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FOR IMMEDIATE RELEASE

**FALL TERM NOT JUST BUSY FOR COLLEGE STUDENTS: HIGHER ONE
PROCESSES NEARLY \$93.5 MILLION IN FINANCIAL AID DISBURSEMENTS
FOR 13 UNIVERSITIES**

*Higher One Delivers Financial Aid Refunds to Students at Universities Across the
Country with New Method of Electronic Disbursement*

NEW HAVEN, CT, November 16, 2004 – An increasing number of students around the country are finding the Fall term a little less stressful as they no longer wait in long lines on campus for their Student Aid refund checks. Universities are also benefiting by no longer having to cut thousands of paper financial aid checks and hiring additional workers to help distribute them to students. Higher One, a leading provider of customized financial services dedicated exclusively to the higher education market, announced that it has successfully serviced its largest ever Fall term (August 1 – October 15), processing nearly \$93.5 million in financial aid disbursements across a customer base of more than 200,000 students at 13 U.S. universities.

“We successfully disbursed \$93,483,232 for 13 higher education institutions faster and at significantly less cost than if the Universities had done the disbursements themselves - - saving them hundreds of thousands of dollars and countless man hours,” said Dean Hatton, President and CEO, Higher One. “We’ve also made students happier by offering them three ways to receive their financial aid disbursements; to the free OneAccount linked to their University Branded card (with funds available to them the same day), an electronic fund transfer (ACH) to their personal bank account, or by paper check.”

Fall 2004’s record of nearly \$93 Million in disbursements represents a 322% percent increase over the \$29 million in financial aid disbursements processed in Fall 2003 term. The total number of disbursement transactions in the current term was just over 65,000, a 337% percent increase over the nearly 19,500 transactions in the same year-ago period.

Higher One provides universities with a new payments process that reduces the cost of administration for disbursements, including savings on paper checks, ACH, staff time and postage. Universities make approximately \$15 billion dollars in refund disbursements to students per year through more than 15 million payments. The processing and handling of these payments

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along with associated customer services is estimated to cost universities over \$225 million per year. Higher One has generated an estimated \$4.215 million in total cost avoidance for its clients. Higher One clients have also said that its programs also allow universities to save administrative jobs and maintain enrollments. A mid-size university of 15,000 can typically create \$500,000 per year in cost avoidance through Higher One's OneDisburseSM and OneFinanceSM services.

New customer service features added this year by Higher One include EasyHelp, an interactive FAQ knowledge database allowing students to get their questions answered online anytime; OneSupport, a dedicated customer service department for university administrative staff; and "Where's My Card" – a feature allowing new students to check the current status of their OneCards online without having to call customer service. "These new -service functions help us continue to improve customer service, and insured that financial aid disbursements in the Fall 2004 term went smoothly," said Miles Lasater, Chief Operations Officer. "Subsequent customer satisfaction surveys indicate that over eighty-five percent of students are satisfied with the features of their OneCard and OneAccount."

"We're not spending time, money and effort on printing checks and having students stand in line and pick them up," said Audrey Wilson, director of the OneCard Office for Angelo State University in San Angelo, TX. "This is another way to keep offering services without having to add additional resources."

"I really like the new cards," said Marshall University senior Larry Crum. "I had my refund put back on my card, and I'm using the Marshall card to save money and my normal account for spending."

"We really like the card. It's great that I can send money to my son electronically! The way the student loan refund money goes on the card and you can invite friends and family to send money to him as well. It is fabulous," said a parent of a client University student.

"The Higher One system works so well that the first day of the fall semester was very quiet – at a time of heavy financial aid disbursements," said Sharon Radke, Controller, University of Wisconsin – La Crosse.

At universities that have had Higher One's program for more than one year, an average of 54.7 percent of students at are using OneAccounts – Higher One's proprietary online banking/debit checking accounts that offer students a suite of financial services – and the MasterCard debit

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feature of the OneCards. Electronic financial aid disbursements continue to grow by replacing paper checks and ACH. Since September 2002, Higher One has processed over \$354 million in refund disbursements comprising more than 237,000 individual payments.

Students, faculty and staff can use Higher One's OneCard for primary bank access, as a MasterCard debit card, retrieving cash from ATMs, making purchases on and off campus, transferring money electronically and monitoring their accounts online on a new OneAccount University-branded web site, automatically maintaining balances for on-campus stored value programs with a unique Autoload feature, and using the OneRewards points program for purchases at participating local and national merchants. The checking account is free and the MasterCard debit card is available without pre-qualification.

Higher One has become the standard of service for American higher education institutions looking for the most efficient, student-centric, and cost-effective way of disbursing financial refunds. It currently serves 13 public and private university clients, and is in the process of launching its service with four additional higher education institutions by January 2005. Higher One customers include University of Wisconsin - La Crosse, Stout and Parkside, Marshall University, Sam Houston State University, Angelo State University, Pace University, Liberty University, Eastern Michigan University, University of Houston, University of West Georgia, , Lamar University, and Kennesaw State University.

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About Higher One

With an exclusive focus on higher education, Higher One offers an innovative approach to student financial services focusing on making the financial interactions between the university, the student, and their family easier. The company does this through patent pending products and services.

- **OneDisburseSM** enables the institution to create drastic cost avoidance and increases service in the financial disbursements process compared to disbursing via paper check or ACH direct deposit.
- **OneFinanceSM** enables the institution to offer a suite of financial services, including a free checking account with unique features designed for students, as a benefit of enrollment or employment at the institution.

Higher education institutions use Higher One's solutions to create significant cost avoidance, streamline business processes, increase revenue opportunities, improve the student experience, and strengthen campus community. The company is led by a team of executives with backgrounds in higher education, finance, banking, and entrepreneurship. Higher One's customers represent a community of 200,000 students and include distinguished public and private institutions such as the first higher education institution to win the prestigious Malcolm Baldrige National Quality Award.

For more information visit www.higherone.com. Banking services are provided through an agreement with Horizon Capital Bank, member FDIC.