempt to collect delinquent Portfolio Loans or Charged-Off Loans.

“*Three-Month LIBOR*” has the meaning set forth under “Description of the Notes—Determination of LIBOR.”

“*Total Asset Percentage*” means the percentage resulting by dividing the Value of the Trust Estate by the aggregate principal amount of Outstanding Notes.

“*Trust Estate*” means (1) Portfolio Loans and moneys due or paid thereunder after the applicable date of acquisition or refinancing; (2) funds on deposit in or payable into the Accounts held under the Indenture (including investment earnings thereon); (3) rights of Access Group in and to any Third Party Servicing Agreement and the Commitment Agreements, as the same relate to Portfolio Loans; and (4) rights of Access Group in and to any Interest Rate Exchange Agreement.

“*Trustee*” means Deutsche Bank Trust Company Americas, in its capacity as trustee under the Indenture, and any successor or assign in that capacity.

“*Trustee Fees*” means the fees, costs and expenses of the Trustee and any paying agents or authenticating agents incurred by Access Group in connection with the Indenture and the Notes.

“*Value of the Trust Estate*” means an amount equal to the sum of the aggregate principal balance of all Portfolio Loans other than Charged-Off Loans, plus accrued interest thereon, plus the aggregate balances (including accrued interest) in the Accounts held under the Indenture.

“*Warehouse Financing*” means the revolving line of credit financing described under “Access Group, Inc.—Previous and Contemporaneous Financings,” pursuant to which Access Group intends to finance its acquisition of certain Private Loans on a temporary basis.

## THE TRUSTEE

Deutsche Bank Trust Company Americas, a trust company organized under the laws of the State of New York, is the Trustee under the Indenture. The office of the Trustee for purposes of administering the Trust Estate and its other obligations under the Indenture is located at 60 Wall Street, MS NYC60-2606, New York, New York 10005, Attention: Structured Finance Services. The Trustee also acts as trustee under indentures related to other student loan asset-backed notes issued by Access Group.

## UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

### Certain Federal Income Tax Consequences

The following is a summary of the principal United States federal income tax consequences resulting from the beneficial ownership of Notes by certain persons. This summary does not consider all the possible Federal tax consequences of the purchase, ownership or disposition of the Notes and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons who purchase a Note at its issue price, which is the first price at which a substantial amount of the Notes is sold to the public, and who hold Notes as “capital assets” within the meaning of section 1221 of the Internal Revenue Code. This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Notes (or foreign currency) as a hedge against currency risks or as part of a straddle with other investments or as part of a “synthetic security” or other integrated investment (including a “conversion transaction”) comprised of a Note and one or more other investments, or purchasers that have a “functional currency” other than the U.S. dollar. Except to the extent discussed below under “—Non-United States Holders,” this summary is not applicable to non-United States persons. This summary is based upon the United States federal tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or the interpretations, any of which may be applied retroactively. It does not discuss the tax laws of any state, local or foreign governments.

Persons considering the purchase of Notes should consult their own tax advisors concerning the United States federal income tax consequences to them in light of their particular situations as well as any consequences to them under the laws of any other taxing jurisdiction.

### United States Holders

#### *Characterization of the Notes as Indebtedness*

In Foley & Lardner LLP’s opinion, based upon certain assumptions and certain representations of Access Group, the Notes will be treated as debt of Access Group, rather than as an interest in the Portfolio Loans and other assets of the Trust Estate, for federal income tax purposes. Such opinion will not be binding on the courts or the Internal Revenue Service. It is possible that the Internal Revenue Service could assert that, for purposes of the Internal Revenue Code, the transaction contemplated by this Offering Memorandum constitutes a sale of the assets comprising the Trust Estate (or an interest therein) to the Noteholders or that this transaction creates an entity treated as either a partnership or a publicly traded partnership taxable as a corporation.

If, instead of treating the transaction as creating secured debt in the form of the Notes issued by Access Group as a corporate entity, the transaction were treated as creating a partnership among the Noteholders and Access Group, which has purchased the underlying Trust Estate assets, the resulting partnership would not be subject to federal income tax, unless such partnership were treated as a publicly traded partnership taxable as a corporation. Rather, Access Group and each Noteholder would be taxed individually on their respective distributive shares of the partnership’s income, gain, loss, deductions and credits. The amount and timing of items of income and deduction of the Noteholder may differ if the Notes were held to constitute partnership interests, rather than indebtedness.

If, alternatively, it were determined that this transaction created an entity other than Access Group which was classified as a corporation or a publicly traded partnership taxable as a corporation and Access Group were treated as having sold the assets comprising the Trust Estate, such entity would be subject to federal income tax at

corporate income tax rates on the income it derives from the Portfolio Loans and other assets, which would reduce the amounts available for payment to the Noteholders. Cash payments to the Noteholders generally would be treated as dividends for tax purposes to the extent of such corporation's earnings and profits. A similar result would apply if the Noteholders were deemed to have acquired stock or other equity interests in Access Group. However, as noted above, Access Group has been advised that the Notes will be treated as debt of Access Group for federal income tax purposes.

Access Group expresses in the Indenture its intent that, for applicable tax purposes, the Notes will be indebtedness of Access Group secured by the Trust Estate. Access Group and the Noteholders, by accepting the Notes, have agreed to treat the Notes as indebtedness of Access Group for federal income tax purposes. Access Group intends to treat this transaction as a financing reflecting the Notes as its indebtedness for tax and financial accounting purposes.

In general, the characterization of a transaction as a sale of property or a secured loan, for federal income tax purposes, is a question of fact, the resolution of which is based upon the economic substance of the transaction, rather than its form or the manner in which it is characterized. While the Internal Revenue Service and the courts have set forth several factors to be taken into account in determining whether the substance of a transaction is a sale of property or a secured indebtedness, the primary factor in making this determination is whether the transferee has assumed the risk of loss or other economic burdens relating to the property and has obtained the benefits of ownership thereof. Notwithstanding the foregoing, in some instances, courts have held that a taxpayer is bound by the particular form it has chosen for a transaction, even if the substance of the transaction does not accord with its form.

Access Group believes that it has retained the preponderance of the primary benefits and burdens associated with the Portfolio Loans and other assets comprising the Trust Estate and should therefore be treated as the owner of such assets for federal income tax purposes. If, however, the Internal Revenue Service were to successfully assert that this transaction should be treated as a sale of the Trust Estate assets because one or more classes of Notes should be classified as equity, the Internal Revenue Service could further assert that the entity created pursuant to the Indenture, as the owner of the Trust Estate for federal income tax purposes, was engaged in a financial business which would cause the Trust Estate to be characterized as a publicly traded partnership taxable as a corporation if any Notes reclassified as equity were considered publicly traded.

#### *Payments of Interest*

In general, interest on a Note will be taxable to a beneficial owner who or which is (1) a citizen or resident of the United States, (2) a corporation created or organized under the laws of the United States or any State (including the District of Columbia) or (3) a person otherwise subject to federal income taxation on its worldwide income (a "United States holder") as ordinary income at the time it is received or accrued, depending on the beneficial owner's method of accounting for tax purposes. If a partnership holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding Notes should consult their tax advisors.

#### *Notes Purchased at a Premium*

Under the Internal Revenue Code, a United States holder that purchases a Note for an amount in excess of its stated repayment price at maturity may elect to treat such excess as "amortizable bond premium," in which case the amount of interest required to be included in the United States holder's income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note's yield to maturity) to that year. For purposes of determining the amount of amortizable based premium that is allocable to a particular year, it is unclear how the rules apply in the case of debt instruments (such as the Notes) that are subject to prepayment by reason of prepayments on other debt instruments. A United States holder who elects to amortize bond premium must reduce his tax basis in the Note as described below under "—Purchase, Sale, Exchange and Retirement of the Notes." Any election to amortize bond premium is applicable to all bonds (other than bonds the interest on which is excludable from gross income) held by the United States holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the United States holder, and may not be revoked without the consent of the Internal Revenue Service.

### *Notes Purchased at a Market Discount*

A Note will be treated as acquired at a market discount (a “market discount note”) if the amount for which a United States holder purchased the Note is less than the Note’s issue price, unless such difference is less than a specified de minimis amount.

In general, any partial payment of principal or any gain recognized on the maturity or disposition of a market discount note will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on such note. Alternatively, a United States holder of a market discount note may elect to include market discount in income currently over the life of the market discount note. That election applies to all debt instruments with market discount acquired by the electing United States holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service.

For purposes of determining the accrual of market discount, certain special rules apply in the case of debt instruments (such as the Notes) that are subject to prepayment by reason of prepayments on other debt instruments. Market discount generally accrues on a straight-line basis unless the United States holder elects to accrue such discount on a constant yield to maturity basis. That election is applicable only to the market discount note with respect to which it is made and is irrevocable. A United States holder of a market discount note that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to the note in an amount not exceeding the accrued market discount on such note until the maturity or disposition of the note.

### *Purchase, Sale, Exchange and Retirement of the Notes*

A United States holder’s tax basis in a Note generally will equal its cost, increased by any market discount and original issue discount included in the United States holder’s income with respect to the Note, and reduced by the amount of any amortizable bond premium applied to reduce interest on the Note. A United States holder generally will recognize gain or loss on the sale, exchange or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the United States holder’s tax basis in the Note. Except to the extent described above under “—Notes Purchased at a Market Discount,” and except to the extent attributable to accrued but unpaid interest, gain or loss recognized on the sale, exchange or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held for more than one year.

### **Non-United States Holders**

The following is a general discussion of certain United States federal income and estate tax consequences resulting from the beneficial ownership of Notes by a person other than a United States holder or a former United States citizen or resident (a “non-United States holder”).

Interest earned on a Note by a non-United States holder will be considered “portfolio interest,” and will not be subject to United States federal income tax or withholding, if:

- (1) the non-United States holder is neither (a) a “controlled foreign corporation” that is related to Access Group as described in Section 881(c)(3)(C) of the Internal Revenue Code, nor (b) a bank receiving the interest on a loan made in the ordinary course of its business;
- (2) the certification requirements described in Annex A to this Offering Memorandum (or if the Notes are not held through Clearstream, Euroclear or DTC, analogous certification requirements) are satisfied; and
- (3) the interest is not effectively connected with the conduct of a trade or business within the United States by the non-United States holder.

If a non-United States holder is engaged in a trade or business in the United States and interest on the Note is effectively connected with the conduct of such trade or business, the non-United States holder, although exempt

from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a United States holder. In addition, if the non-United States holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or a lower applicable treaty rate) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Note will be included in the earnings and profits of the non-United States holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a non-United States holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States Federal withholding tax.

Any payments to a non-United States holder of interest that do not qualify for the “portfolio interest” exemption, and that are not effectively connected with the conduct of a trade or business within the United States by the non-United States holder, will be subject to United States federal income tax and withholding at a rate of 30% (or at a lower rate under an applicable tax treaty).

Any capital gain or market discount realized on the sale, exchange, retirement or other disposition of a Note by a non-United States holder will not be subject to United States federal income or withholding taxes if (a) the gain is not effectively connected with a United States trade or business of the non-United States holder and (b) in the case of an individual, the non-United States holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

Notes held by an individual who is neither a citizen nor a resident of the United States for United States Federal estate tax purposes at the time of the individual’s death will not be subject to United States Federal estate tax, provided that the income from the Notes was not or would not have been effectively connected with a United States trade or business of the individual and that the individual qualified for the exemption from United States Federal withholding tax (without regard to the certification requirements) described above.

Purchasers of Notes that are non-United States holders should consult their own tax advisors with respect to the possible applicability of United States withholding and other taxes upon income realized in respect of the Notes.

### **Information Reporting and Back-up Withholding**

For each calendar year in which the Notes are outstanding, Access Group is required to provide the Internal Revenue Service with certain information, including the name, address and taxpayer identification number (either the holder’s Social Security number or its employer identification number, as the case may be) of each United States holder, the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain United States holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts and individual retirement accounts.

If a United States holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, Access Group, its agents or paying agents or a broker may be required to “backup” withhold a tax on each payment of interest and principal on the Notes.

Backup withholding and additional information reporting will not apply in the case of payments on the Notes by Access Group to a non-United States holder, provided that the holder certifies under penalties of perjury as to its status as a non-United States holder or otherwise establishes an exemption, and that neither Access Group nor its paying agent has actual knowledge that (i) the holder is a United States holder, or (ii) the conditions of any other exemption are not, in fact, satisfied.

Access Group must report annually to the Internal Revenue Service and to each non-United States holder any interest on the Notes that is subject to withholding or that is exempt from United States withholding tax pursuant to a tax treaty or the “portfolio interest” exemption. Copies of these information returns may also be made available

under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-United States holder resides.

The payment of the proceeds on the disposition of a Note to or through the U.S. office of a broker generally will be subject to information reporting and potential backup withholding unless the holder either certifies its status as a non-United States holder under penalties of perjury on IRS Form W-8BEN (or a suitable substitute form) and meets certain other conditions, or otherwise establishes an exemption. If the foreign office of a foreign broker (as defined in applicable Treasury regulations) pays the proceeds of the sale of a Note to the seller thereof, backup withholding and information reporting generally will not apply. Information reporting requirements (but not backup withholding) will apply, however, to a payment of the proceeds of the sale of a Note by (a) a foreign office of a custodian, nominee, other agent or broker that is a United States person, (b) a foreign custodian, nominee, other agent or broker that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (c) a foreign custodian, nominee, other agent or broker that is a controlled foreign corporation for United States federal income tax purposes, or (d) a foreign partnership if at any time during its tax year one or more of its partners are United States persons who, in the aggregate, hold more than 50% of the income or capital interest of the partnership or if, at any time during its taxable year, the partnership is engaged in the conduct of a trade or business within the United States, unless the custodian, nominee, other agent, broker, or foreign partnership has documentary evidence in its records that the holder is not a United States person and certain other conditions are met or the holder otherwise establishes an exemption.

Backup withholding is not an additional tax and may be credited against the United States holder's federal income tax liability, provided that the holder furnishes the required information to the Internal Revenue Service.

The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in Federal or other tax laws.

### **STATE TAX CONSIDERATIONS**

In addition to the federal income tax consequences described under "United States Federal Income Tax Consequences," potential investors should consider the state income tax consequences of the acquisition, ownership and disposition of the Notes. State income tax law may differ substantially from the corresponding federal law, and this discussion does not purport to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in the Notes.

### **ERISA CONSIDERATIONS**

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary and prohibited transaction restrictions on employee pension and welfare benefit plans subject to ERISA ("ERISA Plans"). Section 4975 of the Internal Revenue Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) of the Internal Revenue Code ("Qualified Retirement Plans") and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Internal Revenue Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA) and, if no election has been made under Section 410(d) of the Internal Revenue Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements. Accordingly, assets of such plans may be invested in Notes without regard to the ERISA considerations described below, subject to the provisions of applicable federal and state law. Any such plan which is a Qualified Retirement Plan and exempt from taxation under Sections 401(a) and 501(a) of the Internal Revenue Code, however, is subject to the prohibited transaction rules set forth in the Internal Revenue Code.

In addition to the imposition of general fiduciary requirements, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Internal Revenue Code prohibit a broad range of

transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, “Benefit Plans”) and persons who have certain specified relationships to the Benefit Plans (“Parties in Interest” or “Disqualified Persons”), unless a statutory or administrative exemption is available. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Internal Revenue Code) unless a statutory or administrative exemption is available.

Certain transactions involving the purchase, holding or transfer of Notes might be deemed to constitute prohibited transactions under ERISA and the Internal Revenue Code if assets of Access Group were deemed to be assets of a Benefit Plan. Under a regulation issued by the United States Department of Labor (the “Plan Assets Regulation”), the assets of Access Group would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Internal Revenue Code only if the Benefit Plan acquires an “equity interest” in Access Group and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Notes should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. However, without regard to whether the Notes are treated as an equity interest for such purposes, the acquisition or holding of Notes by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if Access Group, or any of its affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. A prohibited transaction could also occur in the event that a Benefit Plan transfers a Note to a Party in Interest or Disqualified Person. In such case, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Note. Included among these exemptions are: Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by “in-house asset managers;” PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by “insurance company general accounts;” PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by “qualified professional assets managers.”

Any ERISA Plan fiduciary considering whether to purchase Notes on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Internal Revenue Code to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Internal Revenue Code.

## UNDERWRITING

Subject to the terms and conditions set forth in a Note Underwriting Agreement (the “Underwriting Agreement”), between Access Group and UBS Securities LLC, Goldman, Sachs & Co. and Lehman Brothers Inc., as underwriters (the “Underwriters”), Access Group will agree to sell to the Underwriters, and the Underwriters will severally agree to purchase from Access Group, the respective aggregate principal amounts of the Notes set forth below:

<u>Underwriter</u>	Class <u>A-1 Notes</u>	Class <u>A-2 Notes</u>	Class <u>A-3 Notes</u>	Class <u>B Notes</u>
UBS Securities LLC	\$92,000,000	\$89,600,000	\$92,400,000	\$30,400,000
Goldman, Sachs & Co.	11,500,000	11,200,000	11,550,000	3,800,000
Lehman Brothers Inc.	11,500,000	11,200,000	11,550,000	3,800,000
Total	\$115,000,000	\$112,000,000	\$115,500,000	\$38,000,000

In the Underwriting Agreement, the Underwriters will agree, subject to the terms and conditions set forth therein, to purchase all of the Notes, if any Notes are purchased.

Access Group will agree to pay the Underwriters total fees equal to \$1,141,500 for underwriting the Notes.



The Underwriting Agreement provides that Access Group will indemnify the Underwriters against certain liabilities, including liabilities under applicable securities laws, or contribute to payments the Underwriters may be required to make in respect thereof.

Access Group has been advised by the Underwriters that the Underwriters propose initially to offer the Notes to the public at the public offering prices set forth on the cover page of this Offering Memorandum, and to certain dealers at such prices less a concession. The Underwriters may allow and such dealers may reallow to other dealers a discount. After the initial public offering, such public offering prices, concessions and reallowances may be changed.

The Underwriters may engage in over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves syndicate sales in excess of the offering size, which creates a syndicate short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specific maximum. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover syndicate short positions. Penalty bids permit an Underwriter to reclaim a selling concession from a syndicate member when the Notes originally sold by such syndicate member are purchased in a syndicate covering transaction to cover syndicate short positions. Such stabilizing transactions, syndicate covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of such transactions. Such transactions, if commenced, may be discontinued at any time.

Each Underwriter will represent and warrant to Access Group that:

- it has not offered or sold, and until the expiration of a period of six months from the Date of Issuance will not offer or sell, any Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing, or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances that have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended;
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity, within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”), received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Notes; and
- it has complied, and will comply, with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken by Access Group or the Underwriters that would permit a public offering of the Notes in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be sold, directly or indirectly, and neither this Offering Memorandum nor any other material relating to the offering of the Notes may be distributed in or from or published in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

The Swap Counterparty under the Initial Interest Rate Exchange Agreement is an affiliate of Lehman Brothers Inc. UBS Financial Services Inc., an affiliate of UBS Securities LLC, and Goldman, Sachs & Co. provide certain banking services to Access Group in connection with its prior debt issuances. An affiliate of UBS Securities LLC also participates in the Warehouse Financing. Any of the Underwriters or their affiliates may also provide other banking services to Access Group in the future.

Rondy E. Jennings, a member of Access Group’s board of directors, is a managing director with UBS Financial Services Inc.

## LEGAL MATTERS

Certain legal matters relating to Access Group and federal income tax matters will be passed upon by Foley & Lardner LLP. Certain legal matters will be passed upon for the Underwriters by McKee Nelson LLP.

## RATINGS

It is a condition to the Underwriters' obligation to purchase the Notes that the Senior Notes be rated by two Rating Agencies in their highest respective rating categories and that the Class B Notes be rated by each such Rating Agency in one of its three highest respective rating categories. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. The ratings of the Notes address the likelihood of the ultimate payment of principal of and interest on the Notes pursuant to their terms.

## REPORTS TO NOTEHOLDERS

Quarterly Servicing Reports containing information concerning the Portfolio Loans will be prepared by Access Group, based on information provided by the Servicer(s) and sent to the Trustee. The Trustee will provide such reports to each Holder, and to each person requesting a copy thereof that is a Beneficial Owner (as evidenced to the satisfaction of the Trustee) while the Notes are in Book-Entry Form. See "Description of the Notes—Book-Entry Registration." Access Group currently posts similar reports for its prior debt issuances on its web site at [www.accessgroup.org](http://www.accessgroup.org), and intends to post the Quarterly Servicing Reports there; however, Access Group will not be obligated to continue this practice. Such reports will not be audited and will not constitute financial statements prepared in accordance with generally accepted accounting principles.

Access Group has authorized the execution, delivery and distribution of this Offering Memorandum in connection with the offering and sale of the Notes.

## ACCESS GROUP, INC.

By: /s/ Daniel R. Lau  
President and CEO

## ANNEX A

### GLOBAL CLEARANCE, SETTLEMENT AND TAX DOCUMENTATION PROCEDURES

*The description which follows of the procedures of DTC, Clearstream, Euroclear, DTC Participants, Clearstream Participants and Euroclear Participants is based solely on information furnished by DTC, Clearstream and Euroclear and has not been independently verified by Access Group or the Underwriters.*

Except in certain limited circumstances, the globally offered Notes (the “Global Securities”) will be available only in book-entry form. Investors in the Global Securities may hold such Global Securities through any of The Depository Trust Company (“DTC”), Clearstream or Euroclear. The Global Securities will be tradable as home market instruments in both the European and U.S. domestic markets. Initial settlement and all secondary trades will settle in same-day funds.

Secondary market trading between investors holding Global Securities through Clearstream and Euroclear will be conducted in the ordinary way in accordance with their normal rules and operating procedures and in accordance with conventional Eurobond practice (*i.e.*, seven calendar day settlement).

Secondary market trading between investors holding Global Securities through DTC will be conducted according to the rules and procedures applicable to U.S. corporate debt obligations and prior asset-backed securities issues.

Secondary, cross-market trading between Clearstream or Euroclear and DTC Participants holding Global Securities will be effected on a delivery-against-payment basis through the respective European depositories of Clearstream and Euroclear (in such capacity) and as DTC Participants.

Non-U.S. holders (as described below) of Global Securities will be subject to U.S. withholding taxes unless such holders meet certain requirements and deliver appropriate U.S. tax documents to the securities clearing organizations or their participants.

#### **Initial Settlement**

All Global Securities will be held in book-entry form by DTC in the name of Cede & Co. as nominee of DTC. Investors’ interests in the Global Securities will be represented through financial institutions acting on their behalf as direct and indirect Participants in DTC. As a result, Clearstream and Euroclear will hold positions on behalf of their participants through their respective European Depositories, which in turn will hold such positions in accounts as DTC Participants.

Investors electing to hold their Global Securities through DTC will follow the DTC settlement practice. Investor securities custody accounts will be credited with their holdings against payment in same-day funds on the settlement date.

Investors electing to hold their Global Securities through Clearstream or Euroclear accounts will follow the settlement procedures applicable to conventional Eurobonds, except that there will be no temporary global security and no “lock-up” or restricted period. Global Securities will be credited to the securities custody accounts on the settlement date against payment in same-day funds.

#### **Secondary Market Trading**

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser’s and seller’s accounts are located to ensure that settlement can be made on the desired value date.

*Trading between DTC Participants.* Secondary market trading between DTC Participants will be settled using the procedures applicable to asset-backed securities issues in same-day funds.

*Trading between Clearstream and/or Euroclear Participants.* Secondary market trading between Clearstream Participants or Euroclear Participants will be settled using the procedures applicable to conventional Eurobonds in same-day funds.

*Trading between DTC seller and Clearstream or Euroclear purchaser.* When Global Securities are to be transferred from the account of a DTC Participant to the account of a Clearstream Participant or a Euroclear Participant, the purchaser will send instructions to Clearstream or Euroclear through a Clearstream Participant or Euroclear Participant at least one business day prior to settlement. Clearstream or Euroclear will instruct the respective European Depository, as the case may be, to receive the Global Securities against payment. Payment will include interest accrued on the Global Securities from and including the last coupon payment date to and excluding the settlement date, on the basis of the actual number of days in such interest period and a year assumed to consist of 360 days. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made by the respective Depository of the DTC Participant's account against delivery of the Global Securities. After settlement has been completed, the Global Securities will be credited to their respective clearing system and by the clearing system, in accordance with its usual procedures, to the Clearstream Participant's or Euroclear Participant's account. The securities credit will appear the next day (European time) and the cash debt will be back-valued to, and the interest on the Global Securities will accrue from, the value date (which would be the preceding day when settlement occurred in New York). If settlement is not completed on the intended value date (*i.e.*, the trade fails), the Clearstream or Euroclear cash debt will be valued instead as of the actual settlement date.

Clearstream Participants and Euroclear Participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of their doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Clearstream or Euroclear. Under this approach, they may take on credit exposure to Clearstream or Euroclear until the Global Securities are credited to their accounts one day later.

As an alternative, if Clearstream or Euroclear has extended a line of credit to them, Clearstream Participants or Euroclear Participants can elect not to pre-position funds and allow that credit line to be drawn upon the finance settlement. Under this procedure, Clearstream Participants or Euroclear Participants purchasing Global Securities would incur overdraft charges for one day, assuming they cleared the overdraft when the Global Securities were credited to their accounts. However, interest on the Global Securities would accrue from the value date. Therefore, in many cases the investment income on the Global Securities earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each Clearstream Participant's or Euroclear Participant's particular cost of funds.

Since the settlement is taking place during New York business hours, DTC Participants can employ their usual procedures for sending Global Securities to the respective European Depository for the benefit of Clearstream Participants or Euroclear Participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC Participants a cross-market transaction will settle no differently than a trade between two DTC Participants.

*Trading between Clearstream or Euroclear seller and DTC purchaser.* Due to time zone differences in their favor, Clearstream Participants and Euroclear Participants may employ their customary procedures for transactions in which Global Securities are to be transferred by the respective clearing system, through the respective Depository, to a DTC Participant. The Seller will send instructions to Clearstream or Euroclear through a Clearstream Participant or Euroclear Participant at least one business day prior to settlement. In these cases Clearstream or Euroclear will instruct their respective depository, as appropriate, to deliver the Global Securities to the DTC Participant's account against payment. Payment will include interest accrued on the Global Securities from and including the last coupon payment to and excluding the settlement date on the basis of the actual number of days in such interest period and a year assumed to consist of 360 days. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. The payment will then be reflected in the account of the Clearstream Participant or Euroclear Participant the following day, and receipt of the cash proceeds in the Clearstream Participant's or Euroclear Participant's account would be back-valued to the value date (which would be the preceding day, when settlement occurred in New York). Should the Clearstream Participant or Euroclear Participant have a line of credit with its respective clearing system and elect to be in debt in

anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft incurred over that one-day period. If settlement is not completed on the intended value date (*i.e.*, the trade fails), receipt of the cash proceeds in the Clearstream Participant's or Euroclear Participant's account would instead be valued as of the actual settlement date.

Finally, day traders that use Clearstream or Euroclear and that purchase Global Securities from DTC Participants for delivery to Clearstream Participants or Euroclear Participants should note that these trades would automatically fail on the sale side unless affirmative action were taken. At least three techniques should be readily available to eliminate this potential problem:

- borrowing through Clearstream or Euroclear for one day (until the purchase side of the day trade is reflected in their Clearstream or Euroclear accounts) in accordance with the clearing system's customary procedures;
- borrowing the Global Securities in the U.S. from a DTC Participant no later than one day prior to settlement, which would give the Global Securities sufficient time to be reflected in their Clearstream or Euroclear account in order to settle the sale side of the trade; or
- staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC Participant is at least one day prior to the value date for the sale to the Clearstream Participant or Euroclear Participant.

#### **Certain U.S. Federal Income Tax Documentation Requirements**

A beneficial owner that is not a United States person within the meaning of Section 7701(a)(30) of the Internal Revenue Code holding Global Securities through Clearstream, Euroclear or DTC may be subject to U.S. withholding tax at a rate of 30% unless such beneficial owner timely provides certain documentation to the Trustee or to the U.S. entity required to withhold tax (the "U.S. withholding agent") establishing an exemption from withholding. A holder that is not a United States person may be subject to withholding tax unless:

- (I) the Trustee or the U.S. withholding agent receives a statement
  - (a) from the beneficial owner on Internal Revenue Service (IRS) Form W-8BEN (or any successor form) that—
    - (i) is signed by the beneficial owner under penalties of perjury,
    - (ii) certifies that such beneficial owner is not a United States person, and
    - (iii) provides the name and address of the beneficial owner, or
  - (b) from a securities clearing organization, a bank or other financial institution that holds customers' securities in the ordinary course of its trade or business that
    - (i) is signed under penalties of perjury by an authorized representative of the financial institution,
    - (ii) states that the financial institution has received an IRS Form W-8BEN (or any successor form) from the beneficial owner or that another financial institution acting on behalf of the beneficial owner has received such IRS Form W-8BEN (or any successor form),
    - (iii) provides the name and address of the beneficial owner, and

- (iv) attaches the IRS Form W-8BEN (or any successor form) provided by the beneficial owner;
- (II) the beneficial owner claims an exemption or reduced rate based on a treaty and provides a properly executed IRS Form W-8BEN (or any successor form) to the Trustee or the U.S. withholding agent;
- (III) the beneficial owner claims an exemption stating that the income is effectively connected to a U.S. trade or business and provides a properly executed IRS Form W-8ECI (or any successor form) to the Trustee or the U.S. withholding agent; or
- (IV) the beneficial owner is a nonwithholding partnership or an entity that otherwise is not eligible to provide either an IRS Form W-8BEN or an IRS Form W-8ECI, and provides a properly executed IRS Form W-8IMY (or any successor form) with all necessary attachments to the Trustee or the U.S. withholding agent. Certain pass-through entities that have entered into agreements with the Internal Revenue Service (for example, qualified intermediaries) may be subject to different documentation requirements; it is recommended that each beneficial owner consult with its tax advisors when purchasing the Global Securities.

A beneficial owner holding Global Securities through Clearstream or Euroclear provides the forms and statements referred to above by submitting them to the person through which he holds an interest in the Global Securities, which is the clearing agency, in the case of persons holding directly on the books of the clearing agency. Under certain circumstances a Form W-8BEN, if furnished with a taxpayer identification number (TIN), will remain in effect until the status of the beneficial owner changes, or a change in circumstances makes any information on the form incorrect. A Form W-8BEN, if furnished without a TIN, and a Form W-8ECI will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect.

In addition, all beneficial owners holding Global Securities through Clearstream, Euroclear or DTC may be subject to backup withholding unless the beneficial owner:

- (I) provides a properly executed IRS Form W-8BEN, Form W-8ECI or Form W-8IMY (or any successor forms) if that person is not a United States person;
- (II) provides a properly executed IRS Form W-9 (or any substitute form) if that person is a United States person; or
- (III) is a corporation, within the meaning of Section 7701(a) of the Internal Revenue Code, or otherwise establishes that it is a recipient exempt from United States backup withholding.

This summary does not deal with all aspects of federal income tax withholding or backup withholding that may be relevant to investors that are not United States persons within the meaning of Section 7701(a)(30) of the Internal Revenue Code. Such investors are advised to consult their own tax advisors for specific tax advice concerning their holding and disposing of the Global Securities.

The term “United States person” means (1) a citizen or resident of the United States, (2) an entity treated for United States tax purposes as a corporation or partnership organized in or under the laws of the United States or any state or the District of Columbia (unless in the case of an entity treated for United States tax purposes as a partnership, Treasury regulations are adopted that provide otherwise), (3) an estate the income of which is includable in gross income for United States tax purposes, regardless of its source, (4) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have authority to control all substantial decisions of the trust, and (5) to the extent provided in regulations, certain trusts in existence on August 20, 1996 that are treated as United States persons prior to such date and that elect to continue to be treated as United States persons.



**Important Notice About Information  
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Access Group has included cross-references in this Offering Memorandum to captions in this Offering Memorandum where you can find further related discussions. The following table of contents provides the pages on which the captions are located.

Some words and terms will be capitalized when used in this Offering Memorandum. You can find the definitions for these words and terms under the caption "Glossary of Certain Defined Terms" in this Offering Memorandum.

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**ANNEX A — GLOBAL CLEARANCE,  
SETTLEMENT AND TAX  
DOCUMENTATION PROCEDURES**



**\$380,500,000  
Access Group, Inc.  
Private Student Loan  
Asset-Backed Floating  
Rate Notes, Series 2005-A**

**\$115,000,000  
Class A-1**

**\$112,000,000  
Class A-2**

**\$115,500,000  
Class A-3**

**\$38,000,000  
Class B**

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**OFFERING MEMORANDUM**

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**UBS**

**Goldman, Sachs & Co.**

**Lehman Brothers**

**June 3, 2005**